

Pakistan Business Council

A Brief Introduction



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Introduction:

The Pakistan Business Council (PBC) is a business policy advocacy group setup in 2005 by 14 of Pakistan's (now 24) largest business houses including multinationals. It is a professionally run organization headed by a fulltime paid CEO.

The PBC is a not-for-profit entity registered under Section 42 of the Companies Ordinance 1984. Though it is not required under the Law to do so, it follows to the extent possible the Code of Corporate Governance as applicable to listed companies.

Objectives of the PBC:

The major objectives of the PBC as stated in its founding documents are:

- To provide for the formation and exchange of views on any question connected with the conduct of businesses in and from Pakistan.
- To conduct, organize, set up, administer and manage campaigns, surveys, focus groups, workshops, seminars and field works for carrying out research and raising awareness in regard to matters affecting businesses in Pakistan.
- To acquire, collect, compile, analyze, publish and provide statistics, data analysis and other information relating to businesses of any kind, nature or description and on opportunities for such businesses within and outside Pakistan.
- To promote and facilitate the integration of businesses in Pakistan into the World economy and to encourage the development and growth of Pakistani multinationals.
- To interact with Governments in the economic development of Pakistan and to facilitate, foster and further the economic, social and human resource development of Pakistan.

The PBC Board:

The PBC Board has 14 members, thirteen of whom are elected from the Executive Members of the PBC while the CEO is the 14th member of the Board. The current composition of the PBC Board is as follows:

No.	Name	Representing PBC Executive Member
01.	Asad Umar (Chairman – PBC)	Engro Chemicals
02.	Ali S. Habib (Vice Chairman – PBC)	Indus Motors
03.	Abdul Razak Dawood	Descon Engineering
04.	Aftab Manzoor	Allied Bank Limited
05.	Bashir Ali Mohammad	Gul Ahmed Group
06.	Ehsan Malik	Unilever Pakistan
07.	Hussain Dawood	Dawood Hercules
08.	Iqbal Lakhani	Colgate Palmolive
09.	Mian Umer Mansha	Nishat Textiles
10.	Sikander Mustafa Khan	Millat Tractors Limited
11.	Sohail Wajahat Siddiqui	Siemens Pakistan
12.	Syed Hyder Ali	Packages Limited
13.	Waqar Malik	ICI Pakistan
14.	Kamran Y Mirza	CEO, Pakistan Business Council

Membership Criteria:

The PBC is neither a trade body nor a representative of a specific industry. PBC therefore does not advocate sector and industry specific issues; our advocacy thrust is on improving the general business environment of the Country.

PBC represents big business, businesses with substantial investments in manufacturing and in the financial sector. To ensure quality of membership, the qualifying threshold for membership has been deliberately kept high so that no more than 150 – 175 of existing businesses would qualify for membership. To ensure ‘frontline business intellectual input’, the authorized representatives have to be the Chairmen or the Presidents / CEOs of the member company.

The current qualifying threshold for a non-financial sector company to be a member is that it must have either Paid Capital of at least Rs.1.0 billion or Fixed Assets equivalent to this value. For a Financial Sector Company, the qualifying requirement is to have Paid Up Capital of at least Rs.2.0 billion. Qualifying thresholds are for individual companies and Group Companies’ Paid Up Capital and Group Companies’ Fixed Assets do not qualify. ***Additionally, the Joining Fee at Rs.2.0 million & Annual Subscription at Rs.0.75 million has been kept to encourage serious participation.***

Meeting the qualifying threshold is not a guarantee for acceptance; companies have to be invited to join the PBC and membership is subject to Board approval.

PBC Composition by Sectors of the Economy:

PBC currently has 24 members, who cover nearly all sectors of the formal economy. Sector wise representation is as follows:

Sector	Member Companies
Large Scale Manufacturing	
• Chemicals	04
• Engineering	05
• Fast Moving Consumer Products	03
• Packaging Material	01
• Pharmaceuticals and Health Care	01
• Textiles	05
Total Large Scale Manufacturing	19
Services	
• Engineering Services	01
• Financial Sector	04
Total Members in the Services Sector	05

PBC Members – Pakistan’s Marquee Brands:

 <p>Allied Bank</p>	 <p>Atlas</p>	 <p>Colgate Palmolive</p>	 <p>The Dawood Group</p>
			
			 <p>Indus Group of Companies</p>
 <p>INDUS MOTOR COMPANY LIMITED</p>			 <p>LAKSON TOBACCO COMPANY LIMITED</p>
 <p>Lucky Cement Concrete Progress</p>	 <p>Millat Tractors Ltd.,</p>		 <p>50 Years Of dedicated service to the Industry Packages Limited</p>
			

Membership Profile of the Pakistan Business Council:

The Pakistan Business Council (PBC) represents 24 of Pakistan's largest businesses including multinationals. As per the PBC Charter, qualifying individual companies and not Groups are eligible for membership. At the same time to ensure diversity, only one company within a Group is offered membership. The PBC member companies and the Groups they represent are given below in alphabetical order:

No.	PBC Executive Member	Nominated Representative	Part of
01.	Allied Bank Ltd.	Aftab Manzoor	Ibrahim Group
02.	Colgate Palmolive	Iqbal Lakhani	Lakhani Group
03.	Dawood Hercules Chemicals	Hussain Dawood	Dawood Group
04.	Descon	Abdul Razak Dawood	The Descon Group
05.	Engro Chemicals	Asad Umar	Engro Group
06.	Gatron (Industries) Limited	Shabbir Diwan	Gatron Group
07.	Getz Pharma	Khalid Mahmood	Getz Group of Companies
08.	Gul Ahmed	Bashir Ali Mohammed	Gul Ahmed Group
09.	Habib Bank Ltd.	Zakir Mahmood	Habib Bank Limited
10.	ICI Pakistan	Waqar Malik	AkzoNobel group
11.	Indus Dyeing & Manufacturing	Imran Ahmed	Indus Group of Companies
12.	Indus Motor Company	Ali S. Habib	The House of Habib
13.	International Industries Ltd.	Towfiq Chinoy	IIL Group
14.	KASB Bank Ltd.	Munir Kamal	Khadim Ali Shah Bukhari (KASB) Group
15.	Lakson Tobacco	Farooq Shakoor	Philip Morris Pakistan
16.	Lucky Cement	Muhammed Ali Tabba	Younus Brothers / Tabba Group
17.	Millat Tractors Ltd.	Sikandar Mustafa Khan	Millat Group
18.	Nishat Mills Ltd.	Mian Umer Mansha	Nishat Group
19.	Packages Limited	Syed Hyder Ali	Packages Group
20.	Sapphire Textile	Nadeem Abdullah	Sapphire Group
21.	Shirazi Investments	Saqib Shirazi	Atlas / Shirazi Groups
22.	Siemens Engineering	Sohail Wajahat H. Siddiqui	Siemens Pakistan
23.	Standard Chartered Bank	Badar Kazmi	Standard Chartered Bank Pakistan
24.	Unilever	Ehsan Malik	Unilever Pakistan

An Evidence Based Approach to Advocacy:

The PBC believes in research based advocacy. Advocacy efforts are supported with evidence of best practices in economies at similar levels of development as Pakistan. Moreover our recommendations are tailored to Pakistan's unique environment. This reliance on a pragmatic approach to advocacy has enabled the PBC to emerge as the premier representative of big business in Pakistan.

The PBC works very closely with the various government ministries / departments / regulators / institutions, other private sector organizations as well as professional bodies in its advocacy efforts.

Since 2006 the PBC has worked very closely through taskforces constituted by the Ministry of Finance / FBR / SECP / SBP for the following:

- The Holding Company Law - 2007
- The Law on Large Import Houses - 2007
- The Real Estate Investment Trust Law - 2008
- The Corporate Law Reform Commission – (Work in progress)
- The Law on Private Equity & Venture Capital – (Work in progress)
- The Corporate Rehabilitation Act –(Work in Progress)
- The Special Economic Zone Act – (Work in Progress)

Recognition of PBC’s Efforts:

PBC’s efforts to improve the business climate and its emphasis on improving the competitiveness of Large Scale Manufacturing in Pakistani has led to the PBC being recognized as a premier representative body of the private sector in Pakistan. Recognition has come in various forms:

- The PBC is recognized by the World Economic Forum as the representative of the private sector in Pakistan and is promoted as such at the WEF Events.
- The CEO of the PBC is a director of the Competitiveness Support Fund (CSF).
- The CEO of the PBC is a director of the Board of Investment (BOI).
- Two directors of the PBC are part of the Economic Advisory Council of the Ministry of Finance which directly provides private sector input to the Government.
- The Chairman and the CEO of the PBC are the only private sector representatives on the Committee set up for the development of Special Economic Zones in Pakistan.
- PBC is represented by its CEO on the Taskforce constituted by the Planning Commission for the Development of the Private Sector.

Current Advocacy Thrust

No.	Initiative	Issues	Status
01.	Amendments / Clarifications in tax laws relating to Group Relief (Holding Company)	1. Definition of “Trading”. Clarification in Section 103 (A) on the meaning of “entitled” 2. Inter-corporate dividend not exempt from tax 3. Does implementing the changes require going to parliament?	1. PBC is in the process of drafting letter to the FBR (Member Direct Tax) seeking the necessary near term circulars clarifying the ambiguities in the law.
02.	Working with the Center for International Private Enterprise (CIPE) to develop the National Business Agenda	1. The National Business Agenda (NBA) is a written document prepared by Business and presented to the GoP. It lists the legislative changes that Business would like the Government to implement to improve the business climate of the Country 2. The NBA is being funded by CIPE which had provided PBC with the services of a Consultant to frame the NBA	1. The Consultant was unable to prepare a professional document and has now been changed 2. A new Consultant is working on the NBA which is expected to be ready by the end of this year

No.	Initiative	Issues	Status
03.	Revival of the Domestic Manufacturing Sector with a focus on trade aspects	1. Investigate the decline in Pakistan's Domestic Manufacturing and the role, if any, the liberalized trade regime (WTO, FTAs) and malpractices have played.	1. Mirza Qamar Beg commissioned to conduct a study on "The Revival of Domestic Manufacturing – Trade Aspects" 2. CSF (Competitiveness Support Fund) will be partially funding the study. Commitment of USD 25,000 received from CSF
04.	Develop relationships with other Policy Formulation Institutions	1. PBC looking to develop strategic alliances with other policy formulation / advocacy groups so as to increase its reach.	1. PBC has approached Pakistan Institute of Development Economics (Planning Commission) and Pakistan Institute of Trade & Development (MoC) to identify areas of common interest. 2. Plan to approach IBA & LUMS also
05.	Develop a working relationship with the Ministry of Commerce	1. PBC would like to have a larger and more proactive role in the trade policy formulation	1. CEO has met with the Secretary Commerce who has "promised" to brief PBC members' on the GoP's stance on the new ATTA.
06.	Developing linkages with the USAID "Empower Pakistan Project"	1. USAID is initiating an "Empower Pakistan Project" 2. Components include trade facilitation and improvements in firm level competitiveness.	1. Three meetings have been held with the USAID Team in Pakistan (latest in Sep 2009). 2. Identify / Associate with common issues and areas of interests
07.	Sign a Phase III Cooperation Agreement with the IFC.	1. Phase I covered the institutional strengthening of the PBC. Phase II covered Public Private Partnerships, Logistics and Doing Business Indicators. 2. PBC & IFC are identifying areas for future cooperation	1. IFC has identified Problems in Pakistan's Logistic Chain as one possible area of cooperation. 2. PBC is trying to get IFC involved in the "Revival of Manufacturing Sector" initiative.
08.	Develop mutual programs with Competitiveness Support Fund (CSF)	1. The PBC CEO is now on the Board of the CSF.	1. We are in the process of identifying areas of mutual interest.
09.	The Planning Commission's Taskforce on Private Sector Development	1. PBC represented by its CEO on this Taskforce.	1. PBC heads the committee which will study the impact of the ATTA on domestic manufacturing.

No.	Initiative	Issues	Status
10.	The World Bank's Tax Administration Reform Project (TARP) in Pakistan	<ol style="list-style-type: none"> 1. The World Bank has completed Phase I of the project (focus on Tax Administration Reform). 2. Phase II of the Project will concentrate on Tax Policy Reform 	1. PBC to provide private sector input into Tax Policy Reform
11.	Corporate Rehabilitation Act (CRA)	<ol style="list-style-type: none"> 1. Pakistan does not have viable bankruptcy and insolvency laws. Current laws emphasize liquidation as opposed to rehabilitation. 2. PBC part of the SECP CRA Committee. 	1. PBC not the driving force behind this initiative. Role is supportive.
12.	Develop Industry – Academia linkages through the HEC.	<ol style="list-style-type: none"> 1. Pakistan suffers from weak industry –academia linkages. 2. HEC has indicated an interest in working with the PBC to foster industry – academia linkages 	1. Preliminary discussions being facilitated by USAID.
13.	The Board of Investment	1. The PBC CEO is now a Director of the Board of Investment	1. Waiting for BOI's meeting post its change in reporting structure i.e. now reports directly to PM
14.	Negotiating team for new Afghan Transit Trade Agreement		1. PBC represented by the Director Research on the negotiating team