

COVID-19 CRISIS: PBC MEMBERS RESPONSE

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Covid-19: PBC Members Response to Help Alleviate the Effects of the Crisis

Pakistan's people, its economy and businesses are all stressed as a result of the Coronavirus crisis. So are the rest of the world's.

Unemployment in the US, Pakistan's largest export market, has crossed the all-time high of the Great Depression. Many countries have injected substantial liquidity to help people, business and economies deal with the crisis. The bail-out in the US has surpassed that of the sub-prime financial crisis. European countries too have brought down their lending rates and made substantial liquidity available. Retail chains all over the West have closed, some declaring bankruptcy, as cities, states and countries enter an uncertain lockdown period.

The Covid crisis is unprecedented. Rich and poor countries are both affected. The virus respects no rank or social status or political boundaries. No one knows how long it will last.

Pakistan's economy was already stressed before the Coronavirus crisis. As part of the IMF programme, Pakistan had committed to stretching macro-economic targets, some, it looked, were unlikely to be achieved, even before the onslaught of the Carona crisis. In these circumstances, the government's ability to offer large cash handouts is limited.

However long and severe the impact on health and life from the Caronavirus, it is universally accepted that the economic disruption that it will cause will be deep and take longer to overcome. Solutions are therefore required for business to work with the government to alleviate the impact. Yet with uncertainty over the period of lockdowns, innovative ways will need to be found to sustain employment and to preserve solvency and continuity of business, which in turn is the source of employment, exports and tax revenue.

Whilst business explores ways of working with the government on funding ongoing operations, PBC members, who are the largest businesses in the country and come from 15 sectors of the economy, recognized that they have to continue acting responsibly. Responsibly towards their employees, to their immediate communities and to their country. Here is a brief account of the initiatives undertaken by some of the members in the first few weeks of the lockdown.

People before Profit

Paying and caring for one's own employees – both management and workers, is a business necessity, not a virtue. Sustaining livelihoods and dealing with health risks ensures that the talent base remains intact, thus ensuring that businesses get off to a good start when conditions improve as would the country's economy and tax revenues. To fund salaries for workers when cash inflow is constrained in a lockdown, senior managements in many PBC members volunteered to take pay cuts. Those engaged in essential industries like health, hygiene and food that could continue to operate, incentivized their field forces and provided liquidity to the supply chain to ensure that their health and nutrition products reach far flung areas.

Going the Extra Mile

Besides rewarding and caring for their own employees, PBC members demonstrated responsibility by help the communities they are part of, and beyond in the country. They provided hygiene kits, food rations and used part of their advertising budgets to develop awareness messages. Others provided face masks, gowns, face shields, disinfection chambers, meals for healthcare workers and even engaged in developing parts for ventilators. Many committed substantial amounts in providing liquidity within their supply chains.

The aggregate financial commitment of PBC members to alleviating the impact of the Corona Virus crisis is already beyond Rs. 6 Billion and keeps growing.

Here are some specific examples of the pledges and initiatives taken so far by PBC members. Others are working on similar lines. *A number of members shared the impact of their initiatives but requested they not be disclosed.*



Allied Bank contributed Rs. 60 Mn to PM's Corona Relief Fund and in support of NGOs and hospitals across the country. It also provided direct financial assistance to the country's leading hospitals: Shaukat Khanum, Dow University, Indus Hospital and the Institute of Public Health, Punjab.



Artistic Milliners mobilized Fair Trade USA, to help 2,500 workers, made its day-care centre available to law enforcement agencies and front line health workers, pledged 10,000 PPEs worth Rs 15 Mn developed under the FDA guidelines to the Government of Sindh. It also donated 10,000 grocery bags among workers.



The Atlas Group committed Rs. 1 Billion per month to pay all employees irrespective of lockdown. It will also ensure that its 200 vendors and 2,000 dealers do the same. Another Rs. 100 Mn was pledged in cash and Rs. 50 Mn in medical equipment to support healthcare.



Bata is donating 100,000 pairs of shoes worth Rs.100 Mn to front-line health workers



Together with its parent, Lakson Group, **Colgate Palmolive Pakistan** pledged Rs. 365 Mn for providing hygiene kits, PPE, masks and ventilators. McDonald's offered free meals to health workers. Cybernet enhanced the bandwidth to allow people working from home to connect. It also ran health awareness messages in its media channels.



Dawlance contributed air conditioners, refrigerators, microwave ovens, water dispensers and kettles to the Indus Hospital.



Dawood Hercules, Engro Corp and Mr. Hussain Dawood on behalf of the Dawood Foundation, pledged Rs. 1 Billion to help Pakistan overcome the Covid crisis. The sum will be used for disease prevention, protecting and enabling healthcare professionals to treat patients. It will also work with governments to bolster livelihoods. Engro will also ensure that its supply chain is geared up to continue to provide many essential services in which it is engaged. This includes safe working in Dharki and Thar. Additionally, Engro Foundation, the social investment arm of Engro Corp signed a collaboration agreement with the **Bill and Melinda Gates Foundation** to address poverty alleviation, health and Nutrition.



Descon Engineering donated 18 tons of disinfectant to hospitals, the police, motorway police and CCPO Lahore. Rations were distributed to the daily-paid and PPE was made available to hospitals in Punjab and to the Kiran Foundation in Karachi.



Dalda Foods ensured that 5,600 partners in its extended supply chain continued to be paid and the supply of its essential edible oil products remained uninterrupted throughout the country. It also contributed 5 million free meals to the deserving.



English Biscuits redirected its advertising spend to awareness messages and made donations to federal and provincial governments and NGOs. It also ensured that all its workers were not only fully paid on time, they were empowered through safe work practices to continue to serve customers and consumers across the country.



FrieslandCampina Engro enhanced the medical insurance of its sales and distribution team and their families to ensure its nutritional products reached every nook and corner of the country. In the process, it filled any gaps left by loose milk. It also collected a record amount of milk from farmers, thus raising rural income. Immunity boosting nutritional products are being developed in collaboration with its parent company in the Netherlands.



Getz Pharma became the first in Pakistan to close its factory for five days to test all 1,300 employees. Those testing positive were sent on paid leave and their contacts were traced. Getz also contributed test kits to the Government of Sindh and under its "Care for Heroes" initiative, will disinfect 8,000 clinics, 650 hospitals and test 25,000 doctors.



HBL and Ehsaas joined forces to deliver Rs. 90 Bn of emergency cash to 7.5 Mn beneficiaries in Sindh, Baluchistan, Punjab and Islamabad. HBL and a leading hotel chain joined hands to provide 30,000 meal-boxes for a month across seven cities, to frontline medical professionals twice a day, at 20 COVID-19 designated hospitals and health camps. Additionally, 100,000 people from Makran to Gilgit have benefited from ration distribution. Lastly, the Bank has donated 50,000 face masks to the National Disaster Management Authority as part of its relief efforts.



In the face of export order cancellations and shipment delays, senior executives of **Interloop** accepted pay cuts to ensure that over 20,000 workers could be paid. Notwithstanding, it donated 70,000 surgical masks, 5,000 goggles, 3,000 protective suits and 50,000 litres of milk. The latter in collaboration with Nestle, another PBC member.



International Industries and its subsidiary, International Steel, despite plant closure, continued to pay its workers and donated Rs.10 Mn to the Karachi Relief Trust. It also fabricated disinfection chambers for use at the Karachi Expo Centre hospital established by the Sindh Government for Covid patients.



K&N's contributed Rs. 35 Mn to hospitals and the PM's Corona fund, committing a further Rs. 50 Mn for the same objective. It also geared up its sales team to meet the protein needs of people across the country.



Mahmood Group committed Rs 130 Mn/month to retain its 8,000 workers, and pledged Rs.30 Mn in test kits, masks and rations and Rs. 10 Mn in contribution to the PM's Corona Fund.



Martin Dow donated test kits to Indus Hospital, PPE to the Army and healthcare workers, organized free virtual clinics, home delivery of drugs and awareness sessions.



National Foods redoubled its efforts through on-time payment to its employees and suppliers to meet the needs of its food products nationwide. It is also distributing rations around its factories.



Nestle committed Rs. 100 Mn to meet the nutritional needs of the affected and frontline workers through cash and milk donations, including fortified dairy. Additionally, it will match employee donations.



Packages continues to supply packaging for essential food and hygiene products, including anti-bacterial wipes. The Packages Foundation partnered district administrations and NGOs to distribute rations.



PSX ensured uninterrupted trading and donated rations in the neighbourhood.



PTCL pledged Rs.1.9 Bn to fight Covid through offers to ensure connectivity and by distributing food and healthcare products.



PepsiCo announced a "Millions of Meals" programme to meet the essential nutritional needs of the Covid affected.



Reckitt Benckiser, as part of its "Protect, Heal & Nurture" programme has committed Rs. 500 Mn in donations of its hygiene products to healthcare facilities and in food rations to the vulnerable communities.



Shan Foods partnered the UN Association of Pakistan, the JDC, the Orange Tree Foundation and Hum Network in distributing rations.



SICPA Inks, besides payment in full to its own and contractor's employees is protecting jobs in the extended supply chain through early payments, flexible delivery schedules and by providing transportation.



SPEL deployed its expertise in polymers to produce PPE, especially face shield and parts for ventilators to help overcome the Covid crisis. It is also focusing on ensuring its supply chain is adequately funded.



Soorty Enterprises, ensured safe work conditions. Thousands of workers were scanned for temperature, wore masks, passed through disinfection tunnels, washed hands and maintained safe distance.



TPL contributed to the Indus Hospital and the Aga Khan Hospital to help alleviate the Corona Virus.



Unilever committed Rs. 200 Mn in hygiene products and food rations to hospitals, prisons and the marginalized. It pledged Rs. 2.5 Bn in working capital to its supply chain, especially to smaller customers and suppliers, thus ensuring uninterrupted supply of essentials.

About the PBC

The PBC is a private sector business policy advocacy forum composed of Pakistan's largest businesses / groups including multinationals that have a significant investment in and a long-term commitment to the growth of Pakistan. Members turnover represents every ninth Rupee of Pakistan's GDP and together the members contribute 25% of the annual tax revenues and 40% of exports. More information about the PBC, its members and its activities can be found on our website www.pbc.org.pk





The PBC Members by Sector

PBC currently has 82 members, whose businesses cover nearly all sectors of the formal economy. The sector wise representation (in alphabetical order) is detailed below:

Sector	Member Companies
Large-Scale Manufacturing	
Agro Industries	1
Cement	2
Chemicals / Fertilizer	8
Energy	2
Engineering	9
Fast Moving Consumer Goods	18
Packaging Material	2
Pharmaceuticals and Healthcare	6
Textiles	10
Total Members in Large-Scale Manufacturing	58
Services	
Financial service	12
Hospitality	1
Insurance	2
Logistics / Courier	2
Telecommunication	1
Utilities	1
Total Members in the Services Sector	19
Conglomerates	5

29 MNC's from 13 Countries



USA



UK



UAE



Switzerland



Japan



29 MNC's from 13 Countries



Netherlands



France



Bahrain



South Korea



Hong Kong



Germany



Sweden



Turkey





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