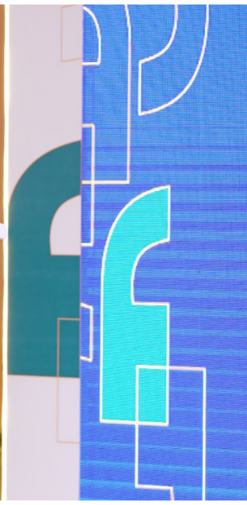


The Pakistan Business Council
FOSTERING ECONOMIC GROWTH
(A Company set up under Section 42 of the Companies Ordinance 1984)

THE PAKISTAN BUSINESS COUNCIL

PROFILE

APRIL 2025

THE PAKISTAN BUSINESS COUNCIL: AN OVERVIEW

The Pakistan Business Council (PBC) is a business policy advocacy platform, established in 2005 by Pakistan's prominent private-sector businesses and conglomerates, including multinationals. PBC businesses cover nearly all major sectors of the formal economy.

The PBC is a not-for-profit entity, registered under Section 42 of the Companies Ordinance 1984. It is a pan-industry advocacy group, not a trade body and therefore does not advocate for any specific business sector. Rather, its key advocacy thrust is on easing barriers to allow businesses in Pakistan to compete in regional and global arenas. The PBC conducts research and holds conferences and seminars to facilitate the flow of relevant information to all stakeholders to help create an informed view on the major issues faced by Pakistan.

The PBC works closely with the relevant government departments, ministries, regulators and institutions, as well as other stakeholders including professional bodies, to develop consensus on major issues which impact the conduct of business in and from Pakistan. The PBC has submitted key position papers and recommendations to the government on legislation and other government policies affecting business. It also serves on various taskforces and committees of the Government of Pakistan as well as those of the State Bank, SECP and other regulators with the objective to provide policy assistance on new initiatives and reforms.

THE PBC'S FOUNDING OBJECTIVES

01

To provide for the formation and exchange of views on any question connected with the conduct of business in and from Pakistan.

02

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.

03

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.

04

To promote and facilitate the integration of businesses in Pakistan into the World economy and to encourage in the development and growth of Pakistani multinationals.

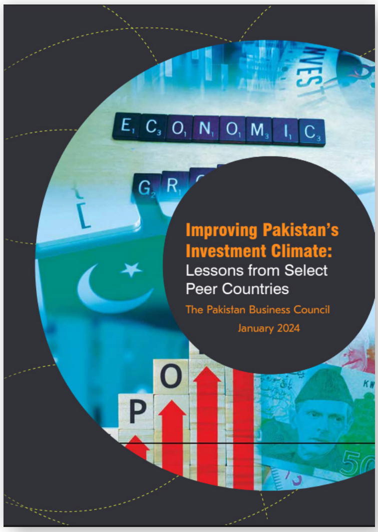
05

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.

RECENT PUBLICATIONS

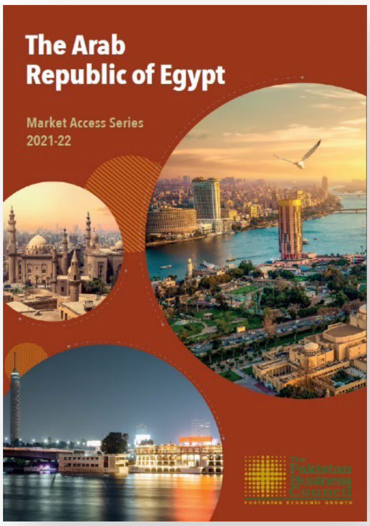
The PBC's advocacy is supported by research work (see www.pbc.org.pk/research.) Some of the major publications of the PBC include:

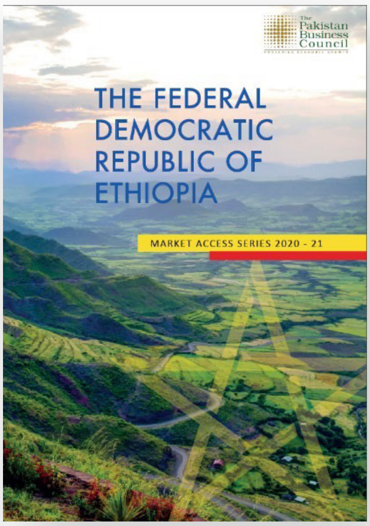
GENERAL ADVOCACY

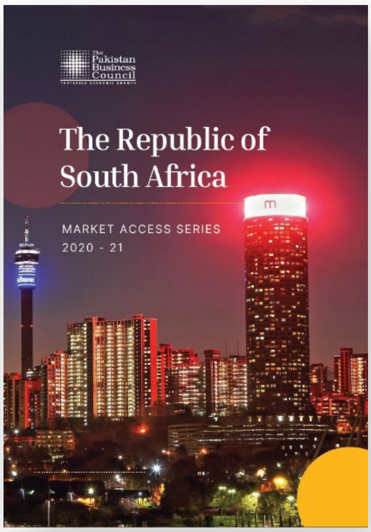


MARKET ACCESS AND COUNTRY REPORTS

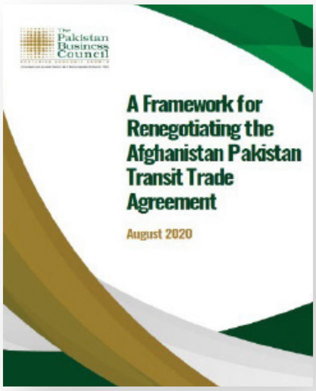
AFRICA

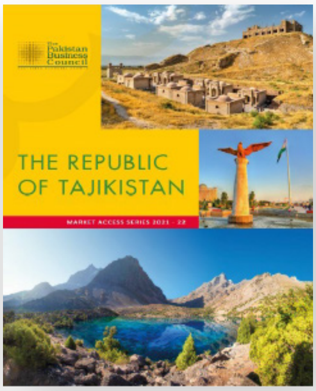


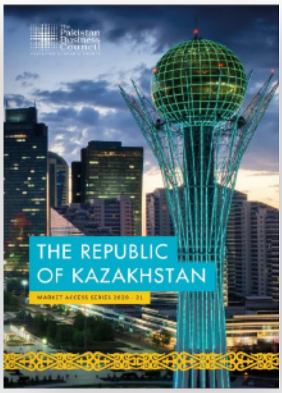


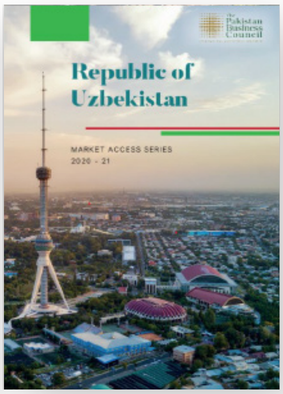


AFGHANISTAN AND CENTRAL ASIA

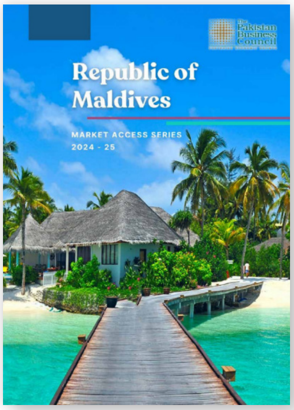




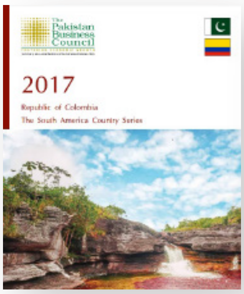


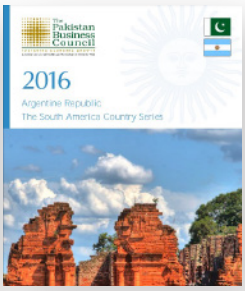


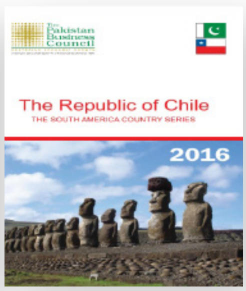
SOUTH EAST ASIA



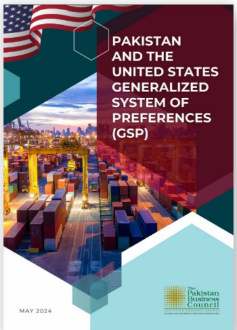
SOUTH AMERICA

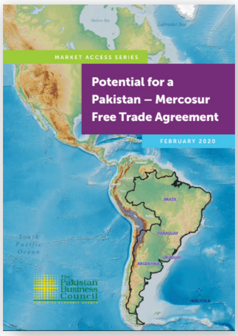


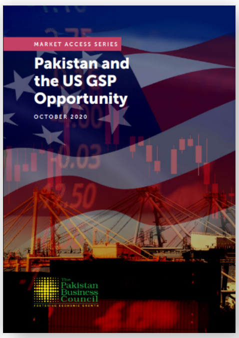




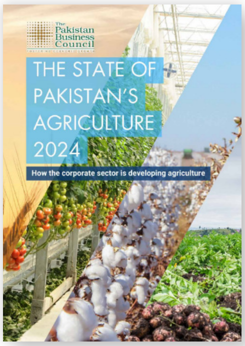
FTAS/TRADE AGREEMENTS

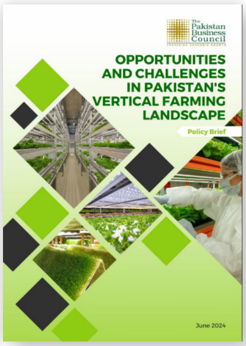


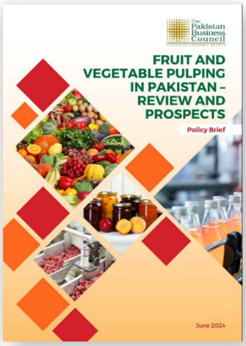


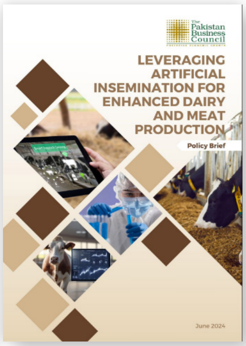


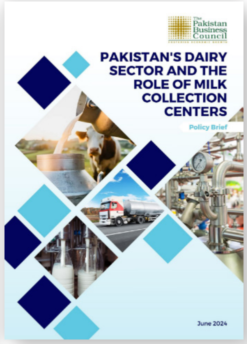
MAKE-IN-PAKISTAN SERIES – AGRICULTURE



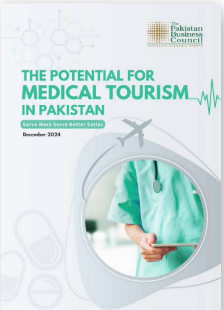


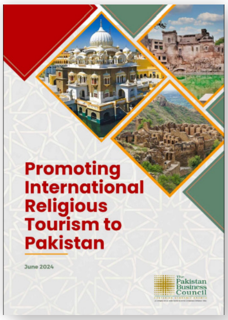


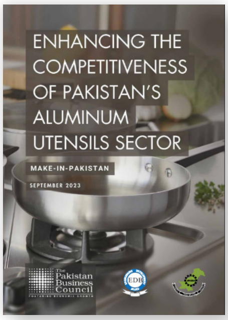


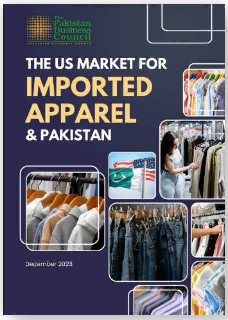


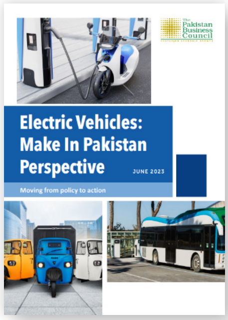
MAKE-IN-PAKISTAN SERIES – MANUFACTURING & SERVICES

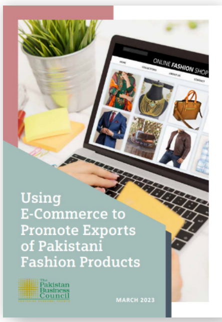


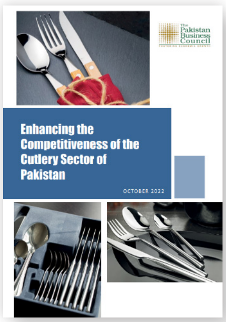


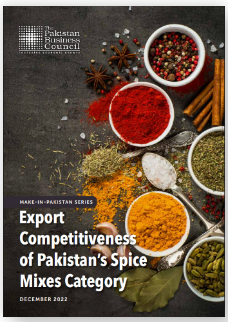


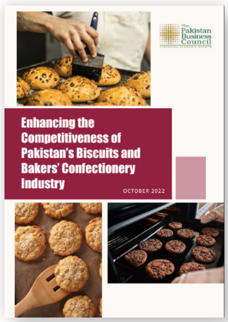


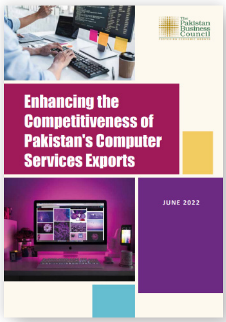












RECENT EXAMPLES OF THE PBC'S ADVOCACY ENGAGEMENTS

PBC'S DIALOGUE ON THE ECONOMY ISLAMABAD JAN 28-29 2025

In addition to regular engagements with different stakeholders at various times, once a year PBC organizes a major event, usually in Islamabad, to present the totality of its advocacy in a holistic manner. This also provides members an opportunity to interact with multiple stakeholders. PBC's "Dialogue on the Economy – 2025" was held in Islamabad between the 28th and 29th of January and involved key government, diplomatic and multi-lateral decision-makers. It was attended by 125 participants from member companies and culminated with a meeting of the PBC Board with the Prime Minister. A synopsis of this is presented to give prospective members an idea of the width and depth of PBC's agenda.

DIALOGUE ON THE ECONOMY - PROGRAMME

DAY 1

08:30–09:10 **COFFEE / REGISTRATION | Shamadan Hall**

09:15–09:40 **OPENING |** *Shabbir Diwan (Chairman, PBC), Ehsan Malik (CEO, PBC)*

09:45–10:35 **PAKISTAN'S FOREIGN POLICY IN THE EVOLVING GEO-POLITICAL ENVIRONMENT**
Dr. Maleeha Lodhi (Former Ambassador to the UN, USA & UK)

10:40–11:00 **BREAK**

11:05–11:40 **EXISTENTIAL THREAT ONE: CLIMATE CHANGE – CHALLENGES & OPPORTUNITIES FOR THE PRIVATE SECTOR**
Keynote Address: Senator Sherry Rehman (Former Minister for Climate Change)
Followed by Panel Discussion
Moderator: Naz Khan (IFC)
Panel: Dr. Zeelaf Munir (Vice Chair PBC, CEO EBM), Nazish Shekha (Head of PBC's CERB), Anees Khwaja (CEO, MG Apparel)

11:50–12:20 **EXISTENTIAL THREAT TWO: POPULATION GROWTH & WEAK HUMAN CAPITAL**
Dr. Ishrat Husain (Former Governor SBP, Former Dean IBA)

12:25–13:25 **OUTLOOK ON PAKISTAN'S ECONOMY**
Moderator: Dr. Ijaz Nabi (CDPR / IGC)
Panel: Dr. Hafiz Pasha (Economist), Dr. Reza Baqir (Former Governor SBP), Khurram Husain (Journalist), Mahir Binici (IMF Resident Representative), Najy Benhassine (World Bank Country Rep)

13:30–14:45 **LUNCH & THE GOVERNMENT'S OUTLOOK ON THE ECONOMY**
Guest Speaker: Senator Muhammad Aurangzeb (Federal Minister of Finance & Revenue)

14:50–15:50 ENERGIZING INDUSTRY THROUGH COMPETITIVE, RELIABLE, ENVIRONMENTALLY SUSTAINABLE & LESS IMPORT-RELIANT FUEL
A conversation between: Kamram Kamal (CEO, HUBCO) and Sardar Awais Leghari (Federal Minister for Energy (Power))

16:05–16:45 BUILDING BLOCKS FOR THE $60BN EXPORT AMBITION
Moderator: Ziad Bashir (Gul Ahmed Textiles)
Panel: Jam Kamal Khan (Federal Minister for Commerce), Rizwan Diwan (CEO, Novatex), Musadaq Zulqarnain (Chairman, Interloop)

16:50–17:35 A CASE FOR SELECTIVE IMPORT SUBSTITUTION
Moderator: Shabbir Diwan (Chair PBC, CEO Gatron Industries)
Panel: Rubina Ather (Former Chair, National Tariff Commission), Asif Jooma (CEO, Lucky Core Industries), Irfan Chawala (CFO, Archroma), Abdul Qayoom Shaikh (CEO, Engro Polymer)

17:40–17:55 TEA

18:00–19:00 PROMOTING FOREX-ACCRETIVE, TECHNOLOGY-INTENSIVE INVESTMENT
Moderator: Ali Khizr
Panel: Azfar Ahsan (Former Minister of State & Chairman BOI), Muhammad Ali Tabba (CEO, Lucky Group), Arif Saeed (CEO, Servis Group), Kamran Kamal (Mega Motor / BYD)

20:00–21:30 DINNER & VIEWS ON ECONOMIC DIPLOMACY
Senator Mohammad Ishaq Dar
(Deputy PM & Minister of Foreign Affairs)

DAY 2

09:30–10:10 EQUITABLE & INVESTMENT-FRIENDLY FISCAL REGIME
Moderator: Ehsan Malik (CEO, PBC)
Panel: Ali Pervaiz Malik (Minister of State for Finance, Revenue & Power), Rashid Mahmood Langrial (Chairman, FBR),
Shabbir Diwan (Chairman, PBC), Ziad Bashir (Gul Ahmed Textile Mills)

10:15–11:00 FORMALIZING THE ECONOMY BY DIGITALIZING PAYMENTS
Moderator: Taimoor Ali (Group Head, Digital Finance Services, Karandaaz)
Panel: Omer Bin Ahsan (CEO, Haball), Hamid Ateeq Sarwar (Member IR, FBR), Aamir Aftab (CPO, Jazz Cash), Naeem Zamindar (CEO, Neem)

11:05–11:20 BREAK

11:25–13:00 THE POTENTIAL OF AGRICULTURE – HOW BUSINESSES ARE TAPPING IT
Moderator: Kazim Saeed (CEO, Pakistan Agricultural Coalition)
Panel: Gen (R) Shahid Nazir (CEO, Green Pakistan initiative under the SIFC), Abrar Hasan (CEO, National Foods), M. Aminudin (CEO, TPL Insurance), Muhammad Nassir Salim (President & CEO, HBL), Zafar Masud (President, Bank of Punjab), Syed Yawar Ali (Chairman, Nestlé Pakistan), Dr. Zeelaf Munir (Vice Chair PBC, CEO, EBM)

13:05–14:30 LUNCH WITH VIEWS ON CPEC & THE RELOCATION OF LABOUR-INTENSIVE MANUFACTURING TO PAKISTAN
Guest Speaker: Prof. Ahsan Iqbal (Federal Minister for Planning, Development and Special Initiatives)

14:35–15:20 OPPORTUNITIES FOR GLOBAL COMPETENCY CENTRES, CALL CENTRES, & FOR EXPORT OF SERVICES
Moderator: Ahmed Saquib (Country MD, SAP Pakistan)
Panel: Asif Peer (CEO & MD, Systems Ltd.), Nadeem Elahi (MD & Country Head, The Resource Group), Mujeeb Zahoor (MD, S&P Global Pakistan), Faeza Asad Khan (Chief Strategy Officer, ABACUS Consulting)

17:15–17:45 CONCLUDING SESSION

MINISTERS & SENIOR GOVERNMENT SPEAKERS

Senator Muhammad Aurangzeb
Federal Minister for Finance & Revenue

Senator Mohammad Ishaq Dar
Deputy Prime Minister of Pakistan
Minister of Foreign Affairs

Ali Pervaiz Malik
Minister of State for Finance,
Revenue & Power

Gen (R) Shahid Nazir
CEO, Green Pakistan
initiative under the SIFC

Jam Kamal Khan
Federal Minister for
Commerce

Sardar Awais Leghari
Federal Minister for Energy
(Power}

Lt. Gen. Sarfraz Ahmad
National Coordinator, Special
Investment Facilitation Council (SIFC)

Dr. Hamid Ateeq Sarwar
Member, IR — Policy
Federal Board of Revenue

THOUGHT LEADERS AND EXPERT SPEAKERS


Dr. Ishrat Hussain


Senator Sherry Rehman


Dr. Maleeha Lodhi


Kazim Saeed


Naz Khan


Ali Khizar


Omer bin Ahsan


Taimoor All


Aamir Aftab


Naeem Zamindar


Ijaz Nabi


Khurram Husain


Zafar Masud


Reza Baaqir


Mahir Binici


Najy Benhassine


Robina Ather


Muhammad Azfar Ahsan


Nadeem Elahi

Opening Address of The CEO, Pakistan Business Council

Ehsan Malik, CEO, Pakistan Business Council

Opening Remarks By CEO

Key Message

- It is a great pleasure to have so many join us so early in the morning to explore ways for Pakistan to achieve sustainable growth.
- PBC has, through its objective, non-sectoral, evidence-based advocacy and the work of its Centre of Excellence in Responsible Business, grown multi-fold in size, stature, and impact on the economic footprint.
- From just 14 members at inception, it is now composed of over 100 of the most prominent local and multinational companies in Pakistan that belong to 20 sectors, split almost equally between manufacturing and the services industries.
- To date, PBC has published over 250 studies on various facets of the economy and has conducted numerous events.
- This "Dialogue on the Economy" looks at Pakistan's challenges and opportunities in five ways: geopolitical evolution, environmental change, social impact, deployment of technology and effectiveness of economic management.
- If we are to make this the last IMF program, both the government and businesses need to change. The status quo is not acceptable.
- Businesses must shed protection, subsidies, and reliance on guaranteed returns. They must re-learn the art of risk-taking and become export-competitive. Those attending the Dialogue, especially from the private sector, explore how they would change to realize the opportunities for Pakistan.

Opening Remarks by the Chaiman PBC

Shabbir Diwan, Chairman Pakistan Business Council & CEO, Gatron Industries

Opening Remarks By Chairman

Key Message

- The resilience and determination of the Pakistani business community in the face of an adverse economic environment are remarkable.
- Collaboration between the government and businesses is needed to overcome challenges such as high utility costs.
- There is optimism about the declining oil prices and the potential for increased exports through reduced energy tariffs.
- PBC will continue to focus on its national development objectives, employment creation, and inclusive growth.

Pakistan's Foreign Policy In An Evolving Geopolitical Environment

Dr. Maleeha Lodhi, Politial Scientist, Journalist, Diplomat & Former Ambassador to the UN, USA & UK

Geopolitical Environment By Maleeha Lodhi

Key Takeouts

- A country's sovereignty and autonomy are severely compromised when it struggles to remain solvent by repeatedly looking for bailouts and handouts.
- The handouts will not be forthcoming after the US pullout from Afghanistan.
- Our friendly countries are also not impressed by our repeated failure to implement fundamental reforms. Nor have we offered plausible and bankable investment projects to boost our economy.
- Increasingly reliant on IMF and other multilateral bodies, we must accept their prescriptions, however painful they may be.
- The uptick in domestic terror attacks is a source of major concern for our partners, especially China.
- Pakistan has not comprehensively reviewed its foreign policy for 20 years.
- This review must take input from all stakeholders.
- We must consider five important features: growing multipolarity but weak multilateralism, US-China competition, rising East-West tensions, the increasing importance of middle powers, and advancing technology.
- Whilst the Biden administration showed little interest in Pakistan, hoping for a radical reset from the incoming Trump administration is unrealistic due to Pakistan's close relations with China and US' with India.
- All change must start from home.

Existential Threat One- Climate Change: Challenges And Opportunities For The Private Sector

Senator Sherry Rehman, Chair of the Cliamate and Environment Caucus of the Senate of Pakistan, Former Federal Minister for Climate Change, Founding Chair of Jinnah Institute

Climate Change By Sherry Rehman

Key Takeouts

- Pakistan is a climate-stressed country. As global warming and emissions are rising, businesses play a critical role in ensuring that transitions are made towards sustainable ways of operating.
- Companies in Pakistan need to realize that no one is coming to support them and that sustainability should be embedded in the business case of the company.
- Businesses struggle with electricity shortages, high taxes, low investment, and the need for renewable energy transitions. Companies need to think about how they will shift to renewable energy in the next 10 years.
- The health issues stemming from environmental conditions directly impact productivity.
- Climate change is disrupting agriculture, threatening supply chains reliant on natural resources.
- To ensure businesses stay competitive in foreign markets, it is important to focus on carbon neutrality. Therefore, more work needs to be done in the area of R&D for innovative solutions.
- Businesses can work on their sustainability by:
  - a) Creating tip sheets to promote sustainability.
  - b) Recycling - currently, 30 billion tons of garbage end up in landfills and oceans.
  - c) Investing in R&D, bridging the gap between industry and academia.
  - d) Using the youth to advantage; help them scale their sustainability-related projects.
  - e) Ensuring proper public messaging. Leaders should insist on gender-inclusive and sustainable messages in advertisements as opposed to promoting consumption.
  - f) Push for sustainability within supply chains to enable SMEs to scale up.
- A robust reporting culture is crucial for transparency and accountability.
- Public-private partnerships are essential for developing action plans that address sustainable production and consumption.

Existential Threat One: Climate Change. Panel Discussion On Challenges And Opportunities For The Private Sector




Dr. Zeelaf Munir, Vice Chair PBC & CEO, EBM
Anees Khawaja, CEO MG Apparel,
Nazish Shekha, Head of Initiative, CERB Pakistan Business Council
Naz Khan, Principal Country, Officer IFCC

Climate Change: Panel Discussion

Key Takeouts

- The government should consider incentivizing responsible businesses that take steps to mitigate and adapt against climate change, especially in their extended value chains. While larger businesses can align their organizations to sustainability and work with suppliers, SMEs need support to decarbonize and manage climate change-related risks.
- Many are quickly moving to install renewable energy for scope 1 and 2 emissions; however, addressing the scope 3 emissions in the supply chain is challenging.
- The private sector can procure from responsible transportation contractors, but the relevant authorities can also engage the bulk transport sector to reduce emissions.
- Understanding climate-related risks remains a challenge for Pakistani companies, and the reporting requirements by the SECP will require companies to report on climate-related risks.
- There is a need for companies to build their capacity, but there is also a need for the authorities to have related climate data to assess climate-related risks.
- EU's Carbon Border Tax requires a heightened focus for Pakistan to remain competitive under the EU's GSP+.

Existential Threat Two- Population Growth And Weak Human Capital

Dr. Ishrat Hussain, Former Governor SBP, Former Dean IBA,
Former Advisor to Prime Minister for Institutional Reforms & Austerity

Population Growth And Weak Human Capital By Dr. Ishrat Husain

Key Takeouts

- Population growth and the state of human capital don't get the same attention as macroeconomic indicators. A high population growth rate dilutes all per capita indicators and impacts living standards.
- In Pakistan, there are incentives to over-report the population to attract higher NFC Awards. In India, the role of population size in the distribution of national resources has been reduced. Instead, weightage is given to factors such as backwardness, poverty, and tax collection. The Southern states show an impressive decline in fertility rates and improvement in development indicators compared to the Northern states.
- Pakistan lags behind India and Bangladesh in human capital development due to weak governance, poor management, dysfunctional institutions, and poor public service.
- The lack of access to basic services has perpetuated inequalities between Baluchistan, Rural Sindh, Southern KP and Punjab and the major urban centers.
- Urban migration has increased the pressure on poor infrastructure.
- The solution is to devolve governance to the district levels and give more weight to backwardness and development indicators instead of population size. In 2001-2008, responsibility for service delivery was shifted to local governments, and it improved.
- Technology and Human Capital powers the modern knowledge economy. Pakistan's HDI indicators, such as child stunting, illiteracy, poverty, and child education rates, are woeful.
- Behind China's success is a revolution in STEM graduates – exceeding USA now.
- Pakistan lacks technical training for labor, investment in R&D, science and technology and has weak linkages between academia and industry.
- Without improvement in female labor force participation, growth rates will not significantly improve. Bangladesh is an excellent example, with its higher female labor force participation and higher Per Capita income.

Outlook On Pakistan's Economy





Panel Moderator: Ijaz Nabi, Country Director, Pakistan International Growth Centre

Reza Baqir, MD, Alvarez & Marsal, Former Governor SBP,
Khurram Husain, Business and Economy Journalist, **Mahir Binici,** Resident Representative International Monetary Fund, **Najy Benhassine,** Country Director, Pakistan World Bank Group

Outlook On Pakistan's Economy – Panel Discussion

Key Takeouts

- Pakistan has suffered from several cycles of boom and bust. We have not been patient to undertake structural reforms before triggering growth hastily.
- The clamour to ignite growth is now building. People are getting impatient. Growth creates jobs, but if embarked upon prematurely, it leads to import-based consumption and BOP problems. We need to become 'fit for growth' and avoid mistakes of the past.
- Both the government and private sector will need to change to become "fit for growth.'
- Growth should be attempted after significant progress on structural reforms – privatization, right-sizing of government, broadening of the tax base, implementation of the fiscal accord with the provinces, including levy of tax on agriculture and property, energy reforms.
- The primary role of the IMF is to provide economic stability, but it entails some pain.
- UraanPakistan is vague and unclear on how the objectives will be delivered.
- In almost all the previous episodes of economic crises, the fiscal deficit preceded the current account deficit. Hence, fiscal responsibility is of paramount importance.
- There is reason to believe that this IMF program differs from the previous ones because it is more demanding of front-ended targets, prescribes a closer review of progress on delivery, and includes provinces in sharing resources and responsibilities.
- Productivity is the key to a nation's competitiveness. Pakistan lags due to low HDI.
- Structural reforms are the domain of the World Bank, not the IMF. Its $20 Bn 10-year Country Partnership is designed to address the root causes of Pakistan's problems—stunting, out-of-school children, poor gender inclusion, inadequate health facilities, poor productivity, the impact of climate change, and agriculture and trade reforms. The government must provide the policy framework and fund the bulk of the investment.
- The primary focus of growth should be on exports and global markets. The private sector must become outwardly oriented instead of focussing on the domestic market.
- Remittances help balance the current account but also lead to consumption, which stands at 94% of GDP vs about 70% in India and Bangladesh.

Outlook On Pakistan's Economy – The Government Perspective

Senator Muhammad Aurangzeb, Federal Minister for Finance & Revenue

Outlook On Pakistan's Economy By Senator Muhammad Aurangzeb

Key Takeouts

- The FM appreciated the quality of PBC's research and praised its recent study, which differentiated between export-led "good" and market-seeking "bad" FDI.
- Reaching a $13 Bn level of foreign exchange reserves, representing three months of import cover, is a good sign of the improving economy, as is lower inflation and policy rate.
- The budget process is broken and mathematical. Therefore, the government has preponed it to allow sufficient time to review the strategic fit of the proposals. PBC was the first to present its recommendations, which were of high quality and being examined in detail.
- Fiscal policymaking will be separated from tax collection. This should go a long way toward meeting PBC's recommendations to drive tax collection by promoting business growth and through a predictable policy that is well integrated with those of other ministries.
- Tax returns will be further simplified.
- Fiscal space permitting, tax rates will be reduced, especially for salaried employees.
- Right-sizing of the government is moving ahead. Pension reforms have been enacted for new government employees.
- The KP and Punjab governments have passed legislation for a tax on agriculture. (Subsequently, so have the Baluchistan and the Sindh provinces)

Energizing Industry Through Competitive, Reliable, Environmentally Sustainable And Less Import-Reliant Power

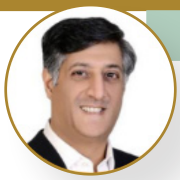
Kamran Kamal, CEO, The Hub Power Company
Sardar Awais Leghari, Federal Minister for Energy (Power)

Energizing Industry – Conversation

Key Takeouts

- Sardar Awais Leghari highlighted the inefficiency of current structural resources and emphasized the need for privatization, restructuring, and market liberalization.
- Circular debt is proposed to be transferred to national debt to alleviate the burden on consumers.
- The energy sector privatization is progressing, with plans to enable private power trading within 3-6 months and full implementation in 2-4 years.
- Inefficient plants will be shut, and agreements with new projects pending financial close are terminated.
- Lower borrowing costs and the revival of the economy will generate demand, and a marginal cost tariff for incremental consumption will assist the industry. Incremental demand has grown by 7%.
- Uniform tariffs will not be feasible when DISCOS are privatized.
- Industrial zones will be provided power to sell to their lessors.
- The government wishes all captive power users to switch to the grid. However, it recognizes that this cannot happen due to the issues of power availability and reliability. Hence, the gas price has been increased to bridge the gap vs. power tariffs.
- Initiatives are being pursued to shift from imported to Thar coal and to evacuate renewable energy from the South.
- Battery storage for wind energy is being explored, as is the conversion of Thar coal to gas.
- The Pakistan Business Council could promote energy-efficient buildings.
- Marginal cost tariffs are under consideration for greenfield projects such as data centres and mineral refining.
- The payback period for Net Metering will be revised to 4-4.5 years.

Building Blocks For Pakistan's $60 Bn Export Ambition



Panel Moderator: Ziad Bashir, Board Member, Gul Ahmed Textiles

Musadaq Zulqarnain, Chairman, Interloop Limited
Rizwan Diwan, CEO, Novatex Limited,
Jam Kamal Khan, Federal Minister for Commerce

$60bn Export Ambition

Key Takeouts

- With uncompetitive energy cost, higher than regional taxation and other disparities in incentives vs. alternative sourcing countries, it is unrealistic to expect that the $60 BN export ambition will be realized. Presently, there are no fiscal incentives for exporters.
- The imposition of advance/withholding taxes on exports has sapped the cash flow.
- There is significant untapped potential to diversify geographically to Africa and Central Asia. Whilst some initiatives have been undertaken to obtain favourable market access to some Central Asian countries, Africa remains a white space where our presence is negligible vs. India.
- Notwithstanding our proximity to Central Asia, India far outsells us due to its relative strength in the chemicals, pharmaceuticals, and engineering sectors. India is also able to compete despite longer distances via Iran.
- The FTA with China needs to be renegotiated – the 45% duty-free access presently available on paper is merely 14% when items we don't make and China does not import are considered. Similarly, the 75% promised by 2030 is only 24% when the same adjustment is made. Bangladesh has negotiated duty-free access for 96% of HS lines without a FTA.
- The export regime for sectors other than the erstwhile zero-rated sector does not support broadening the export basket.
- Provinces are imposing export cesses/infrastructure levies on exports at as high a rate as 2% of value. This reduces export competitiveness.
- The country needs more export processing zones.
- Pakistan's security conditions are not ideal for foreign buyers, and customers expect a discount due to the higher risk they take when allocating orders.
- Labor-intensive and tariff-affected manufacturing can be attracted from China.
- The textiles industry needs to improve its value-addition and productivity to match Vietnam and Bangladesh.
- Improving the cold chain and compliance with sanitary/phytosanitary/foot and mouth disease standards will grow meat, seafood, fruits, and vegetables exports.
- Our Trade and Investment Counsellors need better training.

A Case For Selective Import Substitution

Shabbir Diwan Chairman, PBC CEO Gatron Industries Panel Moderator

Robina Ather, Former Chair, National Tariff Commission
Irfan Chawala, CFO Archroma Pakistan
Abdul Qayoom Shaikh, CEO, Engro Polymer and Chemicals
Asif Jooma, CEO Lucky Core Industries

Import Substitution

Key Takeouts

- Import tariffs can be reduced by withdrawing the RD and ACD.
- There is a prima facie case for offsetting Pakistan's higher energy and other manufacturing costs through tariff protection.
- Protected sectors also provide much-needed employment.
- However, unconditional and indefinite protection discourages innovation and the upgrading of production facilities, thus compromising the value (quality, cost) for domestic consumers and failing to offer export opportunities.
- There is a stronger case for protecting sectors that utilize a significant percentage of local inputs in their cost mix, such as agriculture and sectors reliant on locally available minerals and other inputs.
- The case for protection is relatively weak for sectors that only marginally add local value to mainly imported inputs.
- Pakistan should have an industrial policy defining the sectors of comparative advantage in which scale can be achieved and protection justified.
- A criterion for protection should be the ability of an industry to gain scale and efficiency comparable to the best in the world if the inequities of cost of doing business in Pakistan were removed.
- Protection, when provided, should have a sunset clause to wean the industry off crutches.
- If, without compromising the value proposition of domestic consumers, an industry can utilize its spare capacity to export, then a level of protection linked to the exports may be considered.
- Anti-dumping duty is generally set at rates well below what other harmed countries levy. It is also not collected due to stay orders granted by different high courts. Legal reforms are necessary.
- Industries reliant mainly on imported inputs should be incentivized to indigenize.
- Cascading tariffs (low tariffs on raw materials, medium on intermediates, and high on finished products) can provide a level of protection for domestic manufacturing.

Promoting Forex-Accretive, Technology-Intensive Investment

Ali Khizar Director, of Research Business Recorder Panel Moderator

Muhammad Azfar Ahsan, Former Minister of State Former Chairman, BOI
Arif Saeed, CEO, Servis Group
Muhammad Ali Tabba, CEO, Lucky Group
Kamran Kamal, Mega Motor/BYD CEO, The Hub Power Company

Intensive Investment

Key Takeouts

- Business growth has been stunted since nationalization. The private sector has become risk-averse, reliant on protection, subsidies, and government guarantees. No group in Pakistan is capable of attracting a billion-dollar investment.
- Most large recent investments were in sovereign-guaranteed IPPs and energy terminals, some in protected sectors like autos. New FDI has replaced outgoing FDI but not in export-oriented sectors. Most of the current FDI and local investment is market-seeking, including in shopping malls and retail outlets.
- There is now a realization that FDI should be directed at export-oriented sectors. However, the policy framework is not differentiated from market-seeking FDI.
- Pakistan has attracted an average of about $2 Bn of FDI pa over the last 25 years. This pales in comparison to smaller countries like Uzbekistan.
- New investment, local or FDI will not be forthcoming if existing investors are unhappy.
- Servis Group's JV with the Long March of China capitalizes on US-China trade tensions and restrictions. Due to the misuse of the Afghan transit arrangements, it finds it easier to export to the US than sell in Pakistan.
- Bureaucrats lack sufficient understanding of the long-term benefits of investment.
- Like other countries, Pakistan should have benefited from the China+1 strategy.
- Security conditions and political instability are not conducive to investment.
- The tax regime does not promote scale; it allows the informal sector to flourish.
- Saudi Arabia can be a big source of FDI for Pakistan, but it has failed to attract good FDI from Riyadh. The government is a bad matchmaker of the private sectors.
- Manufacturing, aviation, and hotels are not performing well. Land prices are unaffordable.
- On a positive note, some existing investors are turning to indigenization and exports.

Deputy Prime Minister's Address

Senator Mohammad Ishaq Dar, Deputy Prime Minister of Pakistan, Minister of Foreign Affairs

Opportunities in Pakistan

Key Takeouts

The Deputy Prime Minister spoke about the economy instead of economic diplomacy.

- The opportunities far outweigh the challenges facing Pakistan
- We must resist the tendency to be negative. Pakistan has a positive growth trajectory
- Pakistan is a resilient country, and we have demonstrated that we can overcome adversity
- In 2013 Pakistan was facing an acute power shortage; we now have a surplus
- When the PDM government took over, we were facing a default. That is no longer a threat
- Pakistan remains relevant to the global community. We won the security council seat with an overwhelming majority. We also hosted the Shanghai Cooperation Organization meeting
- The government has launched the Uraan Pakistan initiative
- Inflation and policy rates have declined
- We have a Rs. 1 Tr development budget
- We need to focus on the current account balance. The recent surplus is encouraging
- Remittances are up. We need to take exports up and avoid unnecessary imports
- The one-window SIFC will help the business resolve issues
- The government appreciates the formal corporate sector
- It hopes that the private sector will step forward and participate in the privatization program. PIA and three airports are to be privatized.

Equitable & Investment-Frendly Fiscal Regime






Panel Moderator: Ehsan Malik, CEO Pakistan Business Council

Shabbir Diwan, Chairman, PBC CEO Gatron Industries
Ziad Bashir, Board Member Gul Ahmed Textiles
Ali Pervaiz Malik, Minister of State for Finance, Revenue & Power
Arif Saeed, CEO Servis Group

Friendly Fiscal Regime

Key Takeouts

- Driving up the tax-to-GDP ratio, however desirable, should be the outcome, not the primary objective of a sound fiscal policy.
- A sound fiscal policy should promote the growth of investment and business to expand taxable revenue. It should also direct investment to quality growth, such as exports, indigenization, formalization, and corporatization.
- A fiscal policy that is well integrated with trade, industrial, energy, and investment policies will also help manage the twin deficits on the external and fiscal accounts.
- The government needs to right-size and bring down its expenditure.
- Pakistan had no choice other than to enter into an IMF program. It needs to meet all the commitments, including the tax revenue target. The government appreciates the sacrifice of the formal sector, which has been burdened with disproportionate taxes.
- PBC asked the FM to phase down the tax burden, prioritizing the export sector and listed companies.
- PBC also suggested measures to broaden the tax base and level the playing field with the informal sector.
- POS integration should be incentivized through lower GST
- Smuggling, misuse of the Afghan Transit Trade, and tax evasion, especially of a high 18% GST, remain significant issues to tackle.
- Investment in plots is a major store of black money and needs to be discouraged further.

Formalizing The Economy By Digitalizing Payments

Panel Moderator: Taimor Ali Group Head, Digital Financial Servicces, Karandaaz Pakistan

Dr. Hamid Ateeq Sarwar, Memeber, IR - Policy Federal Board of Revenue
Omer bin Ahsan, Founder/CEO Haball
Aamir Aftab, Chief Product Officcer JazzCash
Naeem Zamindar, Founder, Neem Global Advisor, Acumen

Digitalizing Payments

Key Takeouts

- 85% of the B2B transactions by value are via cash or cash checks, motivated by tax evasion and business culture. Hence, these transactions are very foggy.
- Pakistan's cash in circulation is one of the highest in the world.
- The supply chain in the B2B space needs to be digitized, with invoices and payments processed immediately and inter-operably across banks.
- Banks are reluctant to finance because distributors and vendors don't have transparent cashflows. Digitalization can provide that.
- E-invoicing is an excellent substitute for collateral in financing. It provides banks with the transparency they require to finance. Banks can also offer credit extensions to increase sales.

- RAAST P2M and JazzCash/EasyPaisa/UBank wallets should be extended to cover Kiryana stores.
- G2P payments, such as BISP, are primarily handled in cash. People have to wait in long lines. There is significant potential here.
- Once the value chain is digitalized, data can be used to provide insight into credit records and be mined for tax compliance. Digitization can be a game-changer for the FBR.

- 70% of employees live paycheck to paycheck. Loans allow them to finance needs with dignity. The credit history can be used to allow people to access greater credit. Digitalizing of payments facilitates credit.
- FBR incentivized POS-integrated shops selling textiles and leather through a lower GST rate. This encouraged many to join. Regretfully, it was withdrawn and should be reconsidered.
- Of the Rs. 280 Bn of E-Commerce transactions, the percentage digitalized is just 5%.
- Users of digital payments should receive tax incentives similar to those for using credit and debit cards in restaurants.

The Potential Of Agriculture – How Businesses Are Tapping It

Panel Moderator: Kazim Saeed, CEO Pakistan Agricultural Coalition

Abrar Hasan, CEO National Foods Limited, **Muhammad Aminuddin,** CEO TPL Insurance, **Muhammad Nassir Salim,** President & CEO HBL, **Zafar Masud,** President Bank of Punjab, **Syed Yawar Ali,** Chairman Nestle Pakistan, **Dr. Zeelaf Munir,** Vice Chair, PBC CEO, EBM, **Gen (R) Shahid Nazir, CEO,** Green Pakistan initiative under the SIFC

Key Takeouts

- Agriculture has potential to address our current account deficit, provide food security for the rising population, create prosperity in rural areas where the majority of people live, boost gender balance, and deal with challenges of climate change and water use.
- With low per-acre yields in most crops, poor dairy output, weak cold chains for meat, seafood, and horticulture, and a high degree of fruit and vegetable waste, there is significant scope for improvement. Livestock is the largest component of agriculture.
- Genetic intervention, quality feed, and good animal care can radically improve the productivity of cows as well as poultry. This also has scope for women to get involved. Nestle and Friesland Campina are leading this. Commercial farming has also boosted dairy and poultry yields.
- Import controls due to a shortage of foreign exchange led to National Foods indigenizing tomato paste for ketchup. It studied the value chain down to the seed level to deliver export-competitive products. The yield improved from an average of 9 to 24 tons/acre, and saved $400/ton vs. import. NFL is now extending this to chillies.
- TPL is providing security to farmers through crop and livestock insurance. This includes yield protection, as well as floods, etc.
- Banks are increasingly getting involved in funding and handholding farmers. HBL launched HBL Zarai, which provides funding and advice to farmers. It is also using its global network, including China and Kenya, to bring know-how on agriculture. HBL is also an investor in Naymat Collateral which provides farmers loans against produce kept in safe silos.
- Cooperative farming, which benefited other countries, is sadly lacking in Pakistan.
- The Bank of Punjab has launched the Kissan Card with the Government of Punjab to fund quality fertilizer and seeds to improve yields. 533,000 farmers, including women, have enlisted. Digitization of land records helped block the sale of land to avoid defaults.
- Green Pakistan is a large-scale farming and livestock initiative based on mechanization and involving both small-scale farmers as well as corporate farms. Focus is on 60 Mn acres plus the 4.8 Mn additional acres targeted for cultivation, the goal being to move to value-added agriculture. Water efficiency is another objective and canals are to be built to distribute water in line with provincial quotas. Machine rental on the Uber model is also planned.

Lt. Gen. Sarfraz Ahmad, National Coordinator Of The SIFC

Lt. Gen. Sarfraz Ahmed, National Coordinator, Speccial Facilitation Council (SIFC)

National Coordinator of The SIFC

Key Takeouts

- General Sarfraz appreciated the research-based advice the PBC has provided to the SIFC.
- SIFC was a one-stop platform for resolving issues that inhibited business. There was now a system of speedy response to issues.
- The main focus of the SIFC is to improve the investment climate, especially to encourage local investors.
- SIFC also recognizes the difference between good and bad FDI and prioritizes export-oriented investment.
- Other areas of focus are:
  - Revamp the energy, ports, and shipping sectors
  - Prepare bankable projects
  - Set up industrial zones through a leasing model
  - Activate the Pakistan Sovereign Wealth Fund to leverage growth
  - Focus on agriculture, mining, and mineral processing

Opportunities For Global Competency Centres And The Export Of Services

Saquid Ahmed Country MD, SAP Pakistan, Afghanistan, Iraq & Bahrain Panel Moderator

Nadeem Elahi, MD & Country Head The Resoure Group

Asif Peer, CEO & MD Systems Limited

Export of Services

Key Takeouts

- Human resources need to be developed in emerging sectors like AI and Cyber Security by engaging specialist global training institutions for diploma courses that improve the marketability of such resources. The government can play a catalyst role in developing talent in collaboration with the private sector.
- Public sector should give local IT companies opportunities to provide IT services. A leap of faith will help develop talent and expertise.
- KE provided Systems Ltd. the opportunity to implement SAP in Karachi, the fifth-largest city in the world. Based on this, Systems is bidding for three utilities abroad.
- Large Pakistani groups should consider investing in IT businesses.
- Security conditions and quality and reliability of connectivity, especially for freelance workers, are essential for IT and IT-based services. The perception is vital.
- With just 50,000 in call centers in Pakistan vs. 2 Mn in the Philippines, there is tremendous scope for growth. Cost and quality of local resources is an advantage.
- One obstacle is physical infrastructure – rental costs and suitability of offices in KLI.
- There are six cables linking Pakistan, of which one is redundant. Demand for internet is growing, putting pressure on bandwidth.
- Large MNCs need to be attracted to Pakistan to open back offices. Their success will spread the word.
- In the ME, Pakistan does not suffer as much from poor perception as it does in the West. Travel advisories impact perceptions. If only people could see Pakistan's potential by visiting, they would change their opinion. No airline flies directly between Pakistan and the West.

Closing Remarks

Ehsan Malik, CEO, Pakistan Business Council

Closing Remarks By CEO

We can take comfort from a high level of alignment on key objectives between the PBC and the government. On many issues, this is the closest we have ever been. However, the implementation record is poor.

On fiscal policy and the tax regime, the government accepts our stance that the only sustainable way to achieve growth in the tax-to-GDP ratio is through policies that promote business growth, primarily in sectors that address the external and fiscal accounts.

Many of PBC's recommendations on making energy more affordable, reliable, available, environmentally sustainable, and less reliant on imported fuel are accepted by the government, and we should start seeing tariffs decline.

We registered the challenge of achieving the $60 Bn export target without supportive policies.

PBC has been vocal on the need to avoid a mindless pursuit of market-seeking FDI. The Finance Minister and the National Coordinator of the SIFC expressed their full alignment on the need for export focus.

While opposing unconditional and indefinite protection and supporting outward and competitive orientation of manufacturing, PBC advocates a differentiated approach for sectors that rely significantly on indigenous inputs, such as minerals and agriculture or others in which Pakistan has a comparative advantage and gain competitive scale. The enforcement and collection of anti-dumping duties, needs to be strengthened.

We looked at three big opportunities – digitization of payments, agriculture and IT/IT-based exports.

The common takeout from the sessions on geopolitical evolution and climate change was that we need to fix our house and fend for ourselves. The session on population growth and human capital was a wake-up call, with some useful recommendations for dealing with this existential crisis.

I thank the 125 attendees and 30 speakers and panelists for participating in the Dialogue.

PBC'S LETTER TO THE PRIME MINISTER ON THE CONCLUSION OF THE DIALOGUE ON THE ECONOMY

The Pakistan Business Council
FOSTERING ECONOMIC GROWTH
(A Company set up under Section 42 of the Companies Ordinance 1984)

Ehsan A. Malik
Chief Executive

8th Floor, Dawood Centre,
M. T. Khan Road,
Karachi-Pakistan.
PABX : 35630528-29
Fax : 3563 0530
e-mail: ehsan.malik@pbc.org.pk

January 31, 2025

Mr. Shehbaz Sharif,
Prime Minister of the Islamic Republic of Pakistan
Islamabad

Dear Prime Minister,

We are writing to thank you and the members of your cabinet for generously listening yesterday to our recommendations based on the key take-outs from the just-concluded ***"Dialogue on the Economy."*** This dialogue brought together many of our over 100 leading local and multinational members, who generate 40% of the country's exports and contribute a third of direct taxes.

Economic Stability
We congratulate you and your government on restoring economic stability. This hard-won achievement should not be compromised by prematurely triggering growth before fundamental flaws in the economy are addressed through reforms. Pakistan has had a sad experience on multiple occasions when import-led demand led to an imbalance in the external account, resulting in repeated recourse to the IMF. Members of the PBC and others in the formal sector have contributed disproportionately to help achieve the stretching tax revenue targets. We hope that hasty growth stimuli will not waste our efforts.

Uraan Pakistan
Most of the "E's" in Uraan Pakistan are part of the PBC's advocacy. However, their implementation in the past has been impacted by fragmentation between federal ministries and between the federation and provinces. We are happy to see that this time, you will oversee the implementation with your usual passion and attention to detail.

Exports
Exports are the most sustainable way to balance the external account. You have set a $60 billion target to be achieved in three years. Impeding this admirable objective are regionally uncompetitive energy costs, higher taxation, and the cash flow burden from withholding taxes. Whilst we are encouraged to hear the government's intent to reduce the cost of power, it may still leave a gap against tariffs prevalent in our South Asian neighbours. The recent increase in the cost of gas for captive plants will not help either. We recommend comprehensive benchmarking of the export incentives with our competitor countries.

Pakistan's existing trade agreements, particularly the one with China, need to be renegotiated. Our market access and trade representation in the 54 countries of the African continent pale in comparison to India's. PBC has shared the lessons from past trade agreements with the Ministry of Commerce.

Fiscal Policy and Tax Regime
We support raising the tax-to-GDP ratio. This should be done by promoting business and investment growth by directing it towards exports and indigenization, encouraging formalization, corporatization, and listing of companies, and broadening the tax base to include the untaxed and the under-taxed sectors. If, however, the target of a higher tax-to-GDP ratio is attempted by taxing the already taxed, like the current budget, then it will do the opposite of encouraging the growth of business. In this connection, we have met the Finance Minister and the Chairman FBR and presented a phased plan to promote higher exports by current investors, encourage new

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Ehsan A. Malik
Chief Executive

8th Floor, Dawood Centre,
M. T. Khan Road,
Karachi-Pakistan.
PABX : 35630528-29
Fax : 3563 0530
e-mail: ehsan.malik@pbc.org.pk

exporters and incentivize those presently reliant on imports to indigenize their inputs. We have also sought a more favorable tax regime for the formation of groups by withdrawing multiple taxation of intercorporate dividends, promoting investment in Private Equity and Venture Capital Funds, broader shareholding in listed companies, incentives to list on the PSX and to hold shares for a longer period of time.

The formal sector has been acting as unpaid collectors of withholding taxes for some time, and it is in its interest to continue to assist the government in broadening the tax base. However, it can't take on the responsibility of verifying tax compliance for the entire value chain of suppliers and customers. We have also shared several proposals to broaden the tax base.

Import Substitution

PBC has consistently opposed unconditional and indefinite tariff protection for sectors for which Pakistan has no comparative advantage; production facilities are dated and inefficient; there is a low likelihood of gaining competitive scale; it is impossible to offer domestic consumers value comparable to imports or provide inputs at a competitive cost for exporters. However, given the high cost of doing business and Pakistan's poor infrastructure, there is a good case for providing limited protection to offset this high cost to sectors that rely mainly on indigenous inputs. An example is soda ash, which is used for manufacturing glass and detergents made from locally available mineral deposits. We, therefore, suggest a differentiated approach linked to the quantum of import avoidance and export competitiveness.

Following the levy of GST on local supplies to exporters, the latter prefer to import to avoid waiting for refunds. As a result, the domestic industry faces closure. This needs to be rectified.

FDI

We are encouraged to note a broad agreement to focus on export-oriented FDI, which the PBC has been advocating. However, the existing investment policies do not differentiate in favour of such investment compared to market-seeking FDI.

Real Estate

We support a differentiated approach in favour of the formal construction and development sector, including Real Estate Investment Trusts. The Chairman FBR had mentioned in the meeting that the undeveloped land, i.e., trading in plots, was suffering from high transaction costs and the government was reviewing these. We want to remind that so does most of the formal sector from GST at 18%. Therefore, we recommend continuing attempts to unearth black money locked in plots and to create a level playing field with the formal sector.

We assure you of our continuing support in the interest of what is good for Pakistan and remain available for further engagement at your convenience.

Yours faithfully,

Ehsan Malik

cc: Mr. Muhammad Aurangzeb, Federal Minister for Finance & Revenue
Mr. Jam Kamal, Federal Minister for Commerce
Prof Ahsan Iqbal, Federal Minister for Planning, Development, Special Initiatives and Inter Provincial Coordination
Sardar Awais Leghari, Federal Minister for Energy
Mr. Musadaq Malik, Federal Minister for Petroleum & Water Resources
Mr Ahad Khan Cheema, Federal Minister for Economic Affairs
Mr. Abdul Aleem Khan, Federal Minister for Board of Investment
Mr. Rana Tanveer Hussain, Federal Minister for Industries & Production
Mr. Ali Parvaiz Malik, Minister of State for Finance, Revenue & Power
Mr. Rashid Mahmood Langrial, Chairman FBR

POST-SESSION MEETING WITH THE PRIME MINISTER

EVENTS AND ENGAGEMENTS WITH KEY STAKEHOLDERS

In addition to the annual Dialogue on the Economy, the PBC organizes events to launch its studies, hosts visitors from and calls on key stakeholders which include Ministries, Diplomatic Missions, Multilateral Institutions such as the ones highlighted below:

Additionally, the PBC publishes a quarterly report of its activities and of the media coverage of its advocacy which can be downloaded from its website: https://www.pbc.org.pk/events-and-activities/quarterly-activity-reports/

CENTER OF EXCELLENCE IN RESPONSIBLE BUSINESS

As Pakistan's premier business body composed of the largest and most successful businesses in the country, the PBC recognized in 2016 the need to share and spread the best practices on responsible business conduct. As an outreach initiative to grow and strengthen the formal sector, at the same time enhance PBC's credibility and relevance, the PBC established the Center of Excellence in Responsible Business (CERB).

PBC's CERB leverages global and local best practices to inculcate a change in mind-set among businesses including small and medium-sized enterprises. It also conducts awareness sessions and shares tools to uplift capacity and capability of businesses to meet the UN Sustainable Development Goals.

CERB'S VISION

To be a multi-sector business coalition assisting Pakistani enterprises to pursue sustainable value creation in the short, medium and long-term.

CERB'S MISSION

To engage with businesses and industry leaders and enable the transformation towards the conduct of responsible business in Pakistan.

To leverage private sector growth for inclusive development, poverty reduction and sustainability guided by the UN Sustainable Development Goals (SDG) framework.

CERB comprises of Online Research & Innovation Initiative and two inter-dependent business units.

ONLINE RESEARCH AND INNOVATION INITIATIVE

This will be developed as an online research portal with a determined effort to integrate the business research community with industry to develop world class research to support CERB's strategic objectives outlined in its Mission.

ETHICS, VALUES AND GOVERNANCE FORUM

This forum promotes responsible practices which strengthen the formal sector in pursuit of sustainable value creation.

INCLUSIVE AND SUSTAINABLE DEVELOPMENT FORUM

This forum focuses on generating livelihoods, promoting women's empowerment and decoupling growth from its impact on the environment.

CERB'S OUTCOMES

The Pakistan Business Council (PBC) acknowledges the critical role of fostering best practices in responsible business conduct to promote growth within the formal sector. To this end, in 2016, the PBC launched its first outreach initiative, the Centre of Excellence in Responsible Business (CERB). This initiative was designed to enhance the capacity and capability of businesses across Pakistan. CERB draws upon global and local best practices to inspire a fundamental shift in the mindsets of businesses, including small and medium-sized enterprises (SMEs).

CERB envisions a landscape where responsible companies extend their focus beyond operational boundaries, striving for more inclusive and sustainable systems that have the power to transform business culture. Its mission is to support businesses in this journey by establishing transparent frameworks that evaluate their performance in areas such as gender-equitable workplaces, environmental stewardship, ethical conduct, and decent work across their entire value chains, both upstream and downstream.

Notably, CERB has facilitated engagement with executives from over 250 companies through a robust program of more than 60 webinars, 100 workshops and events, in addition to conducting comprehensive market research, and in-depth case studies. It has further amplified its influence through initiatives like the Employer of Choice Gender Diversity Awards, the SDG Leadership Programme, and the Creating Livelihoods Summit, reflecting its unwavering commitment to advancing sustainable and responsible business practices.

PBC'S COMMITTEES

Taxation
Ziad Bashir
Gul Ahmed Textile Mills Limited
Director

Energy
Ruhail Muhammad
Lucky Power
CEO

Exports
Khwaja Muhammad Anees
Masood Spinning Mills Limited
CEO

Agriculture
Abrar hasan
National Foods Limited
CEO

IT/Digitalization
Asif Peer
Systems Limited
CEO

MEMBERSHIP CRITERIA

The PBC is neither a trade nor a representative body for a specific industry. It does not advocate sector and industry specific issues; instead, its advocacy thrust is on improving the general business environment of the country. Currently, there are two categories of membership open to companies: **Executive Membership,** which is the primary category and **Associate Membership** which is presently limited to businesses in the knowledge, professional and emerging economy. The financial criterion, Joining Fee and Annual Membership Fee have been relaxed for Associate Members, recognizing that the main resources these deploy in their operations are human and intellectual capital rather than physical assets involving sizeable financial investment. Meeting the qualifying threshold, financial or other, for either category of membership is not a guarantee for acceptance; companies desirous of PBC membership need to indicate their interest and thereafter be invited to join the PBC. The ultimate decision on membership is of the Board and the reputation of the business and its sponsors carries the heaviest weight. The authorized representative of businesses admitted into membership is invariably the Chairman / President / CEO / MD / Country Head / Senior Partner etc., to retain a high quality of contribution to PBC's objectives. However functional heads may represent members on its various committees.

EXECUTIVE MEMBERSHIP

Executive Members are private sector businesses registered and operating in Pakistan, with substantial investments and long-term commitment to the growth of the private sector. To ensure quality of membership, the qualifying threshold for this category has been kept high to maintain a sharp focus on medium to long term policies aimed at achieving sustainable growth. It is estimated that no more than approximately a hundred existing private sector businesses in the country can potentially qualify for PBC's Executive Membership. Already, over 90% of such businesses have recognized the value of PBC's role and have joined as Executive Members. In the last four years, the membership has doubled in numbers.

To further ensure participation of only serious businesses, the joining fee and the annual subscription fee for this category of membership have effective July 1, 2022 been kept at premium levels of Rs. 3 Million and Rs. 2.5 Million respectively. Half the joining fee is payable on admission, the balance on the following July 1. The annual fee is payable on each July 1, while companies joining during the year are required to pay the annual fee on a pro-rata basis.

Executive Members have voting rights and can nominate candidates to stand for election to the Board of Directors. Currently the Board comprises 14 elected directors. The 15th member is the CEO.

Affiliates

Executive Members may upon payment of an additional annual fee of Rs. 500,000 propose group companies (as defined in generally accepted accounting principles) to be admitted as Affiliates. Affiliates do not enjoy voting rights reserved for Executive Members.

ASSOCIATE MEMBERSHIP

In opening the membership to the knowledge/emerging economy and professional services, the PBC recognizes the need to include these rapidly sectors in its research and advocacy. However, such businesses which meet the financial criterion for Executive Membership will not qualify for admission as an Associate Membership. Furthermore, businesses admitted as Associate Members would be required to pay the differential of fee when they grow in size to qualify for Executive Membership.

The new category of Associate Membership is open to businesses in the knowledge/emerging economy which presently are unable to meet the financial criteria for Executive Membership. The Shareholders' Funds and Fixed Assets criterion have been removed. Instead, to qualify for application as an Associate Member, a business must either belong to the IT or IT-enabled services sector, Venture Capital or be a provider of professional services, such as legal, accounting and consulting. The size threshold is as follows:

	IT/IT-Enabled Services	Venture Capital Funds	Professional Services
Annual Turnover	N/A	N/A	Rs. 1 Bn
Sales generated through portal/call-centre/back office	Rs. 5 Billion per annum	N/A	N/A
Employees on own payroll	50	N/A	60 for Law firms 150 for all other services
Indirect Employees (for digital intermediaries e.g. "Captains" for Uber)	5,000	N/A	N/A
Annual Payroll Cost	Rs. 100 Mn	N/A	Rs. 300 Mn
Years Established/Operating in Pakistan	3	1	10
Evidence of tax filing	Yes	Yes	Yes
Funds under management	N/A	US$ 5 Mn	N/A

The Joining and Annual Fee for Associate Membership is also set at a reduced rate of Rs. 500,000 each. Annual Fee is prorated in the year of joining. Joining Fee is payable on application.

Associate Members do not have the right to vote or nominate candidates for election to the Board of Directors.

PBC'S DIRECTORS

Dr. Zeelaf Munir

Chairperson PBC
English Biscuit Manufacturers (Pvt) Ltd
Managing Director and CEO

Muhammad Arif Habib

Director
Fatima Fertilizers Company Limited

Ziad Bashir

Vice Chairman
Gul Ahmed Textile Mills Limited
Director

Mohammad Ali Tabba

Director
Lucky Cement Limited

Yousaf Hussain

Director
Faysal Bank Limited

Mohamedali R Habib

Director
Indus Motor Co. Ltd.
(House of Habib)

Taimur Dawood

Director
Descon Engineering Limited

Danish A Lakhani

Director
Colgate Palmolive Limited

Syed Hyder Ali

Director
Packages Limited

Azam Faruque

Director
Cherat Cement Company Limited

Samir Chinoy

Director
International Industries Limited

Abdul Samad Dawood

Director
Engro Holdings Limited
Vice Chairman

Saira Awan Malik

Director
TCS (Private) Limited

Ehsan A. Malik

CEO
The Pakistan Business Council

Rizwan Diwan

Director
Gatron (Industries) Limited

PAST CHAIRMEN

Razak Dawood
Then Chairman Descon

Asad Umar
Then CEO Engro Corp

Ali Habib
Then Chairman Indus Motors

Sikander Mustafa Khan
Then CEO Millat Tractors

Bashir Ali Mohammad
Then Chairman Gul Ahmed Textiles

Atif Bajwa
Then President Bank Alfalah

Mohammad Ali Tabba
Then CEO Lucky Cement

Syed Yawar Ali
Then Chairman Nestle Pakistan

Saquib Shirazi
Then MD Atlas Honda

Muhammad Aurangzeb
Then President & Chief Executive Officer HBL

Shabbir Diwan
Then CEO, Gatron Industries

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 sixth Rupee of Pakistan's GDP and together the members contribute 25% of 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

PBC MEMBER COMPANIES

THE PBC AFFILIATES

engro elengy terminal

engro fertilizers

engro polymer & chemicals

HINUCON Private Limited

HUBCO

International Steels Limited
Shaping Tomorrow

LCI
LUCKY CORE INDUSTRIES
Formerly ICI Pakistan Limited

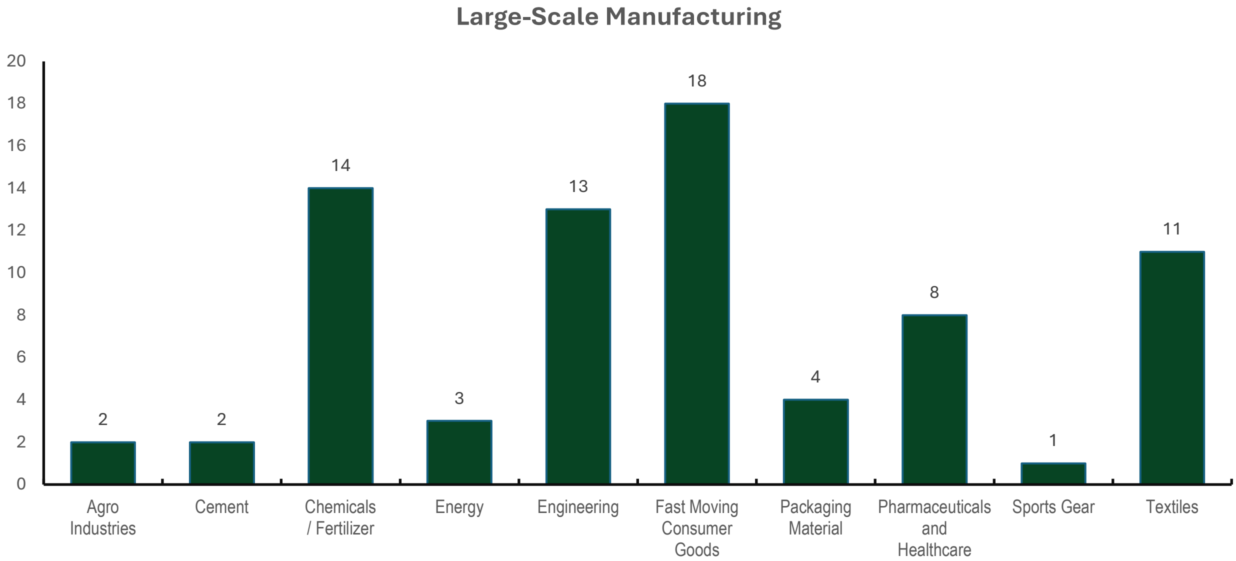
LMC Lucky Motor Corporation

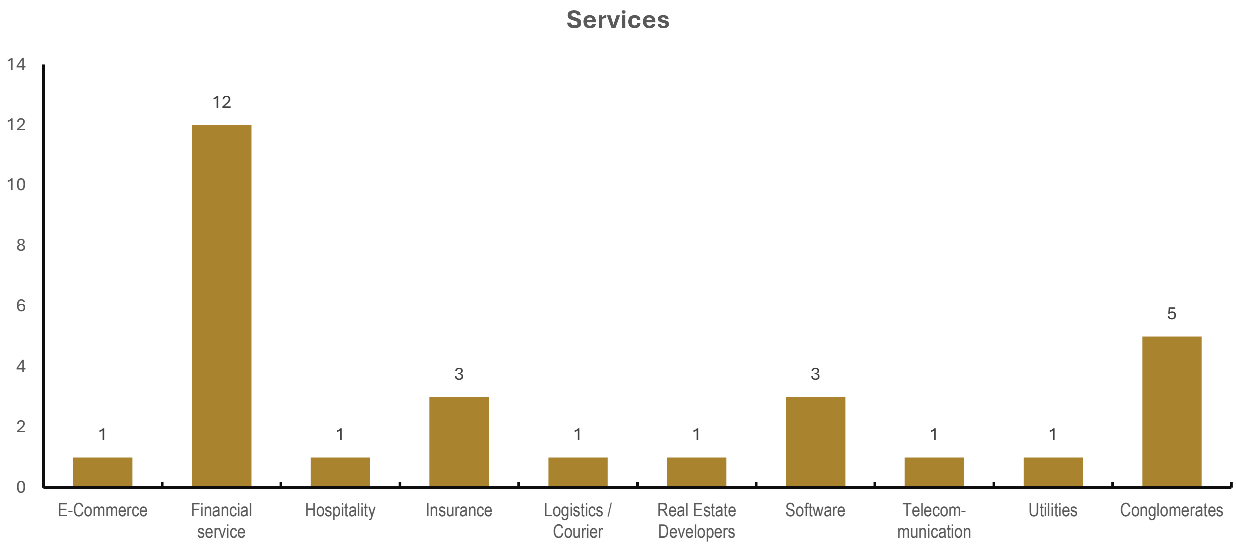
Pakistan Cables

Tri-pack
Tri-Pack Films Limited

THE PBC MEMBERS AND ITS AFFILIATES BY SECTOR

PBC currently has 95 members and 10 affiliates whose businesses cover nearly all sectors of the formal economy. The sector wise representation (in alphabetical order) is detailed below:





34 MNC'S FROM 14 COUNTRIES

USA

UK

UAE

Switzerland

Japan

34 MNC'S FROM 14 COUNTRIES

Netherlands

France

Bahrain

South Korea

Germany

China

Sweden

Turkey

The Pakistan Business Council

FOSTERING ECONOMIC GROWTH

(A Company set up under Section 42 of the Companies Ordinance 1984)

8th Floor, Dawood Centre, M.T. Khan Road,
Karachi, Pakistan
T - + 92 21 3563 0528 - 29
F - + 92 21 3563 0530

2nd Floor, 1-E (South) Jinnah Avenue,
Blue Area, Islamabad, Pakistan
T - + 92 51 8444 008
F - + 92 51 8444 009

www.pbc.org.pk