

PBC ACTIVITY REPORT

July to September 2019

This Report summarizes the activities of The Pakistan Business Council (PBC) for the period July to September 2019. It follows quarterly reports for the year ended June 30, 2019.

PBC Members' Meetings in Karachi & Lahore

PBC Members' Meetings were held, one each in Karachi and Lahore in September. The meetings, both of which were well attended provided an opportunity for the membership to interact with the board, the management and other PBC members. The board and the management appraised the members about the current advocacy thrust and sought input from members on areas which the members felt needed greater attention of the PBC.

One additional Members' Meeting is planned in Islamabad during the year.



Interaction with the Adviser on Commerce, Textiles, Industry & Production and Investment

Two interactions were held with the Adviser on Commerce, Textiles, Industry & Production and Investment:

- A video conference was held in July to update the Adviser on the PBC's position on the Afghanistan Pakistan Transit Trade Agreement which is currently being negotiated.
- The Adviser visited the PBC in August to meet the members and to discuss progress on reviving Pakistan's manufacturing sector. A number of members agreed to contribute their time for specific projects which the Adviser had identified.



Visit of the Governor State Bank of Pakistan to the PBC

Dr Reza Baqir, Governor State Bank of Pakistan (SBP) visited the PBC. The meeting which was attended by nearly 40 PBC member CEOs overran the allotted time by nearly an hour. The Governor after making a short presentation answered in a candid manner a number of questions put forward by the members.



PBC Hosts Lunch for the IMF Team

The PBC hosted a lunch for Mr. Jihad Azhour, Director Middle East and Central Asia of IMF and his team visiting Pakistan to review the progress on the IMF Program.



Other Visitors to the PBC



Dr Geoffrey Shaw

High Commissioner of Australia in Pakistan visited the PBC



Ms. Teresa Sanchez

IMF Resident Representative visited the PBC with her team



Ms. Jumaina Siddiqui

US Institute of Peace visited the PBC. The US Institute of Peace had earlier sponsored the US Pakistan Track Two talks in which the PBC CEO represented the private sector



Mr. Arshad Bhatti

SBP Director Exchange Control & his team visited the PBC to discuss the proposed rules to allow the private sector to borrow in foreign currency



Mr. Safdar Mekri and Mr. Muhammad Raza

Respectively the outgoing and incoming Chairmen, Rice Export Association of Pakistan visited the PBC to request the PBC to provide resources to help advocate reforms to promote export of rice

CEO's Engagements Outside Pakistan to Promote Pakistan



CEO visited Washington USA where he met with the US State Department, USAID, US Pakistan Business Council and also spoke at the Woodrow Wilson Centre



Attended the EU – Asia Connectivity Conference in Brussels, Belgium, met the Pakistan Ambassador and the EU Coordinator GSP Trade Preferences to discuss the EU GSP+ Review

CEO's Engagements in Pakistan to Promote the PBC's Objectives



Dinner meeting with the Chinese Ambassador at the Chinese Embassy, Islamabad



Called on the US Ambassador in Islamabad



Lunch with the President of the World Economic Forum (WEF)



Met Mr. Khawar Ansari of the IFC



Met with Mr. Ali Jehangir Siddiqui, Ambassador at Large for Investment



Lunch meeting with Mr. Hans Peter Lankees, Regional Head of the IFC



British High Commission

Met Mr. Mike Nithavrianakis – Deputy British High Commissioner



Met the IFC Asia Head



UK Trade & Investment

Attended a reception at the BDHC to meet Olivia Campbell, Director Trade UK



Attended a dinner hosted by the US Consul General in Karachi



Attended a dinner in honor of the US Ambassador



Attended a dinner to meet Dr. Ishrat Husain, Adviser to the PM on Institutional Reforms and Austerity



Attended a dinner hosted by Dr. Reza Baqir, Governor State Bank of Pakistan

New Executive Members Inducted in the Quarter

One new executive member was inducted in the quarter taking PBC's overall strength to 82. The new member who joined in the Quarter was:

Dawlance (Arcelik Group Turkey)



Publications During the Quarter

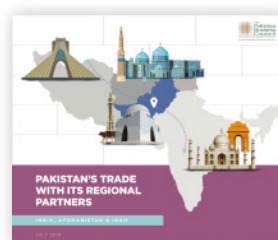
A total of '3' publications were released during the Quarter, these were:



**Progress Review of
"Make-in-Pakistan"**



**The Kingdom of Morocco –
North Africa Country Series**



**Pakistan's Trade with its
Regional Partners – India,
Afghanistan & Iran**

Commissioned Research on the Horticulture Sector

In the quarter commissioned a research titled: **Increasing Value-Addition And Exports in Horticulture Sector of Pakistan.** This Study which is expected to be completed in the 3rd quarter of the current year is being supervised by the PBC's Islamabad office



Collaborative Research on the Phase II of the CPFTA

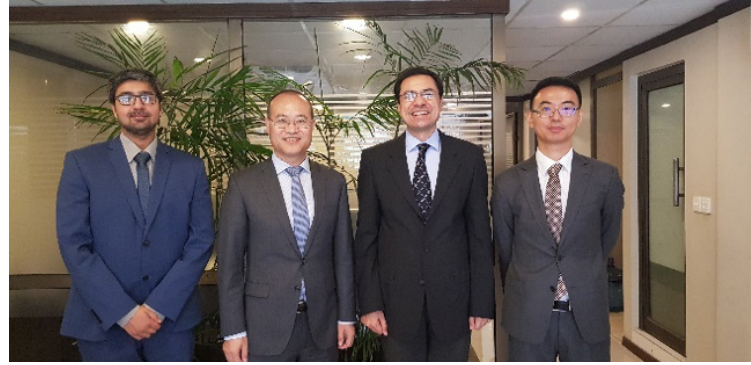
First draft of the Report titled: **China Pakistan Free Trade Agreement Phase II: A Preliminary Analysis** was submitted by the Consortium for Development Policy Research (CDPR) was submitted in September 2019 and is currently under review.



Working of the Islamabad Office

Engagement with Chinese Embassy and Companies

Following Mr. Ehsan Malik's meeting with the Chinese Ambassador, PBC Islamabad hosted Dr. Wang Zhihua, Minister Counsellor Economic and Commercial of the Chinese Embassy, at PBC's Islamabad office. Mr. Zhihua mentioned that a number of Chinese companies such as Industrial and Commercial Bank of China (ICBC), Power China, CMPAK (Zong), Three Gorges Company have expressed keen interest in increasing engagement with PBC. Additionally, the Minister Counsellor opined that to attract Chinese investors for setting up manufacturing units in SEZs, the incentives offered must be regionally competitive. PBC offered to arrange a reception inviting participants from PBC and Chinese companies, to help encourage interaction of large companies from both sides.



Mr. Gong Dahui, Commercial Manager, Power China International Group Limited, visited PBC and introduced his company's work in Pakistan. Power China has shown keen interest in increasing engagement with PBC.

PBC hosted Mr. Yuncheng Chen, CEO, GM, Industrial & Commercial Bank of China (ICBC) in Islamabad. Mr. Chen shared ICBC's desire to cooperate with PBC in helping Pakistan attract Chinese companies to promote investment in Pakistan's industries.



Harmonization of Food Standards

In its continued effort to advocate for the need to harmonize food standards across the country, PBC sent a letter to the Prime Minister highlighting the issue of conflicting food standards formulated by the provinces. In its letter, PBC stressed on the need to resolve the matter promptly as it is causing serious hurdles in the ease of doing business.

Consultative Discussions on formulating an Electronics Development Policy

PBC's team in Islamabad met with staff at the Electrical & Mechanical Engineering (EME) College, NUST, to discuss the potential for developing an Electronics Development Policy (EDP) for Pakistan. Commandant EME College appreciated PBC effort and assured full support to PBC for successfully completing the initiative.



In a similar vein, the team held a consultation session with the faculty of Habib University, Karachi. PBC informed the participants on the importance of entering the global value chain of Electronics, while highlighting the potential role that academia could play in helping articulate an Electronics Development Policy for Pakistan.

Centre of Excellence in Responsible Business (CERB)



AWARENESS

WEBINARS

“Integrating Ethical Practices across the Supply Chain” on July 9

Anti-Bribery and Corruption (ABC) Risk Expert, Jonathan Chibafa, and Trainer in Supply Chain Management, Mohsin Beg, spoke of benefits of having integrity practices in supply chains in various industries and highlighted relevant solutions such as providing risk-based training. The webinar was hosted in partnership with ACCA Pakistan and British Deputy High Commission (BDHC) and was joined by more than 200 attendees.



IDENTIFYING GOOD PRACTICES

“Men’s Role in Caregiving and its Impact in the Workplace” on Sep 23

This was the first learning event of the PBC and IFC initiative, “Tackling Childcare Pakistan: Creating Family-Friendly Workplaces” held in collaboration with US-Pak Women’s Council at the PBC Boardroom. Keynote speaker Gary Barker, CEO and founder of Promundo, shared his findings from the global report “State of the World’s Fathers” and highlighted men taking on a more active role as caregivers globally. Additionally, two companies presented their perspectives with S&P Global having a four week paternity leave in place at their Islamabad office, and Telenor Pakistan implementing family-friendly policies to encourage men’s role as caregivers in the household.

Currently CERB is conducting its Fifth Baseline Survey among PBC member companies on ‘Businesses Creating and Promoting Decent Growth and Employment Opportunities’. A detailed survey report will be issued in early 2020.



IMPARTING BEST PRACTICES

SDG LEADERSHIP PROGRAMME

“Accounting for Water: The Coca-Cola Way” targeting SDG 6 ‘Clean Water and Sanitation’ in collaboration with The Coca-Cola Export Corporation was held on August 1 at Marriott Hotel in Karachi. This workshop focused on the risks faced by companies in relation to water availability. The SDG Leader presented their investments in replenishing water into the communities and strategies employed to improve water efficiency in their operations. A mix of corporate executives, not for profit organizations and government representatives attended the event.

Two workshops on “Think Equal, Build Smart and Innovate for Change” targeting SDG 5 ‘Gender Equality’ in collaboration with Habib Bank Limited (HBL) were held on August 7 and September 24 in Karachi and Lahore, respectively. A total of 40 participants from 15 companies attended the workshops.

“Energy Management with Insights from International Industries Limited” targeting SDG 7 ‘Affordable and Clean Energy’ was held on September 2 at the Marriott Hotel in Karachi. Energy Expert, Nida Farid, spoke on energy losses and Seher Abbas, IFC consultant, presented a business case for energy efficiency. Atif Khan, an energy expert trained by UNIDO, led a session on the fundamentals of energy audit and developing an energy management system. The workshop was attended by 25 participants.

A roundtable on “Building Capacity of Suppliers” targeting SDG 4 ‘Quality Education’ was held in collaboration with Engro Corporation at the PC Hotel Lahore on September 26. A total of 15 participants from 6 companies participated in the discussion.

OTHER EVENTS

A short-term agreement has been entered into with UNDP for a project on “Mainstreaming, Acceleration and Policy Support for SDGs”. Through this project CERB aims to reach Pakistani businesses for evidence-based research and policy advocacy, and will be reporting the progress of listed companies on specific SDGs and its impact. As part of this agreement CERB has completed its first deliverable, which is to develop a detailed Concept Note on a National Quiz Programme on the SDGs. The concept note covers the mechanics of the programme in terms of the procedure on how 28 Higher Education Institutions can participate in a nation-wide televised quiz show. An SDG survey has also been launched among PSX listed companies for reporting practices being followed.



POLICY ADVOCACY

The Eighth Practitioner Workshop on Ethics and Governance was held on July 24 at LUMS in Lahore in collaboration with ACCA Pakistan and BDHC. Key findings and recommendations from the base-line survey on Ethics were discussed. The event was attended by around 50 participants.



IN PROGRESS

CERB has been advocating for greater ESG reporting as well as seeking for SECP and PSX's leadership on Pakistan becoming one of the partner exchanges subscribing to UN's initiative of Sustainable Stock Exchanges. Mandating ESG-related reporting over time will enable sustainable and socially responsible impact investments through ESG-rated indices. A combination of corporate governance regulation and investor education would drive greater ESG reporting. CERB will soon be organizing a focus group discussion at PBC which engages all stakeholders to identify whether businesses have a capacity to report on ESGs and what would be required by regulators and the stock exchange to put a mandatory ESG policy in place.

CERB's case study on National Foods Limited's business model to improve the quality of red chillies using an inclusive approach is awaiting issuance.

UPCOMING EVENTS:

October 03

Webinar on Mitigating and Adapting to Climate Change with Packages Limited, Industry Leader for SDG 13

October 8 and 9

Women on Boards and in Business Leadership (WBBL) in collaboration with IFC, Lahore

October 09, 16 and 30

Global Ethics Day events in collaboration with ACCA Pakistan, BDHC and CFA Society at PC Hotel, Karachi, Serena Hotel, Islamabad and at a location to be decided at Lahore respectively.

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 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	17
Packaging Material	2
Pharmaceuticals and Healthcare	6
Textiles	10
Total Members in Large-Scale Manufacturing	57
Services	
Financial service	12
Hospitality	1
Insurance	2
Logistics / Courier	2
Telecommunication	2
Utilities	1
Total Members in the Services Sector	20
Conglomerates	5

30 MNC's from 14 Countries



USA



UK



UAE



Switzerland



Japan



30 MNC's from 14 Countries



Netherlands



France



Bahrain



South Korea



Norway



Hong Kong



Germany



Sweden



Turkey





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