

PBC ACTIVITY REPORT

July to September 2018

This Report summarizes the activities of
The Pakistan Business Council (PBC) for the
period July 1, 2018 to September 30, 2018.

Significant Changes in the Macroeconomic Environment

Following the general elections on July 25, the most significant change was the formation of new governments at the center and in the provinces. In the third consecutive transition to a democratically elected government, the new Prime Minister, Mr. Imran Khan from the Pakistan Tehreek-e-Insaf (PTI) was sworn in on August 18, 2018. The first ministers and advisers including the Finance Minister and the Adviser on Commerce were sworn in on August 20, 2018. Major changes in line ministries included the change in the Chairman FBR & the Chairman BOI.

Interaction with Political Parties Prior to the General Elections

The PBC launched its **"100 – Day Economic Agenda for the Incoming Government"** on July 9, 2018. The 100 – Day Economic Agenda which targeted the major political parties was developed from the PBC's **"Make-in-Pakistan"** initiative, broad objectives of which are: jobs, value-added exports, import substitution and a broad tax base. The 100-Day Economic Agenda was well received and has formed the basis for PBC's engagement with the political parties both prior to and post the elections.



Interaction with the Interim Government

The PBC held a number of interactions with the Interim Finance Minister including a first of its kind meeting in Islamabad at which all the Secretaries from key line ministries impacting business in some form, participated. PBC availed this opportunity to highlight the need for policy alignment as an essential first step to deliver jobs, exports and import substitution, the key elements of PBC's advocacy. Given the limited mandate of the caretakers, these interactions were aimed at shaping the recommendations of the caretakers for the incoming government.

The PBC continued to engage with the SECP on the proposed Companies Bill to rectify anomalies in the Companies Act 2017, in particular, Sections 208 (related parties definition) and 452 (declaration of foreign shareholdings).



Interaction with Members of the New Government

The PBC had one focused interaction in Islamabad with the Adviser on Commerce, Textiles, Industry and Investments at which recommendations for promoting the Make-in-Pakistan initiative were discussed in great detail.

The PBC also interacted with the Finance Minister prior to the presentation of the Supplementary Finance Bill 2018 emphasizing the need to restore provisions of the Group Company Laws to those in the Finance Act 2007.

The PBC contributed to shaping the consultative bodies formed by the new government.

Interaction Post Tabling of the Supplementary Finance Bill 2018

The Supplementary Finance Bill 2018 was presented in the National Assembly on September 18, 2018. PBC publically expressed its displeasure at the proposed unconditional withdrawal of restrictions on non-filers buying new vehicles and property as well as its disappointment that the Group Company Laws were not restored to their 2007 status. In respect of the former, it advocated exceptions for overseas Pakistanis and those not required to file returns. This was subsequently accepted by the government and enacted in the mini-budget. We continue to lobby for restoration of group taxation to the position prior to the change in the Finance Act 2016.

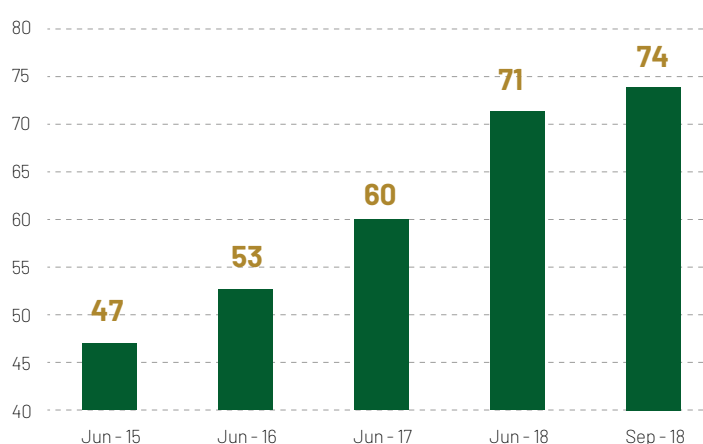


Internal Workings of the PBC:

- **Annual Audit of the PBC Accounts:** Annual Audit of the PBC's Accounts were carried out by A.F. Ferguson & Co.
- **Approval of Accounts by the Board:** The PBC Board approved the Annual Accounts at its 65th Meeting held on September 5th, 2018. The required statutory approvals were given by the Board.
- **Approval of Date for AGM:** The Board approved the date for the AGM as October 8th, 2018
- **Change of Nominee & Invitation to Join the Board:** Following the resignation of Mr. Abdul Razak Dawood from the Board and his replacement with Mr. Taimur Dawood by Descon, the Board approved both the change of nominee and invited Mr. Taimur Dawood to join the PBC Board.

- **New Executive Members':** In the first quarter, four new executive members were added raising the total membership base to 74. With the addition of Naveena Exports Limited, textile sector representation increased to 9; Qarshi Industries (Pvt.) Limited increased the Pharmaceuticals & Healthcare sectoral representation to 6; Jubilee General was the second Insurance sector member company to join the PBC; and Telenor Pakistan limited became the second in the Telecommunications sector. This takes the total sectors represented in PBC's membership to 16. Twenty-seven of 74 of the members are multi-national companies from 13 countries. The tables on page 08 shows the complete list and sectoral representation in PBC's membership.

PBC Executive Membership



- **Interactions with Diplomats:** The CEO met the Japanese, Swedish and the EU Ambassadors, the British High Commissioner, Regional Heads of the Asian Development Bank and the World Bank and the country representatives of the IMF and the World Bank.



Publications during the Quarter:

"100 – Day Economic Agenda for the Incoming Government."



On-going In-House Research: The PBC is currently working on two studies which aim to increase the competitiveness of Pakistan's Denim & Knitted Apparel Sectors. In addition, '3' Country Profiles, a study on the Pakistan Sri Lanka FTA and an analysis of Pakistan's manufacturing sector are at various stages of completion.

Partnered Research: The PBC has partnered with the Consortium for Development Policy Research (CDPR) on Pakistan's apparel sector. This Study is expected to be completed in the 2nd Quarter FY '19.

Media Coverage: The PBC's presence and profile improved substantially, both in the print and the electronic medias. Both regard the PBC as the "go-to" body and thought leader on business affairs.

INTERNATIONAL
THE NEWS

DAWN



THE EXPRESS
TRIBUNE

**BUSINESS
RECORDER**

Centre of Excellence in Responsible Business (CERB)

CERB continued its focus on Inclusive and Sustainable Development, aspects of which were identified in separate statements and included in PBC's 100-day Economic Agenda for the Incoming Government issued earlier on Creating Livelihoods, Climate Change, Environmental Impacts and Water. A roundtable was held on "Businesses and UN Sustainable Development Goals (SDGs): Value Creation & Sustainability" with an aim to mobilize the private sector to transform their existing business practices for better socio-economic outcomes. Additionally, a baseline survey of good practices on Transforming Business Culture was issued that will be the basis of further research and workshops. Finally, a training program was held jointly with IFC and PICG on "Women on Boards and in Business Leadership: Igniting Change" with the objective of developing a conducive environment to benefit women in leadership roles, including the Board.



Future Plans

The next quarter is crucial for the economy. The PBC will support the government in structural reforms, built around its Make-in-Pakistan thrust. This will take the form of direct meetings, representation at consultative forums, seminars and media interaction.

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's Member Companies





The PBC Members by Sector

PBC currently has 74 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	7
Fast Moving Consumer Goods	15
Packaging Material	2
Pharmaceuticals and Healthcare	6
Textiles	9
Total Members in Large-Scale Manufacturing	52
Services	
Financial service	9
Hospitality	1
Insurance	2
Logistics / Courier	2
Telecommunication	2
Utilities	1
Total Members in the Services Sector	17
Conglomerates	5

27 MNC's from 13 Countries



USA



UK



UAE



Switzerland



Japan





Netherlands



France



Bahrain

HBL



South Korea



Norway

LOTTE



Hong Kong



Germany

SIEMENS



Sweden



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