

PBC ACTIVITY REPORT

October To December 2020

This report summarizes the activities of the Pakistan Business Council (PBC) for the period October 1, 2020 to December 30, 2020.

Major Activities During the Quarter

The PBC's public activities in the Quarter were influenced to a certain extent by the resurgence of the Covid-19 pandemic. Though the PBC offices had become fully functional by the start of the quarter under review, they had to once again move to a staggered format post issuance of the latest dictates by the Government.

Notwithstanding the impact of pandemic, the PBC and its members continued to interact through a notable number of engagements, mostly in the virtual space.

PBC's major activities during the Quarter are summarized below:

PBC Webinar with Mr. Sakib Shirani on Pakistan's Economy



The PBC hosted a webinar with Mr. Sakib Shirani a prominent Pakistani economist who lamented that the periods of growth in Pakistan's economy, especially in the last 30 -years had been fueled by domestic consumption as opposed to being led by the export sector. Domestic growth based on consumption driven by imports and supported by cheap money would in the view of Mr. Shirani never lead to Pakistan breaking out of its boom-bust cycles and the need to keep going back to the Fund.

PBC Webinar with Mr. Abdul Razak Dawood & Pakistan's Ambassador to the EU

The PBC hosted a webinar at which the Special Assistant to the PM on Commerce Mr. Abdul Razak Dawood and Pakistan's Ambassador to the EU participated along with the major textile members of the PBC. The objective of the webinar was to discuss a joint strategy for ensuring the continuation of the GSP+ Status for Pakistani exports to the EU beyond 2023. It was agreed that the textile sector would hire a lobbyist in Brussels to try and ensure the continuation of Pakistan's GSP+ status beyond 2023.



PBC Webinar with Pakistan's Ambassador & Trade & Investment Consular in Japan



The PBC hosted a webinar with Pakistan's Ambassador and Trade & Investment Consular in Tokyo. In addition to the Ambassador and the T&I Consular Mr. Ando a former head of Mitsubishi in Pakistan also participated. The panel members participating from Japan emphasized on the need for Pakistan to look beyond textiles and to consider how to increase manpower exports to Japan as the population was ageing and a lot of opportunities were available in the services sector.

PBC – TMA Joint Webinar on the Export Competitiveness of Pakistan's Towel Sector



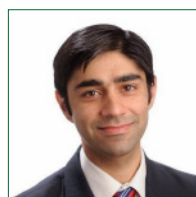
The Pakistan Business Council & the Towel Manufacturers Association (TMA) held a joint webinar to highlight the findings of a joint report prepared by the PBC & TMA on Pakistan's Towel Industry. Participants expressed their view that a major reason for an increase in Pakistan's towel exports was the EU GSP+ program. They also put forward their concerns regarding the reasons behind Pakistan being stuck in the low value towel segment.

PBC Webinar with Mr. Tabish Gauhar SAPM on Power

The PBC hosted a webinar with the Special Assistant to the Prime Minister on Power, Mr. Tabish Gauhar. The SAPM briefed the members on the steps being taken by the Government to deregulate the power sector and other measures being undertaken to reduce the cost of electricity.



PBC Webinar with Dr. Moeed Yusuf SAPM on National Security



The PBC hosted a webinar with Dr. Moeed Yusuf Special Assistant to the Prime Minister on National Security where the SAPM repeated his and the PBC's view that Pakistan needs to work to take back its economic sovereignty. The SAPM expressed his hope that while things appear to be getting better with Pakistan's neighbors to the West, at the moment there was no hope of relations improving with India.

PBC Webinar with Dr. Hafiz Pasha on Pakistan's Economy

The PBC hosted a webinar with Dr. Hafiz Pasha a leading economist and a former Finance Minister. Dr. Pasha relying on empirical data showed that Pakistan was heading for a repayment crisis and that Pakistan should go back into the Fund Program at the earliest as delaying a re-entry into the Program will only make the conditions more difficult.



PBC Webinar with Ms. Teresa Daban Sanchez Resident Representative of the IMF in Pakistan



The PBC hosted a closed webinar with Teresa Daban Sanchez the Resident Representative of the IMF in Pakistan. The PBC members emphasized on the IMF Representative the need to continue measures aimed at bringing back growth in the economy, they specially mentioned the need to support the export sectors through the provision of power and gas at regional rates as well as the need to extend the construction package.

PBC Zoom Meeting with Dr. Christian Turner, British High Commissioner to Pakistan



The PBC held a Zoom Meeting with Dr. Christian Turner the High Commissioner to Pakistan for the United Kingdom.

PBC Zoom Meeting with the Engineering Development Board

The PBC held a Zoom Meeting with the Engineering Development Board (EDB) to discuss the general guidelines of a proposed MOU between the PBC & the EDB. From the PBC's side the Chairman PBC, Mr. Saquib Shirazi led the team which also included the PBC CEO Mr. Ehsan Malik, PBC Director Mr. Riyaz Chinoy and Mr. Umar Ahsan CEO Dawlance Limited.



PBC Session with IPSOS on Quantifying Impact of Illicit Trade



The PBC held a Zoom Session with Mr. Babar Sattar Managing Director of IPSOS, a global marketing research firm. PBC through its Illicit Trade Committee headed by Mr. Abrar Hasan is hoping to engage IPSOS to quantify the impact of illicit trade on Pakistan's economy.

PBC Zoom Meeting with Pakistan's High Commissioner in Bangladesh

The PBC CEO and its Director Research had an online Zoom meeting with Pakistan's High Commissioner and Trade & Investment Consular in Dhaka, Bangladesh. The meeting explored the possibility of the PBC doing a Joint Study with the Dhaka Chamber of Commerce & industry on promoting bilateral trade between the two countries.



PBC Zoom Meeting with Dr. Geoffrey Shaw – HC Designate of Australia to Pakistan



The PBC CEO & its Director Research had a Zoom meeting with Dr. Geoffrey Shaw High Commissioner Designate of Australia to Pakistan. The PBC CEO made a presentation on the PBC & on Pakistan's economy to the HC designate.

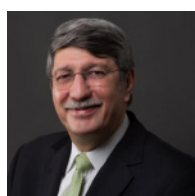
PBC Zoom Meeting with Pakistan's Trade & Investment Counselor in Cape Town



The Director Research PBC & a member of his team held a Zoom meeting with Ms. Humaira Israr Pakistan's Trade & Investment Consular in South Africa. The meeting was part of a Study that the PBC is doing on South Africa as part of its Market Access Series.

PBC Zoom Meeting with Pakistan's Minister of Trade & Investment Addis Ababa

The Director Research PBC & a member of his team held a Zoom meeting with Mr. Munir Sadiq, Pakistan's Minister of Trade & Investment in Addis Ababa, Ethiopia. The meeting was part of a Study that the PBC is conducting on Ethiopia as part of its Market Access Series.



PBC Session with Mr. Badar Vellani on the Legal Environment to Control Illicit Trade

The PBC held a Zoom Session with Mr. Badar Vellani Partner Vellani & Vellani to better understand the country's laws relating to illicit trade.

PBC MOU with the Engineering Development Board (EDB)

With the objective of promoting competitiveness of Pakistan's engineering sector, the PBC and the Engineering Development Board (EDB) agreed to sign an MOU to work together to achieve this joint goal. The PBC and the EDB boards have both approved the MOU and it is expected to be signed in the early half of the next quarter.



PBC Session with the CEO Pakistan Textile Council (PTC)



The PBC CEO & Director Research had a Zoom Session with Ms. Saleha Asif, CEO of the newly formed Pakistan Textile Council (PTC). The PTC has been setup by the leading textile houses of the country, including some leading PBC members and one of its objectives is to lobby with the EU for extending Pakistan's GSP+ concessions beyond 2023.

Pakistan Regulatory Modernization Initiative (PRMI)



PBC continued providing support to the Board of Investment (BOI) in implementing the Pakistan Regulatory Modernization Initiative (PRMI). PBC has so far collected input on regulatory bottlenecks from three sectors, Food, Information Technology and Automobiles, and delivered the input to BOI.

Furthermore, PBC also contributed to reviewing the project's strategy for the next three years. At present, PBC is preparing proposals to address regulatory bottlenecks faced by the textile sector.

Harmonization of Food Standards

PBC continued to spearhead the industry's perspective on harmonizing food standards. The process of harmonizing food standards by PSQCA's technical committees has commenced and is underway. On registration of food products and licensing of food establishments, there continues to be a difference of opinion between the Federal Government and the Provincial Governments, namely, Punjab, Sindh and the Khyber Pakhtunkhwa. In the 43rd meeting of the Council of Common Interests (CCI) held on November 11th, 2020, the Federal Minister of Science & Technology was directed to develop consensus with provinces and report back to CCI with a solution.

PBC co-opted to the Ministry of Commerce's Core Team on National Priority Sectors Export Strategy (NPSES)



The Ministry of Commerce, under the Revenue Mobilization, Investment & Trade (ReMIT) Programme, being undertaken with the support of the International Trade Center (ITC), has embarked on an exercise to develop the strategy for prioritizing sectors for export. PBC has been co-opted to the core team of the exercise and will review the strategy while giving input to determine final list of priority sectors for export.

Update – Collaborative Research with CDPR on Export Potential of Pakistan's Pharma Sector

The Inception Report was submitted by the CDPR during the quarter and the final report is expected in the third quarter of the current year



Study on Impact of Afghan Transit Trade on Domestic Industry - PIDE



The Terms of Reference for a Study to be commissioned through the Pakistan Institute of Development Economics (PIDE) was finalized during the quarter. The Study will aim to quantify the impact of Afghan Transit Trade on Pakistan domestic industry.

CEO's Activities to Promote the PBC's Agenda



State Bank of Pakistan

Launch of the Consultative Session on 'Banking on Equality Policy: Reducing the Gender Gap in Financial Inclusion'



AT Kearney

Developing an approach to FDI in Pakistan



British Trade Director for Pakistan

Export Credit Scheme for Pakistan



HABIB UNIVERSITY

Moderator at the Transitioning Role of Corporate Leadership in Times of Crisis Event



Institute of Policy Reforms

State of the Economy



The Economist

Illicit Trade Webinar



The Economist

Regional Comprehensive Economic Partnership



PIDE

Removing the Anti-export bias in Tariffs

**Sadapay**

Facilitating Digital Payments

**Tabadlab**

FATF risks and opportunities

**Singapore Business Forum**

Promoting Pakistan's Trade with Singapore

**Bill & Melinda Gates Foundation**

Discussion on alleviating nutritional gaps in mother and child



British
High Commission

British High Commission

Discussion on key take-outs of gender study of UK Companies in Pakistan

**BOI**

PRMI Task Force Meeting

Activities of the Centre for Excellence in Responsible Business (CERB)



Awareness

CERB in partnership with the ACCA, ICMAP, CFA Society Pakistan, HBL, and Pakistan Stock Exchange Limited (PSX) held a series of Big Ethics and Sustainability Conversations on Oct 19, Oct 20 and Oct 21 on the role of the accountancy profession in creating a more ethical and sustainable world. The Global Ethics Week featured five highly relevant conversations that were aimed at inspiring individual action by constructively discussing the pressing ethical and sustainability challenges.

In collaboration with PICG, CERB hosted a webinar on "Women on Boards and in Business Leadership" on Oct 29 to discuss how we can advance women in leadership positions in Pakistan. The panel featured representatives from SECP, National Foods Ltd (NFL), Interloop, IFC and a senior female director currently serving on several boards of listed companies.

CERB hosted the first in a series of webinars "CEO Talks" on Nov 3, featuring the leaders of Engro Corporation and Unilever Pakistan who joined Mr. Ehsan Malik on a discussion about how their organizations are adjusting to COVID-19.



Identifying Good Practices

Webinars

In collaboration with IFC, CERB hosted an online session on how to empower women entrepreneurs through gender-lens investments on Nov 23. The panel featured Sarmayacar, Dot & Line, IFC and SDG 5, Gender Equality leader, HBL.

CERB hosted a webinar with SDG 12 leader ICI Pakistan Ltd highlighting their best practices on waste management and their partnership with the NGOs Aabroo and Alwasila Trust that uses recycling to fund their welfare initiatives. GarbageCAN presented on what companies need to consider for waste management.

In honor of National Working Women's Day, CERB hosted a webinar with SDG 8, Decent Work and Economic Growth Leader, Indus Motor Company Ltd on December 24 to discuss the steps they are taking to ensure a safe and productive working environment for their female workforce. Panelists included representatives from SDG 5, Gender Equality leader, HBL and Mehargarh and a keynote speech from International Labour Organization (ILO).

Focus Group Discussions/Consultations

As part of the **IFC PBC Family Friendly Workplaces Project**, CERB and IFC held 3 virtual consultations on November 3rd, November 4th and Dec 2nd, comprising of 25 participants, with stakeholders from the public and private sector in Pakistan and members of the Gender Inclusion group of the World bank. The discussion helped validate the results and recommendations from our research with 140 employers, 70+ employees, 20+ policy stakeholders, and 20+ childcare providers from across Pakistan.v

The feedback has thus been accommodated in the Policy Brief which will be launched on Feb 9th.

IFC-PBC Call

The Peer Learning Collaboration (PLC) launched in June 2019, as part of the **IFC PBC Family Friendly Workplaces Project** came to a fruition on Oct 31 2020. As part of the PLC, 13 companies had been working on two commitments each on various family friendly policies. Representatives from these companies met every month for a virtual call facilitated by IFC and CERB to discuss progress made on these commitments. The last monthly check-in call took place on Oct 15 and a final PLC report featuring success stories and good practices of these 13 companies will be released in February 2020.

Baseline Survey

CERB will be launching a baseline survey in January 2020 on Understanding the Impacts of COVID-19 on Responsible Business Practices through an ESG Lens among PBC members only.



Imparting Best Practices

CERB was invited to attend a workshop on September 24 in Karachi on "Low carbon waste technologies, practices, and cleaner production for textile and leather industries". The workshop was organized by WWF Pakistan in collaboration with UNIDO – Global Environment Facility and Pakistan Tanners Association (Southern zone) Environmental society.



In Progress

The SDG leaders programme, launched at the PBC's Pakistan Economic Forum V in Islamabad on December 13, 2018 has completed two years. The following PBC member companies have come forward as champions of the SDGs till date:



Dalda Foods and English Biscuits Manufacturers, SDG 3
'Good Health and Well-Being'



International Industries Limited, SDG 7 'Affordable and Clean Energy'



Engro Corporation, SDG 4
'Quality Education for all'



Indus Motor Company, SDG 8
'Decent Work and Economic Growth'



Habib Bank Limited, SDG 5
'Gender Equality'



Soorty Enterprises, SDG 9
'Industry, Innovation and Infrastructure'



Coca-Cola Pakistan, SDG 6
'Clean Water and Sanitation'



ICI Pakistan, SDG 12
'Responsible Consumption and Production'



Packages Limited, SDG 13
'Climate Action'

Case Studies

Two of CERB's case studies are in progress; the first case study on English Biscuits Manufacturers' Corporate Values and the second one on Interloop Limited achieving prosperity and sustainability through a winning culture.

Upcoming Events:

(all dates are tentative in view of the prevailing situation with respect to COVID-19)

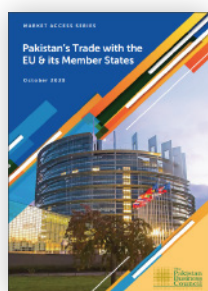
- Webinar with Engro Corporation on SDG 4 'Quality Education for all' to be held in January.
- Webinar with Soorty Enterprises on SDG 9 'LEED Certification of Buildings'
- 2 day workshop on 'Introduction to GHG Accounting in collaboration with SDG 12 Leader, Packages Limited
- Webinar with Dalda Foods Ltd in February.
- Policy Brief Launch of the Tackling Childcare Landscape Analysis in February.
- IFC PBC Peer Learning Collaboration (PLC) Final Report launch in February.

Board & Committee Meetings

The 76th Board of Directors Meeting was held during the quarter at which progress was reviewed on the key thrusts and the proposed changes in the membership criteria.

Publications During the Quarter

During the quarter, a total of nine (9) publications were released by the PBC, this brought the total number of PBC publications in the two quarters of the current year to 10.



Pakistan's Trade with the EU & its Member States

<https://www.pbc.org.pk/research/pakistan-s-trade-with-the-eu-its-member-states/>



Potential of the Proposed Pakistan Thailand FTA

<https://www.pbc.org.pk/research/potential-of-the-proposed-pakistan-thailand-free-trade-agreement/>



A Perspective on FDI from China

<https://www.pbc.org.pk/wp-content/uploads/Perspective-on-FDI-from-China.pdf>



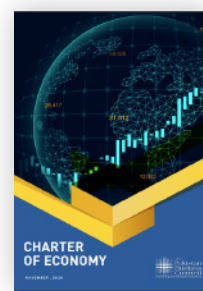
Pakistan & the US GSP Opportunity

<https://www.pbc.org.pk/research/pakistan-and-the-us-gsp-opportunity/>



Brexit & the Likely Impact on Pakistan UK Trade

<https://www.pbc.org.pk/research/brexit-and-the-likely-impact-on-pakistan-uk-trade/>



PBC's Charter of Economy

<https://www.pbc.org.pk/research/pbc-s-charter-of-economy/>



A Review to Evaluate the Plausibility of Pakistan's Accession to the Information Technology Agreement

<https://www.pbc.org.pk/research/a-review-to-evaluate-the-plausibility-of-pakistans-accession-to-information-technology-agreement/>



Second Review of the Pakistan Malaysia Closer Economic Partnership Agreement

<https://www.pbc.org.pk/research/second-review-of-the-malaysia-pakistan-closer-economic-partnership-agreement-mpcepa/>



Enhancing the Competitiveness of Pakistan's Refrigerator Industry

<https://www.pbc.org.pk/research/enhancing-the-competitiveness-of-pakistan-s-refrigerator-industry/>

PBC's Social Media Outreach



2,950

Total
Followers

PBC's Twitter account has gained new followers; currently, PBC has approximately 2,950 followers on Twitter. The user engagement with PBC's content has increased; the "top tweet" was seen about 5,500 times.

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 tax revenues and 40% of exports. More information about the PBC, its members and its activities can be found on our website www.pbc.org.pk





The PBC Members by Sector

PBC currently has 83 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	9
Energy	2
Engineering	9
Fast Moving Consumer Goods	18
Packaging Material	2
Pharmaceuticals and Healthcare	6
Textiles	10
Total Members in Large-Scale Manufacturing	59
Services	
Financial service	12
Hospitality	1
Insurance	2
Logistics / Courier	2
Telecommunication	1
Utilities	1
Total Members in the Services Sector	19
Conglomerates	5

29 MNC's from 13 Countries



USA



UK



UAE



Switzerland



Japan



29 MNC's from 13 Countries



Netherlands



France



Bahrain



South Korea



Hong Kong



Germany



Sweden



Turkey



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