

PBC ACTIVITY REPORT

January to March 2019

This Report summarizes the activities of The Pakistan Business Council (PBC) for the period January 1, 2019 to March 31, 2019. It follows similar reports for the previous two quarters.

Keynote Speech by Finance Minister at Financing to Support “Make-in-Pakistan”

As part of its Make-in-Pakistan (MiP) initiative, the PBC organized a half-day workshop in Karachi on Financing to Support MiP. Nine prominent speakers presented on various aspects of financing to support MiP, the topics covered included SME & agriculture financing, opportunities for tapping into equity & debt markets, sources for long-term Capex funding, venture capital funding and Fintech among others. The presentations were followed by a panel discussion in which the Finance Minister participated, personally answering a number of questions put forward by the audience.




Pakistan@100: Shaping the Future – PBC Members’ Interaction with the World Bank


Mr Illango Patchamuthu, World Bank Country Director for Pakistan, in his meeting with the PBC members discussed the findings of the latest World Bank publication “Pakistan@100 Shaping the Future”. Mr Patchamuthu stressed the need for Pakistan to adapt to the changing global trade trends, to invest in research and technological innovation, reduce the number of business procedures, to address the rapid growth of population, increase female participation, and improve infrastructure and healthcare services in the country. He also provided examples of policy decisions taken by the governments of Sri Lanka, Vietnam, and China which helped them achieve economic development, and encouraged Pakistan to take a similar course of action.





Interaction with the Government


- The PBC interacted with the Finance Minister, the Minister of State for Finance, the Chairman FBR and the Member Policy FBR to try and ensure that PBC's recommendations for the exemption of Intercompany Dividend in Group Companies from withholding tax were incorporated in the Supplementary Finance Bill. Most other recommendations had been factored in the Bill. The Supplementary Finance Bill was however passed by parliament without effective provision for exemption of intercompany dividends. The PBC has taken up this matter with the Finance Minister who has undertaken to review it as part of the Finance Bill 2019.



- The Advisor for Commerce, Textile, Industry and Production, and Investment visited the PBC first in January and then again in March 2019 to update and discuss with the PBC progress on developing the framework for a new Industrial Policy.


- The Chairman Board of Investment (BOI) visited the PBC in January 2019. The objective of the meeting was to identify the opportunities and challenges in operationalizing the Special Economic Zones (SEZs) that the government is setting up as part of CPEC. The PBC CEO restated the forum's concerns that existing enterprises not located in the SEZs will be negatively impacted by financial and other incentives being offered to investors in the SEZs.


- The PBC had three robust interactions with the SECP in the third quarter - two of these related to the Companies Act 2017, the first one was in January 2019 when the PBC CEO presented to the Policy Board, PBC's recommendations on changes required in the Act to make it more business friendly. This was followed by a second interaction with the Chairman SECP in February 2019 when the Chairman along with his commissioners visited the PBC. In addition to the Companies Act 2017, the PBC also had a detailed meeting with the SECP on the Shariah Governance Regulations 2018.


- PBC during the course of the quarter has tried to act as a bridge between the members and the Ministry of Finance to seek an out-of-court resolution of the issue of pending GIDC litigation. There is some progress, however the matter is still in discussion stages.


- Mr Taimur Saleem Khan Jhagra, Finance Minister KPK visited the PBC to meet the CEO and to request PBC members to visit the KPK as a Group to discuss investment opportunities especially in the areas of tourism and hospitality.



In addition, the PBC had interactions with the following representatives from the government and its various departments:

- A delegation from the National Institute of Parliamentary Services visited the PBC.
- The CEO attended a meeting of the Prime Minister's Task Force on Technology
- The PBC was represented by its CEO at the Doing Business in Sindh Conference.
- A strong PBC team participated in an event organized by the Ministry of Commerce on Pakistan's FTAs.

Visitors to the PBC in the Third Quarter 2018 – 19

In addition to the Chairman BOI, Chairman SECP & the Advisor on Commerce, Textile, Industries & Production and Investment, the following visited the PBC in the third quarter 2018 – 19.



Mr Fuji Atsushi, incoming CEO
Mitsubishi Corporation
Pakistan



Ms. Teresa Daban Sanchez, IMF
Resident Representative visited
the PBC in January 2019



Mr Junaid Iqbal, CEO of
Careem Pakistan called on the
PBC CEO



Ms. Zunee Muhtashim –
Principal Investment Officer
IFC called on the CEO.



The Spanish Ambassador to
Pakistan and the Honorary
Consul General of Spain called on
the CEO.



CEO of Engro Polymer called
on the CEO to discuss tariff
issues



A delegation from Multilateral
Investment Guarantee Agency
(MIGA) a part of the World Bank
Group visited the PBC.



Dr Aisha Khan, CEO Civil
Society Coalition for Climate
Change



A delegation from the
Singapore Business Forum
visited the PBC for a meeting
with the members.



CEO British Asian Trust visited
the PBC



A team from One World Media
called on the CEO



Mr. Didier Talpain, French
Consul General called on the
CEO

Presentations / Interactions to further the PBC's Objectives



CEO attended a meeting on Collateral Management and Warehousing Receipts jointly organized by Pakistan Agricultural Coalition and PMEX



CEO attended a dinner hosted in honour of Mr Marcel Smits, Head Asia of Cargill



CEO attended the CDPR Conference in Lahore and moderated a panel on the Garments industry



CEO attended on behalf of the PBC an event organized by International Steels to mark the expansion of its manufacturing facilities, Mr Razak Dawood was the Chief Guest.



Attended a dinner hosted by Faysal Bank



CEO met Mr Mark Russel, Senior Commercial Counsellor US Embassy in Pakistan



CEO met with Mr Henry Ensher, Deputy Assistant Secretary, US Department of State, Pakistan Desk.



CEO attended a presentation on Pakistan's Dairy Industry organized by Engro Foods.



On the occasion of International Women's Day, CEO attended and spoke at the Ring the Bell Ceremony at the PSX.



CEO met the Hungarian Ambassador to Pakistan



CEO met the Australian High Commissioner to Pakistan

Internal Workings of the PBC

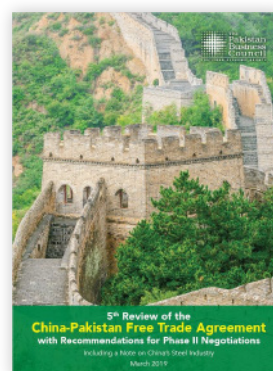
- **A new '15' member Board** took office during the quarter. The Board elected Syed Yawar Ali as Chairman and Mr Saquib Shirazi as Vice Chairman.
- **Statutory and non-statutory committees** of the Board were also formed.
- **Half-yearly limited review** of the PBC was successfully conducted and a clean report presented to the Board by the Auditors.
- **Approval of Half-Yearly Accounts** the Board approved the Half-Yearly accounts of the PBC for the period ended December 31st, 2018.
- **No new executive members** were added in the quarter and PBC membership continued at 78.
- **New publications during the quarter**



**The Kingdom of Cambodia
– South Asia Country
Profile Series**



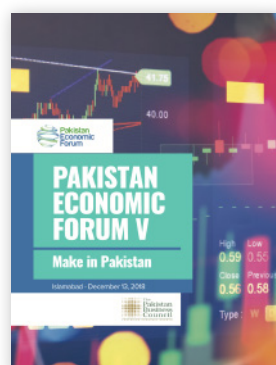
**The Kingdom of Thailand –
South Asia Country Profile
Series**



**5th Review of the China Pakistan
Free Trade Agreement**



**Pakistan's Economic, Trade &
Manufacturing Data**



**Proceedings – Pakistan
Economic Forum V**

Centre of Excellence in Responsible Business (CERB)

Key Activities - January – March 2019



● AWARENESS

Webinars

“Air Quality, Health & Industry” on January 16.

A knowledge expert from Pakistan Air Quality Initiative (PAQI) and Dr. Kulsum Ahmed, former Practice Manager of the World Bank’s Environment and Natural Resource, spoke about the health impacts of industrial air pollution on employees and communities. The webinar emphasized on the need to measure air quality through installation of monitors and reduce air pollution.

“Call for Climate Action: Business in the age of Uncertainty” on February 25.

Climate expert Ms. Sobiah Becker spoke of increasing climate uncertainty and risks and why businesses in Pakistan need to consider resource-efficient and climate resilient growth for their companies' long term sustainability and viability. Packages Limited, a PBC Member Company, highlighted how they are working towards reducing greenhouse gas emissions.

“Leaving No One Behind: The Impacts of Water Efficiency” on March 22 (World Water Day).

This webinar saw the launch of the SDG Leadership Programme with Coca-Cola Pakistan, a PBC Member Company, taking the lead on SDG 6. Additionally, Mountain Glacier Protection Organization (MGPO) and UNDP Department of Environment & Climate Change advocated for the responsibility of businesses towards water efficiency.

Other events

“Ring the Bell Ceremony” on March 8 (International Women's Day).

Held as a collaborative event at the Pakistan Stock Exchange with International Finance Corporation and Women on Boards as co-hosts along with PBC. Key insights into the issue of women empowerment in Pakistan, especially with respect to their integration and progression in workplaces, were discussed. More than a hundred people attended the ceremony including women leaders from various corporate organizations working as board members or entrepreneurs.



● IDENTIFYING GOOD PRACTICES

The Fourth Baseline Survey, “Ethical Mindset: From Vision to Practice”, was carried out. A total of 47 PBC member companies responded to the survey. Key findings and recommendations going forward will be discussed in the Seventh Practitioner Workshop to be held on April 23.



● IMPARTING BEST PRACTICES

A CERB team member along with two candidates from PBC member companies underwent IFC’s Training of Trainers on Women on Boards and in Business Leadership (WBBL) in Beirut, Lebanon. It is intended to hold the next WBBL training session on April 11 and 12.



● POLICY ADVOCACY

A CSR Framework Roundtable was held at the Sindh SDG Unit on January 4. CERB advocated the need to move beyond CSR and link the SDGs with the company’s business model.

CERB held two Roundtables in collaboration with ACCA in Karachi and Islamabad on ‘ESG & Sustainable Value Creation’ on February 13 and 22. The discussions centered on how to make Pakistani businesses open to the global ESG market for greater investment and sustainable development opportunities. A need for having a framework in place was suggested for businesses to report ESG data and be comparable to one another through it.

Additionally, on the need for regulators, such as SECP, to audit and manage policy on ESG & CSR, along with the importance of the Pakistan Stock Exchange to becoming a partner in the UN Sustainable Stock Exchange initiative.

The CERB Team participated in the SDG Reporting Consultative Workshop held in Karachi by UNDP in collaboration with Tundra Fonder on March 20, 2019. The workshop identified select targets and indicators to which businesses can contribute and report on and thereby supporting Pakistan’s contribution to the SDGs.

CERB was invited to the Air Quality Challenge Meeting held on March 26 and 27 at the National Parliament in Islamabad hosted by Air Quality Asia. Several Honorable Members of National Assembly, Parliamentary Secretaries of Finance & Climate Change, the Climate Change Caucus and Senators of State were engaged in this meeting and when CERB made its presentation on the Role of Businesses in Building a Green Economy: State of Renewable Energy Sector in Pakistan at the Pakistan Institute of Parliamentary Services

Centre of Excellence in Responsible Business (CERB)

Centre of Excellence in Responsible Business (CERB) is the first outreach initiative of The Pakistan Business Council (PBC) to build capacity and capability of businesses in Pakistan.

VISION

Be a multisector business coalition, assisting Pakistani enterprises to pursue economic, social and environmental value creation in the short, medium and long term.

FUNCTIONS

CERB will leverage best practices of global businesses, PBC Members and others in Pakistan to inculcate a change in mind-set among businesses including small and medium-sized enterprises. It will enter into alliances with knowledge partners who have researched resources to contribute to its mission.

Its operations will comprise of an Online Research & Innovation Initiative and two or more interdependent business units including:

Ethics, Values and Governance Forum:

To promote responsible practices which strengthen the formal sector in pursuit of sustainable value creation.

Inclusive and Sustainable Development Forum:

Focuses on advocacy, research and training to enable or, among other, generating livelihoods, promoting women's empowerment and decoupling growth from its impact on the environment.

THE OUTCOMES/PRODUCTS OF CERB

Forum Subscriptions:

Companies become subscribers to avail opportunities for networking and collaboration, knowledge and research, recognition and actionable insights to identify opportunities promote towards sustainable value creation.

Practitioner Workshops:

Workshops planned in collaboration with PwC (A.F. Ferguson and Co.) develop the discussions from key findings and recommendations from baseline surveys on good practices among PBC member companies, benchmarking them against global practices.

Expert Webinars:

Experts are identified from professional network group to identify how to continue contributing to business objectives, increasing market share, engaging employees and enhancing reputation.

Working of PBC Islamabad Office

Engagements with Foreign Missions:

- **Visit of the High Commissioner of Malaysia to PBC**

PBC hosted the High Commissioner of Malaysia to Pakistan, H.E. Mr. Ikram Mohammad Ibrahim at its Islamabad office on 14th February 2019. PBC's Resident Director briefed the High Commissioner on PBC's ongoing advocacy initiatives and policy recommendations for improving the Economy. In the backdrop of the Prime Minister of Malaysia, Mahathir Bin Mohamad's expected visit in March 2019, the High Commissioner discussed potential sectors for economic collaboration and expressed his desire for businesses from both countries to deepen their bilateral engagement and enhance economic ties. The sectors of interest for Malaysia are oil and gas, telecommunications, IT, precious stones, and halal meat.



- **PBC's visit to Embassy of Japan in Islamabad**

In an effort to expand outreach with foreign embassies, PBC Islamabad staff had an introductory meeting at the Embassy of Japan's First Secretary, Mr. Taiji Tsuchiya, on 4th February, 2019. The Resident Director and Programme Officer presented PBC's latest publications, and explained PBC's vision for industrializing Pakistan.



- **Visit of the Ambassador of Hungary to PBC**

Mr. Ehsan Malik met with the Ambassador of Hungary H.E. Mr. István Szabó and the Commercial Counsellor Dr. Istvan Grafjodi at PBC Islamabad on 13th March, 2019. The Ambassador sought PBC's participation in the upcoming Pak-Hungary Joint Economic Commission meeting due to be held in Budapest in September 2019 in Budapest, and discussed the possibility of arranging B2B meetings. The potential sectors of collaboration are automobile components, waste – water management and ICT.



- **Meeting with European Commission's Programme Scoping Mission**

PBC hosted the High Commissioner of Malaysia to Pakistan, H.E. Mr. Ikram Mohammad Ibrahim at its Islamabad office on 14th February 2019. PBC's Resident Director briefed the High Commissioner on PBC's ongoing advocacy initiatives and policy recommendations for improving the Economy. In the backdrop of the Prime Minister of Malaysia, Mahathir Bin Mohamad's expected visit in March 2019, the High



Meetings with Policy Think-Tanks



PBC Islamabad hosted a team from the Center for Global Strategic Studies (CGSS) on 13th February, 2019, led by its Executive Director Lt. Col (R) Khalid Taimur Akram. CGSS produces research in the domain of national security policy, which also includes a component on the economy. PBC's Resident Director presented PBC's vision and explained PBC's ongoing proposals on Make in Pakistan.



The Knowledge Management team from Karandaaz visited PBC Islamabad on 26th March, 2019 for discussing Karandaaz's strategy on financing Small and Medium Enterprise (SME) development. Karandaaz has three ongoing programs; a) creating a micro-payment gateway, b) providing credit to SMEs, and c) making equity investments in SMEs. The team from Karandaaz solicited guidance from PBC on prioritizing sectors for SME development in Pakistan.

The Resident Director gave a presentation on PBC's policy recommendations on promoting industrialization in Pakistan to a cohort of senior government officers at the National Institute of Management's 25th Senior Management Course, on 25th March, 2019 in Peshawar. The presentation highlighted the importance of policies developed for promoting local manufacturing, export diversification and import substitution. The participants present included those from Federal Government ministries such as Inland Revenue, Customs, Commerce, Information, Secretariat, District Management Group among others.



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





29 MNC's from 13 Countries



USA



UK



UAE



Switzerland



Japan



29 MNC's from 13 Countries



Netherlands



Bata



France



Bahrain

HBL



South Korea



Norway

LOTTE



Hong Kong



Germany

SIEMENS



Sweden



The PBC Members by Sector

PBC currently has 78 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	17
Packaging Material	2
Pharmaceuticals and Healthcare	6
Textiles	9
Total Members in Large-Scale Manufacturing	54
Services	
Financial service	11
Hospitality	1
Insurance	2
Logistics / Courier	2
Telecommunication	2
Utilities	1
Total Members in the Services Sector	19
Conglomerates	5

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