

PBC ACTIVITY REPORT

April to June 2019

This Report summarizes the activities of The Pakistan Business Council (PBC) for the period April to June 2019. It follows similar reports for the previous three quarters.

The Finance Bill (Budget) 2019

The major activity during the Quarter related to the announcement and passage of the Finance Bill (Budget) by Parliament. The PBC's major activities in this regard included:

- Submission of PBC's Budget Proposals in April 2019
- Meeting with the FBR team to discuss the rationale behind the PBC's proposals especially the role of fiscal policy in the Make-in-Pakistan initiative.
- Dissemination of PBC's proposals to relevant stakeholders
- Meeting with the Adviser on Finance post announcement of the Finance Bill 2019 – incidentally the PBC was the only private sector body that the Adviser visited / held a one-on-one meeting post announcement of the Finance Bill
- A follow-up letter written to the Adviser listing PBC's support, concerns and recommendations for changes in the Finance Bill
- Meeting with the Chairman FBR on the Finance Bill 2019
- Nomination of and participation by the CEO in a Private Sector Committee notified by the FBR for removing anomalies in the Finance Bill prior to passage by Parliament



The Finance Act has been passed by the National Assembly and the PBC has taken appropriate action to convey its major concerns.

Phase II – China Pakistan Free Trade Agreement

Phase II of the China Pakistan Free Trade Agreement (CPFTA) was signed during the visit of the Prime Minister to China in April 2019. Newspaper reports and meetings with the Adviser to the PM on Commerce, Textiles, Industry and Production & Investment, Mr. Abdul Razak Dawood and senior officials of the Commerce Ministry indicate that most concerns of industry in Pakistan have been addressed. Based on available information, the PBC has voiced its support for the new Agreement, however a detailed assessment will be made once the final agreement is in the public domain.



Interactions with the Government

The PBC interacted with the Adviser to the PM on Finance on two separate occasions, once prior to the announcement of the Budget in early May, and then again post presentation of the Finance Bill in June 2019. At both these meetings, the Adviser appreciated the quality of the PBC's research work and the depth and quality of the PBC's presentations on the economy. He agreed with the rationale for most of the policy recommendations for promoting Make-in-Pakistan, however he also mentioned the lack of fiscal space.



The PBC team presented its Budget Proposals to the FBR team in April 2019, the discussion was insightful on how the FBR forms its views on fiscal policy. Following the announcement of the Finance Bill, a PBC delegation called on the FBR Chairman and held detailed discussions on the Finance Bill.

Visitors to the PBC in the Fourth Quarter 2018 – 19

The important individuals / delegates who visited the PBC or met with the PBC in the last quarter were:



Mr. Moeed Yusuf, Country Representative, United States Institute for Peace



CEO attended a meeting with the French Ambassador and the Consul General to discuss the way forward on trade and investment post visit of the MEDEF delegation to Pakistan



Mr. Chris Elms, Economic Advisor to the Embassy of the United States and his team visited the PBC



Visitors from Mitsubishi Japan visited the PBC



Ministry of Finance

The CEO had a detailed meeting with Dr Hafeez Shaikh, Advisor to the PM on Finance prior to the announcement of the Finance Bill 2019



CEO attended a meeting at the World Bank office in Islamabad with visitors from Malaysia to learn about Malaysia's experience of restructuring and privatizing State Owned Enterprises.



Mr. Javed Jabbar, Chairman of the Social Policy and Development Centre (SPDC) visited the PBC with senior members of his team



The EU Ambassador to Pakistan H.E. Jean-Francois Cautain visited the PBC



Mr. Seth Bleiweis, Director South & Southeast Asia of the US Department of the Treasury visited to understand the private sector perspective of the then imminent IMF Program.



Dr Hafiz Shaikh Advisor to the PM on Finance visited the PBC post tabling of the Finance Bill 2019 to discuss budget related issues.



Mr. Franz Niehuas of the German-Pakistan Chamber of Commerce and Industry visited the PBC to discuss the forthcoming visit of a German Trade and Investment Delegation to Pakistan



PBC met the Chairman FBR, Syed Shabbar Zaidi to discuss the Finance Bill 2019



The CEO gave a commemoration speech at the ceremony to induct new qualified members of ICAP



The CEO met with the Governor of Sindh



Mr. Ali Shaikh of LEAD Pakistan visited the PBC



CEO attended the FBR Anomaly Committee meeting to discuss customs related issues



The CEO called on Mr. Razak Dawood, Advisor to the PM on Commerce along with PBC nominees on the FBR Anomaly Committee



British High Commission

The CEO met Mr. Simon Penney UK Trade Commissioner



CEO met Dr. Ishrat Husain, Advisor to the PM on Austerity and Public Sector Reforms

Representation of Pakistan at International Events

The PBC was engaged by the Government in two important initiatives to promote stronger relations with USA and China:

- The CEO participated in the US-Pakistan Track 2 talks in Oslo, Norway aimed at improving relations between the two countries. The CEO represented the private sector on economic ties.



- Mr. Saquib Shirazi, Vice Chairman of the PBC made the keynote speech on behalf of the private sector highlighting opportunities for improved trade and investment by the Chinese companies at the Pakistan Trade and Investment Forum in Beijing. The Forum was attended by the Pakistani PM, his ministers and leading businessmen and chambers from China and Pakistan



Member Events in the Quarter

- A roundtable was arranged for a visiting trade and investment delegation from MEDEF France.



- A dinner was hosted by the PBC for members of the visiting French trade and investment delegation

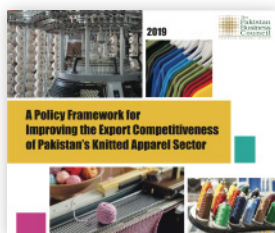
New Executive Members Inducted in the Quarter:

Three new executive members were inducted in the quarter taking PBC overall strength to 81. In the year July '18 to June '19, a total of 10 new members joined the PBC. The new members who joined in the Quarter were:



Publications During the Quarter:

A total of '7' publications were released during the Quarter taking total PBC Publications for the year to '20'. The seven publications released during the Quarter were:



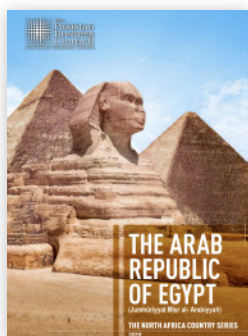
A Policy Framework for Improving the Export Competitiveness of Pakistan's Knitted Apparel Sector



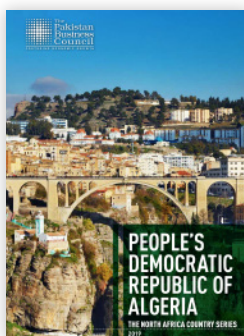
Conference Report: Financing to Support Make-in-Pakistan



Enhancing the Export Competitiveness of Pakistan's Denim Sector



North Africa Country Series: Arab Republic of Egypt



North Africa Country Series: People's Democratic Republic of Algeria



North Africa Country Series: The Republic of Tunisia



The PBC's Proposals for the Federal Budget 2019 – 20

Collaborative Research with the Consortium for Development Policy Research (CDPR)

The PBC signed a contract with the Consortium for Development Policy Research (CDPR) to better understand the implications of Phase II of the China Pakistan Free Trade Agreement (CPFTA). Final Report is expected in the 3rd Quarter of the next year.



PBC Events and Publications during the Year Ended (July '18 - June '19)

Total Number
of Events

11

Total Number of
Publications

20

Working of PBC Islamabad Office

Harmonization of Food Standards

PBC continued to advocate for harmonizing food standards across the country and made significant strides in this regard. PBC represented the industry at the 5th meeting of the committee on Harmonization of Food Standards constituted by Council of Common Interests. Cogent arguments were presented by PBC which helped substantiate the point of view of the industry on the topic. The Secretary of the Ministry of Law and Justice, also the Chairperson of the Committee, has thereafter forwarded a report to the Prime Minister's Secretariat, favoring the industry's stance. The report will be presented at the next meeting of the Council of Common Interests for a final decision on harmonizing the system of formulating food standards between the federal government and the provincial governments.



Consultative Session on formulating an Electronics Development Policy for Pakistan

PBC Islamabad hosted a consultative session to discuss the potential contours of a future Electronics Development Policy for Pakistan. The session highlighted PBC's initial research on the topic, while eliciting input from participants representing key government ministries/departments, including Engineering Development Board, Ministry of Science and Technology, Ministry of Commerce, Ministry of Planning Development and Reform, Board of Investment among others. The session will be followed by further consultations with experts, industry and government representatives.



Sector Study on Horticulture – In process

PBC Islamabad has initiated a sector study to research the potential for "increasing value-addition in horticulture and exports of processed fruits and vegetables from Pakistan". A detailed proposal has been prepared and a consultant has been identified. The sector study is expected to be published by the end of the ongoing calendar year.



Centre of Excellence in Responsible Business (CERB)



● AWARENESS

Webinars

“Drivers and Benefits of Ethics in Business” on April 16

An expert on accountability in ethics, Blair Glencorse spoke of how ethical companies tend to do better financially, have higher rates of employee retention and higher customer service satisfaction numbers. ACCA Pakistan along with a practitioner from Faysal Bank, a PBC member company, spoke on how ethical practices help companies in receiving competitive advantage by leveraging best practices in business.

“Towards Energy Efficiency in the Business Sector of Pakistan” on May 14

Energy expert, Nida Farid spoke of how businesses can prioritize energy efficiency across operations and what are the tools which can be used to reduce the overall demand for energy. International Industries Limited (IIL), a PBC Member Company, taking the lead on SDG 7 spoke of how the company has decreased electricity consumption through monitoring, utilization of energy efficient instruments and generating electricity through co-generation with International Steels Limited (ISL).

“Driving Positive Change Through Integrated Reporting: Case Studies from Pakistan and Around the World” on June 21

Integrated Reporting Subject Matter Expert of ACCA, Yen-Pei Chen spoke of current practices and challenges in implementation of Integrated Reporting faced by businesses globally. Engro Corporation, a PBC member company, shared insights of how it has been using integrated reporting framework to report to its stakeholders since 2015.

Other Events

The Pakistan Business Council (PBC) and International Finance Corporation (IFC) are collaborating to promote better career opportunities for working parents and adoption of family friendly policies, such as childcare benefits. An event was organized at the PBC Boardroom on June 17 where 14 PBC member companies agreed to support parents in finding the balance between work and family friendly policies. These policies will be created under the initiative, “Tackling Childcare Pakistan: Creating Family-Friendly Workplaces”. Under the initiative, IFC, PBC, and six strategic partners, will be providing advice to the companies on childcare and family-friendly solutions.



● IDENTIFYING GOOD PRACTICES

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 were discussed in the Seventh Practitioner Workshop on Ethics and Governance that was held on April 25 in Karachi and another workshop is going to be held on July 24 at LUMS in Lahore.



● IMPARTING BEST PRACTICES

The Seventh Practitioner Workshop was held in Karachi on April 25 in collaboration with ACCA Pakistan and highlighted the importance of ethics and governance in the present times. It focused on defining and scaling up efforts of ethical business practices and governance. This workshop was attended by 60 participants from various sectors.

CERB launched its first Workshop of the SDG Leadership Programme “Spreading Learning through Vocational Training and Capacity Development of Suppliers” targeting SDG 4 ‘Quality Education’ in collaboration with Engro Corporation. This workshop was conducted on April 30 at Marriott Hotel, Karachi by a CERB team member, who is a certified trainer of ILO and has experience in managing Inclusive Development and was attended by 26 participants

CERB hosted its second round of Women on Boards and in Business Leadership (WBBL) in collaboration with IFC on April 11 and 12 at PICG. Nine female executives from senior management positions attended the two day workshop. The next WBBL session is scheduled to take place in September in Lahore.

The SDG Leaders Sponsorship Programme, launched at the PBC’s Pakistan Economic Forum V in Islamabad on Dec 13, is gaining traction. The program focuses on 10 SDGs, each goal sponsored by a company which has identified and shown commitments towards it. The following PBC member companies have come forward as champions of the SDGs till date:

- Dalda Foods, SDG 3 ‘Good Health and Well-Being’
- Engro Corporation, SDG 4 ‘Quality Education for all’
- Habib Bank Limited, SDG 5 ‘Gender Equality’
- Coca-Cola Pakistan, SDG 6 ‘Clean Water and Sanitation’
- International Industries Limited, SDG 7 ‘Affordable and Clean Energy’
- Indus Motor Company, SDG 8 ‘Decent Work and Economic Growth’
- Soorty Enterprises, SDG 9 ‘Industry, Innovation and Infrastructure’
- ICI Pakistan, SDG 12 ‘Responsible Consumption and Production’
- Packages Limited, SDG 13 ‘Climate Action’

Upcoming Events:

July 03

Webinar on Integrating Ethical Practices across the Supply Chain in collaboration with ACCA and British Integrity Initiative, British Deputy High Commission, Online

July 24

Ethics and Governance Workshop with ACCA and British Integrity Initiative, British Deputy High Commission, Lahore

August 01

Workshop on SDG 6: Accounting for Water – the Coca-Cola Way, Karachi

August 07

Workshop on SDG 5: Moving towards Equal with insights from HBL, Karachi

August 27

Workshop on SDG 7: Energy Management – learnings from IIL, Karachi

The Year at a Glance

Year	Roundtable/ Conferences	Case Studies	Baseline Surveys	Webinars	Practitioner Workshops	Companies Engaged
2019 (Jan – June)	4	1	1	6	3	125
2018 (Jan – Dec)	9	5	1	3	6	140

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 81 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	8
Fast Moving Consumer Goods	17
Packaging Material	2
Pharmaceuticals and Healthcare	6
Textiles	10
Total Members in Large-Scale Manufacturing	56
Services	
Financial service	12
Hospitality	1
Insurance	2
Logistics / Courier	2
Telecommunication	2
Utilities	1
Total Members in the Services Sector	20
Conglomerates	5

29 MNC's from 13 Countries



USA



UK



UAE



Switzerland



Japan



29 MNC's from 13 Countries



Netherlands



France



Bahrain



South Korea



Norway



Hong Kong



Germany



Sweden



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