

## PRESS RELEASE

### **OICCI commends PM's leadership in securing IMF SBA**

**Karachi, July 24, 2023:** Commenting on the IMF Board approval of IMF SBA for US\$ 3 Billion for next nine months for Pakistan, OICCI President, Amir Paracha, complimented the Prime Minister, Mr. Shehbaz Sharif and his Finance team for timely leadership and initiative in ensuring that the economy was not subjected to additional shocks. Together with IMF's rapid lending of US\$ 1.2 Billion, the friendly countries have also helped uplift the Foreign Exchange reserves, thereby providing a significant step towards economic stability and progress. This sentiment is reflected in the developments at Pakistan Stock Exchange, currency market and the business environment in general. OICCI members have also appreciated the upgraded Pakistan's long term foreign currency Issuer Default Rating (IDR) to 'CCC' from 'CCC-' by Fitch Rating agency. Pakistan Bonds in the international market have also rallied post the announcement.

While OICCI members remain concerned due to long pending remittances of dividend and other charges, but as responsible foreign investors who have been operating in Pakistan for over 75 years, are supportive of the government actions and look forward to gradual easing of the strict controls on imports and remittances.

Going forward, OICCI President underlined the need to boost the revenue base of the country by aggressively broadening the tax base, reduction in governance cost, reforms in all the key state institutions including the revenue authorities, SOE's and the regulatory bodies both at the federal and provincial level. The government also needs to streamline the unreasonably high taxes on the corporate sector following the introduction of new taxes including Super Tax thereby effectively increasing the tax on organized businesses to over 40 per cent, the highest in the region. "In conclusion", Amir Paracha added, "Pakistan is attracting insignificant FDI well below its potential, whereas OICCI members continue to add substantial investment in Pakistan and over the past ten years have invested over \$ 22 Billion in expanding their footprint in Pakistan. OICCI members will continue to be a sincere long-term partner by positively supporting the government in realizing the economic and investment potential of the country."

*The OICCI is the collective voice of major foreign investors in Pakistan. The over 200 OICCI members, from 31 different countries, have a presence in 14 sectors of the economy and contribute around one-third of Pakistan's total tax revenue, besides facilitating transfer of technology and skills and providing employment to a sizeable number of people. About one-fourth of OICCI member companies are listed on the Pakistan Stock Exchange and many members are associates of the Global Fortune 500 companies. Besides their business operations the OICCI members realize their corporate social responsibilities and are major contributors to various CSR activities benefitting 46 million persons from underprivileged communities.*

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