

Perception and Investment Survey 2021



OICCI
EST 1860
Overseas Investors Chamber of Commerce and Industry

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Oldest Business Chamber in South Asia

Established in 1860 as Karachi Chamber of Commerce, the present name, Overseas Investors Chamber of Commerce and Industry (OICCI), was adopted in 1968. The Chamber serves as the national point of reference for foreign investors in Pakistan.

Vision

To be the premier body for promoting new and existing overseas investment in Pakistan by leveraging the world-class expertise of OICCI members for the benefit of the investors and the country.

Mission

- To assist in fostering a conducive, open, and equitable business environment in Pakistan
- To facilitate the transfer of best global practices to Pakistan
- To enhance the image of overseas investors in Pakistan and of the country abroad

Contents

OICCI member companies come from all over the world, as listed below:

USA	30
SWITZERLAND	14
FRANCE	7
SAUDI ARABIA	3
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BAHRAIN	2
LIBYA	1
BRUNEI	1
NETHERLANDS	30
JAPAN	13
KUWAIT	5
MAURITIUS	3
QATAR	2
SOUTH AFRICA	1
KOREA	1
BAHAMAS	1
UK	23
GERMANY	11
MALAYSIA	4
LEBANON	3
HONGKONG	2
PHILIPPINES	1
IRAN	1
OTHER	13
UAE	14
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ITALY	4
CHINA	3
DENMARK	2
OMAN	1
HUNGARY	1

Disclaimer
The report has been prepared by the Overseas Investors Chamber of Commerce and Industry (OICCI) based on the information provided by member companies who responded to the survey. The analysis and comments are based entirely on the data provided.

Introduction

About us

The OICCI is the collective voice of all major foreign investors operating in Pakistan. Established over 160 years ago in 1860, primarily as a business chamber for foreign investors, the role of the OICCI has been widely enhanced over the years, and presently the chamber is engaged in several diversified activities. Besides its primary function to promote and protect the existing foreign investment in the country and to attract new foreign investors, the chamber's activities contribute significantly to supporting commerce and industry across Pakistan.

Diverse Membership

208 members
31 countries
14 key sectors

Largest Chamber in Terms of Contribution to the Economy

50 Fortune 500 Companies &
57 PSX listed

Large Contributor to Pakistan Tax

1/3 of Pakistan's total tax collections

Leading Investment in Pakistan

USD 2.3 Bn in 2020
over USD 18 Bn since 2012

Most international trade delegations, who visit Pakistan, as well as diplomatic missions of foreign countries in Pakistan, interact with OICCI to get an independent view of the business and investment climate in the country. Incentives offered by the government to investors, experience of OICCI members, their success stories, updated results of the Chamber's business and security surveys are always highlighted at OICCI and international investment forums focusing on Pakistan.

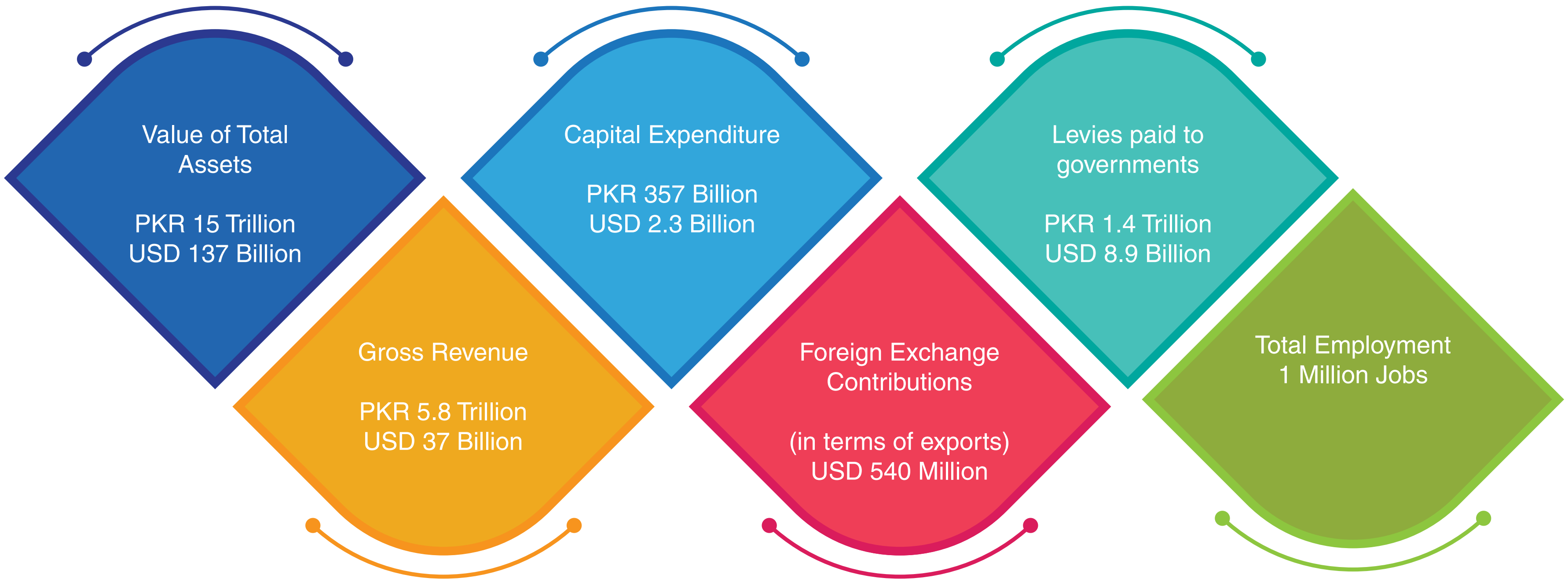
OICCI releases new publications, policy statements and makes recommendations to the concerned authorities, on matters of interest to investors on subjects like Taxation, Energy, Ease of Doing Business, Regulatory Impediments, Digitization, Intellectual Property Rights, Free Trade Agreements, and other policy matters related to the critical interest of businesses. The annual OICCI Taxation Proposals, which include specific points on broadening the tax base and documentation of the economy are widely appreciated by the Federal Board of Revenue (FBR) and the provincial revenue authorities, as well as other stakeholders for their comprehensive and progressive coverage of several issues, along with appropriate practical recommendations to resolve these issues.

Besides their business operations. the OICCI members are also fully conscious of their Corporate Social Responsibilities (CSR) and are major contributors to CSR activities in the country which benefit over 34 million persons belonging to the under privileged segment of the population, in the areas of healthcare, education, gender equality, and other sectors. After the outbreak of the COVID-19 pandemic a large amount has also been contributed for COVID-19 containment related activities.

Activities

Significant activities in which the OICCI is engaged include, inter-alia, acting as catalyst to attract Foreign Direct Investment, enforcement of Intellectual Property Rights, recommending measures for Ease of Doing Business for creating a level playing field for all investors in the areas of taxation, tariffs protection, intellectual property rights, international quality standards, physical safety and security of member companies' employees and assets and transfer of best global technology and practices in business to Pakistan by leveraging world class expertise of OICCI members for the benefit of all investors and the country.

OICCI Members – 2020 Contribution To Economy



Despite the current challenging environment, more so since the onset of the Covid pandemic in the first quarter of 2020, OICCI members are largely quite bullish about the potential and opportunities in the country, which is clearly reflected in the new investment of ***PKR 357*** billion during the year 2020.

The OICCI remains regularly engaged with various stakeholders and conducts research and surveys to seek firsthand assessment of the business operating environment, including constraints to growth and investment. The chamber is actively engaged with the key stakeholders, on a one-to-one basis as well as group activities to progressively narrow the gap between policies and their implementation, including making constructive recommendations to policymakers for improving the business and investment landscape in the country. Being the collective voice of over 200 large foreign investors in Pakistan, the chamber has a critical role to play in ensuring that policymakers are aware of, and sensitive to, the changing business environment with new challenges and opportunities, both, within the country and in the region. This interactive relationship is critical for facilitating retention, as well as expanding the operations of the existing foreign investors and in attracting significant new FDI, in competition with other regional countries.

In summary, OICCI assists in creating an investment friendly, forward looking, and equitable business environment in Pakistan. The chamber is regularly engaged with the relevant government authorities, including those in the provinces, and various regulatory bodies to formulate business-friendly policies which serve as a reference point for foreign investors.

Publications and Surveys

Research-based studies of OICCI for formulation of policy framework

- Perception and Investment Survey
- Business Confidence Index Survey
- Regulatory Survey
- Security Survey
- Remittance Survey
- Corporate Social Responsibility Report
- Intellectual Property Rights Survey
- Women Empowerment Awards
- Consumer Price Index Survey
- Taxation Proposals
- OICCI Energy Recommendations
- Recommendations on ‘Ease of Doing Business’

Purpose of the survey

The Perception and Investment Survey supports the core activities of OICCI and serves as an independent benchmark for all stakeholders, including existing and potential foreign investors, the Government of Pakistan, the provincial governments, various regulatory bodies, the media and relevant diplomats and international agencies like World Bank, IFC and others with a keen interest in continuation of business in the country. The survey provides fact-based feedback from the existing investors on various aspects of doing business in Pakistan besides highlighting the potential of the country, and issues which require corrective actions to create a more conducive business and economic climate of the country.

The informed viewpoint coming out of this survey, has the potential to lead, and it often does, to meaningful debate in various critical forums, enabling appropriate policy reforms for the betterment of the Pakistan economy.

The Perception and Investment surveys are conducted by the OICCI every two years. The present survey was preceded by one carried out towards the end of 2019.

Scope of the Survey

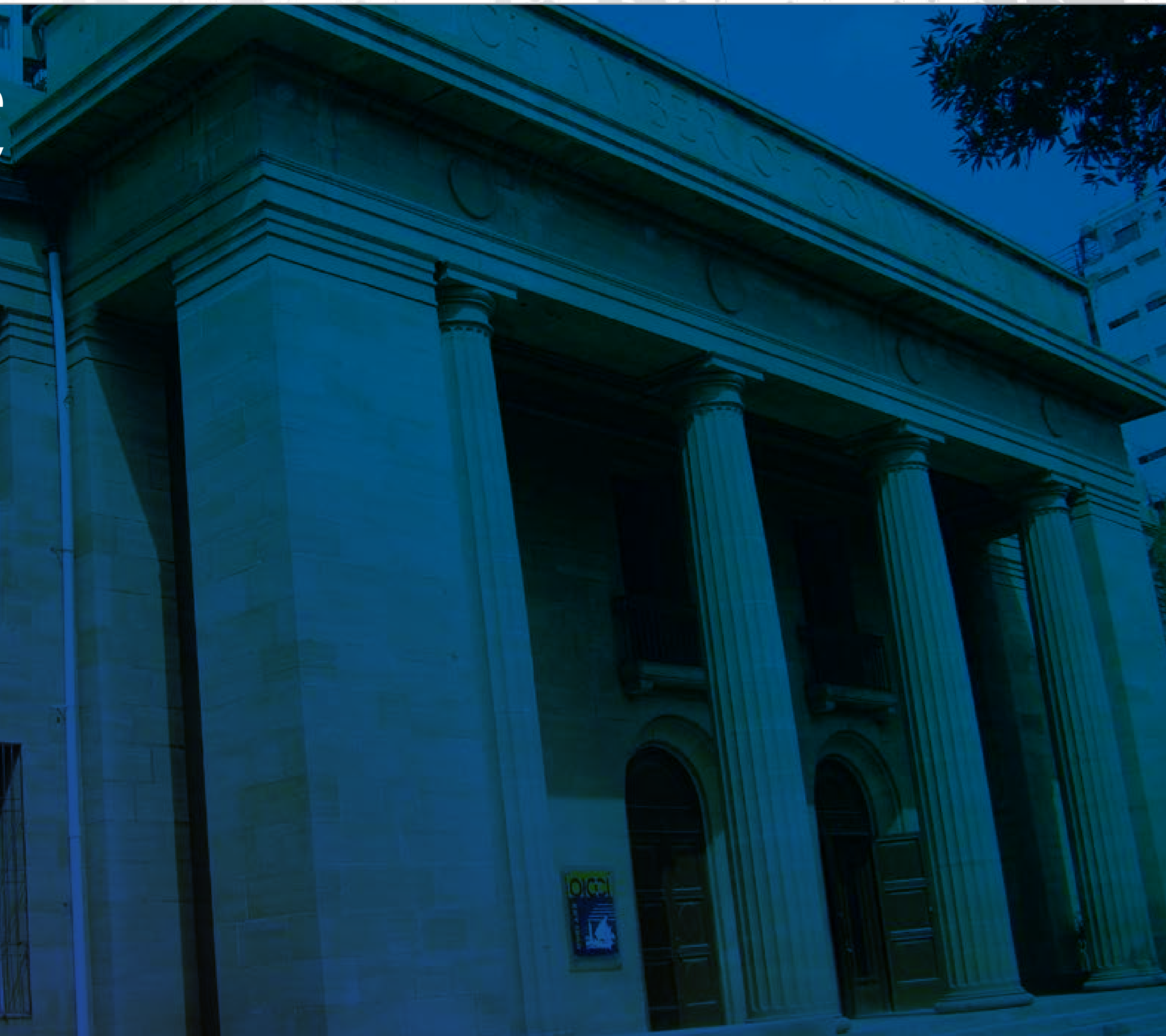
This survey has been conducted in accordance with generally accepted research standards in Pakistan.
In line with accepted norms of survey patterns, the questionnaire of this survey has been designed with a strong link to the previous survey to enable comparisons between two survey points. However, the 2021 Perception Survey questionnaire was modified to seek specific input on current business issues as well as regulatory, economic, and socio-political developments impacting OICCI members directly or indirectly. The latest survey, for instance, includes various questions related to the impact of the COVID-19 pandemic, new policies introduced by the government during the last two years and their impact of the current economic and business situation, policy issues impacting businesses and suggestions for improvement, digitalization, changes introduced by the FBR in the Federal Finance Acts for broadening the tax net and documentation of the economy.

Readers may note that this survey is a consolidated view of the existing leading foreign investors on various aspects of doing business in Pakistan. The Chamber expects that the survey findings, will be taken seriously by policy makers and regulators to make Pakistan an attractive FDI destination despite stiff competition from other regional countries. For the past few years Pakistan is lagging in attracting its due share of FDI. This OICCI Perception and Investment Survey and similar other research works are useful reference points for policy makers to get a real feel of the mindset of foreign investors to appropriately improve the policy framework and its judicial implementation to encourage higher level of investment, including FDI, in the country.

OICCI is hopeful that the publication of the Perception and Investment Survey 2021 results, and sharing them with the federal and provincial governments, regulatory bodies and other key stakeholders will not only provide direction towards improving investment climate but also give guidance for actions to further improve a number of 'Ease of Doing Business' parameters, listed in this publication.

Executive Summary

The Perception and Investment Survey 2021 (PIS 2021) was conducted between August and October 2021. This is one of the most comprehensive survey conducted every alternate year, which incorporates existing foreign investors' candid feedback on doing business as well as investment opportunities in Pakistan.



PIS 2021 is quite unique as it incorporates the impact of the COVID-19 pandemic on businesses and investments. Throughout the past two years, governments all over the world took numerous drastic measures to contain the spread of the Corona virus, which not only bought in a sea change in the lifestyles of masses but also in the operating environment of businesses. The immediate actions were lockdowns, and curbs on free movement of people, closure of manufacturing sites, offices, and the markets followed by massive vaccination drive from early 2021. These actions together with travel curbs, strict border entry and exit controls by nearly every country, severely disrupted the whole supply chain across the world. Working closely with the authorities in Pakistan, most of the businesses quickly introduced measures for continuity of life and commercial activities under the new norms.

On top of the pandemic related issues, the ongoing economic restructuring measures also negatively impacted businesses in Pakistan. These included additional 14% devaluation of the Pak Rupee since the end of 2019, higher inflation and interest rates leading to increased cost of doing business. The PIS 2021, therefore, reflects the challenging time that the OICCI members had to face during the past two years.

Whilst there is still dissatisfaction expressed in this survey by respondents with several areas of doing business, the PIS 2021 feedback is largely positive as on several business climate parameters. foreign investors remain positive going forward on the performance of their respective business entities in Pakistan and an overwhelming majority of respondents (80 percent), have indicated their willingness to recommend new FDI in Pakistan to their parent companies.

Foreign investors' sentiments about the investment climate in Pakistan have improved significantly as compared to the 2019 survey. This can be noted from the fact that there is an increase in 'Better' ratings of Pakistan in respect of Investment and Operating Conditions (IOC) versus 6 out of 10 regional countries, which included Sri Lanka, Vietnam, Philippines, Bangladesh, India and Thailand. It seems that respondents have been influenced, amongst other considerations, by the very good management, containment and support during COVID-19 pandemic by the government, through the National Command and Operation Centre (NCOC), State Bank of Pakistan and the provincial governments. Respondents seem to have also given due weightage to the considerably more favorable laws and policies offered to foreign investors in Pakistan.

The most important matter for all our members is to carry on their operations in an environment which contributes to 'Ease of Doing Business'. In this respect the responses to the survey question on "Aspects of Doing Business" indicates a significant upswing in the confidence of the members. When combining "Good" and the "Neutral" ratings, perceptions in respect of 18 out of the 21 aspects, included in both the 2021 and 2019 surveys, have improved including 'Coordination between federal/ provincial governments', which had been a point of concern for all business entities for several years, recording the largest drop in adverse rating. This is followed by improvement in the 'Ease of Starting a Business', 'Safety of foreign investment' and 'Protection of Trademarks and Intellectual Property Rights'. However, delayed settlement of 'Tax Refunds', remains the most irritating factor for the foreign investors.

The case for business growth potential and opportunities in Pakistan is supported by over 65 percent of survey respondents indicating their plans to make new investments, out of which 8 out of 10 respondents plan to invest more or similar amounts over the next 1 to 5 years, as compared to the investments they made in the previous corresponding period. Moreover, 80 percent respondents plan to increase their employment base. The planned investment in business and human capital is expected to boost both revenue and profitability, as 96 percent of the respondents expect increased sales and 84 percent expect their profits to rise. Furthermore, 90 percent have indicated they will pay more taxes. These numbers, we recommend, should be widely projected by the authorities to attract new foreign direct investment.

OICCI members have once again emphasized on the need for predictable, consistent, and transparent policy framework and its fair implementation. Governance issues, including 'Policy implementation' continue to remain an area of serious concern. Several companies belonging to the FMCG, Petroleum, Pharmaceutical and Agrochemical sectors have identified issues with over-regulation, IPR protection, sale of counterfeit products, dumping of cheaper imported products, inconsistent policies, rigid registration policies, delay in timely implementation of agreed pricing decisions for pharma sector, as major risks to their businesses. The performance of regulatory bodies also reveals a mixed perception and concerns have been expressed over the excessive regulatory environment in certain areas and respondents have mentioned that policies and regulations tend to be inconsistent as these are abruptly introduced with ineffective enforcement.

In respect of the performance of the federal government, respondents have given somewhat mixed messages. There is a significant improvement in the respondent's opinion, about 'Consistency and predictability of monetary and fiscal policies' and shift from not being satisfied to partial satisfaction in respect of government policies being relevant to business needs and their implementation. The 'Commerce & Textile' Ministry was once again rated as the most 'Supportive' amongst all the Ministries, whereas the 'Finance' Ministry, showed improvement in the rating as compared to the 2019 survey. The significant 13% improvement in the Finance Ministry's rating, could be attributed to the more proactive interaction of the Finance Minister, FBR Chairman and other senior officials with OICCI members and the various reforms introduced in the June 2021 fiscal budget for streamlining the tax regime and broadening of tax base. Almost three forth of the respondents are partially satisfied with government policies, whereas only a small percentage are fully satisfied. With respect to implementation of policies these small 'fully' satisfied numbers are outnumbered by those who are not satisfied at all.

In respect of the provincial governments, Punjab government which was given the best rating amongst all the four provinces in the last survey has dropped to second position behind KP and it has also recorded the biggest drop by 9%, which should be a matter of concern for the provincial administration. Ratings for Sindh and Baluchistan continue to be quite negative and have recorded a drop of 4% and 2% over the already low 2019 rating. Since the majority of OICCI members have their registered offices in Sindh, the provincial government needs to take a serious note, as not only the existing investors are impacted but even the potential new investors may view this with concern.

As in most surveys, readers may note some apparent contradictions when comparing responses to the different questions which range from very positive to negative perceptions. This is to be expected due to the wide-ranging and varied subjects covered in this survey, and the fact that our members come from thirty-five different countries and operate in fourteen different sectors, leading to different geographical and sectorial dynamics within the responses.

Going forward, we believe the largely positive feedback from foreign investors through PIS 2021 survey need to be leveraged by all the key stakeholders, especially those in the federal and provincial government, and institutions like Board of Investment, State Bank of Pakistan and other regulatory bodies. The issues identified need to be addressed on priority and opportunities are to be explored with speed and determination so that Pakistan can overcome its issues diligently. We believe Pakistan has a positive story to share on investment opportunities which need to be regularly shared at international forums together with engagement with large international investors with the aim to attract proportionate share of FDI coming in this region.

OICCI and its members are among the most significant economic partners in Pakistan and are committed to remain engaged in fully supporting all the initiatives towards promoting FDI in Pakistan. In the past nine years OICCI members have already re-invested over USD 18 billion in expanding their footprint in the country.

Finally, we thank the OICCI member companies for their active participation and acknowledge the support of the OICCI Managing Committee, respective subcommittees and the secretariat team for the compilation, analysis, and publication of this survey.

Irfan Siddiqui
President

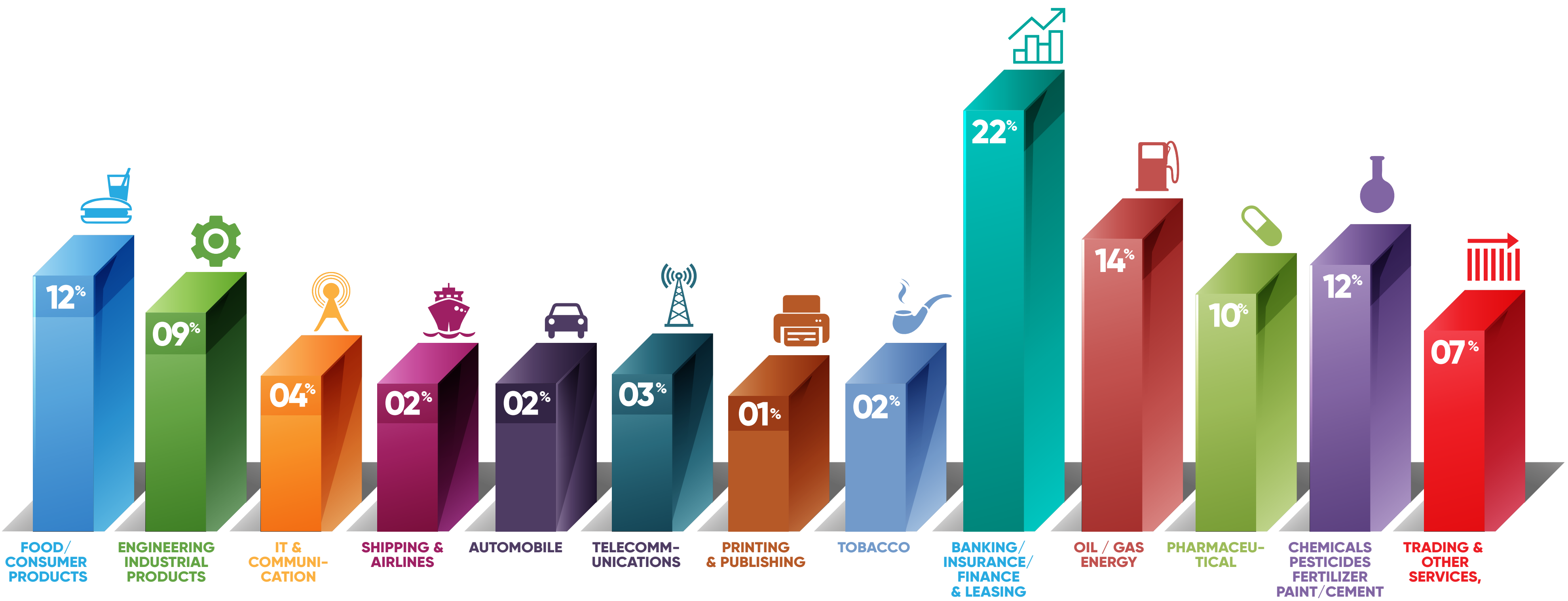
M. Abdul Aleem
CE/Secretary General

Respondents' Profile

134 or 65% of the members, out of the 208 OICCI members, at the time of the survey (including some of the largest companies operating in Pakistan) responded to the survey. All the 14 key sectors of the economy in which our members operate are represented in this report.

Since the results are based on feedback from a significant majority of OICCI members operating in different business sectors, the survey represents the collective voice of foreign investors, currently operating in Pakistan, and of the business community at large.

Figure 1: Sector-wise participation of the survey respondents



Analysis of Findings

Section I: Business Environment

This section sought members' perceptions on multiple parameters of business environment. These included ease of doing business in comparison with regional countries, aspects of doing business, business risks, contract enforcement, and tax refunds.

Ease Of Doing Business (EODB) – A Comparison With Regional Countries

Responses related to "Investment and Operating Conditions" (IOC) in Pakistan in comparison to ten regional countries, after consulting their parent company are given below. The figures in green represent members' perception that Pakistan offers a better business environment than the country against which it is being compared while orange indicates the opposite, i.e. IOC in Pakistan is perceived to be worse. For example, 45% of the members find Pakistan IOC better as compared to those in Sri Lanka whereas 15% state IOC in Sri Lanka are better.

Figure 2(a): Responses in 2021

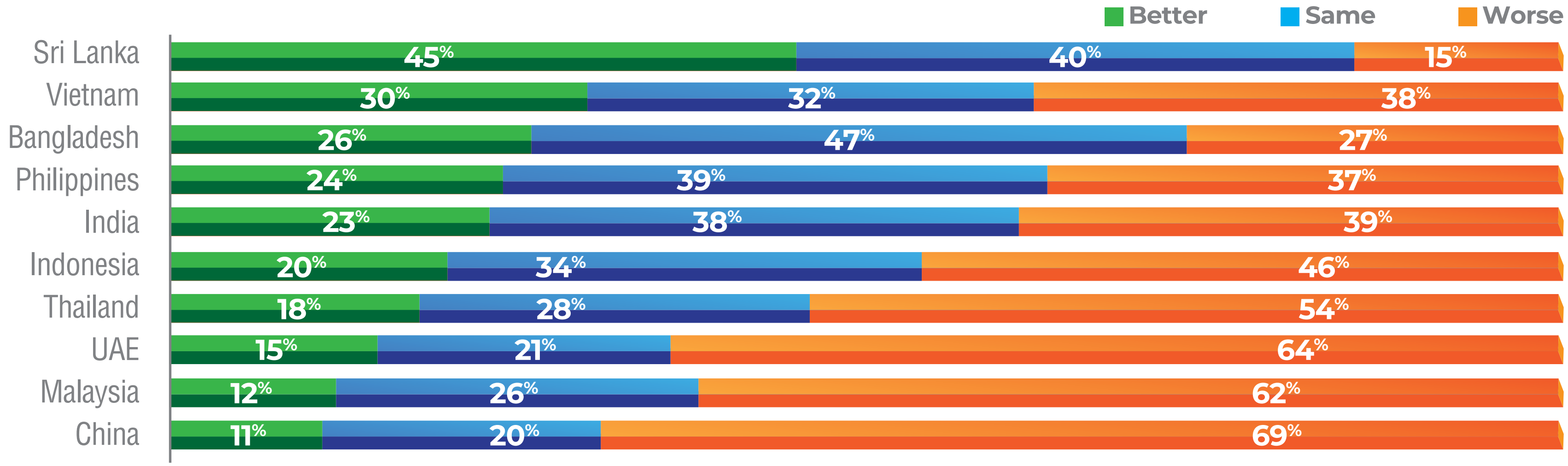
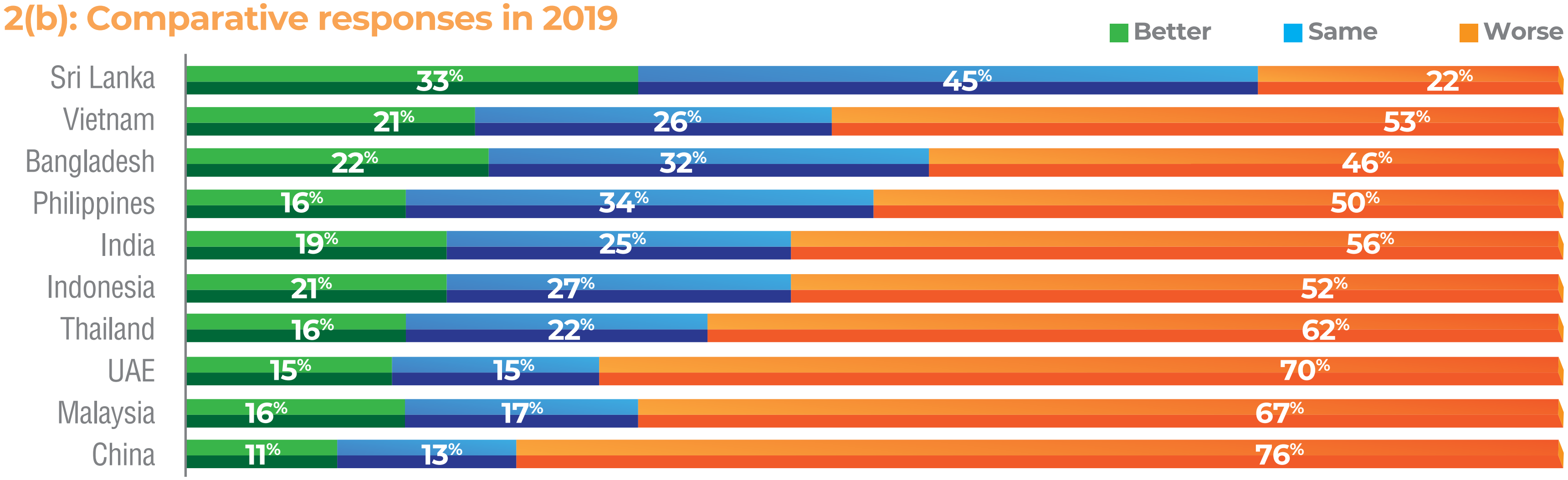


Figure 2(b): Comparative responses in 2019



- Foreign investors' sentiments about the investment climate in Pakistan have improved significantly as compared to the 2019 survey. This can be noted from the fact that there is an increase in 'Better' ratings of Pakistan, in respect of IOC against 6 out of 10 regional countries, which included Sri Lanka, followed by Vietnam, Philippines, Bangladesh, India and Thailand. Whereas sentiments about the investment climate in Pakistan have declined only in respect of Malaysia and Indonesia, with China and UAE rated at the same level as in 2019.

- On combining "Better" and "Same" rating, investors perceive Pakistan IOC to be relatively better than five regional countries, which is again considerable improvement in positive perceptions over the 2019 survey where Pakistan IOC was rated 'better' or 'same', than only two countries included in the survey.

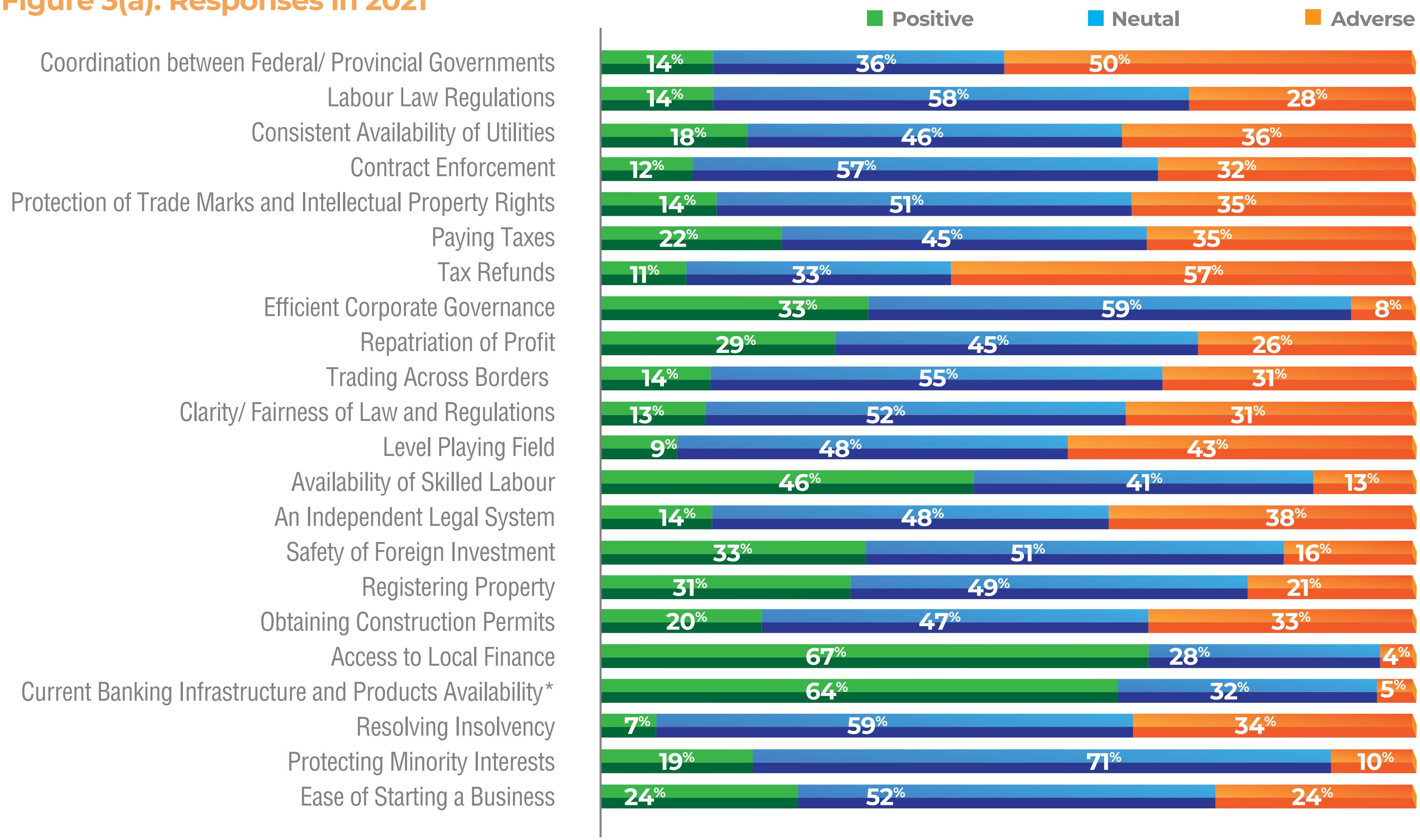
- It seems that respondents have been influenced, amongst other considerations, by the very good management and containment of the COVID-19 pandemic by the government, through the National Command and Operation Centre (NCOC), jointly represented by the Federal and provincial governments, along with State institutions.

- Respondents seem to have also given due weightage to the considerably more favorable laws and policies offered to foreign investors in Pakistan, like 100% foreign shareholding combined with an insignificant 'paid-up' capital requirement and relative freedom to repatriate dividends, royalties, and capital.

Aspects of Doing Business

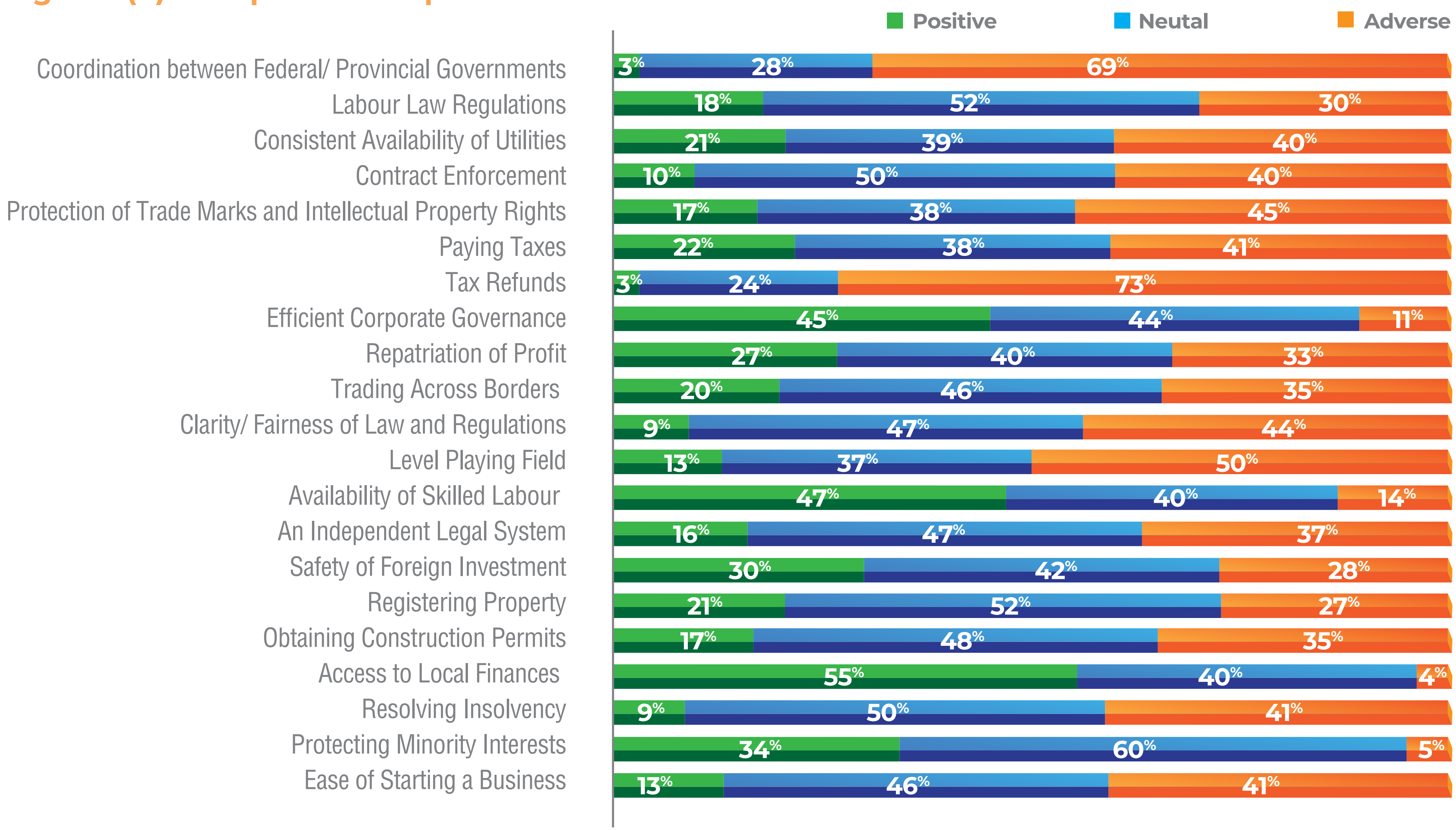
This section focuses on regulations and policies which directly affect business operations and measures whether current measures have had a beneficial or adverse impact on conducting business in Pakistan.

Figure 3(a): Responses in 2021



* added in 2021 survey

Figure 3(b): Comparative responses in 2019



- An important point to be noted in respect of “Aspects of Doing Business” is that upon combining “Good” and the “Neutral” ratings, perceptions in respect of 18 out of the 21 aspects, included in both the 2021 and 2019 surveys, have actually improved with ‘Coordination between federal/ provincial governments’ recording the largest drop in adverse rating followed by ‘Ease of Starting a Business’ , ‘Safety of foreign investment’ and ‘Protection of Trade Marks and Intellectual Property Rights’, all of which have recorded a drop of 10% or more. The other drops in adverse ratings include ‘Paying taxes’, ‘Contract enforcement, and ‘Clarity/ fairness of law and regulations.

- There has been a marginal drop in adverse rating of two parameters, namely ‘Protecting minority interest’ which however is still rated very highly and ‘An independent legal system’, whilst there is no change in the adverse rating related to ‘Access to local funds’ which continues to get the highest positive ratings amongst all the 22 parameters and has recorded the biggest improvement amongst all aspects, as compared to 2019 survey.

- It seems that respondents have given due consideration to various initiatives by the government over the past two years, including the import tariff rationalization initiatives in the Finance Act 2021, for reducing the cost of doing business, ease of doing business measures taken under the “Pakistan Regulatory Modernization Initiative (PRMI)” in coordination with the provincial authorities, and the liberal investor-friendly policies which are appreciated by foreign investors.

- Despite the improvement, OICCI members have once again highlighted the delay in settling tax refunds and lack of coordination between federal and provincial governments and regulatory bodies as the two biggest and serious challenges in doing business in Pakistan, with 57% and 50% of respondents respectively giving an “Adverse” rating to these aspects of doing business, followed by ‘Level Playing field’, scoring 43% negative responses. In addition, more than 33% respondents have given a poor rating to ‘Paying Taxes’.

- Members also showed dissatisfaction with ‘An independent legal system’, ‘Clarity/ fairness of law and regulations ‘, ‘Consistent availability of Utilities’, ‘Protection of Trademarks and Intellectual Property Rights’, ‘Resolving Insolvency’, ‘Obtaining construction permits’, ‘Contract enforcement’ and, Trading Across Borders’, where more than 30% respondents showed their discontentment.

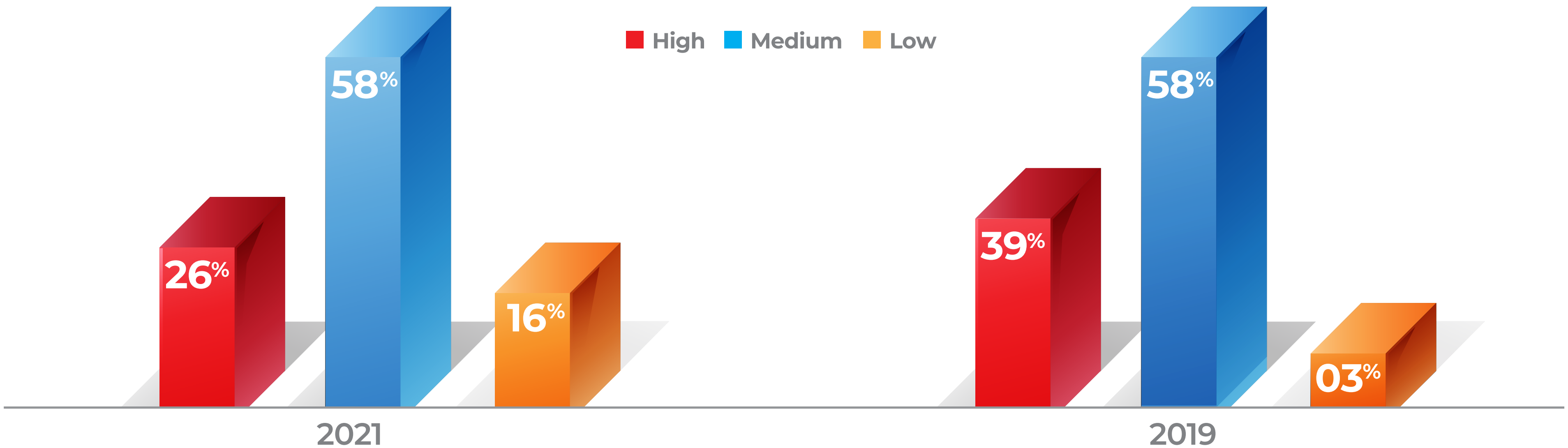
- ‘Protecting minority interests’, ‘Resolving Insolvency ‘, ‘Efficient corporate governance’, ‘Labor law regulations’ and ‘Contract enforcement have received the highest number of ‘neutral’ responses

- In response to the newly added indicator, ‘Current Banking Infrastructure and products availability’, to check respondents’ views on access to the full range of banking products commonly available in regional countries, 64% positive responses, can be considered highly satisfactory.

Business Risks

This section measures the level of different risks associated with business operations and their magnitude in hampering the business conditions.

Figure 4(a): Business Risks

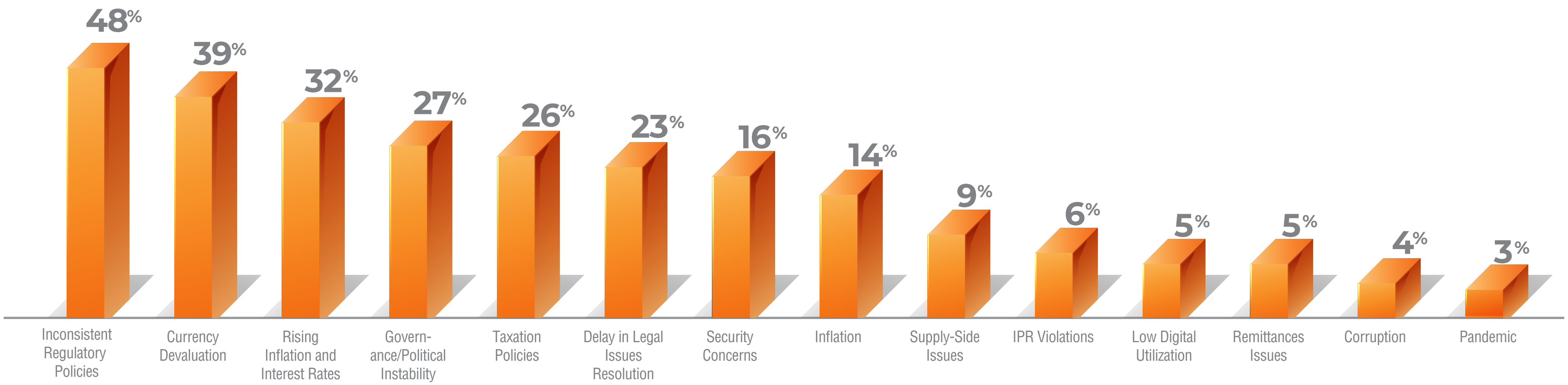


The significant decrease of 13% in the 'High' risk rating, - as opposed to a 16% increase in the 2019 survey - is consistent with the responses received in respect of the 'Aspects of Doing Business' mentioned in the earlier section. It indicates that OICCI member companies consider that policy reforms are moving in the right direction. Foreign investors perceive Pakistan as a moderate business risk investment destination, which is very positive for new FDI in the country.

Notwithstanding the above, policymakers should take note and continue to devise a policy framework to mitigate the risks and boost the confidence of the current and potential foreign investors planning to enter the Pakistan market.

Important Business Risks identified

Figure 4(b): Important Business Risks



The major risks identified by the OICCI members include inconsistent regulatory policies, currency devaluation, macro-economic risks, political instability, taxation policies, security concerns and delay in the resolution of legal cases.

Respondents have shown their strong concern over the excessive regulatory environment in the country. The most pressing regulatory issues identified are that the policies and regulations tend to be inconsistent and abruptly introduced, along with ineffective enforcement of the regulations.

Currency devaluation, which has a direct connection to inflation, is a serious concern for the foreign investors particularly owing to its impact on the import prices of materials.

Macroeconomic issues, which includes rising inflation and policy rates, and fiscal and current account deficits are also viewed as important business risks, followed by political instability which included members' perception that the unequal authority for provincial regulating bodies contributes to this risk.

Taxation is once again identified as a business risk although it has dropped down from the number one position in the 2019 survey.

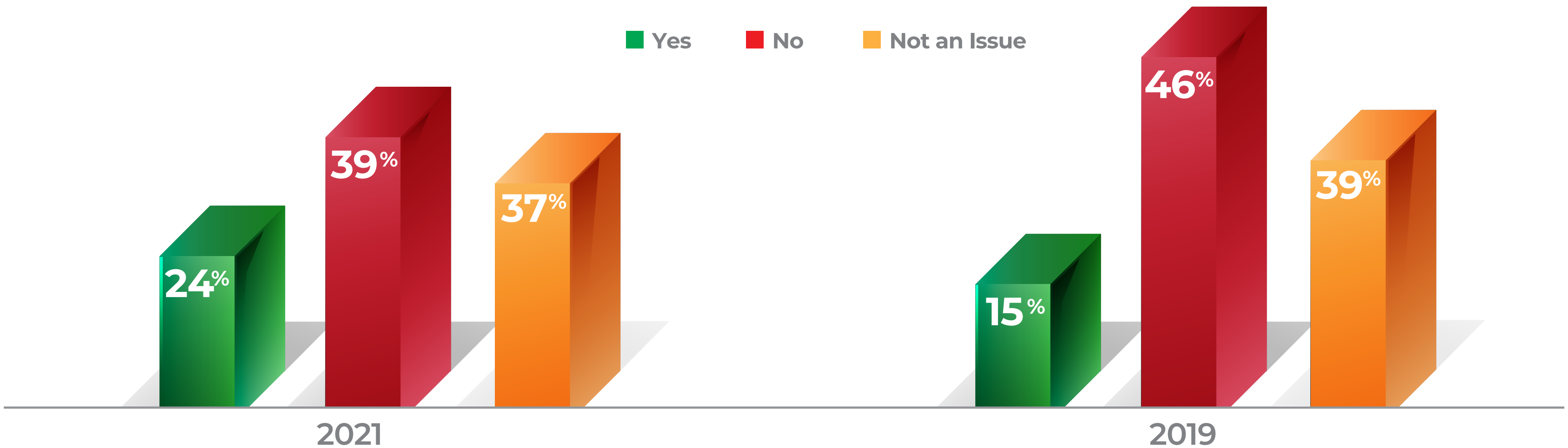
Despite improvements in the overall security, law and order situation, security concerns continue to be identified as pivotal in forming poor perception of Pakistan amongst the headquarters and regional offices of foreign investors. However, this aspect has dropped one level from the sixth position in the last survey.

Risks pertaining to specific industries have been elaborated in Section IV: Governance under the Key Policy Issues and Recommendations.

Contract Enforcement

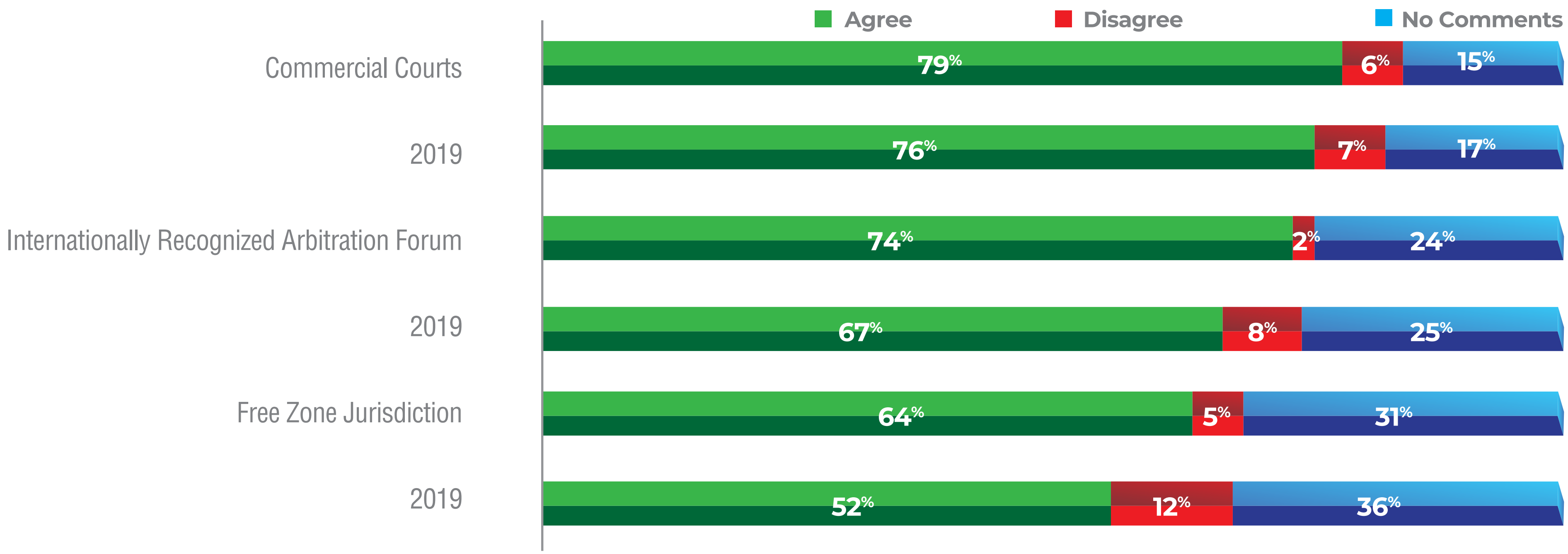
This section measures efficacy of contract laws and their enforcement, along with the cost in terms of time and percentage of claims.

Figure 5(a): Contract enforcement laws in line with international standards



Majority of the respondents indicate that Contract Enforcement Laws in Pakistan are by and large, in line with the international standards, with notable improvement vs 2019 survey

Figure 5(b): Recommendations to simplify contract enforcement



A significant majority of the respondents agree that the establishment of commercial courts, internationally recognized Arbitration Forum and Free Zone Jurisdiction could simplify the processes and reduce the cost and time involved in contract enforcement in Pakistan. Establishment of Commercial courts seems to be the most popular measure for improving contract enforcement in Pakistan.

Figure 5(c): Average time taken to resolve a standardized commercial dispute through the courts in 2021

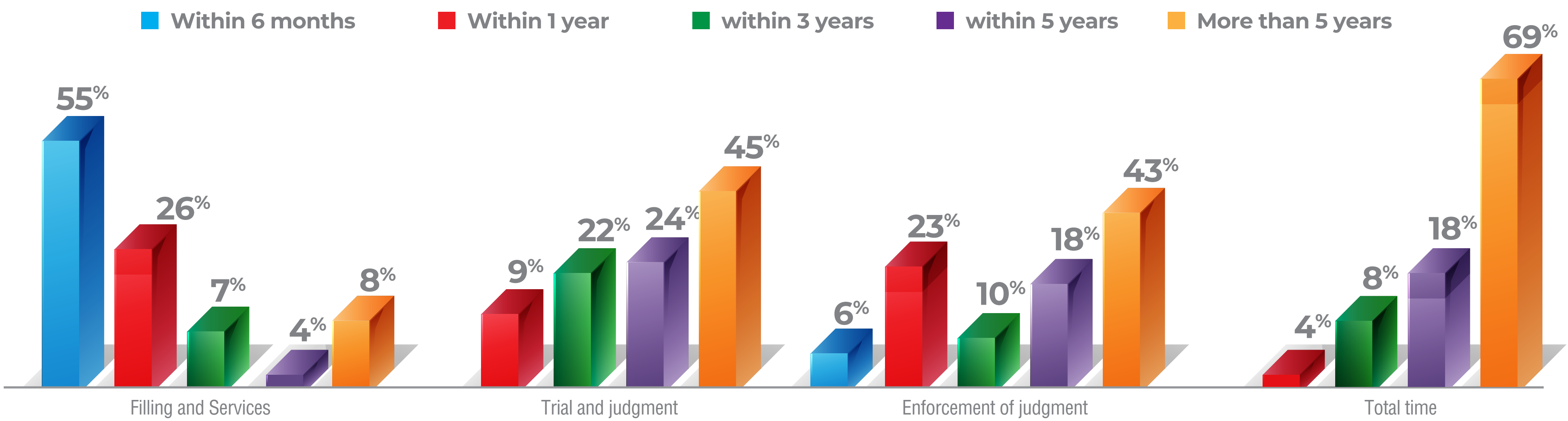


Figure 5(d): Average time taken to resolve a standardized commercial dispute through the courts in 2019

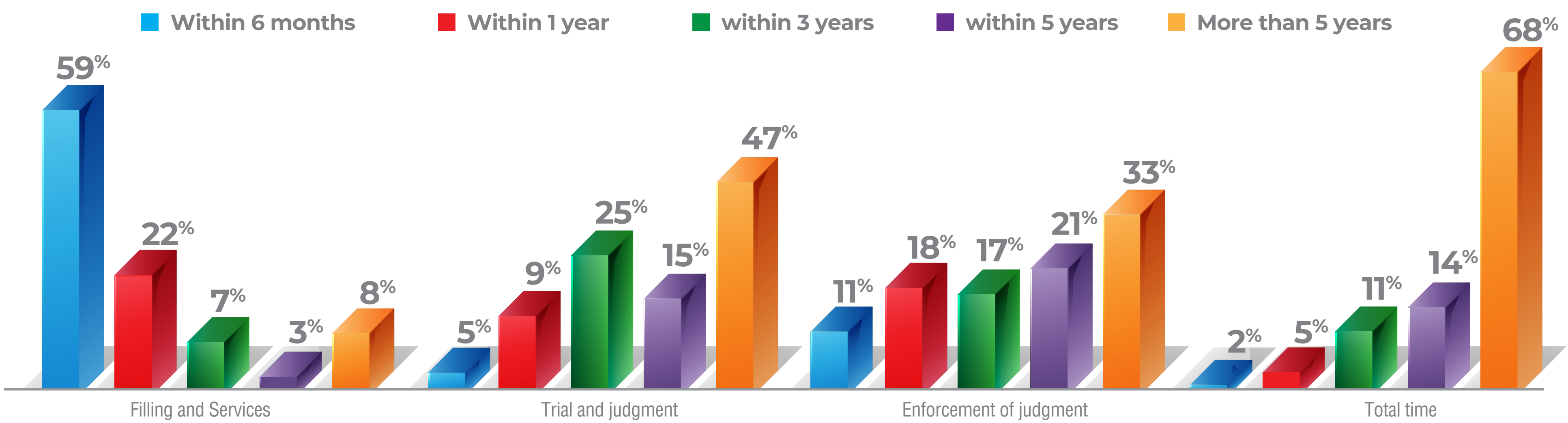
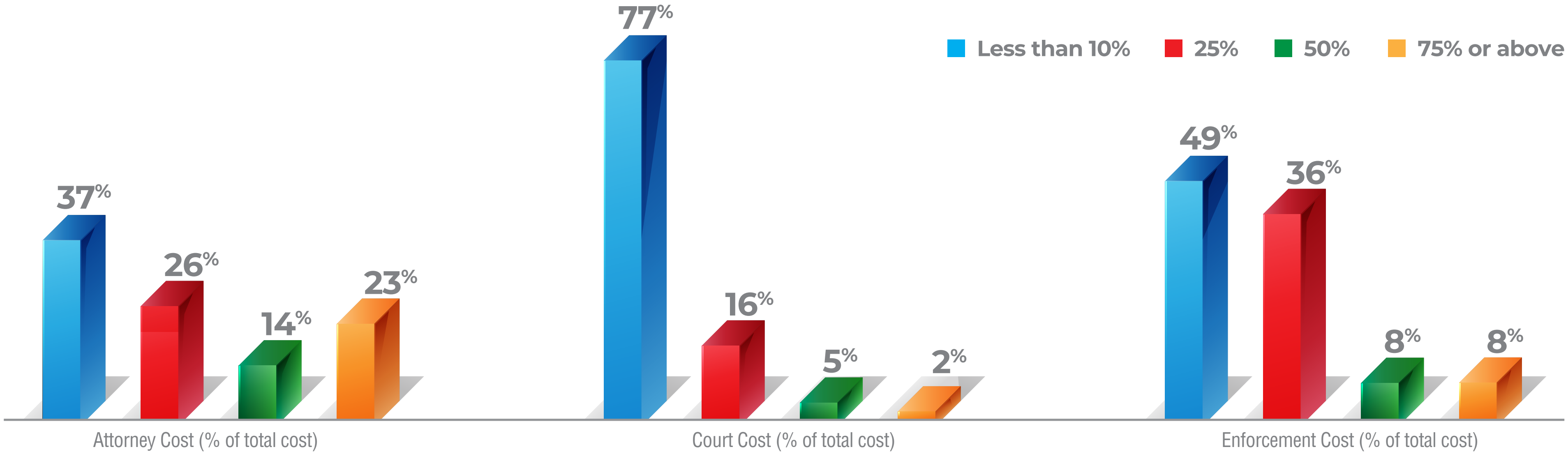


Figure 5(e): Average Cost (% of Claims) incurred for the resolution of Standard Commercial Dispute in 2021



Over two thirds of the respondents have mentioned that the average time consumed for resolving commercial disputes is over 5 years, like the last survey.

The protracted time taken for the litigation process obviously leads to high legal costs, is one of the impediments in attracting FDI in the country. On average (as a % of claims), attorney costs are 31%, court costs are 14%, and enforcement costs are 20%.

Recommendations to improve Commercial Litigation System in Pakistan

As in the previous survey, majority of the respondents have expressed serious reservations on the slow and tedious litigation process. Some of the respondents also shared that as the system is not very business supportive their global compliances do not favor pursuance of cases through courts. Consequentially the main recommendation is that the litigation process must be time bounded, simplified, and also cost effective.

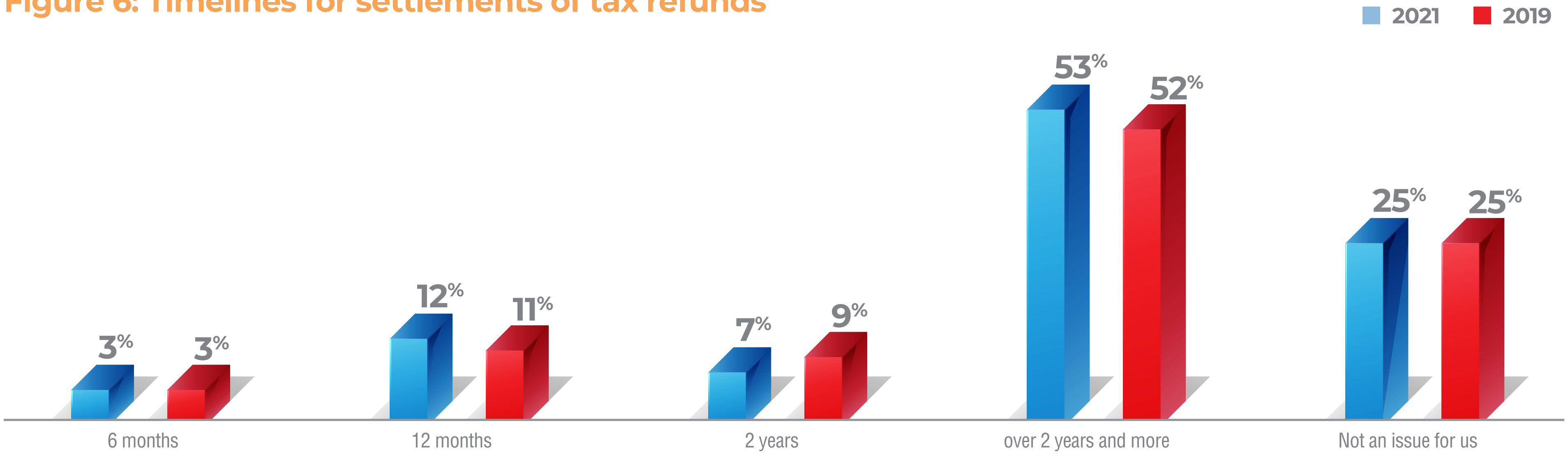
Respondents have also indicated the need for the capacity building of judiciary in order to improve their decision-making skills for commercial disputes and make the litigation process more efficient and transparent.

Furthermore, members have also highlighted that the legal hurdles to get enforcement are cumbersome which also need to be reviewed for a stronger and fast paced enforcement process along with the need for improved arbitration laws, procedural reforms, and the restructuring of courts.

Tax Refunds

Long delays in tax refunds, continues to be a major irritant for the concerned members. However, the Ministry of Finance and FBR are regularly pursued by OICCI on reducing pending tax refunds.

Figure 6: Timelines for settlements of tax refunds



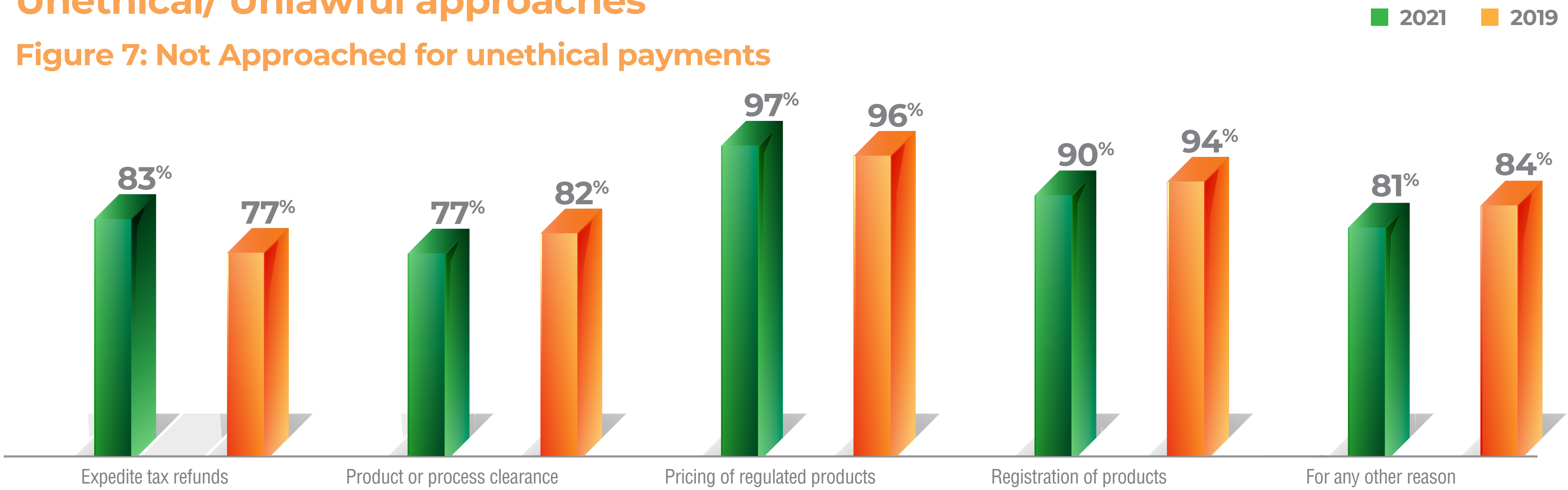
No improvement in the timelines for settlement of tax refunds has been reported since the 2019 survey. 60% of the respondents have indicated that their tax refunds are settled after more than 12 months and 53% informed it takes over two years or more.

- The additional bottlenecks created after the enactment of the provincial revenue boards continue to pose challenges as issues of coordination between the various revenue boards have still not been fully resolved despite a lapse of over ten years since the 18th constitutional amendment was passed which, inter-alia- allowed provinces to collect tax on services.

- The total amount of refunds at any given point in time, during the last couple of years, is about 8% of the annual taxes paid by the OICCI members, who contribute approximately about Rs 1 trillion, over one-third of the total annual revenues collected by the federal and provincial governments.

Unethical/ Unlawful approaches

Figure 7: Not Approached for unethical payments



- In comparison with 2019 survey, the respondents reported decline in unethical approaches for tax refunds and pricing of regulated products, while the other items specifically mentioned in the survey, have shown slight increase, (like product/process clearance and registration of products), which requires urgent attention by the relevant government authorities.

- On seeking details from members, they highlighted the incidents with stamp duty, property registrar, Customs and sales tax registration, professional tax to Sind Govt, provincial governments mainly to obtain Clearance Certificates.

Some reasons for unethical approaches identified by the respondents:

- In dealings with some provincial government departments 'facilitation payments' are demanded, and sometimes they also come to offices and demand their 'fee'.

- Ethical IT companies cannot compete with most local organizations which practice tax evasion on custom duties and other applicable taxes. Organizations have started ignoring the fact that they are buying products under tax evasion as this saves them money.

- Stamp duty laws lack clarity with concerned officials taking advantage of the interpretational gap.

- Property Registration rates in several areas of the country can be manipulated, moreover mutation of properties is very difficult without payment of 'fees'

- Getting NOCs for some items is difficult without making payments. For example, recent requirement of provincial governments to obtain Clearance Certificates (NOCs) from the Punjab and KPK textbook boards has given rise demands for unlawful payments and speed money.

- Requests are received in some rural areas where members have their operational sites to hire people and spend money on building roads and community projects.

Section II: Top Business Challenges

2021	2019
Pak Rupee Devaluation	Pak Rupee Devaluation
Increasing tax burden	Gap in govt policies/ laws and implementation
Too many regulations	Increasing tax burden
Continuity of Policies	Cost of doing business
Cost of doing business	Increasing policy/ Interest rates

This section focuses on challenges faced by our members in conducting business in Pakistan. It provides a comparison with the situation in 2019, which is a proxy indicator of how things have changed in the last 2 years.

- The 'Pak Rupee Devaluation', has been ranked as the top challenge for foreign investors for the second time in a row. Whereas, at the time of the 2019 survey the Pak Rupee had depreciated significantly, it has further depreciated by around 14% since the start of 2020. This has adversely impacted businesses relying on imports of raw materials, besides the increase in cost of new plant and machinery for expansion projects.
- 'Continuity of Policies' is considered as a most essential part of an enabling business environment and abrupt policy changes an impediment. Transparency, consistency and predictability of policies has always been advocated by the OICCI as the key to build investors' confidence. Increasing cost of energy and continuing high inflation over the last two years has put businesses under pressure and accordingly 'Cost of Doing Business' has been ranked as the fifth biggest challenge.
- Since the 18th Constitutional Amendment was introduced, the business community has faced in coordination between federal and provincial policies. Provinces have introduced new regulations without coordinating with the Federal government. Workers Welfare Fund Laws is one of the visible example which remain unresolved as of now even after ten years of the 18th Constitutional Amendment.
- "Security, Law and Order" is not considered as one of the five biggest challenges impacting OICCI members, for two consecutive surveys, which needs to be properly propagated for the improvement of international perception of Pakistan.
- In its efforts to support businesses after the onset of the Covid-19 pandemic, the State Bank of Pakistan had taken quick actions to drastically reduce the 'Policy interest rates which had at that point been jacked up to 13.25% to curb inflation. The reduced rate of 7% at the time of the survey ensured that high interest rates were taken off the top five challenges. However, at the time of finalization, it has been raised to 8.75% to curb inflation.

Section III: Impact of COVID-19

In March 2020, the peculiar global pandemic COVID-19 struck our mother planet Earth, which changed the dynamics of the economic and business operational environment of the whole world. The initial inertia due to the suddenness and wide-ranging velocity of the strike was dispelled quickly as authorities, globally, moved quickly to take appropriate actions, such as lockdowns, and curbs on free movement of people resulting in closure of manufacturing sites, offices, and the markets, to contain the spread of the virus. Strict border control for goods and personnel disrupted the supply chains globally. Businesses working closely with the authorities quickly introduced measures for continuity of life and business under the new norms.

This section reports impact of the pandemic on business performance and capital expenditure. Due to the pandemic, a whole new era of technology has started with a very high degree of emphasis on digitalization, which has become the critical need for businesses to succeed globally.

Covid-19 impact on business performance during 2020 and 2021 and Capital Expenditure

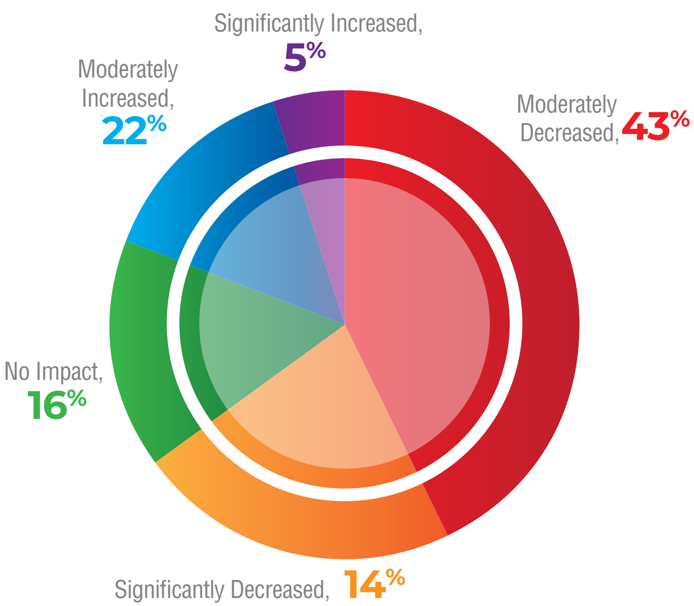


Figure 9(a): Covid-19 impacted your business performance during 2020 and 2021

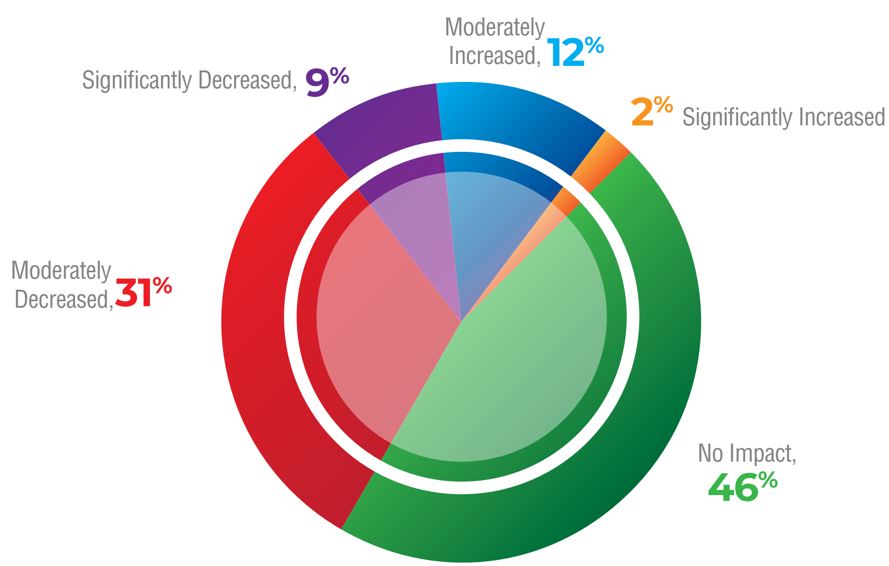
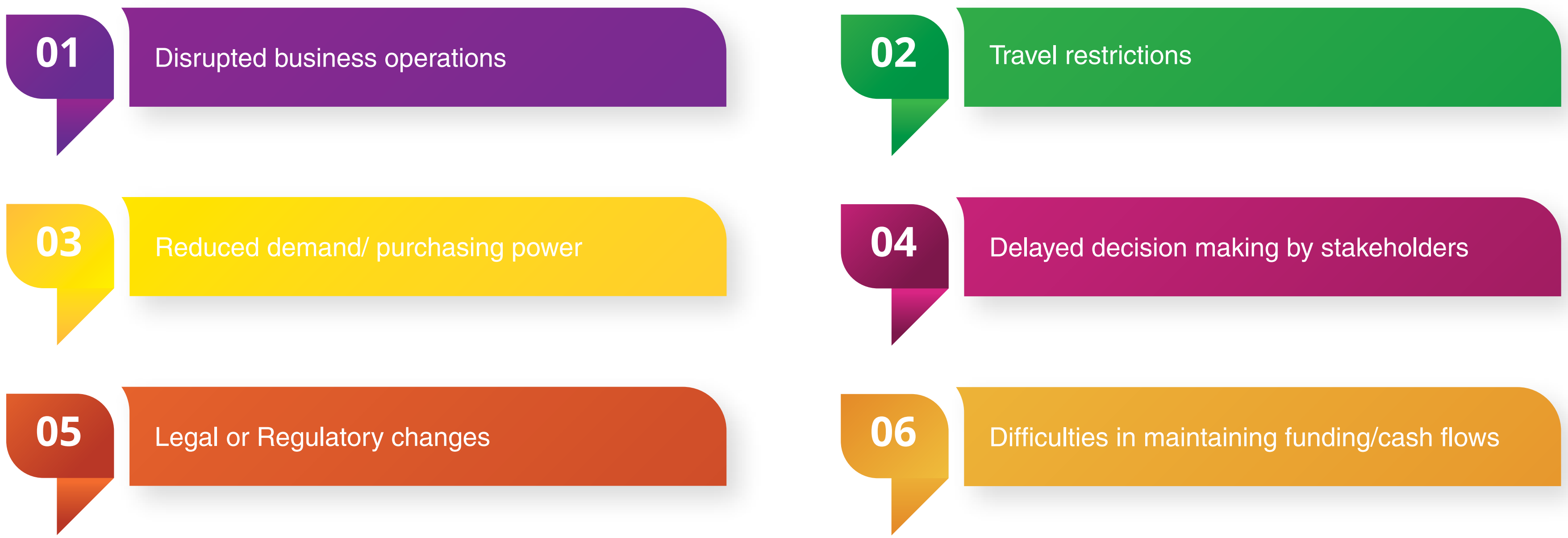


Figure 9(b): Capital Expenditure of your organization been impacted due to Covid-19

- Indicating its impact on their businesses, with 57% of the members reporting a decline in their performances, whereas 27% reported an increase.
- Likewise, 40% of the respondents stated decrease in their capital spending, whilst 14% reported an increase.
- The pandemic has resulted in turnover growth for the healthcare and Pharma sector, FMCGs and businesses involved in sanitization related products, oxygen, etc.

Figure 9(c): Biggest Concerns for the businesses with respect to the COVID-19



Supply chain disruptions, reduced cash flows, and delayed stakeholder decisions were major concerns identified along with low morale of employees, due to pay cuts and layoffs, which resulted in difficulties in retaining and attracting talent.

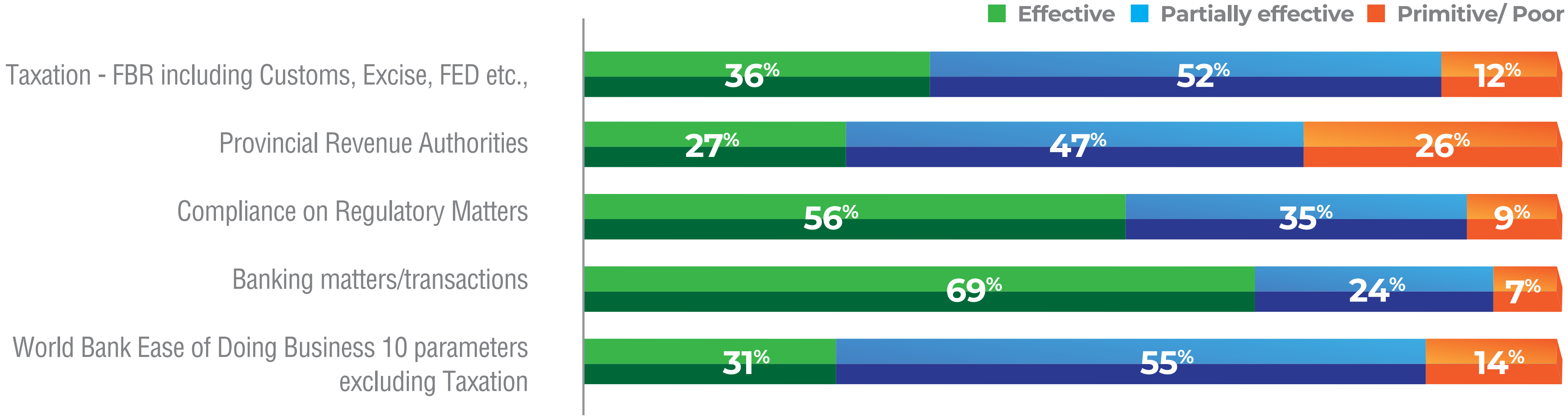
Section IV: Digitalization

With increasing globalization, digitalization is becoming more important. It helps improve efficiency and transparency of regulatory bodies which contributes in improving business confidence.

This section highlights where Pakistan stands in terms of technological capabilities and the way-forward for increasing digital transformation in Pakistan. OICCI published the Digital Economy Report in 2020, which details the path-forward for a comprehensive strategy on digitalization.

Level of Digitalization/Automation in Compliance/regulatory matters with Direct Impact on EODB

Figure 10(a): Responses in 2021

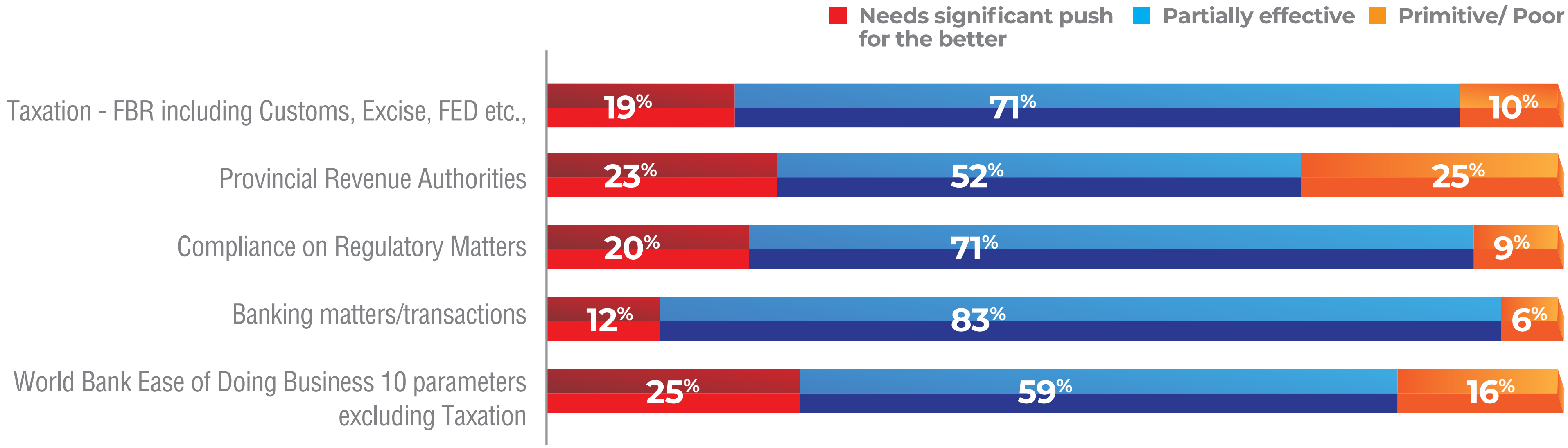


Respondents' perception about the level of Digitalization / Automation in 'Compliance/regulatory matters' in the governing and policy making forums in the country seems to be quite high, as the sum of 'Effective' and 'Partially effective' responses ranges between 74% to 93% for the five areas included in the survey.

- The driving force behind the significant improvement as compared to the 2019 survey is physical operational restriction imposed during Covid-19 pandemic, which expedited online/ digital reforms globally and in Pakistan and transformed digitization structure of several activities.

- While a like-to-like comparison cannot be made with the 2019 survey, due to differing benchmarks, there is a definite improvement rating when the 2021 'Effective' and 'Partially effective' numbers are matched with the 2019 'Partially effective' (which was the only positive option given at that time) numbers.

Figure 10(b): Comparative Responses in 2019



Recommendations for accelerating digitalization to facilitate EODB and regulatory compliance:

Respondents have shared that they agree with the recommendations made in the OICCI publication, titled "Recommendations on National Program for Digital Transformation" (available on OICCI website – www.oicci.org) for improving the Ease of Doing Business (EODB) with the help of digitalization.

According to the respondents, digitalization should be a part of a comprehensive national action plan rather than taking mere cosmetics steps like ease of visa procedures, etc. Following suggestions have been made for use of digitalization for improving EODB:

1. Digitalization can help to improve documentation of the economy by discouraging cash transactions. Bringing in digitized payments platforms such as Paypal or Venmo will make it easier to export services through the free-lance sector where majorly payments are processed using Paypal. This would also help the FBR moving corporations towards mandatory digital payments as their Paypal can be linked to their bank account allowing them ease of making verified payments. This would also facilitate linkage of small-scale suppliers to large businesses by easing payment processes and promote a free flow of supply chain management.

2. Authorities must remove bottlenecks that hinder extensive information and communications technology (ICT) adoption, while facilitating the faster buildup of a globally synchronized infrastructure, with special emphasis on the rural and remote regions. A scalable new digital infrastructure, deploying fiber-networks and other technologies must be in place as the country proceeds further into the digital realm. Data security has emerged as primary factor for digitalization.

3. Enrich the contribution of ICT supported by a fresh legislative framework to support digitalization, which is comparable with other emerging markets. An example is digitally signed contracts are not enforceable, which still needs to be done on a stamp paper. Authenticity of electric documents should be valid as legally binding.

4. With the ongoing increase in various digitalization activities, the authorities should introduce a progressive digital adoption policy with special focus on the SME sector and the digital infrastructure, which includes upgrading of IT hardware. This needs to be accommodated with skill building, increasing digital literacy, and development of IT zones with incentives provided to tech startups and entrepreneurships.

5. Integration of different ministries and departments for quick and efficient workflow and simplification of processes by providing an enabling ecosystem to all regulators, policy makers and stakeholders. Regulatory bodies, such as DRAP, must be digitalized and all technical dossiers for registration must be filed digitally, similar to other countries and as per international guidelines. This way complete tracking will be possible, and human interaction will be minimized.

6. When new digitized systems are introduced, like recently done by certain regulators, sufficient time must be allowed for the users understanding.

7. Digitization of Intellectual Property Organization of Pakistan (IPOP) will go a long way in addressing the Intellectual Property Rights issues and timely registration process. Minimizing human interaction will improve transparency and instill a trust in the system that patent and trademark information will not be compromised/misused.

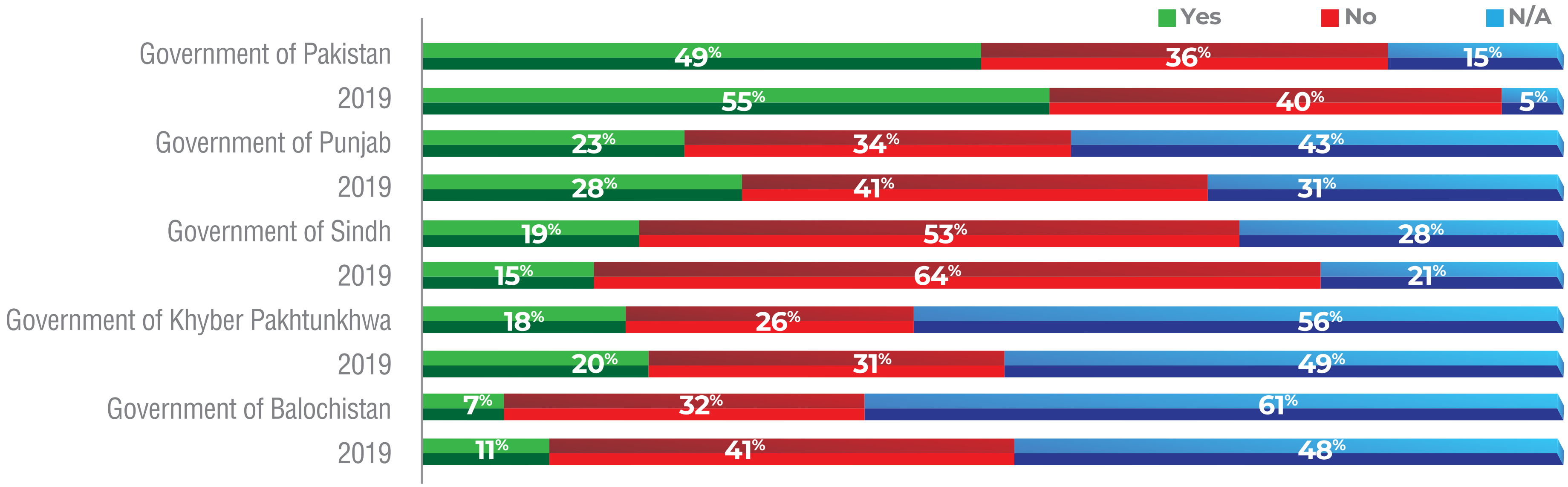
8. Digitalization of Pakistan Postal services which can allow firms to access larger markets in rural areas via ecommerce, which should be strengthened with the presence of robust physical infrastructure, along with low-cost internet accessibility.

Section V: Governance

This section focuses on the performances of the federal and provincial government and their related regulatory bodies, being experienced by OICCI members. It looks at gaps in policy and regulation on the government's end and includes suggestions for improving performance. It also highlights, sector-wise, the grievances facing our members along with improvement measures to be advocated to the respective office-bearers.

Government Policies

Figure 11(a): Members' feedback on whether the federal and provincial governments engage with key stakeholders in taking major decisions on matters affecting the foreign investors



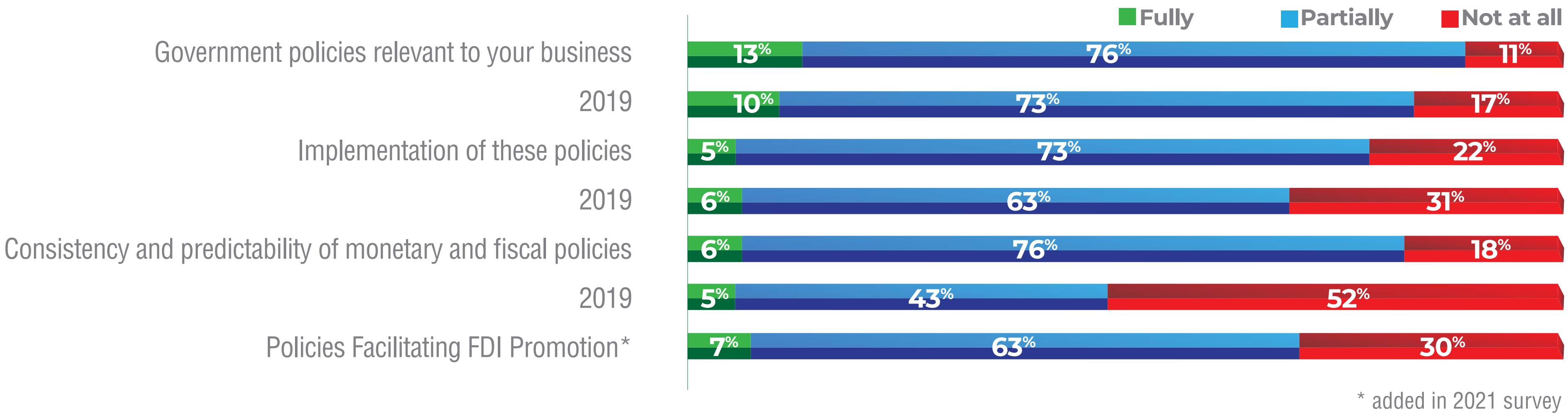
- Though the 'net' score has marginally declined, as mentioned for the Government of Pakistan, it is still considered to be engaging with stakeholders before making major policy decisions affecting foreign investors by nearly half of the respondents. However, there continues to be a general dissatisfaction with all the provinces in this respect.

- The upswing for Sindh is reported at 15%, with a decrease in the 'No' response and an increase in the 'Yes' response. However, the performance of SRB is on the low and needs to be improved. Similar count for the other governments gives a net positive score of 5% for the Baluchistan government, 3% for KP government and 2% for the Punjab government and a negative -2% for the Government of Pakistan.

- Overall, the responses are somewhat mixed when comparing with the 2019 survey. Whilst on the one hand the 'No' responses have declined in all lines, which is a good sign, by 4% in the case of the government of Pakistan and 11% for the Sindh government, the 'Yes' responses have increased (by 4%) only in respect of the Sindh Government and declined for all other governments. A conclusive assessment of the above responses becomes difficult due to shift to 'Not applicable', which could well mean a somewhat improvement of perceptions vs the 2019 survey.

- Although the government of Pakistan, and the provinces have taken several initiatives to create an enabling business environment in the country and are regularly interacting on policy framework improvement initiatives with key stakeholders, the responses indicate a need to do much more, especially by provincial governments, for harmonization of the tax regime as well as other inter-provincial issues.

Figure 11(b): Satisfaction with Government policies



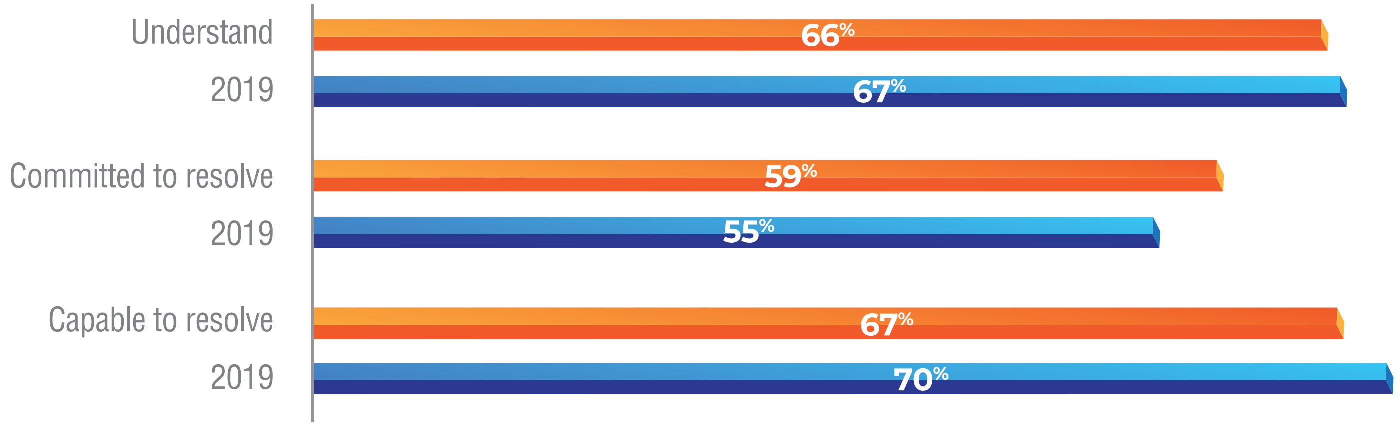
- The point to be noted is that whilst three forth of the respondents are partially satisfied with government policies, only a small percentage are fully satisfied, and these small numbers are outnumbered by those who are not satisfied at all.

- There is a significant improvement in the respondent's opinion about 'Consistency and predictability of monetary and fiscal policies' which can be seen from the shift of negative to full or partial satisfaction by 34% as compared to the 2019 survey (from 18% to 52%). There are also shifts, compared to the last survey in 2019, from not being satisfied to partial satisfaction in respect of government policies being relevant to business needs and their implementation. This was to be expected as OICCI members have regularly been approached by the senior most Ministers and Advisors to the Prime minters for their input on several matters relating to fiscal, investment, trade, and other policies

- The above comments are also applicable for the new matter of policies relating to FDI facilitation introduced in the 2021 survey. The key challenges for the government are to convert this partial satisfaction into full satisfaction and reduce non satisfaction, especially in FDI facilitation policies and policy implementation.

Experience with Government Functionaries in Relation to Key Issues Facing Investors

Figure 11(c): With Federal Government



According to two thirds of the respondents the government not only understands key issues of investors, but is also committed and capable in resolving them, which is more or less similar to the responses in the 2019 survey.

Figure 11(d): With Punjab Goverment

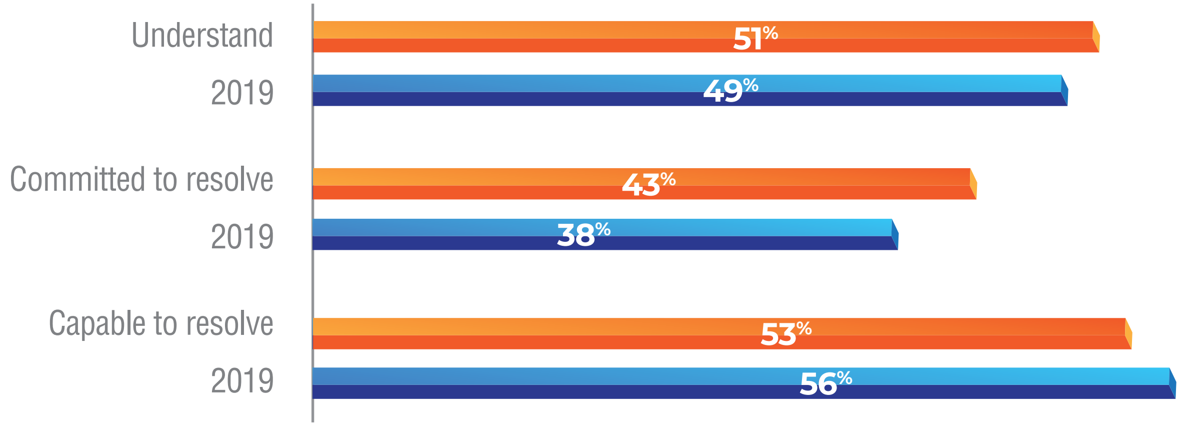
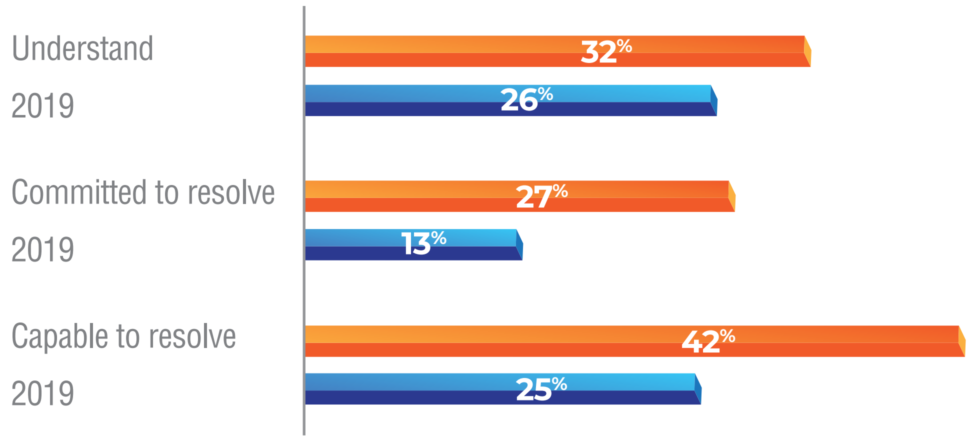


Figure 11(e) : With Sindh Goverment



- Provincial governments need to work on improving their understanding, commitment, and capability more, especially the Sindh govt. Although the performance of Sindh govt. has improved considerably there is a lot more needed to be done. Investors believe that they have to capacity to solve issue, but they lag in understanding of the issue and thus the outcome is compromised. A more frequent contact with foreign investors will help bridge this gap. This is important as the Head Offices of many MNCs are in Sindh.

- The provincial governments in both Punjab and Sindh have started gaining confidence, mainly due to various positive initiatives of imposing SMART lockdowns during the pandemic. However, there is a long way to go and still need to improve their engagement with the business community that will greatly help in raising confidence of investors. This is especially important when most of the largest companies operate from Karachi and Lahore.

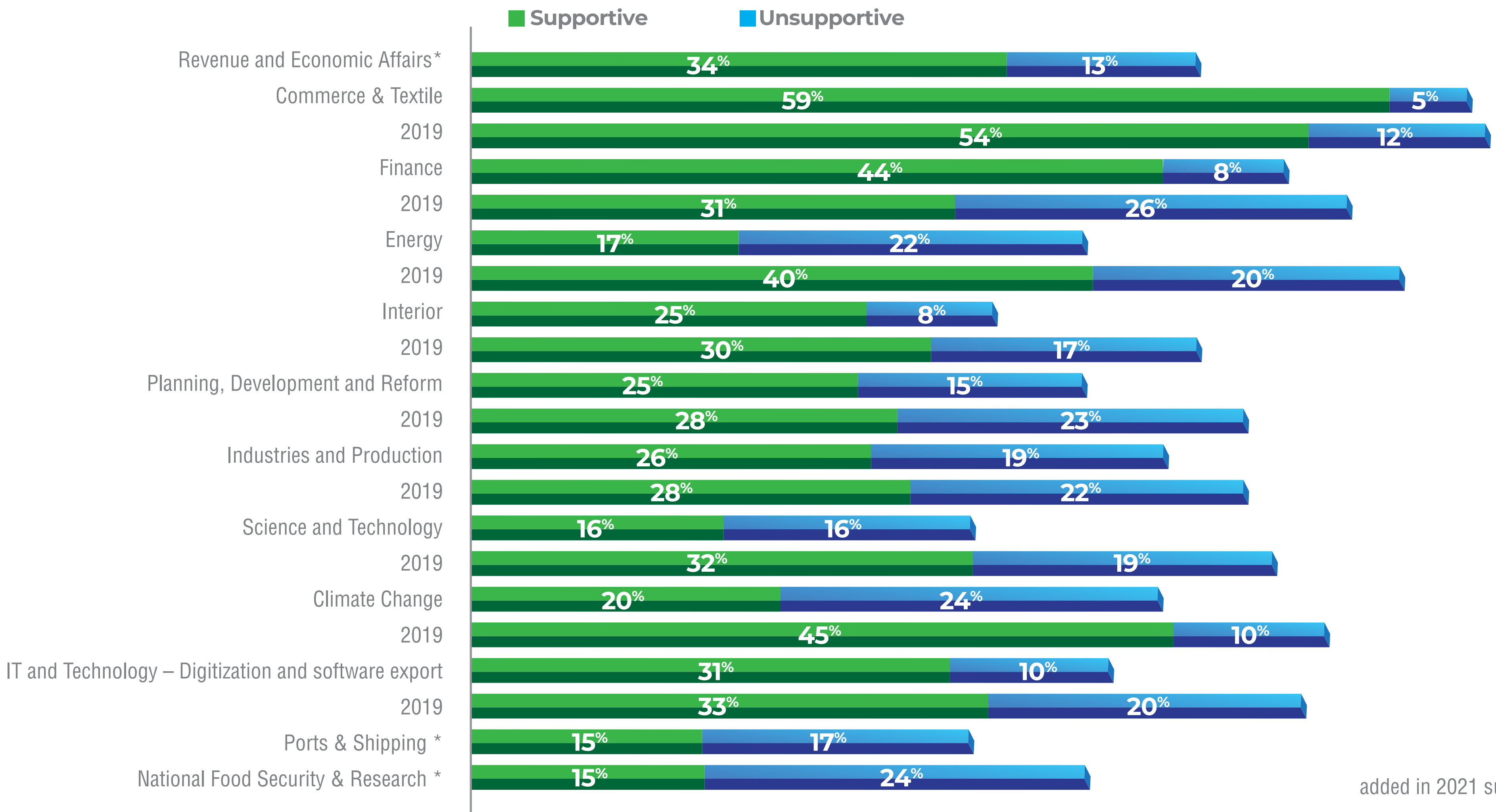
Government Ministries And Regulatory Bodies

Facilitating investors is a key role of the federal and provincial governments and regulatory bodies. If investors are provided a proper business enabling environment, it would motivate new investments by existing and potential new investors, leading to regular inflow of high amounts of FDI into the country.

The ministries included in the survey, were selected for both the relevance to our members' base and their frequency of interaction with them.

Performance Of Federal Ministries

Figure 12(a): Performance



added in 2021 survey*

Remaining respondents were neutral.

- ‘Commerce & Textile’ ministry was once again rated as the most ‘Supportive’ amongst all the Ministries, followed by the Ministry of ‘Finance’. Only these two Ministries showed improvement in the rating as compared to the 2019 survey, indicating that they are perceived as more supportive for business entities. The significant 13% improvement in the Finance Ministry’s rating, could be, in part, attributed to the various reforms and confidence building measures taken leading upto June 2021 Fiscal.

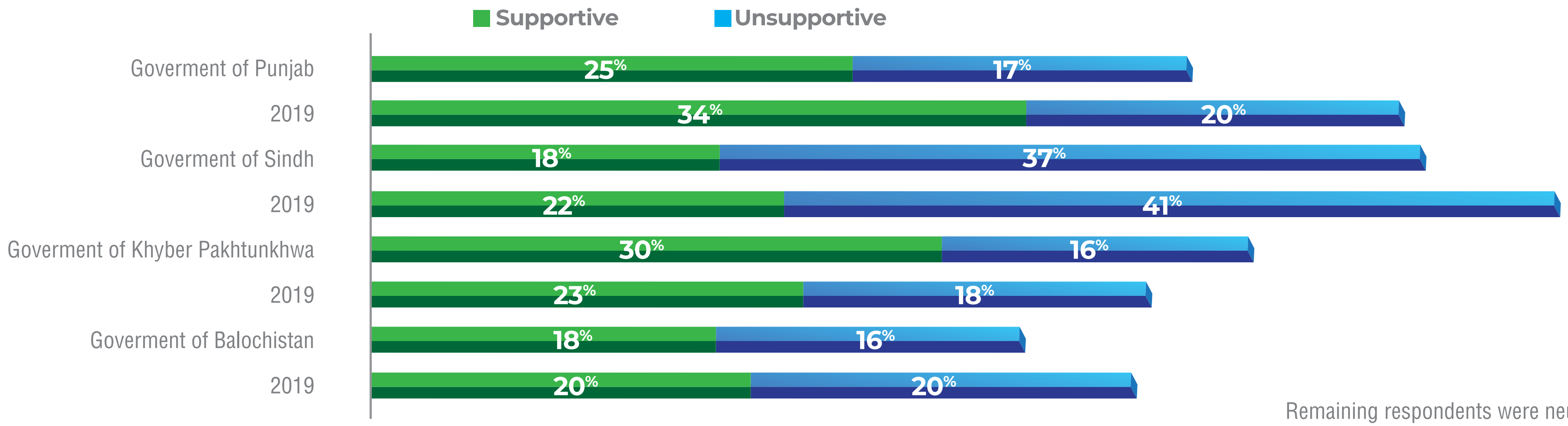
- The ministry of ‘Revenue and Economic Affairs’ reporting to the Finance Minister but was separately included in the 2021 survey is regarded as the third most supportive one with over one third of the respondents rating it as supportive.

- Around one-fourth of responses showed satisfaction with the ministries of ‘IT & Technology’, ‘Industries and Production’, ‘Planning & Development’ and ‘Interior’.

- The Ministry of ‘Climate Change’ and ‘Energy’ have recorded the biggest decline in rating as compared to 2019, followed by the Ministry of ‘Science and Technology’. All the declines can perhaps be linked to dissatisfaction of businesses on matters falling under the domain of these ministries: i) no apparent concrete actions on climate change matters, ii) increase in utility rates and circular debt issues, renegotiating of IPP agreements, etc. and iii) ambiguity and lack of clarity on food and other standards between the Federal and provincial governments.

- Two new ministries of ‘National Food Security & Research’ and ‘Ports & Shipping’, were also assessed in this survey. Where, only 15% members showed satisfaction, which indicates the need for improvement.

Figure 12(b): Performance of the Four Provincial Governments



Remaining respondents were neutral.

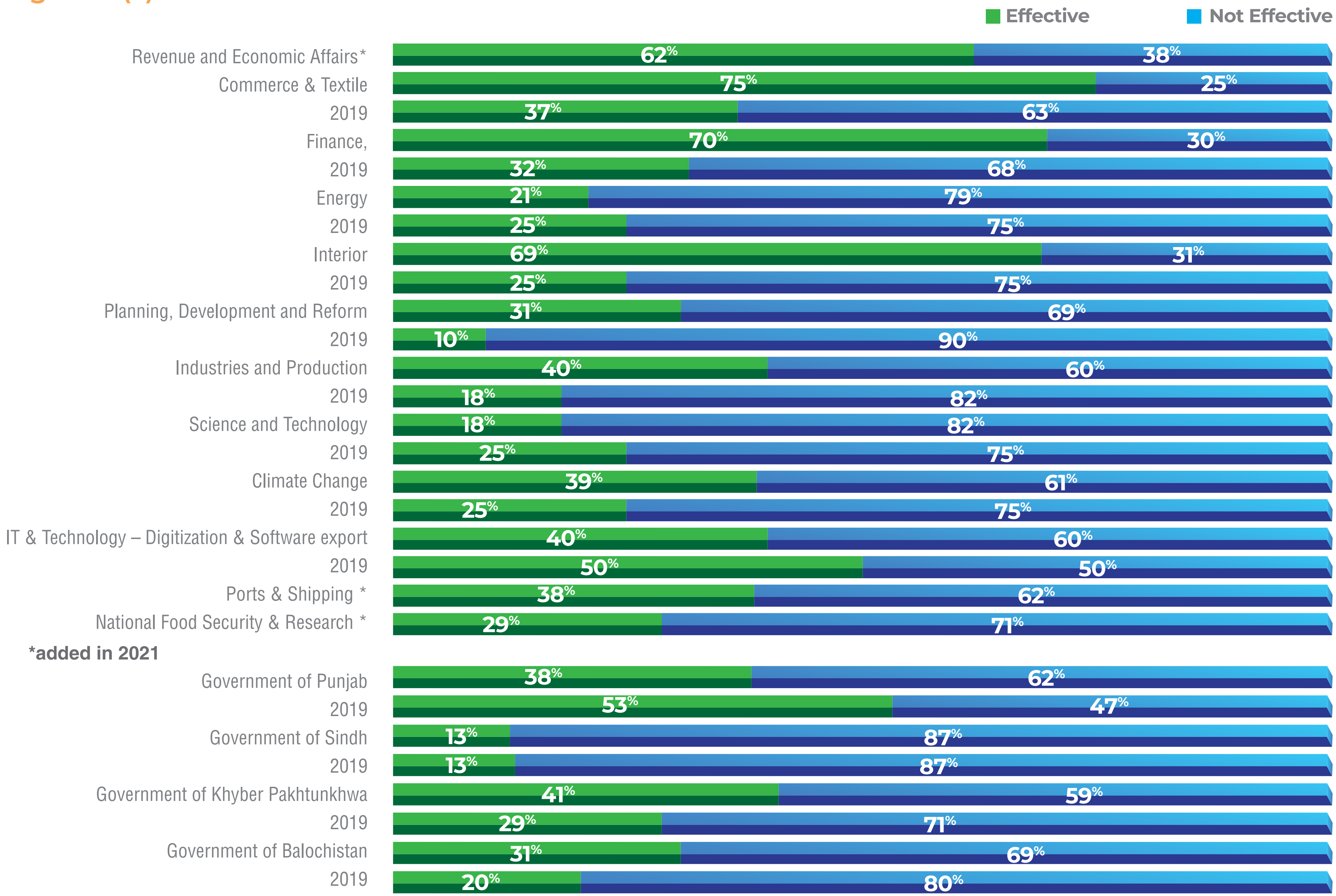
- Government of Khyber Pakhtunkhwa is not only rated the most supportive amongst all four provinces but is also the only one showing better ratings, as compared to 2019 survey.

- Punjab government which was given the best rating amongst all the four provinces has dropped to second position behind KP and it also shows the biggest drop by 9%, which should be a matter of concern for the provincial administration.

- Ratings for Sindh and Baluchistan continue to be quite negative and have recorded a drop of 4% and 2% over the 2019 rating. Since the majority of OICCI members have their registered offices in Sindh, the provincial government needs to take a serious note as not only the existing investors are impacted but even potential new investors will be alerted by this negativity.

- It may be pointed out that most of the members, have voted highest in the neutral column, which does not seem to reflect a very positive view of the respective ministries and provinces. High officials from all these ministries whose ratings have dropped need to maintain a closer engagement with the business chambers, like OICCI and other key stakeholders to address these issues.

Figure 12(c): Effectiveness of the Ministries and Governments



- In the effectiveness index, the respondents rated 'Commerce & Textile' and 'Finance' most favorably (over 70%), followed by 'Interior' and 'Revenue & Economic Affairs', showing an improvement of above 30%, as compared to 2019 survey. On the contrary, 'Science and Technology' and 'Energy' have been rated the most inefficient ministry's (by 82% and 79%, respectively), followed by 'National Food Security & Research', 'Planning, Development and Reforms' and 'Ports & Shipping' (by around 70% respondents voting each of them as 'Not effective')

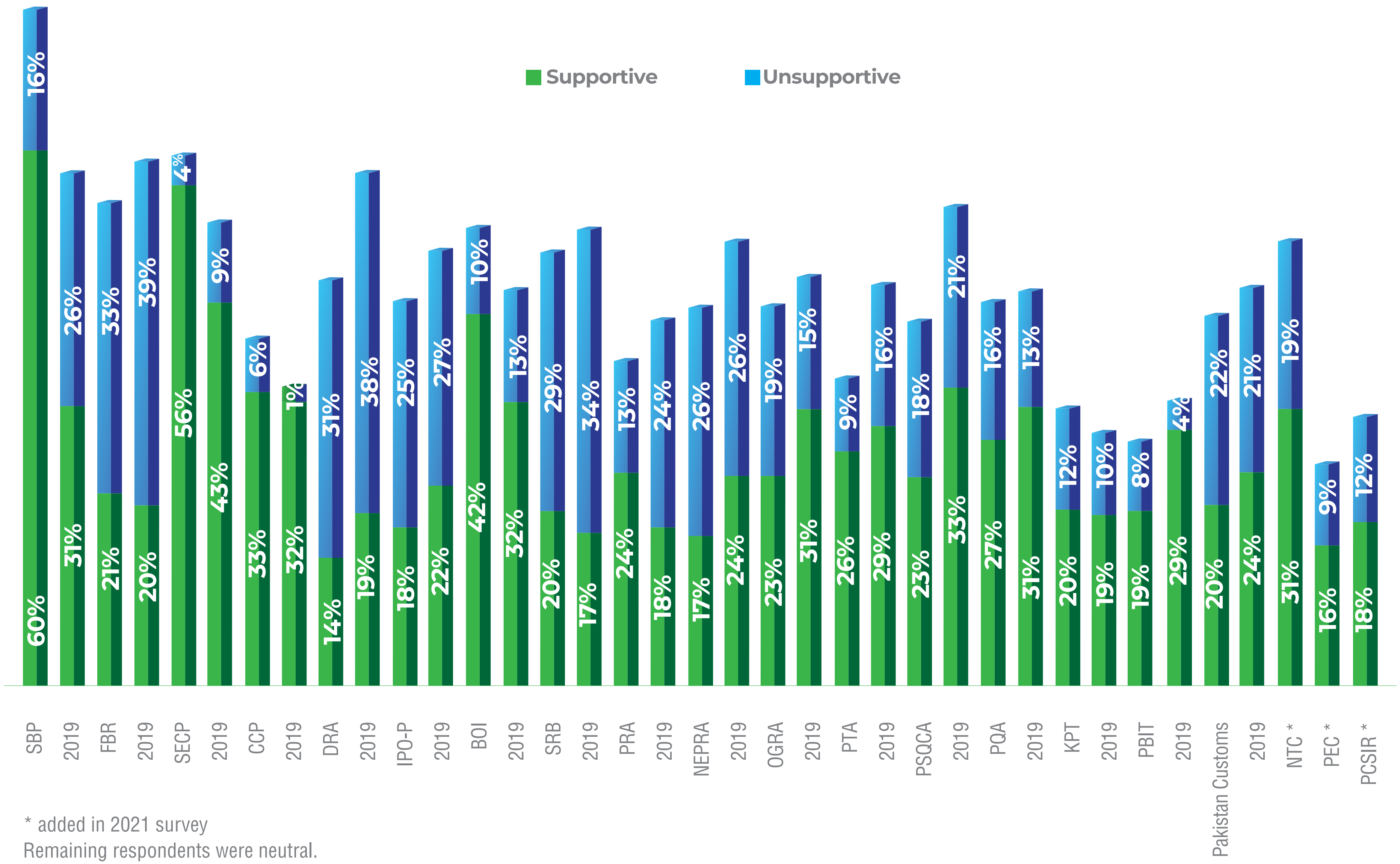
- In terms of provincial governments, Punjab has surprisingly lost considerable ground as more respondents have rated it as 'ineffective' compared to the 2019 rating, where the positivity was 53% and negativity 47%. This should be a matter of concern for the provincial authorities. Sindh has the lowest effectiveness rating amongst the four provinces which is alarming and needs drastic corrective measures.
- All the provincial governments, it is recommended, need to have a structured and regular interaction with foreign investors.

Performance Of The Regulatory Authorities

The performance of 20 regulatory bodies was also evaluated in the survey, considering their relevance and importance in the functioning of businesses. The results revealed that except for the State Bank of Pakistan, Securities Exchange Commission of Pakistan and the Board of Investment which were rated supportive by 40% or more of the respondents. Six regulatory bodies were considered more unsupportive than supportive. The table below summarizes the change in the net scores of Supportive vs. Unsupportive between 2021 and 2019

Increase	Decrease
SBP	CCP
FBR	IPO-P
SECP	NEPRA
DRA	OGRA
BOI	PSQCA
SRB	PQA
PRA	KPT
PTA	PBIT
	Customs

Figure 13(a): Performance of Regulatory Bodies



* added in 2021 survey
Remaining respondents were neutral.

- The State Bank of Pakistan (SBP) has got the highest rating with 60% of the respondents stating that the SBP is supportive, which is an increase of 29% over the rating in 2019. This is not surprising as the SBP has over the last couple of years engaged extensively with OICCI, for sharing new initiatives, taking feedbacks thereon from members, and introducing several business support programs to dilute the impact of the COVID-19 related negative developments for businesses.

- Securities and Exchange Commission of Pakistan (SECP) has also been rated highly supportive by 56% of respondents.

- Overall, eight regulatory bodies, have improved their supportive rating as compared to the 2019 survey. These include State Bank of Pakistan (SBP), Securities and Exchange Commission of Pakistan (SECP), and Board of Investment (BOI) showing improvement by 29%, 13, and 10 %, respectively. The other bodies to improve their ratings include the FBR, CCP, SRB, PRA and KPT

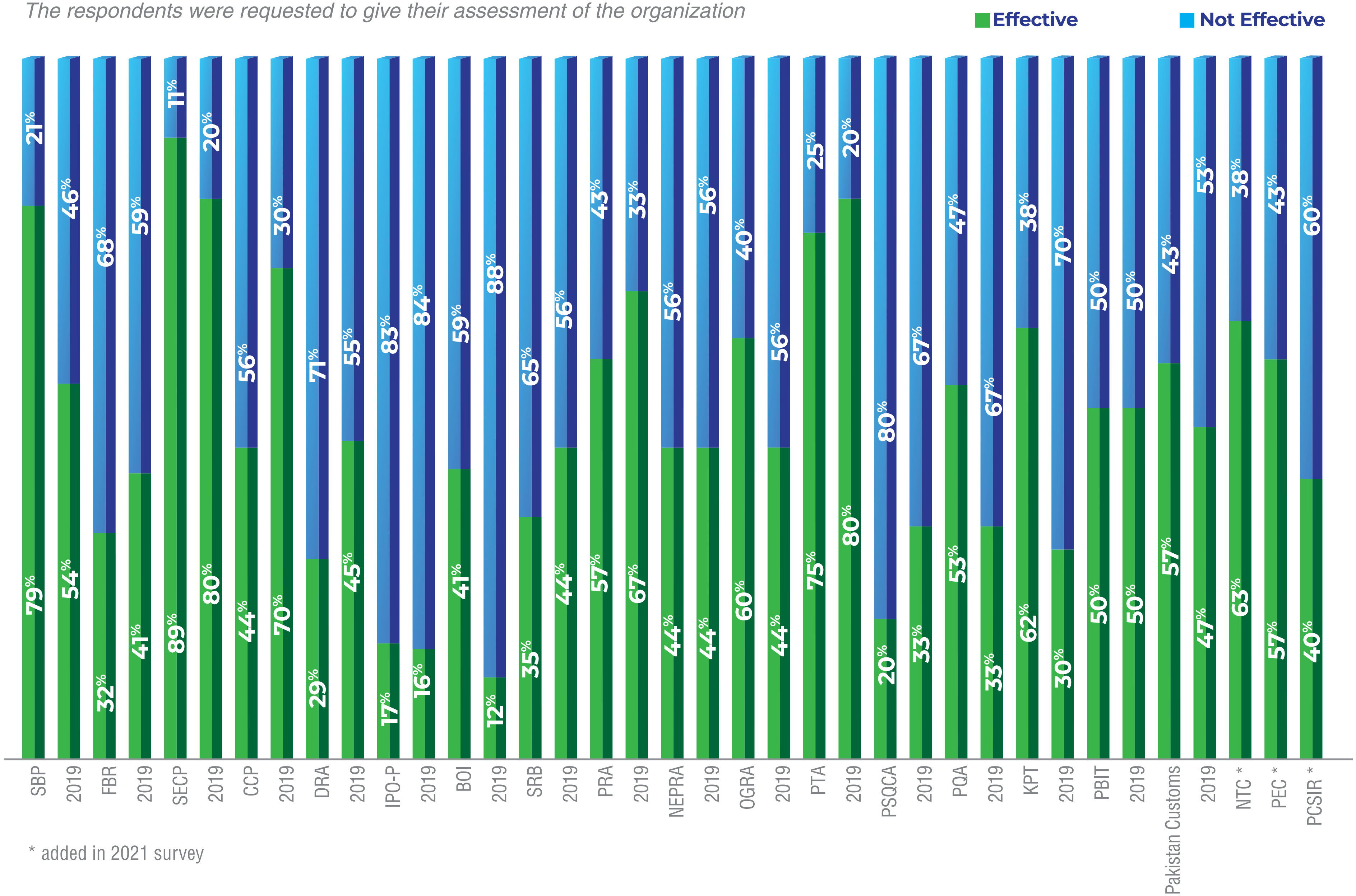
- Members' perception about the performance of Oil and Gas Regulatory Authority (OGRA) and National Electric Power Regulatory Authority (NEPRA) declined by 8% and 7%, over 2019. These are mainly due to high government involvement in regulatory matters and lengthy period of state ownership without competition and delays in renewal of licenses, heavy reliance on imported fuel, price structure, port constraints, insufficient control over illegal trade of refined products, hedging mechanism for petroleum products pricing, lack of access infrastructure, security, as well as high costs have constrained exploratory activities

- One-third of the respondents have also shown their dissatisfaction with 'Federal Board of Revenue (FBR)' and 'Drug Regulatory Authority of Pakistan (DRAP)', followed by 'Intellectual Property Organization-Pakistan (IPO-P)' and 'Sindh Revenue Board (SRB)'. However, in the case of FBR, DRAP and SRB there is an improvement over 2019 in 'net' of 'Supportive' and 'Non-Supportive' score.

- Three new regulatory bodies have been added in the 2021 survey, namely National Tariff Commission (NTC), Pakistan Engineering Council (PEC) and Pakistan Council for Scientific and Industrial Research (PCSIR). The NTC has received a 31% 'Supportive' rating, which is the fifth highest after SBP, SECP, BOI and CCP, while only 16% and 18% respondents were satisfied with PEC and PCSIR.

Figure 13(b): Effectiveness of the Regulatory Bodies

The respondents were requested to give their assessment of the organization



* added in 2021 survey

Key Policy Issues and Recommendations

The respondents highlighted the following policy issues affecting their respective business sectors and gave some recommendations to address these as well as some concerns not listed below:

Key Policy Issues	Recommendations
General Policy Issues	
• High incidence of illicit trade	• Effective checks by Customs and LEA to curb illicit trade which causes losses to legitimate businesses.
• Inconsistent regulatory policies with lack of clarity	• Clear outlined policies with clear timelines for implementation. 3-5 year regulatory and fiscal roadmap to give predictability to businesses allowing them to plan their investments and also attract FDI. Sudden implementation or changes to policy damages confidence for all players. • Legal procedures to be made more efficient for timely resolution of issues such as recovery cases, IPR violations, refunds etc.
• Federal and Provincial Coordination	• Develop an Integrated Action Plan for tax and labor policies such as Workers Welfare Fund agreed upon by all provinces and federation. • Council of Common Interest on another top level body to periodically monitor issues
• Volatile Exchange Rate	• SBP to consider a managed FX rate to minimize fluctuations which create uncertainty. Moreover, steps need to be taken to protect FX volatility due to speculation.
• Skilled labor supply	• Introduce a national skill development strategy • Enhance the quality capacity of technical/polytechnic universities and introduce a minimum standard for qualification to ensure international quality output. Industry-Academia collaborations needs to be made more frequent using a comprehensive framework.
• Manufacturing-centric policies • High Import Substitution	• There is a need for updated Industrial Policy 2022 with heavy focus on manufacturing sector and export. • Impose duties/ RDs on products which are manufactured locally to encourage the industries and saving FX outflow

Key Policy Issues	Recommendations
Taxation	
• High percentage of tax for telecommunications and banking sector • Imposition of turnover tax • Tax reliefs for large scale players eliminates level playing field • Tax Credit on IT Exports	• Align taxes on banking and telecom sector to match with other corporates. • Tariff should not be used as a revenue measure. It should reflect the economic outlook of economy. • Legacy tax issues should be resolved and a progressive tax policy should be introduced to create a level-playing field. • Conversion of tax holiday to tax credit is hurting IT exports which are seeing massive increases. Policy needs to be reverted to a holiday to assist the nascent, growing industry of IT exports. • There should be uniformity and standardization in the Public-Private Partnership framework at both provincial as well as federal government levels. A comprehensive policy needs to be developed after taking into account suggestions from all the relevant stakeholders including but not limited to financial sector of the country. The focus of the government needs to shift towards the inclusion and broadening of tax base with respect to persons and entities rather than burdening the existing tax net.
Banking	
• Broad-based AML Laws	• AML Laws are broad based across the Financial Sector. Some of the provisions are not applicable to Insurance. The regulator does not take these factors into consideration at time of monitoring. The regulator should allow consideration for clauses that are not applicable for Insurance.

Key Policy Issues	Recommendations
Energy	
• Outdated refinery policies • Structural issue in pricing of OMC margin, forex & demurrage impact etc. • Lack of clarity for local manufacturing of energy and power products	• Refining policy needs to be revised to adequately address the current challenges. • Pathway for price deregulation while using the average SBP FX rate to allow for inclusion of demurrage in pricing, which will protect against volatile FX market. • Need for an Integrated Energy Plan. OICCI has submitted comprehensive Energy Sector reforms to GoP in October 2021 which also suggest development of renewable energy sector coupled with power generation from indigenous resources.
Pharmaceuticals	
• Price Control • DRAP Regulations • IPR controls and procedures • Mandatory contributions to Central Research Fund	• DRAP's policies are inconsistent and overly controlling. The policies need to be made more relaxing in terms of price regulation and effectively tackle IPR violations and issues. • The Central Research Fund has been inactive with little to no contribution in the R&D, while contributions from companies are being made regularly. It must be abolished as DRAP is not doing any research and development activities and this fund has no audit trail. Pharmaceutical companies should do their own R&D depending on need on each company
Telecommunications	
• Spectrum availability on fair terms	• A spectrum price reset needs to be done and a spectrum roadmap be established.
Digitalization	
• A separate Customs framework for IT hardware • Digitization of health sector	• The need to understand that IT Hardware is a separate vertical from Software and one framework targeting both is not feasible. • Automation of records and moving towards telemedicine.

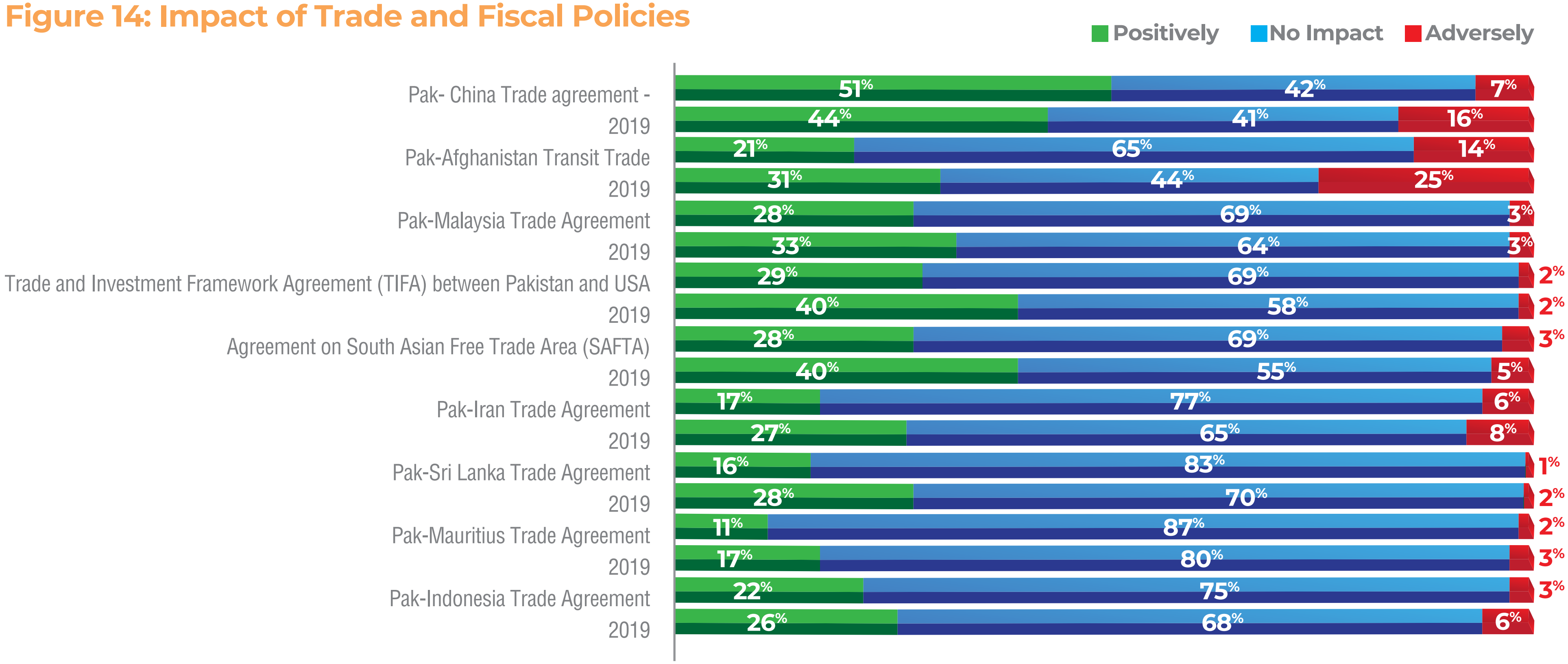
Section VI: Trade And Fiscal Policies

Trade Policies And Bilateral Trade Agreements

The investment climate is primarily based on fiscal policies of the government, as well as relations with trading partners. Bilateral agreements between Pakistan and other countries impact some members involved in manufacturing activities which could be imported from these countries. In this respect, the key takeaway from the responses in the graph below are as follows:

Barring China and Afghanistan trade treaties, for other trade related agreements, the responses generally indicate 'no impact' or a 'positive impact' on OICCI member companies. However, the percentage of respondents reporting an adverse or positive impact has declined, since most of the respondents have moved to "no impact".

Figure 14: Impact of Trade and Fiscal Policies



Pak-China Trade Agreement:

In respect of the trade agreements with China the responses 'Adversely' have gone down from 16% to only 7%, and the percentage of respondents perceiving positive impact has increased by 7%, compared to that in the 2019 survey. This highlights businesses in Pakistan are being positively impacted by the bilateral trade ties between Pakistan and China, primarily by cooperation between the two nations on account of the CPEC projects.

Afghan Transit Trade:

The negativity has gone down from 25% to 14%, however, those benefitting from this agreement have also reduced from 31% in 2019 survey to 21%. 11% less members, than in the 2019 survey, view trade agreements with Afghanistan as having an adverse impact on their businesses. This is somewhat surprising as OICCI members have often voiced that the ATT agreement paves way for the entry of smuggled goods into the country, thus leading to lost sales revenue for the companies.

Trade with India:

Members opinion on granting MFN/NDMA status to India which was part of previous surveys was taken out in this survey as such agreements are unlikely to be arranged soon due to the cold political climate in the relationship betwee n the two countries.

FISCAL MEASURES

Taxes and Levies

The majority of OICCI member appreciate the government's bold and innovative measures in the Finance Act 2020-21, which aims to enhance the documentation of the economy, broaden the tax base, and eventually lead to boost the tax collection in the country. OICCI is positive that such actions supported by a robust enforcement and improved trust between FBR officials, and the taxpayer will help establish a new tax culture in the country. However, members have expressed their concerns with some aspects of the taxation regime like Minimum tax on turnover, high rate of taxation on banking Companies, as well as other matters, some of which are listed below:

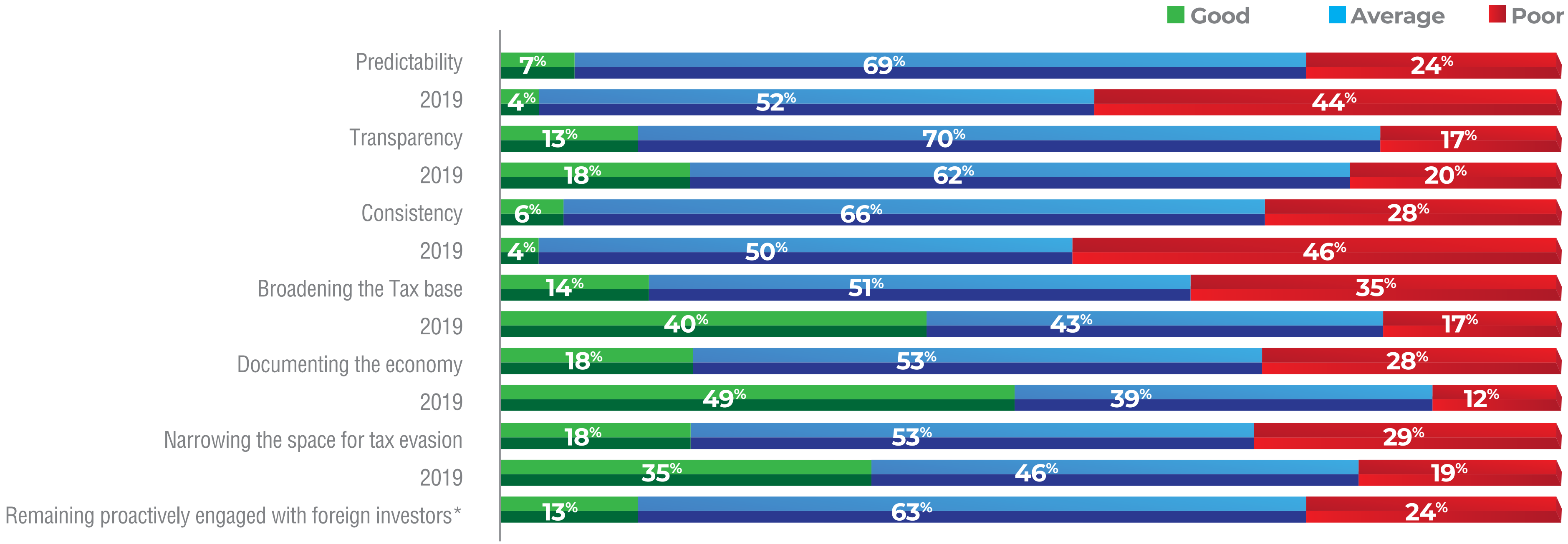
- Long drawn and complicated process of tax refunds which exert pressure on working capital and result in increasing financial charges.
- High level of tax evasion along with lack of efforts to expand tax base results in increasing tax rates on existing taxpayers to generate more revenues.
- Complicated tax system and changing tax rates especially on telecom providers, custom duties and taxes on imports adds to the complexity of the system.
- Federal vs Provincial Tax jurisdictional issues and different sales tax rates across the provinces.
- Non imposition of higher duties on items manufactured locally such as Soda Ash and Polyester
- Higher withholding tax at federal as well as provincial level that exerts additional pressure and makes the system complicated as well.
- Frequent and unjustified tax audits which create problems for compliant taxpayers.
- Incorrect interpretation of laws and arbitrary income tax assessments to meet revenue that also creates other issues such as reduction of Depletion Allowance for exploration companies.
- High rate of turnover tax, high sales tax rate at retail price level and High Custom Duties for Materials
- Advance tax collection from distributors and retailer (u/s 236) for medical devices companies

Perception on Pro-FDI Taxation Policies and actions

- The perception of foreign investors has improved in respect of 'Predictability', 'Consistency', 'Transparency' of Taxation policies whereas the negativity has decreased by 20%, 18% and 3% respectively.
- The survey respondents view the government has not done enough for 'Broadening the tax base', 'Documenting the economy' and 'Narrowing the space for tax evasion' as the negativity in all these areas further gone up by 18%, 16% and 10% as compared to the 2019 survey. Moreover, majority of the ratings are in the 'Average' zone indicating that most of the respondents are not completely happy with taxation policies.

Perception On Government's Taxation Policies And Practices

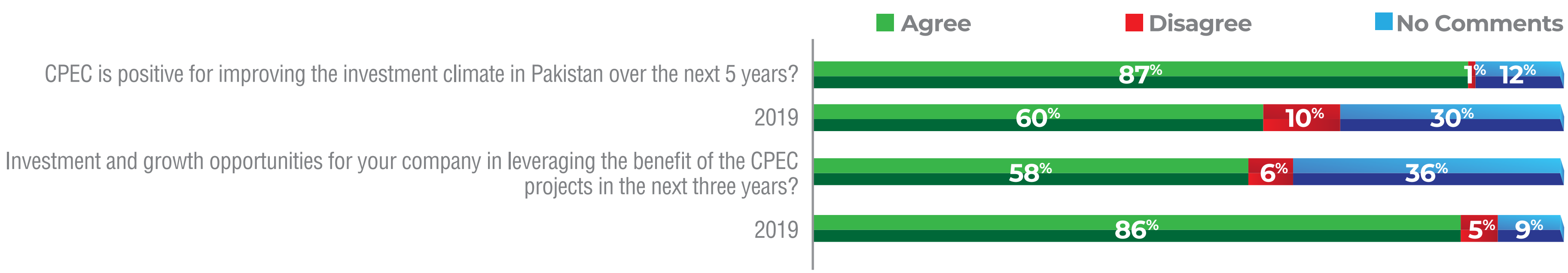
Figure 15: Respondents' Views



* added in 2021 survey

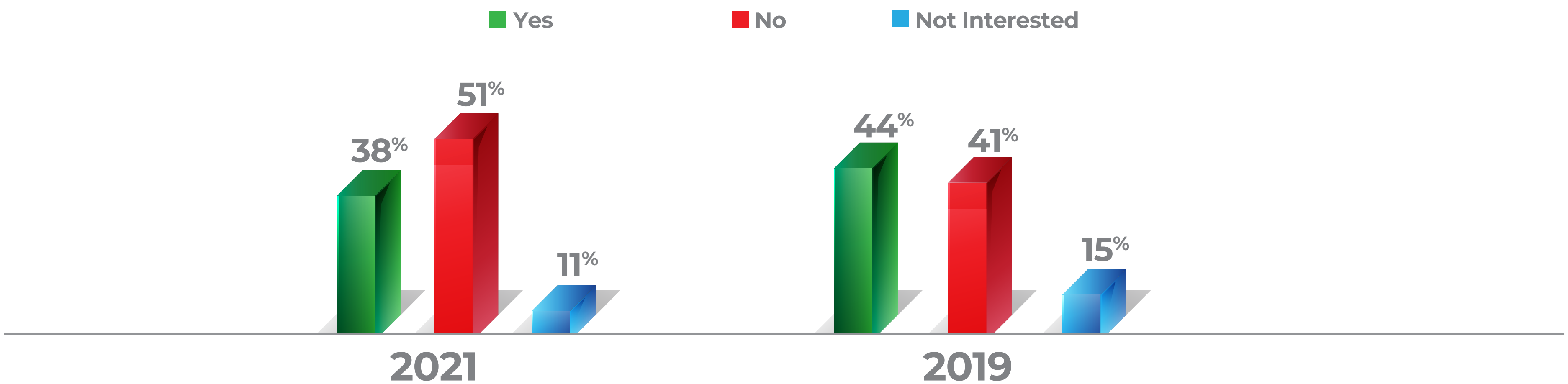
CPEC – China Pakistan Economic Corridor

Figure 16(a): Members' views on CPEC



- Members are quite optimistic about the CPEC projects. Majority of the respondents feel that these projects would improve the investment climate in Pakistan and that there are enough opportunities for companies to leverage the benefit of these projects in the next three years.
- CPEC projects will result not only in enhancement of economic activity, including job creation and increased demand for local fuel products.
- However, members have also expressed concerns over the negotiations between the two countries as, in their opinion. CPEC projects use products manufactured in China and not from local manufacturers in Pakistan, which is negatively impacting local industry in various sectors.
- Government to ensure that CPEC projects to provide employment to locals unless necessary to bring in Chinese labor for few technical jobs.
- All insurance placements for CPEC projects are being placed in the Chinese market. Pakistani companies are fronting for Reinsurers based in China with minimal risk is being retained in Pakistan.
- Members have also opined that any additional benefit given to new entrants that is not applicable to existing players would be viewed quite negatively

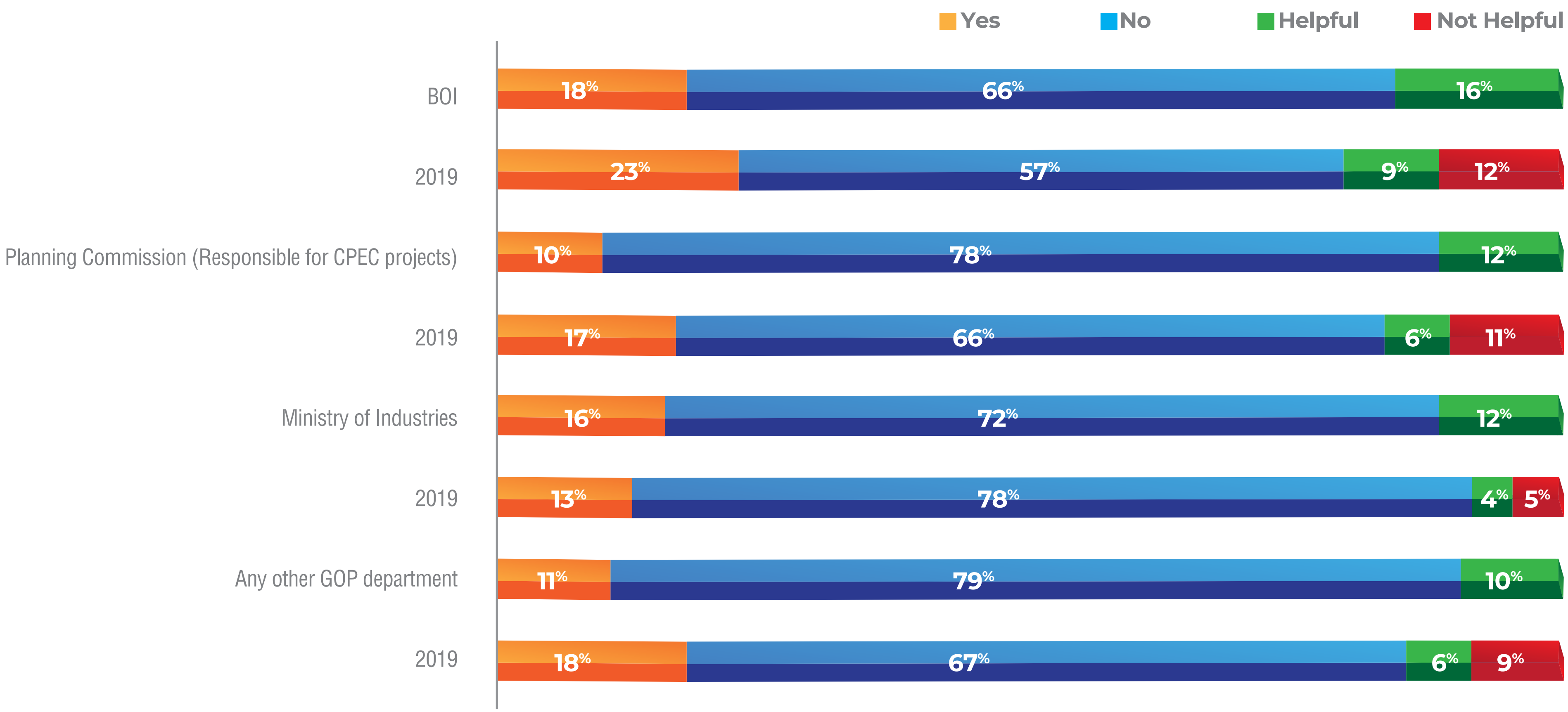
Figure 16(b): Do you have sufficient information about scope and opportunities for your business in CPEC projects?



Only 38% percentage of respondents have stated that they are aware of the scope and opportunities available to them in the ongoing CPEC projects versus 44% in the 2019 survey. The government needs to do more to inform investors about all aspects of CPEC.

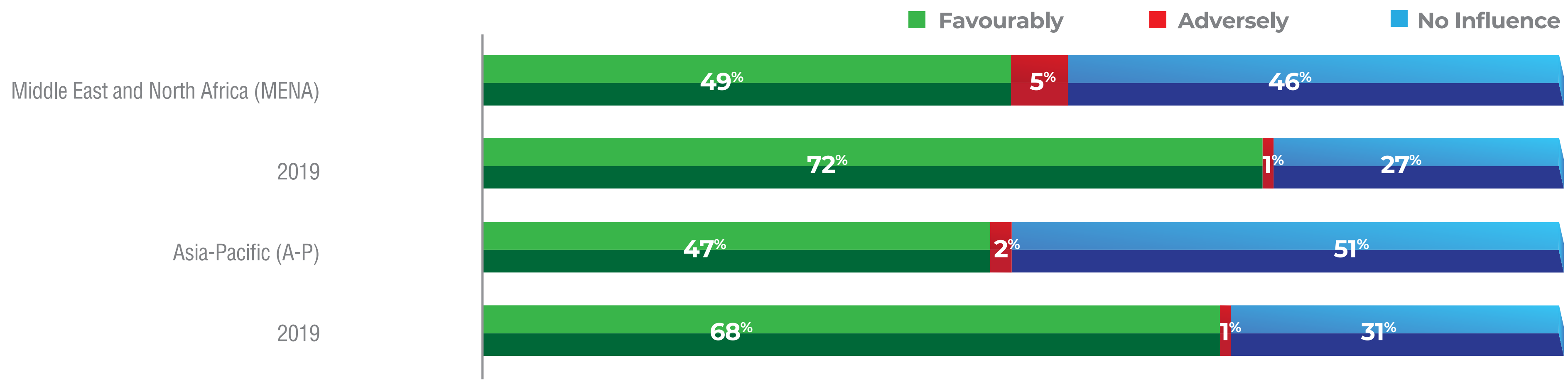
The government should market the opportunities available under CPEC related SEZs and other projects, by arranging roadshows and interactive sessions with investor community, to inform about all aspects of CPEC. This will also be helpful to clarify misconceptions for foreign investors other than Chinese.

Figure 16(c): Have you approached the concerned authorities to participate in CPEC projects? Were the concerned authorities helpful?



- A close look at the graphs above, shows that those respondent companies that are interested in investing in the CPEC projects, majority have not approached the concerned authorities. Among those who have approached, have found the government departments helpful.
- In respect of 'Any other GOP department' respondents have mentioned the Ministry of Commerce, Ministry of Energy, Engineering Development Board, Ministry, Power Regulatory Authority and SBP

Figure 16(d): How does CPEC influence the choice of foreigners to invest in Pakistan, as compared to the following regions?



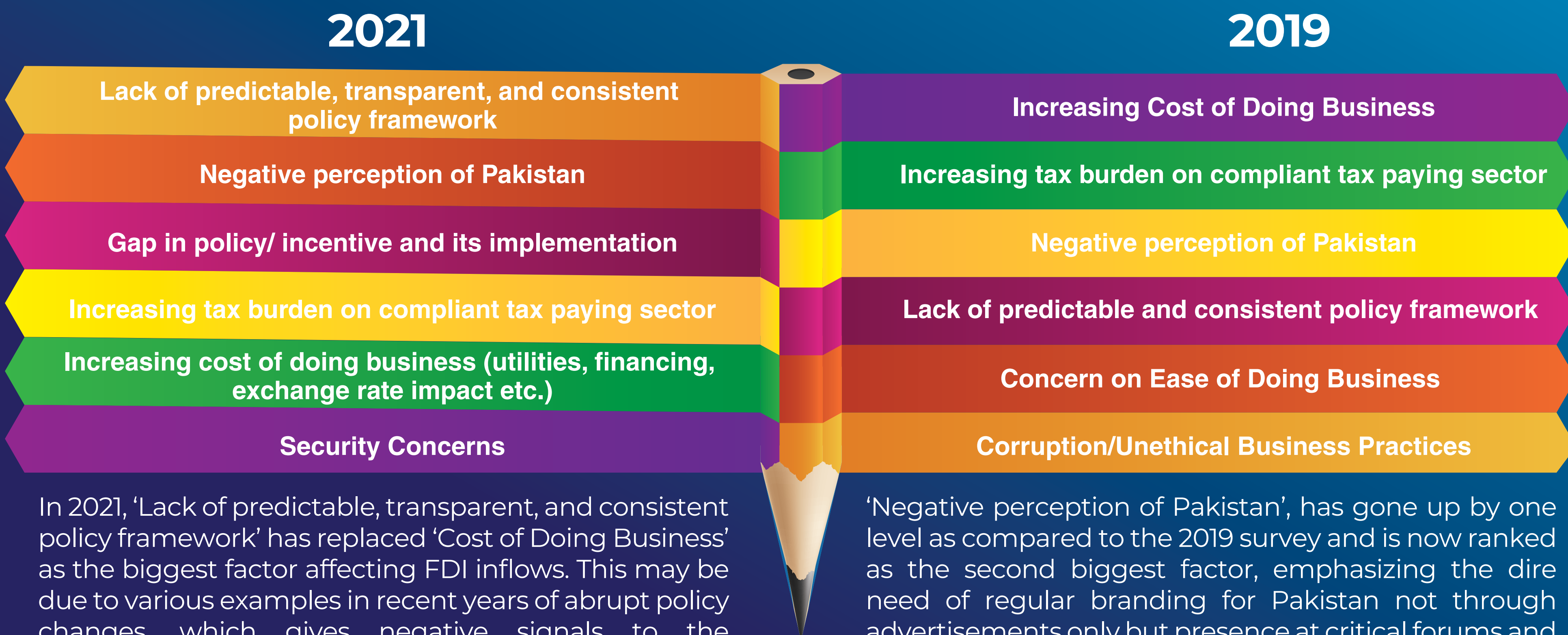
- Majority of the respondents believe that CPEC has a favorable impact on investment decisions. However, as compared to 2019 results, this percentage has reduced, including for Asia-Pacific.
- An increased percentage of respondents do not see CPEC as having influence on the investment decisions of foreigners to invest in Pakistan over Asia and MENA regions.
- It is noteworthy that the percentage of respondents who view that CPEC adversely affects foreign investors' choice has become quite negligible.

Section VII: Foreign Direct Investment (FDI)

Factors Affecting Inflow Of FDI In Pakistan

This section explores road-blocks encountered by our members in bringing in FDI. It measures the confidence level of investors in bringing in new investment and highlights steps that need to be taken in order to make Pakistan a more viable investment zone.

Figure 17: Key Factors Affecting Inflow of FDI in Pakistan



In 2021, 'Lack of predictable, transparent, and consistent policy framework' has replaced 'Cost of Doing Business' as the biggest factor affecting FDI inflows. This may be due to various examples in recent years of abrupt policy changes, which gives negative signals to the headquarters of member companies.

'Negative perception of Pakistan', has gone up by one level as compared to the 2019 survey and is now ranked as the second biggest factor, emphasizing the dire need of regular branding for Pakistan not through advertisements only but presence at critical forums and media, by showcasing the success stories, potentials and opportunity at international and regional forums.

- 'Gap in policy/ incentive and its implementation, has been ranked third which, once again, highlights the need for reforms of policy framework, followed by 'Increasing tax burden on the compliant sector', which has come down to fourth position, replicating the need for improvement in respect of 'Predictability', 'Consistency' and 'Transparency' mentioned earlier under Pro-FDI taxation policies.
- Other reasons among the top six factors identified include 'Increasing cost of doing business (utilities, financing, exchange rate impact etc.)' and 'Security concerns', which despite being acknowledged as a matter successfully addressed by the law enforcement agencies, in the annual OICCI members Security surveys continues to be a matter of concern for foreign investors probably due to the recent political situation in Afghanistan.
- In addition to the top six factors affecting FDI, respondents have highlighted several other factors impacting FDI inflows in Pakistan.

Investor Confidence

Despite the availability of a large and growing domestic market, favorable demographics, and strategic geo-political location with access to China and Central Asia, three quarters of the respondents have stated that their parent companies are influenced by the negative image of Pakistan, in the foreign media or other sources. It seems frequent visits to the country by senior leadership of several large MNCs, with a number of high level meetings, with the Prime Minister of Pakistan also, has not been enough to counter the negative image issue. This is definitely a failure of the concerned authorities and they need to immediately address this matter by devising a robust strategy to professionally present investment opportunities in Pakistanat regularly at all major international forums. Moreover, the political leadership needs to put FDI as one of its top economic and foreign affairs agenda.

The good news is the strong belief of the CEOs of OICCI member companies in the business opportunities and potential of Pakistan, which is reflected in the response here as 80% of the members indicated they will recommend further new FDI to Pakistan. This is a very positive sign for the economic outlook of the business sector in Pakistan.

Figure 18(a): Investment plans affected by the Negative Perception of Pakistan

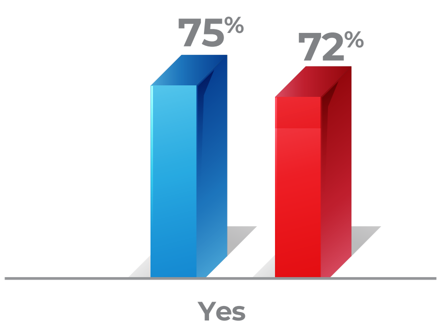


Figure 18(b): Willingness to recommend new FDI in Pakistan, based on the current Business Climate

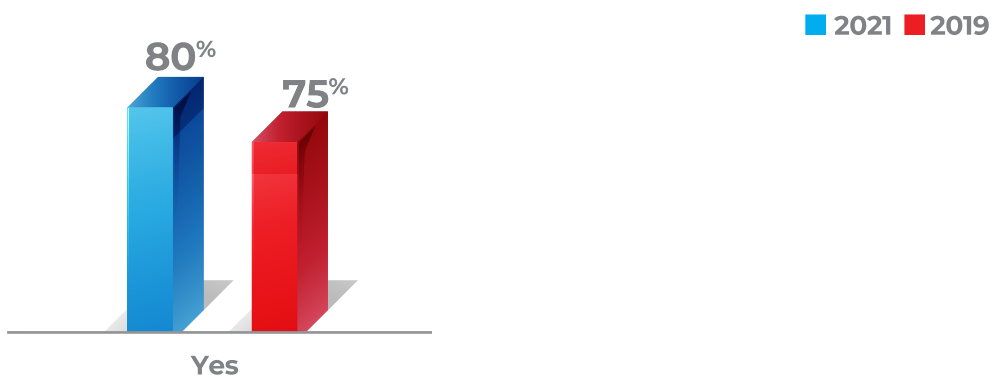
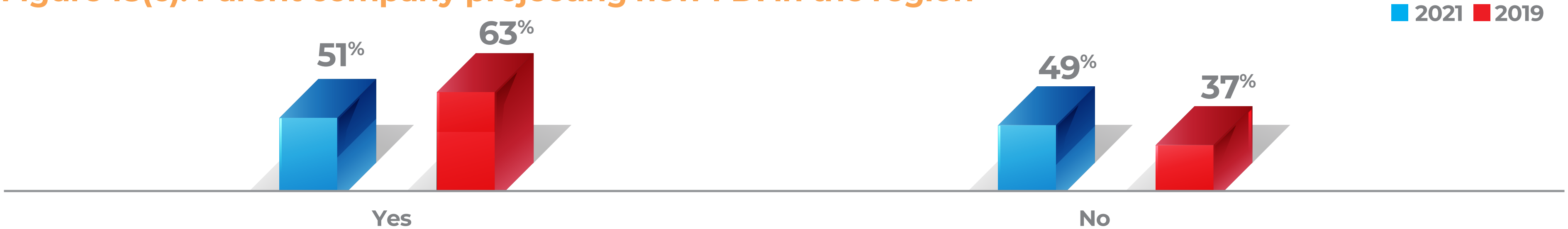


Figure 18(c): Parent company projecting new FDI in the region



Projections of new FDI in the region has reduced from 63% indicating their parent companies are planning to make new investment in the Asian region in the 2019 survey to only 51% in the current survey. This could well be due to the dramatic Covid-19 related environment changes which may have led to new strategies.

Factors for not recommending Pakistan for new investment

Respondents have repeated all the points made earlier in this survey which need to be progressively to boost FDI in the country. Besides addressing 'Negative Perception', for Pakistan to secure a sizeable proportion of the planned foreign investment, there must be improvement in nearly all aspects of the Business and operating environment at all levels of Federal, provincial governments, as well the Regulatory bodies etc which should be competitive with other regional countries.

Figure 18(d): Members ranked Pakistan as seventh in order of preference for their parent company while deciding to make an investment of USD 500 million and above, in the region, while China has been ranked on top.

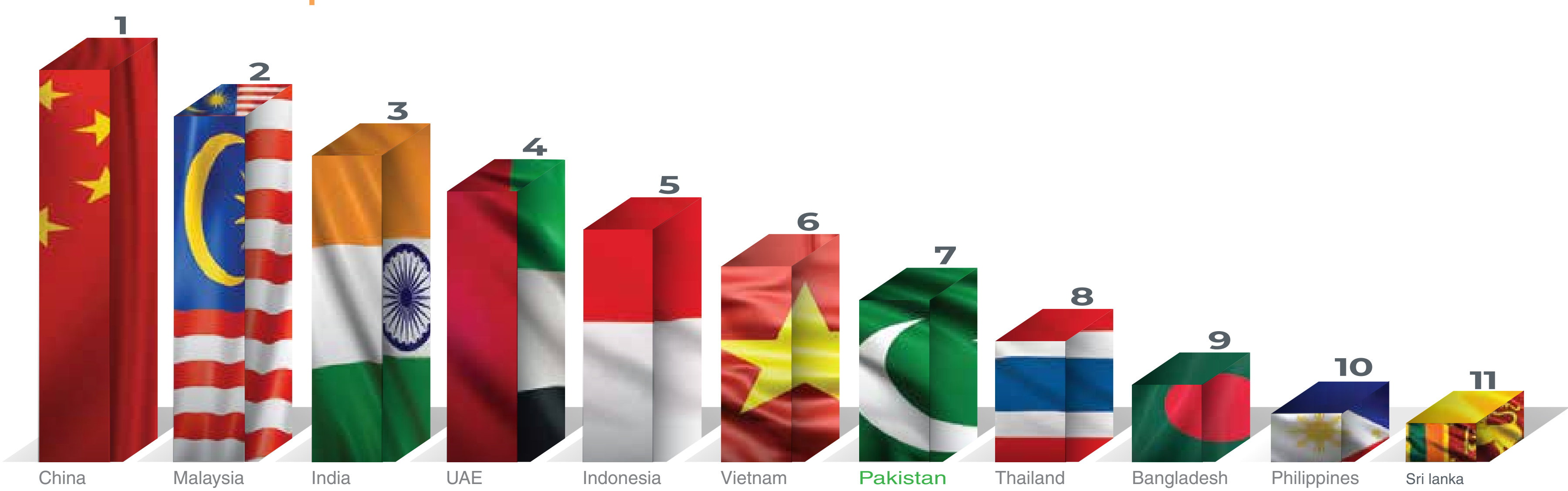
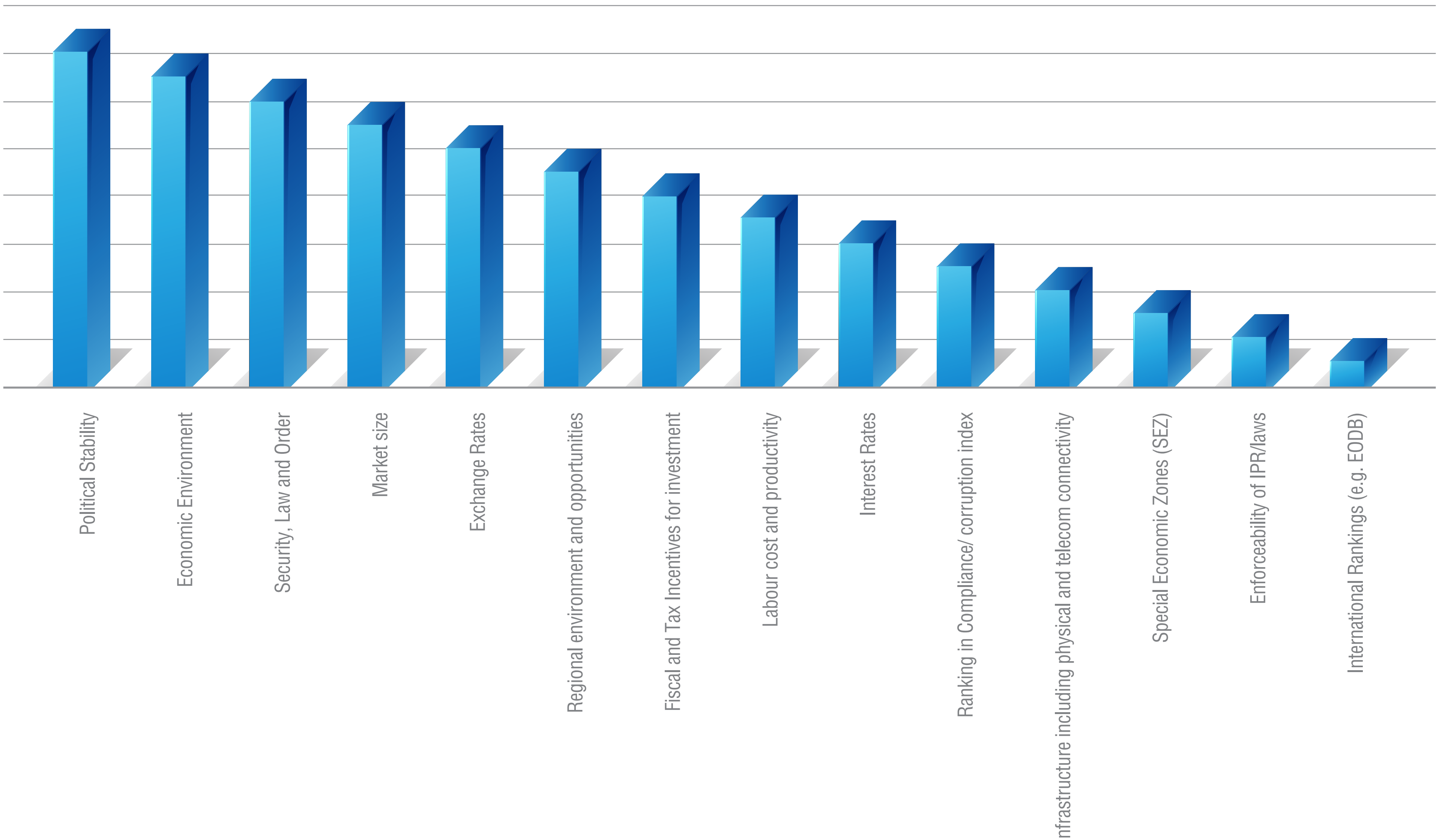


Figure 18(e): Key factors considered by parent company before deciding to invest in a country

Members identified the following key factors, in order of priority, their parent company considers when deciding future investment destination:



Section VIII: Operational/ Investment Plans and Selected Financial Projections of OICCI Members

Growth In The Next 2-3 Years

The graph below clearly indicates the buoyancy of the respondents on the investment and growth opportunities in the country. As compared to the 2019 survey, a significant majority of the respondents assess the overall outlook for global, as well as their business sector to be in the phase of accelerating growth in the next 2-3 years.

Figure 19(a): Future Business Outlook

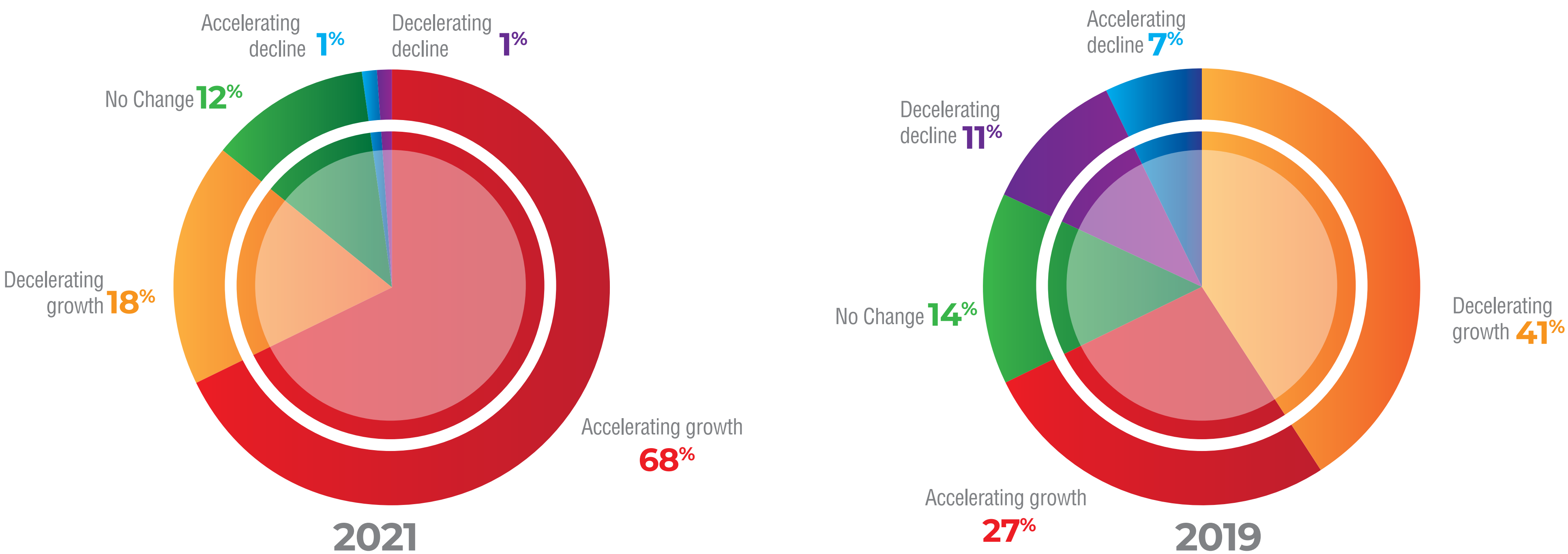
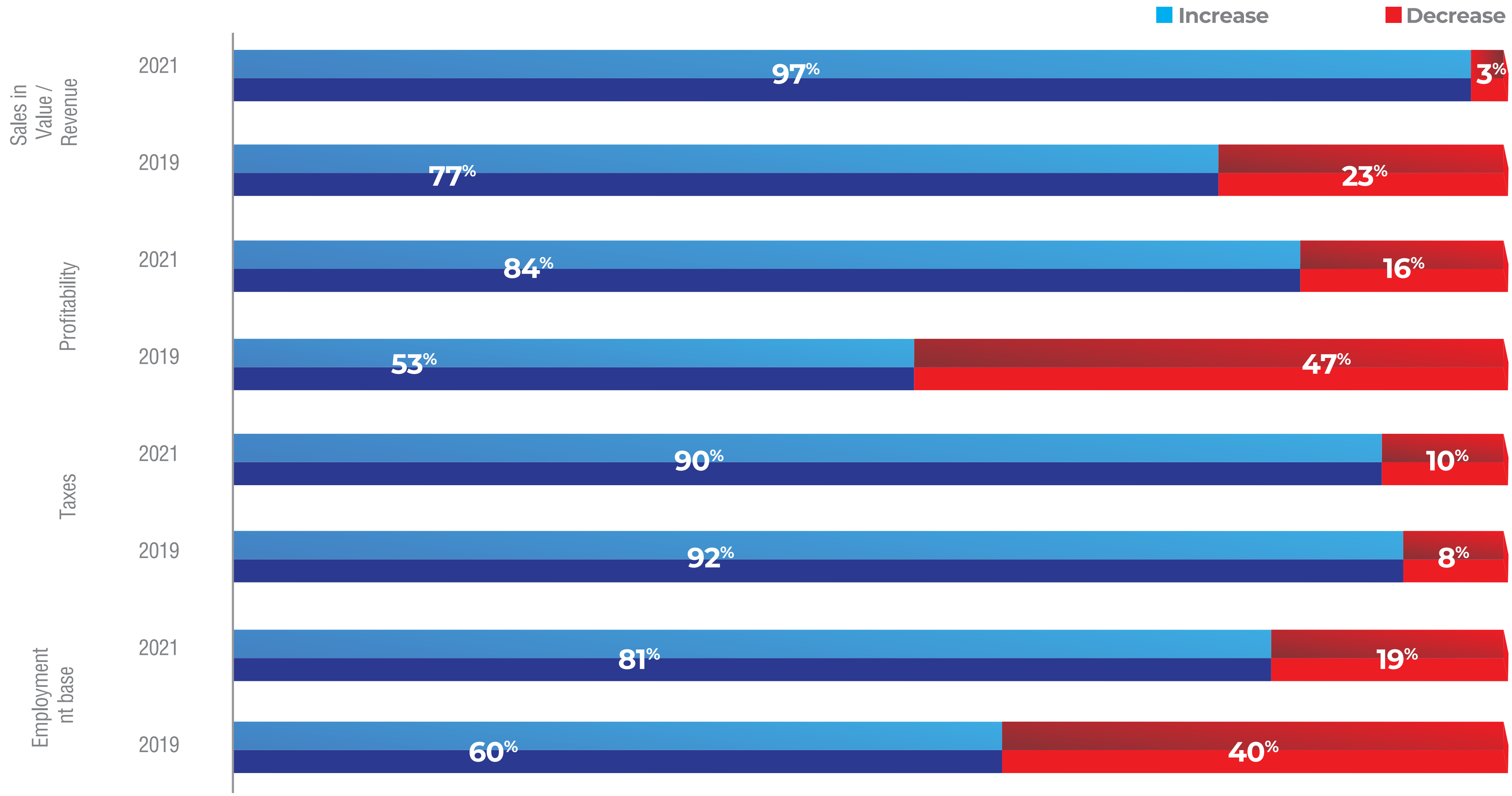


Figure 19(b): Projected Operational and Financial Performance of Respondents Companies



	up to 10% increase	up to 20% increase	up to 30% increase	up to 50% increase	more than 50% increase	up to 10% decrease	up to 20% decrease	up to 30% decrease	up to 50% decrease	more than 50% decrease
Sales Revenue	50%	28%	13%	3%	3%	2%	1%	0%	0%	0%
Profitability	42%	27%	9%	4%	2%	11%	3%	2%	0%	0%
Taxes	57%	20%	9%	2%	2%	8%	0%	1%	0%	0%
Employment base	59%	13%	4%	4%	1%	17%	0%	2%	0%	0%

80% respondents plan to increase their employment base. The planned investment in business and human capital is expected to boost both revenue and profitability, as 96% of the respondents expect increased sales and 84% expect their profits to rise. Furthermore, 90% have indicated they will pay more taxes. These numbers should be widely projected by the authorities to attract new foreign direct investment.

Future Investment Outlook Of Pakistan

Total annual new investments indicated by respondents' amount to approximately US$ 2.4 billion, and approximately US$ 7 billion over the next five years, which seems to be a very conservative estimate, if we consider the fact that OICCI members invested US$ 2.3 billion in the year 2020 despite the COVID environment (OICCI survey, June 2021) and invested US$ 5.5 billion in the last 2 years, and over US $ 18 billion in the past 9 years.

Most members at time of this survey may not have investment plans beyond the next couple of years or, perhaps, the negative issues plaguing the businesses today have impacted the responses. It may be noted that actual investments have always been well above estimates given in similar past surveys.

New Investment

The most important point is that, despite the difficult economic situation, accelerated devaluation of Pak rupee, rise in inflation and other negative factors, the OICCI members demonstrate confidence in investing in Pakistan, as depicted in the below graph.

Figure 20(a): Average new investment that your company plans to make annually in Pakistan in the next 5 years

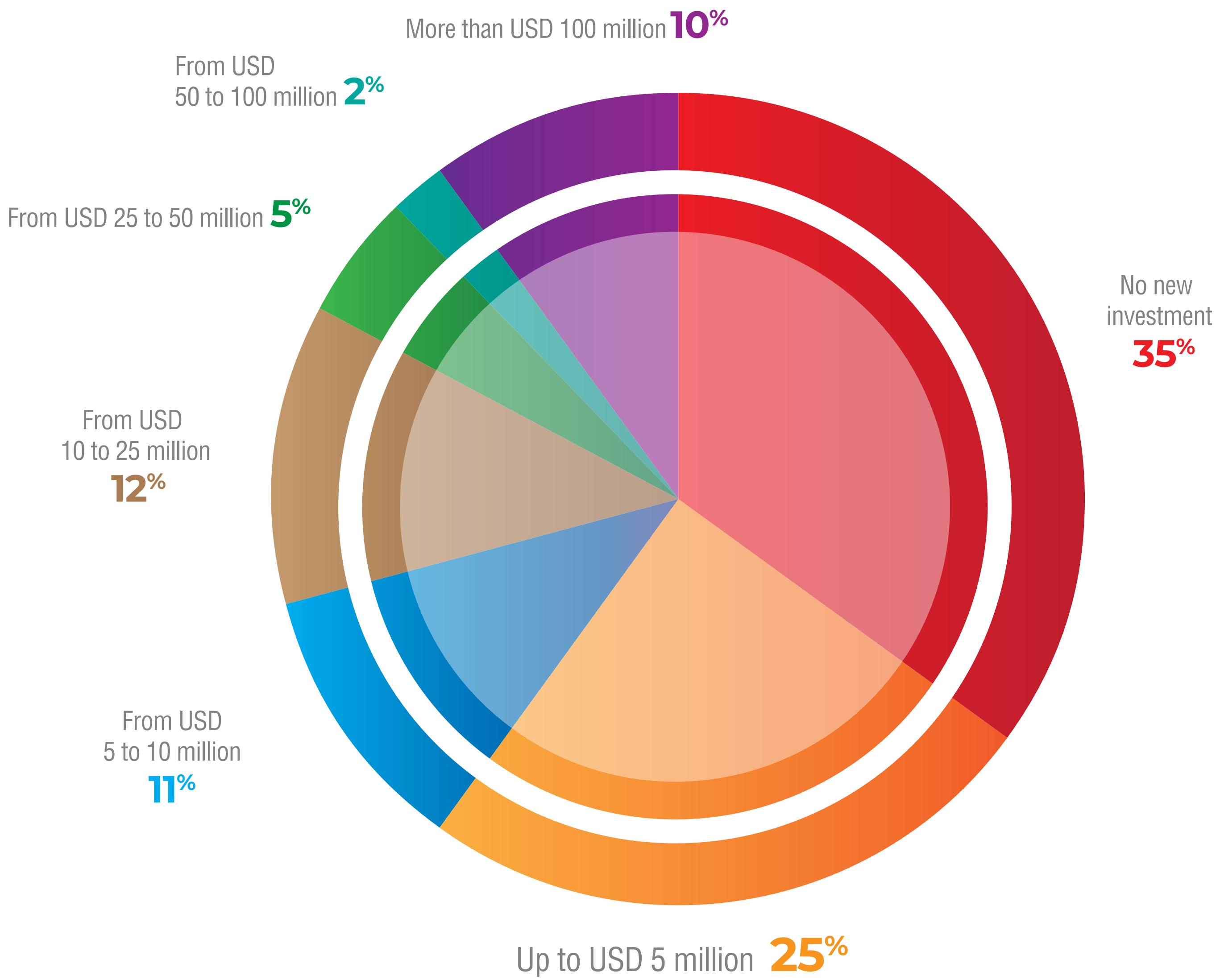
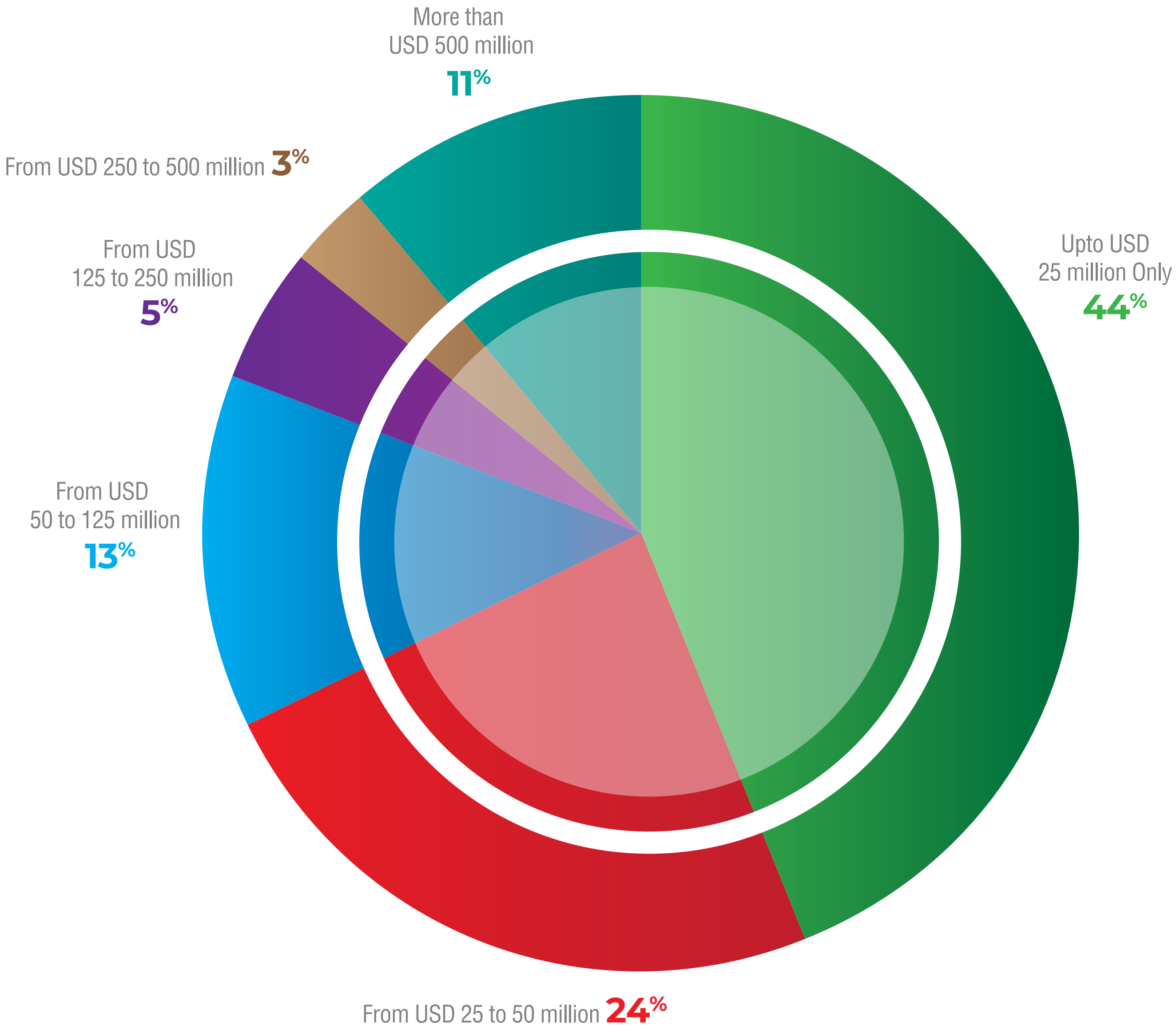
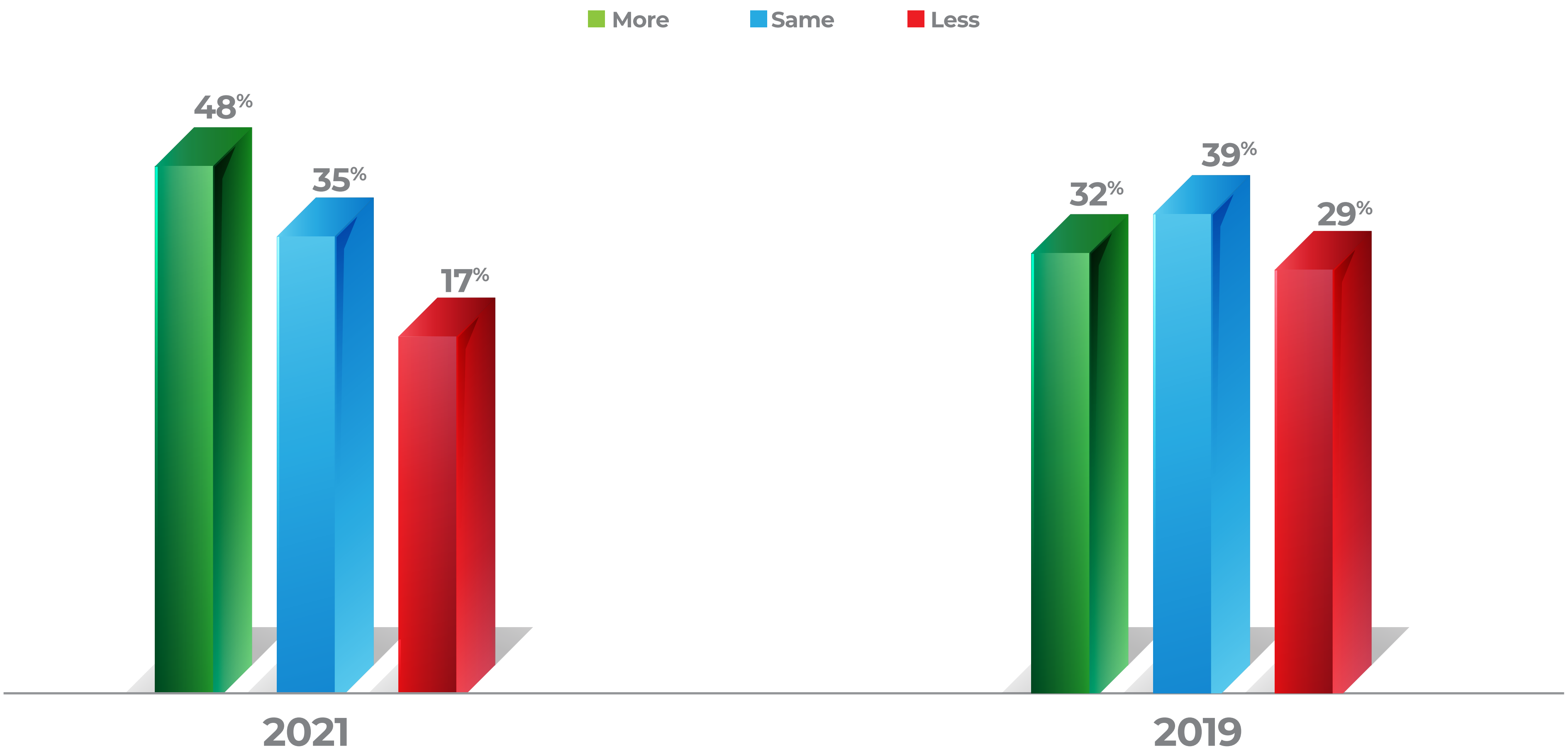


Figure 20(b): Approximate amount in total over the next 5 years



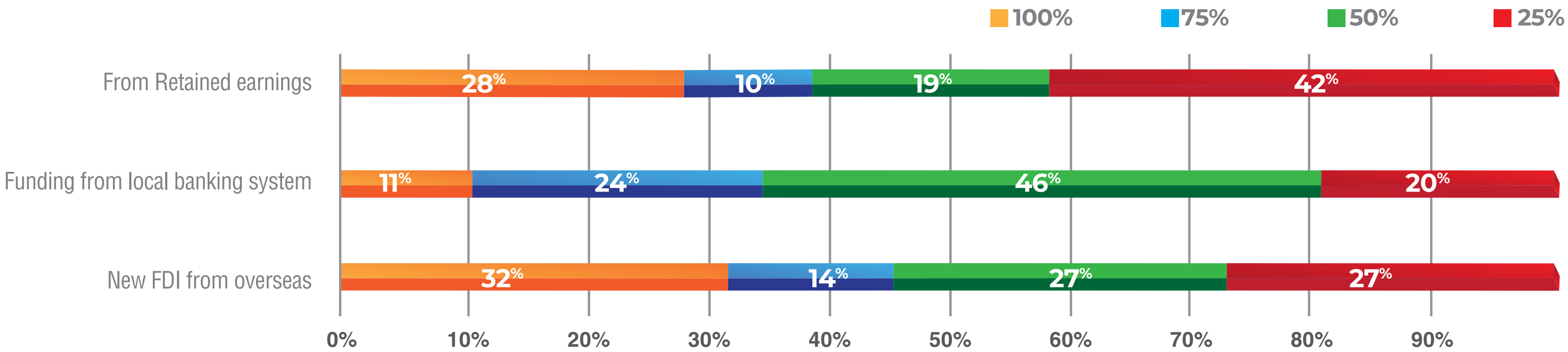
OICCI has always highlighted Pakistan's investment environment which is amongst the most investor-friendly in the world, with no restrictions on foreign ownership, repatriation of profits or hiring of expatriates. Tax rates in Pakistan also match rates in the regional countries. Additionally, there are tax incentives for investments. Historically, foreign investment returns in Pakistan have been high – an analysis of 56 OICCI members listed on the PSE reveals that their CAGR 2009-2020 in respect of profitability is highly competitive with any other country in the world.

Figure 20(c): New planned investment vs. comparative previous period



- More than half of the respondents have shared their plans to launch one to three new products/ services within the next two years, while 15% of respondents plan indicate launch of eight to nine new product/ services.

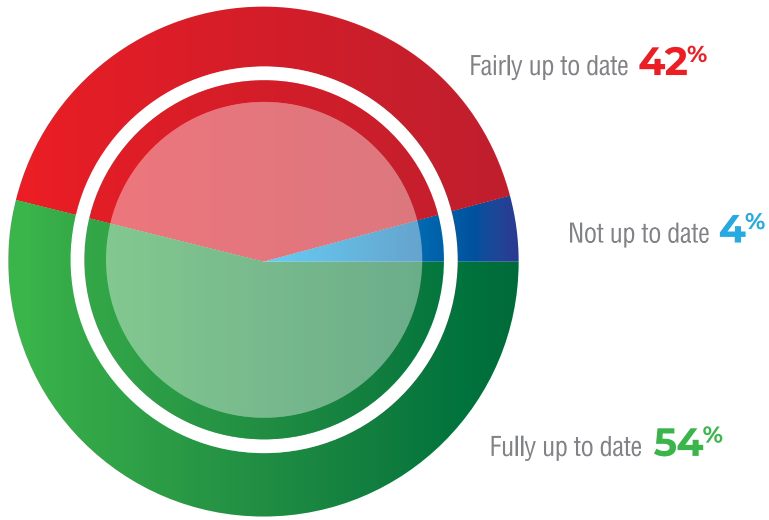
Figure 20(d): How do you plan to fund the new investment?



Thirty two percent of the respondents indicated fresh new foreign equity injection for funding all their new investments. Other respondents indicated funding through a combination of new FDI, retained earnings and local borrowing.

Figure 20(e): Are you satisfied that the decision makers in your respective Headquarters, based outside Pakistan, are fully updated about real opportunities, as well as constraints, for foreign investors in Pakistan?

The above responses indicate that decision makers in the respective headquarters of OICCI member companies, based outside Pakistan are highly updated about real opportunities for foreign investors in Pakistan, although the full potential of doing business in the country has not been fully harnessed. However, the important point depicted in figure 20(b) above is that well over two thirds of the members have planned new investments showing their confidence about Pakistan.



Sectors offering best opportunities for investment

A significant number of respondents identified the following potential sectors offering the best opportunities for investment in Pakistan in the next 5 years:

1. Information Technology and Digitalization

a. IT Consultancy and Automation
b. IT Exports

2. Energy & Power

a. Alternate, Sustainable, and Renewable Energy
b. Downstream Oil & Gas Business
c. Distribution & Transmission Network
d. Oil & Gas importation & Distribution
e. Mineral & Mining
f. Power market

3. Infrastructure Development

4. Manufacturing & Export

a. Import Substitution

5. Agriculture, Corporate Farming and Agro-Based industries

a. Dairy Farming/Livestock

6. Transportation and Logistics

7. Construction

'Information Technology and Digitalization' was rated as the highest potential sector, mainly due the dramatic shift towards virtual business operations during the pandemic. Some of the respondents also mentioned Automobile industry, Food and Consumer Goods (including food processing), Healthcare & Pharmaceutical, Textiles & apparel, Tourism (Hotel and Aviation Industry) and Real Estate Business sectors offering huge investment aptitudes.

Selected Financial Information

Gross revenue	USD 37 Billion
Value of total assets	USD 137 Billion
Total levies paid to federal and provincial governments	USD 8.9 Billion
Capital expenditure	USD 2.3 Billion

- The numbers above are based on members' financial statements for the year ended December 31, 2020 or earlier on June 30, 2020, respectively.
- Levies paid include income tax, sales tax, custom duties and excise duties.
- These numbers are based on the information given by the participating companies as well as the information downloaded from financial statements of listed companies.

RESEARCH METHODOLOGY

The Perception and Investment Survey 2021 questionnaire focused on eight broad areas, within which several issues of interest to current members and potential investors were addressed. These were:

1. Business Environment in Pakistan
2. Top Business Challenges
3. Impact of Covid – 19
4. Digitalization
5. Governance
6. Trade and Fiscal Policies
7. Foreign Direct Investment (FDI)
8. Operational/Investment Plans and Selected Financial Projections of OICCI Members

The Perception and Investment Survey 2021 incorporates new developments impacting the corporate sector since the last survey was done in 2019. A new section has been inserted to evaluate the impact of Covid-19 and the respective lockdown on business operations/ returns.

The survey's findings are represented in percentages which are easier to follow and determine trends. Complementary illustrations are provided to gain insight into various perceptions briefly. Responses to questions requiring respondents to rank options on a scale have been aggregated using the weighted average method. The resulting data is tabulated to provide a summary and quick interpretation of results.

As in the previous surveys, the 2019 survey provides a variety of response options for different questions in order to elicit responses which give general positive, negative or neutral positions on various aspects of the business environment and governance in the country.

For questions involving a range of response options, including those that may not be directly relevant to a particular member, respondents were asked to indicate options relevant to their company and/or industry.

RESPONDENTS IN 2021

AUTOMOBILE

1 ATLAS HONDA LIMITED
2 HINOPAK MOTORS LIMITED

BANKING / INSURANCE / FINANCE & LEASING

3 AL BARAKA BANK (PAKISTAN) LIMITED
4 ALLIANZ EFU HEALTH INSURANCE LIMITED
5 ASA PAKSITAN LIMITED
6 BANK ALFALAH LIMITED
7 BIPL SECURITIES LIMITED
8 BMA CAPITAL MANAGEMENT LIMITED
9 CHUBB INSURANCE PAKISTAN LIMITED
10 CITIBANK N. A.
11 DEUTSCHE BANK AG
12 DUBAI ISLAMIC BANK PAKISTAN LIMITED
13 INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
14 J. P. MORGAN PAKISTAN (PRIVATE) LIMITED
15 MEEZAN BANK LIMITED
16 MILVIK MOBILE PAKISTAN (PRIVATE) LIMITED
17 MOBILINK MICROFINANCE BANK LIMITED
18 MUFG BANK LTD PAKISTAN LIAISON OFFICE
19 NBP FULLERTON ASSET MANAGEMENT LIMITED
20 ORIX LEASING PAKISTAN LIMITED
21 PAIR INVESTMENT COMPANY LIMITED
22 PAK BRUNEI INVESTMENT COMPANY LIMITED
23 PAK CHINA INVESTMENT COMPANY LIMITED
24 PAK OMAN INVESTMENT COMPANY LIMITED
25 PAKISTAN KUWAIT INVESTMENT COMPNAY PRIVATE LIMITED
26 PAK-LIBYA HOLDING COMPANY (PVT) LIMITED
27 PAK-QATAR FAMILY TAKAFUL LIMITED
28 PAK-QATAR GENERAL TAKAFUL LIMITED
29 STANDARD CHARTERED BANK (PAKISTAN) LIMITED
30 TELENOR MICROFIANACE BANK LIMITED
31 UNITED BANK LIMITED

CHEMICALS / PESTICIDES / FERTILIZERS / PAINTS / CEMENT

32 AKZO NOBEL PAKISTAN LIMITED
33 ARCHROMA PAKISTAN LIMITED
34 ATTOCK CEMENT PAKISTAN LIMITED
35 AVIENT PAKISTAN (PRIVATE) LIMITED
36 BASF PAKISTAN (PRIVATE) LIMITED
37 BERGER PAINTS PAKISTAN LIMITED
38 DAWOOD HERCULES CORPORATION LIMITED
39 ENGRO POLYMER & CHEMICALS LIMITED
40 ICI PAKISTAN LIMITED
41 LOTTE CHEMICAL PAKISTAN LIMITED
42 NALCO PAKISTAN (PRIVATE) LIMITED
43 PAKISTAN OXYGEN LIMITED
44 SIKA PAKISTAN (PRIVATE) LIMITED
45 SYNGENTA PAKISTAN LIMITED

ENGINEERING / INDUSTRIAL PRODUCTS

46 ABB POWER GRIDS PAKISTAN (PRIVATE) LIMITED
47 EXIDE PAKISTAN LIMITED
48 J&P COATS PAKISTAN (PRIVATE) LIMITED
49 KSB PUMPS COMPANY LIMITED
50 PAKISTAN CABLES LIMITED
51 SCHNEIDER ELECTRIC PAKISTAN (PRIVATE) LIMITED
52 SIEMENS PAKISTAN ENGINEERING COMPANY LIMITED

FOOD / CONSUMER PRODUCTS

53 3M PAKISTAN (PRIVATE) LIMITED
54 BATA PAKISTAN LIMITED
55 COCACOLA BEVERAGES PAKISTAN LIMITED
56 COLGATE-PALMOLIVE (PAKISTAN) LIMITED
57 DAWLANCE (PRIVATE) LIMITED
58 FRIESLANDCAMPINA ENGRO PAKISTAN LTD (FORMERLY ENGRO FOODS (PVT) LTD)
59 GILLETTE PAKISTAN LIMITED
60 L'OREAL PAKISTAN (PRIVATE) LIMITED
61 MONDELEZ PAKISTAN LIMITED
62 NESTLE PAKISTAN LIMITED
63 PROCTER & GAMBLE PAKISTAN (PRIVATE) LIMITED
64 SERIOPLAST PAKISTAN (PVT) LTD
65 TETRA PAK PAKISTAN LIMITED
66 UNILEVER PAKISTAN LIMITED
67 UPFIELD PAKISTAN (PRIVATE) LIMITED

IT & COMMUNICATION

68 IBL-UNISYS (PVT) LIMITED
69 SAP MIDDLE EAST AND NORTH AFRICA LLC
70 TERADATA GLOBAL CONSULTING PAKISTAN (PRIVATE) LIMITED
71 TERADATA PAKISTAN (PRIVATE) LIMITED
72 TPL HOLDINGS (PRIVATE) LIMITED
73 TRG (PRIVATE) LIMITED

OIL / GAS / ENERGY

74 ABB POWER & AUTOMATION (PRIVATE) LIMITED
75 AL - HAJ ENERGY LIMITED (FORMERLY PREMIER OIL PAKISTAN HOLDING B.V.)
76 ATLAS POWER LIMITED
77 ATTOCK PETROLEUM LIMITED
78 ATTOCK REFINERY LIMITED
79 BYCO PETROLEUM PAKISTAN LIMITED
80 CHEVRON PAKISTAN LUBRICANT (PVT) LIMITED
81 ENGRO POWERGEN THAR (PRIVATE) LIMITED
82 ICI PAKISTAN POWERGEN LIMITED
83 IDEMITSU LUBE PAKISTAN (PRIVATE) LIMITED
84 K-ELECTRIC LIMITED
85 KIRTHAR PAKISTAN B.V.
86 PAKISTAN REFINERY LIMITED
87 PUMA ENERGY PAKISTAN (PRIVATE) LIMITED
88 ROUSCH (PAKISTAN) POWER LIMITED
89 SHELL PAKISTAN LIMITED
90 TOTAL PARCO PAKISTAN LIMITED
91 UCH POWER (PRIVATE) LIMITED
92 UNITED ENERGY PAKISTAN LIMITED

PHARMACEUTICAL & HEALTHCARE

93 ABBOTT LABORATORIES (PAKISTAN) LIMITED
94 ASPIN PHARMA PVT. LTD (FORMERLY OBS HEALTHCARE (PRIVATE) LTD)
95 B. BRAUN PAKISTAN (PRIVATE) LIMITED
96 BAYER PAKISTAN (PRIVATE) LIMITED
97 ESSITY PAKISTAN LIMITED (FORMERLY BSN MEDICAL (PRIVATE) LIMITED)
98 GETZ PHARMA (PRIVATE) LIMITED
99 GLAXOSMITHKLINE PAKISTAN LIMITED
100 LUNDBECK PAKISTAN (PRIVATE) LIMITED
101 MARTIN DOW MARKER LTD (FORMERLY MERCK (PRIVATE) LIMITED)
102 NOVO NORDISK PHARMA (PRIVATE) LIMITED.
103 PFIZER PAKISTAN LIMITED
104 PHARMATEC PAKISTAN (PRIVATE) LIMITED
105 RECKITT BENCKISER PAKISTAN LIMITED
106 SIEMENS HEALTHCARE (PRIVATE) LIMITED
107 SANOFI AVENTIS PAKISTAN LIMITED
108 WYETH PAKISTAN LIMITED

PRINTING & PUBLISHING
109 OXFORD UNIVERSITY PRESS
110 SICPA INKS PAKISTAN (PVT) LIMITED

SECURITY SERVICES
111 PHOENIX ARMOUR (PRIVATE) LIMITED

SHIPPING & AIRLINES
112 AL-HAMD INTERNATIONAL CONTAINER TERMINAL (PVT) LTD
113 MACKINNON, MACKENZIE & COMPANY OF PAKISTAN (PRIVATE) LTD
114 PAKISTAN INTERNATIONAL CONTAINER TERMINAL LIMITED

TELECOMMUNICATIONS
115 EDOTCO PAKISTAN (PRIVATE) LIMITED
116 PAKISTAN MOBILE COMMUNICATIONS LIMITED
117 TELENOR PAKISTAN (PRIVATE) LIMITED

TOBACCO
118 PAKISTAN TOBACCO COMPANY LIMITED
119 PHILIP MORRIS (PAKISTAN) LIMITED

TRADING & OTHER SERVICES
120 ARABIAN SEA ENTERPRISES LIMITED
121 BEIERSDORF PAKISTAN (PVT) LIMITED
122 BELTEXCO LIMITED
123 BULK FLEXIBLES PAKISTAN (PVT) LTD
124 CLOVER PAKISTAN LIMITED (CPL) (FORMERLY HASCOMBE BUSINESS)
125 DHL PAKISTAN (PVT) LTD
126 DUPONT PAKISTAN OPERATIONS (PRIVATE) LIMITED
127 MARUBENI CORPORATION
128 METRO PAKISTAN (PVT) LTD
129 MITSUBISHI CORPORATION
130 MITSUI & COMPANY LIMITED
131 MULLER & PHIPPS PAKISTAN (PRIVATE) LIMITED
132 NCR CORPORATION
133 SUMITOMO CORPORATION ASIA & OCEANIA PTE LIMITED
134 TRI-PACK FILMS LIMITED



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