

Annual Report 2019



Overseas Investors Chamber of
Commerce and Industry





Quaid-e-Azam Mohammad Ali Jinnah addressing members at Chamber's Annual Conference in 1948

Vision

To be the premier body for promoting new and existing overseas investment in Pakistan by leveraging 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

02

OICCI Profile

04

Report of the
Managing Committee

08

Managing Committee
Members 2019

10

Summary of OICCI
Activities 2019

37

Financial Statements

54

Notice of the 160th
Annual General Meeting

56

Meetings of the
Managing Committee

57

List of OICCI
Members

Contents

- 02. OICCI Profile
- 04. Report of the Managing Committee
- 08. Managing Committee Members 2019
- 10. Summary of OICCI Activities 2019
 - a) Policy Reform and Advocacy
 - b) Investment Promotion
 - c) Profile Building and Networking
 - d) Information Dissemination
 - e) OICCI's Representation on Various Bodies
- 37. Financial Statements
- 54. Notice of the 160th Annual General Meeting
- 56. Meetings of the Managing Committee
- 57. List of OICCI Members

OICCI Profile

The Overseas Investors Chamber of Commerce and Industry (OICCI) is the collective voice of major foreign investors in Pakistan. Established 160 years ago in 1860, primarily as a business chamber for foreign investors, the OICCI is engaged in promoting Foreign Direct Investment (FDI) in Pakistan, besides protecting the interest of existing foreign investors/OICCI members. Through its diversified activities, the OICCI contributes significantly to supporting commerce and industry across the country.

- 197 Members from 35 countries and involved in 14 key sectors of Pakistan economy
- 56 OICCI members are listed on Pakistan Stock Exchange
- 50 Members are associates of the 2019 Global Fortune 500 Companies

Major contributor to the economy of Pakistan

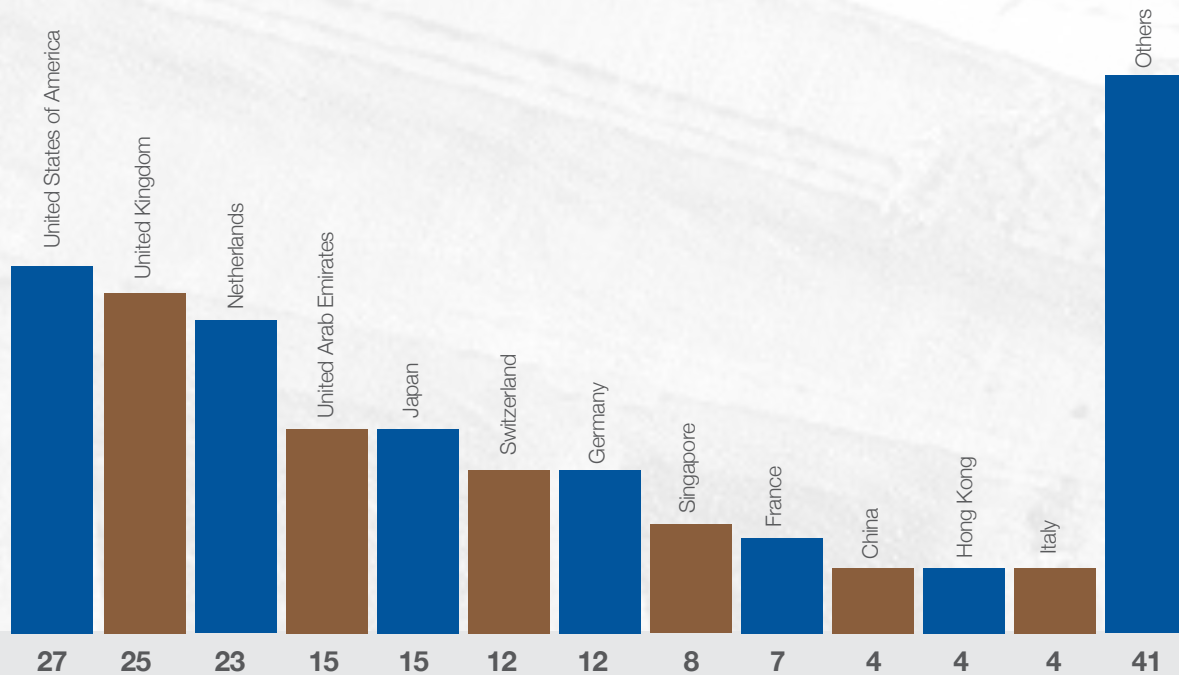
- About one third of the total taxes and levies in Pakistan are collected from OICCI members
- Total value of members' assets in excess of PKR 11 trillion
- Annual new capital expenditure in excess of PKR 328 billion
- Members provide direct and indirect employment to around one million people
- Significant role in various CSR activities across the country – over 58 million beneficiaries in 2018-19

Incentives for Foreign Investors in Pakistan

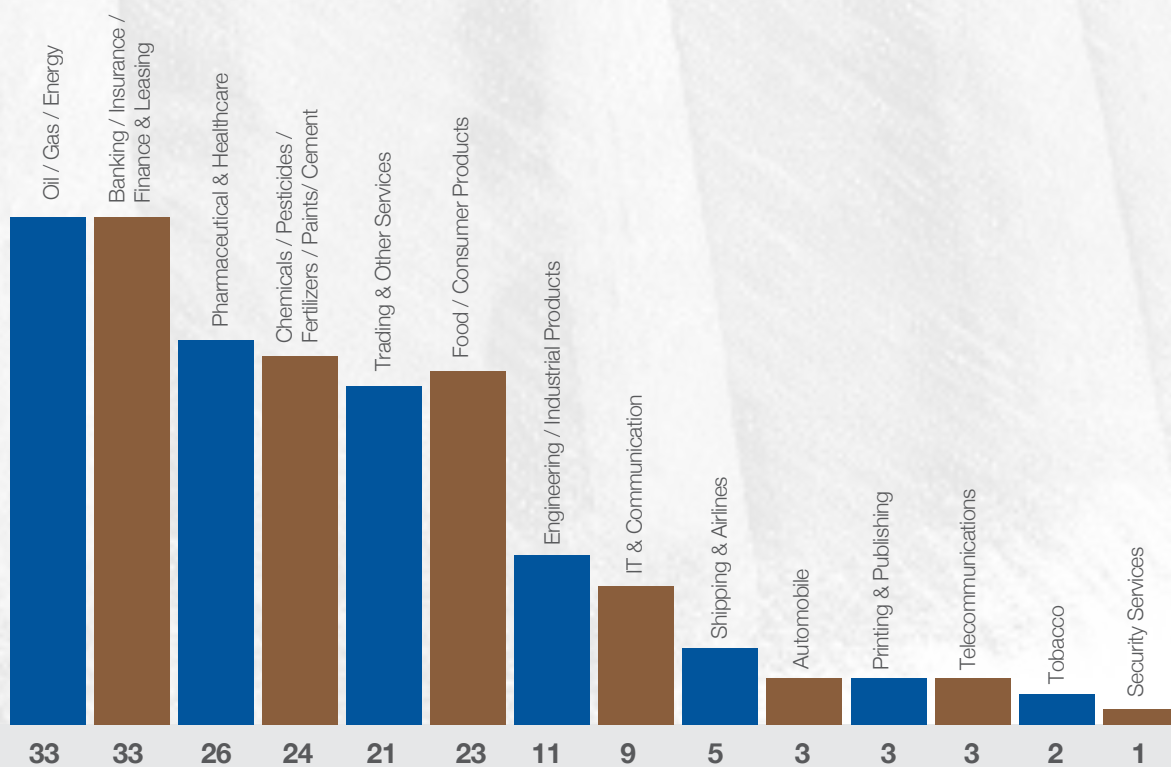
- 100% foreign shareholding allowed in legal entities incorporated in Pakistan
- No restriction on repatriation of dividends, royalties and capital
- Business losses can be carried forward for six years for tax purposes
- No minimum capital requirement except in the banking sector
- Avoidance of double taxation agreements with over sixty countries
- Several fiscal incentives like tax holidays and accelerated tax depreciation
- Level playing field – no discrimination between foreign and local investors
- Intellectual Property Rights law enacted in 2012
- Ease of hiring expatriates
- Other fiscal incentives: Special Export Processing Zones

OICCI Members

Country of Origin



Members' representation in all major business sectors



Report of the Managing Committee

The Managing Committee (MC) Members of the Overseas Investors Chamber of Commerce and Industry (OICCI) are pleased to present the Annual Report of your chamber along with the audited financial statements for the year ended December 31, 2019 and the Auditors' Report thereon.

Overview of the Business Environment

Pakistan's economy, after a very challenging year, has shown signs of stability and growth in the last few weeks of 2019. The government also seems to be getting a firmer grip on the economy, and has publicly expressed confidence for a positive economic outlook for 2020, which has also been acknowledged by IMF and other international rating agencies.

As anticipated, the Finance Act 2019-20 included many first-time bold policy measures to stabilize the economy, broaden the tax base through documentation, incentivize exports, judicially restrict non-essential imports, and boost FX reserves as well as to plug other gaps which were creating an uneven playing field for the compliant business sector. OICCI members were also directly affected negatively by a few measures, like the partial withdrawal of incentives on new investments. The bold policy measures created visible reaction from some stakeholders, especially from a large segment of the market players in the informal economy, resulting in business shutdowns and other pressurizing tactics. The main bone of contention was resistance to the documentation measures by the traders. The stand-off resulted in considerable delay in effective implementation, across the board, of the new measures like the requirement of CNIC for purchases above PKR 50,000 by retailers/wholesalers/distributors and printing of retail prices on imported consumer items. As a consequence the overall business environment as well as the business operation of many of our members was negatively impacted. The lack of resolution or delayed action on some other key concerns like interprovincial coordination issues, ongoing delay in resolving renewal of Cellular Mobile Operators licenses, extended time in processing corporate remittances, and capacity issues in some of the regulatory bodies also impacted the smooth functioning of many businesses. Two key issues impacting our members, the long process for settling pending tax refunds and the energy sector's Circular debt, which

has accumulated to over Rs 1.6 trillion, remained largely unresolved all through the year.

The partial recovery in the economy, mentioned above, has come at a considerable cost, as business confidence, as well as growth rates, especially in large scale manufacturing sector, went down considerably on the back of the measures taken in the Finance Act as well as other measures including massive devaluation of Pak Rupee (down 27% since July 2018) to align it to its 'Real Effective Exchange Rate', and gradual increase in the policy rate from 6.5% in July 2018 to 13.25%, in July 2019. Both these measures contributed to a substantial increase in the inflation, which crossed 11.5% in first quarter of fiscal 2019-20. Besides tight monetary policy measures, focus on documentation and tax reforms, the tension on the eastern borders, also added to an overall sense of uncertainty in the business environment.

The Pakistan economy may have performed better, we believe, if various high powered task force/committees formed by the government to improve digitization, streamline Public Sector Enterprises and economic governance were more effective and their progress timely shared with the business community. There was very little action on your chamber's recommendations on the need to have more clarity on the new Industrial Policy, visible progress on Special Economic Zones, revised strategy on export diversification, and above all on the need to have predictable and consistent policy framework supported by effective implementation of policies.

The Foreign Direct Investment (FDI) inflow into the country, during the fiscal year 2018-19 at USD 1.74 billion, was 37% lower compared to the already low FDI in the preceding year. The trend has improved in the first five months of the ongoing fiscal year 2019-20, and the FDI at USD 850 million is 78% higher than the FDI received in the corresponding period last year. This includes, payments made by two leading cellular companies for renewal of their license fee. While the FDI inflow was low, the OICCI members continued to expand and avail the business potential of the country and in 2018 invested PKR 328 billion showing an impressive PKR 33 billion increase over the previous year. This is a clear vote of confidence in the country by existing foreign investors represented at the chamber.

Overview of the activities at the Chamber

The key focus of the Chamber is to promote overseas investment into the country and to achieve this the Managing Committee and the nine subcommittees of the chamber based their work plans on the following four key priorities: 1) Transfer of global best practices to ease the tax burden; 2) Transfer of global best practices on EODB to foster a conducive, open and equitable business environment; 3) Raise OICCI's profile to count in government policy setting and implementation; and 4) Enhance the image of Pakistan to attract FDI.

In order to achieve the above objectives the President, Vice President, Secretary General and the other MC members were involved throughout the year in a number of interactions, collectively and individually, with the Prime Minister of Pakistan, Advisor to the PM on Finance and Revenue, Advisor to the PM on Commerce and Investment, Governor State Bank of Pakistan, Chairpersons of BOI, FBR and SECP, Secretary Ministry of Commerce, and other senior government officials of the federal and provincial governments on matters relating to issues faced by OICCI members. In all such meetings the chamber also shared the recommendations to accelerate FDI, promote employment and economic growth, improving governance through simplifying procedures to facilitate 'Ease of Doing Business', improving policy framework especially in relation to taxation, and to proactively manage growing number of interprovincial coordination and compliance issues. Besides the interactions mentioned above, the chamber regularly interacted with the Heads and key officials of regulatory authorities, diplomats, media and other stakeholders, to identify measures required to facilitate existing and potential foreign investors.

As the details of the activities of the chamber are covered separately in this report, we shall mention below only some of the key events and activities during the year.

The President of Pakistan, Dr Arif Alvi was the chief guest at the CSR exhibition organized by the Chamber in Islamabad on October 2nd titled, "Impactful Journey: OICCI CSR Exhibition". The purpose of the event was to showcase the impact of CSR activities of OICCI member companies across the country and their alignment to the United Nations Sustainable Development Goals. OICCI members continue to actively contribute in the socio economic development of Pakistan. President Dr. Arif Alvi lauded the efforts of the OICCI and the work being done by foreign investors for social inclusion of the marginalized communities across

the country. The OICCI CSR Report 2018-19, was also launched at the event giving details of the extensive financial and non-financial contribution of the existing foreign investors. During the year 2018-19, OICCI members have collectively reached out to nearly 60 million direct beneficiaries throughout Pakistan supported by a direct investment of 1.2 million of human hours and PKR 5.5 billion in financial terms.

The Key OICCI Taxation Proposals, for the Federal Budget 2019-2020, along with a few specific proposals for incorporation in the Finance Supplementary (Amendment) Bill 2019, were presented to the FBR leadership on January 2, 2019, followed by comprehensive proposals, in the first week of March 2019. The Key Taxation Proposals focused on matters considered by the overall membership as high priority for foreign investors to streamline the taxation regime, to boost FDI and economic growth in the country, as well as to contribute towards Ease of Doing Business. There were also various industry specific proposals for bringing equity in the taxation system in line with the spirit of encouraging rapid industrialization and economic growth in the country. Separate proposals were also presented to the Punjab and Sindh provincial tax authorities.

The above proposals were discussed and contemplated in detail with the Chairman FBR, once in the FBR office in April and again at OICCI on May 18, 2019, in a highly interactive session with members. The Chairman and the Senior Advisor of Sindh Revenue Board also met the members in the OICCI office to discuss the Chamber's provincial taxation proposals.

OICCI members are pleased that Pakistan's ranking has improved by 28 positions in the World Bank 'Ease Of Doing Business' (EODB) 2020 survey where Pakistan has jumped to 108 position from 136 last year. OICCI takes pride in being part of the journey to make this achievement possible. The chamber, through its subcommittee on EODB, has over the past year submitted workable recommendations on all the parameters of the World Bank Ease of Doing Business (EODB) annual survey which determine the EODB rating of a country. These recommendations are based on OICCI members' experiences, with an aim to support the BOI/GOP create a more enabling and conducive business environment by streamlining regulatory processes, improving governance framework, reducing timelines and costs besides helping improve Pakistan's rating in the respective parameters of the WB EODB survey.

The chamber has recently finalized the “OICCI Energy Reforms Recommendations Report 2019” covering the entire portfolio of energy sector including Upstream (Oil & Gas exploration, production and mining), Downstream (refining and distribution) and Power (coal and renewable generation, transmission and distribution). These recommendations will be presented in January 2020, to the Minister of Energy and all key government authorities, to assist in streamlining the energy sector in line with the best international practices to cater to the country’s fast growing energy demand.

The fifth annual Security Survey amongst OICCI members was conducted in June 2019 and results once again indicate a visible improvement in the security environment in Pakistan, especially in Karachi, compared to the period prior to 2013 and even in comparison to last year. The improved security environment has boosted the confidence of foreign investors and is reflected in the substantial increase in the visits of the senior management of the existing and potential foreign investors.

Effective Protection of Intellectual Property Rights (IPR) is one of the key drivers of FDI in any country. In partnership with all the key stakeholders on IPR, including IPO-P, OICCI has been leading the efforts to promote awareness and protection of IPR in Pakistan. OICCI unveiled its maiden and unique manual “Evolution of Intellectual Property Rights in Pakistan: OICCI Perspective” at a ceremony on July 31, 2019. The manual is a landmark publication, first of its kind in Pakistan, giving comprehensive views of the laws and its application in relation to copyrights, trademarks and patents in Pakistan. This manual will be of great interests to foreign investors, who own IPR in various forms and to the local innovators in various fields of business and vocation. The OICCI experts on IPR have, throughout the year, given lectures at leading business schools (IBA/LUMS/KSBL/SZABIST) on the significance of IPR and its relevance in attracting FDI in the country.

The results of the bi-annual survey of the members of the Overseas Investors’ Chamber of Commerce and Industry (OICCI), “Perception and Investment Survey 2019” have been published and will be released in early 2020. This survey gives a collective view of the OICCI members on various aspects of the business operating environment in Pakistan. It gives an array of insights, shedding light on both the concerns on the current business environment, as well as the confidence of OICCI members on the growth potential of the country. These perceptions will be keenly reviewed by all the stakeholders, including potential new foreign investors for understanding the

current and future plans of the leading foreign investors, who are members of OICCI.

One of the key feedbacks from the 2019 Perception and Investment survey was that an overwhelming majority of respondents (about 75 percent) remain positive despite the current challenges, and have clearly indicated their willingness to recommend new FDI in Pakistan to their respective parent companies. The survey also reveals many areas of concern where foreign investors are looking for proactive action by respective government authorities to ensure that Pakistan remains an attractive destination for large FDI inflow coming in this region.

Throughout the year the chamber hosted business delegations, Head of IMF mission in Pakistan, ambassadors and other diplomats, as well as officials from the global and regional offices of member companies’ who visited the chamber for discussions with the MC and members to get an independent assessment of the investment, economic and security environment in the country. The OICCI also co-sponsored many international conferences and events meant to promote the opportunities for economic growth and investment in the country, where President OICCI and many MC members were lead speakers or participated in panel discussions.

We are happy to note that the latest Drug pricing policy provides the pharmaceutical industry with some stability and predictability with regard to price adjustments, though there are still some issues in seamless implementation of the policy.

Financial Performance

The Income and Expenditure Account for the year ended December 31, 2019 shows a Net Surplus of PKR 19.4 million after tax, as compared to PKR 6.3 million in the previous year. The increase is mainly due to higher income on deposits in banks and government Treasury bills as mark-up rates went up considerably during the year consequent to increase of State Bank of Pakistan Policy discount rate. Moreover, the legal expenses and depreciation charges were considerably lower than last year. Pharma Bureau incurred very high legal charges last year in relation to pharma pricing issues pending in the courts, which have now been resolved.

At the end of the year 2019, the chamber had 197 members, an increase of ten members as compared to the number at the end of the previous year, with 12 new members joining the chamber while 2 members exited due to operational reasons.

Way Forward

The chamber will continue to remain engaged with key policymakers at the highest level and maintain a more effective presence and interaction at various forums, where the main thrust would be on addressing members' key concerns and recommendations to improve on ease and cost of doing business so as to promote Pakistan as the best destination for FDI in the region.

The renovation/restoration of the heritage building of the Chamber, being supervised by a renowned Architect/Interior Designer, about which we had informed the members in our 2018 report, is ongoing. The major renovation work aims to restore the beautiful building to its former pristine glory after many years of patchwork interventions from time to time over the last few decades. The total cost of the project has been reviewed by the MC and is duly accounted for in the financial plans of the chamber.

Effective 2021 we are proposing an increase in the chamber's annual subscription fee. The proposed increase will be three years after the last increase in 2018 and is going to cater for the major capital expenditure mentioned above and inflation impacting all costs.

Conclusion

During the year two MC members resigned: Freda Yahan Duplan of Nestle Pakistan Limited due to her retirement and Sarim Sheikh due to his transfer out of the country to a senior Regional position in General Electric. The MC appointed Najeeb Ahmad, CEO of ABB Power & Automation Pakistan to fill one of the two vacancies. The MC hereby records its' sincere appreciation for the contribution of the outgoing two MC members, during this period and wishes them success in their respective new life phases and responsibilities.

On behalf of the Managing Committee (MC) of OICCI we want to place on record our sincere appreciation to all the stakeholders in the federal and provincial governments, regulatory bodies, respective foreign missions of OICCI members, national and international agencies engaged in promoting FDI in the country and the OICCI Secretariat Team for their active support and guidance throughout 2019. We wish all of you great success in 2020.

The MC also records appreciation for an increasing number of OICCI members who actively participated in the chamber's activities during the year. We expect that, going forward, members will continue to benefit from the extensive networking and learning opportunities made available at the chamber throughout the year.

The chamber's secretariat continued to look after the interests of the members and regularly took up their new and existing concerns with the relevant authorities, besides organizing several new, as well as regular programs during the year. The MC thanks the Secretary General and his team, as well as the chairpersons and members of the subcommittees for their accomplishments in 2019.

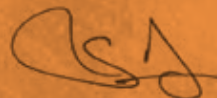
We also thank members of the outgoing MC for their strong support to the chamber throughout the year. We are confident the OICCI will remain a 'port of first call' for all potential foreign investors and a key partner to the authorities in attracting FDI.

We warmly welcome Shazad Dada as the new President of the chamber, Haroon Rashid the incoming Vice President and members of the new MC, whose names will be announced in the next AGM, and wish them great success in 2020.

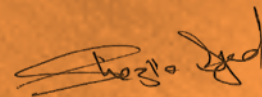
We are confident that 2020 will prove to be another year of high accomplishment for your esteemed chamber.



M. Abdul Aleem
Secretary General



Shazad G. Dada
Vice President



Shazia Syed
President

Managing Committee Member

As on December 31, 2019



President

Ms. Shazia Syed

Chairperson and Chief Executive Officer
Unilever Pakistan Limited



Vice-President

Mr. Shazad G. Dada

Chief Executive Officer
Standard Chartered Bank (Pakistan) Limited



Secretary General

Mr. M. Abdul Aleem

Overseas Investors Chamber of Commerce
and Industry (OICCI)

Members



Mr. Aamir Ibrahim
Chief Executive Officer
Pakistan Mobile
Communications
Limited



Mr. Haroon Rashid
Managing Director
Shell Pakistan Limited



Mr. Helmut Von Struve
Managing Director
Siemens Pakistan
Engineering
Company Limited



Mr. Imran Anwer
Chief Executive Officer
Engro Polymer &
Chemicals Limited



Dr. Imran Rasheed
Chief Executive Officer
Novartis Pharma
(Pakistan) Limited



Mr. Irfan Siddiqui
**President and
Chief Executive Officer**
Meezan Bank Limited



Mr. Nadeem Lodhi
**Managing Director and
Citi Country Officer**
Citibank N.A. Pakistan



Mr. Najeeb Ahmad
**Country Managing
Director**
ABB Private Limited



Mr. Sami Ahmed
Vice President
Procter & Gamble
Pakistan Limited



Mr. Syed Anis Ahmed
Managing Director
Abbott Laboratories
(Pakistan) Limited

*Ms. Freda Yahan Duplan, CEO Nestlé Pakistan Limited, who was elected for the 2019 term, resigned in July 2019 due to her retirement from the company.

*Mr. Sarim Sheikh, CEO General Electric International Operations Company Inc., who was elected for the 2019 term, resigned in November 2019 due to transfer overseas.

Summary Of OICCI Activities in 2019

Policy Reform and Advocacy

The Managing Committee and Members of the Overseas Investors Chamber of Commerce and Industry (OICCI) remained engaged throughout the year with a number of events and activities, which included meetings with key government functionaries and senior officials. These meetings are primarily to do advocacy for safeguarding members' interests, take up their legitimate issues for resolution and give support to the authorities for creating an enabling business operating environment and level playing field. The government gives due recognition to the pivotal role being played by the chamber in the economy of Pakistan and has invited its nominees to sit on a number of official forums and regulatory bodies, including the "Board of Investment", "IPOP Policy Board", "Tax Reforms Commission" and various government special committees.

Policy related inputs are regularly provided by the chamber to the federal and provincial governments on fiscal, commercial, industrial and other matters which impact business, to ensure that the views of the OICCI members, who represent the largest bloc of foreign investors in the country, are duly considered in formulation and implementation of government policies. The government authorities give due consideration to the recommendations received from the chamber, which is a major stakeholder in the country's economy, as members of the OICCI collectively pay over one-third of total taxes collected in Pakistan, besides making substantial new investments every year. The results of the research and surveys conducted by the chamber, on various aspects impacting the business climate in the country, are extensively shared with all the key stakeholders, especially those in the government and others who can help in creating a balanced perception of the country, for facilitating foreign direct investment (FDI).

Government Dignitaries at OICCI

Besides the meetings held outside the chamber by the President and the MC Members with the Prime Minister of Pakistan, and other senior government authorities, there were a number of visits to the chamber, for interactive sessions with members, by important functionaries whose support is essential to ensure success of the OICCI advocacy efforts. These included

the Advisor to the Prime Minister on Commerce, Textile, Industries and Production and Investment, Adviser to Prime Minister on Finance and Revenue, Chairman Board of Investment (BOI), Chairman Federal Board of Revenue (FBR), Chairman Securities and Exchange Commission of Pakistan (SECP), Governor State Bank Of Pakistan (SBP), Secretary Ministry of Commerce (MOC), Additional IG Police, Chairman of Sindh Revenue Board (SRB), CEO Board of Investment Baluchistan, Chairman Intellectual Property Organization of Pakistan (IPO-P), and other key bureaucrats visited the chamber to discuss various matters affecting members and impacting the business environment in the country. Some of these interactions are mentioned in this report.

OICCI President, Shazia Syed, met the Honorable Prime Minister, Imran Khan



OICCI President Shazia Syed attended a meeting of leading Business Chambers, called by the Prime Minister, Imran Khan on Monday March 4, 2019 to discuss matters related Business and Economy. The Prime Minister informed the group of participants that after overcoming the "most difficult challenge" of stabilising the economy during the first six months of the government, the focus is now on the promotion of economic growth in the country.

The business community leaders expressed confidence in the policies of the government and the steps being taken to reduce the cost of doing business as well as improving the ease of doing business in the country.

The OICCI President also briefed the prime minister about plans to hold an international investment conference which would highlight Pakistan's economic potential in front of the global community.

Mr. Abdul Razak Dawood visits the OICCI



Mr. Abdul Razak Dawood, Advisor to the Prime Minister on Commerce, Textile, Industries and Production and Investment, visited the OICCI on February 1, 2019 for an interactive session with the members. The President OICCI, Ms. Shazia Syed, shared OICCI brief profile with particular focus on the research conducted by OICCI and the work undertaken or recommendations made to the BOI, by the chamber, in respect of Ease of Doing Business (EODB) and attracting FDI in the country.

Mr. Dawood shared that the prime objectives of the visit were to share the views of the government with the members and to learn from the members about the areas where GOP needs to work on. He also stated that some of the major focus areas for the GOP included Industrialisation, and improving the trade deficit through policies for import substitution and boosting exports. He mentioned that GOP has selected 10 – 15 key sectors, including Leather, Chemical, Furniture, Polyester and Home Appliances, to focus on, in order to boost exports. He also spoke about the work being done for the SMEs to boost the local economy. On the whole, Mr. Dawood conveyed to the participants an optimistic view on the future of the economy.

Dr. Abdul Hafeez Shaikh, Adviser to Prime Minister on Finance and Revenue visits the OICCI



Dr. Abdul Hafeez Shaikh, Adviser to Prime Minister on Finance and Revenue visited the Overseas Investors

Chamber of Commerce and Industry (OICCI) for an interactive session with the members on November 16, 2019. Welcoming the Advisor, Shazad Dada Vice President of OICCI shared that OICCI members appreciate the economic stabilization measures taken by the government, including a successful agreement with IMF and strongly support the reforms agenda of the government, including initiatives taken for documentation and broadening the tax base. He opined that though some measures may temporarily have a negative impact on some OICCI members business the government should continue to implement the reforms agenda.

Dr. Abdul Hafeez Shaikh, Adviser to Prime Minister on Finance and Revenue, mentioned the reduction in current account deficit, increased tax collection by over 16%, increased tax return filing from 1.9 filers to 2.7 filer, reduction in circular debt, successful negotiation and the actions taken to implement the agreed IMF reforms program, stoppage of all supplementary grants, putting an end to government's borrowings from State Bank of Pakistan since July 2019, reduction in expenses of government, record percentage increase in export growth, subsidies for affordable housing for poor people, recent boom in the Pakistan Stock Market and other good news. The Adviser also mentioned other measures in the pipeline including proposed FBR reforms, delegating more financial decision making power to other ministries, regulators and SOEs, return of expensive foreign debt without extensions. Dr. Hafeez Shaikh mentioned that the Government is ready to disburse PKR 30B tax refunds by retiring promissory notes given earlier. He also informed that tax refunds of exporters will be cleared within 72 hours through the FASTER system implemented by FBR.

Taxation Proposals and Tax related activities

As per past practice, comprehensive taxation proposals were submitted to the federal and provincial revenue authorities for inclusion in the respective budgets for the fiscal year 2019-20. The OICCI taxation proposals were based on input from members, followed by an in-depth professional and analytical review by the Taxation Subcommittee. The comprehensive taxation proposals included recommendations to improve documentation of the economy, broaden the tax base, correction of fiscal anomalies, practical incentives to attract FDI and simplification of taxation related processes. These proposals were widely covered in the media.

The OICCI followed up these proposals by engaging with senior policymakers to ensure that members' recommendations were given due consideration, before the announcement of the federal budget. Several meetings were held in the chamber and at other forums, or communications exchanged, with officials of the federal and provincial governments, including the Chairmen/Members of FBR and SRB to discuss continuing concerns and new issues in the 2019-20 Federal and Provincial Finance Acts and to discuss the way forward.

The pending tax refunds issues of members, remained a focal issue in all interactions with FBR authorities. As a result of these regular follow-ups by the chamber with the higher authorities in the government, some of our members' outstanding income/sales tax refund claims were settled.



The Chairman FBR, Mr. Shabbar Zaidi, visited OICCI on May 18, 2019, for a highly interactive session to discuss the OICCI Taxation Proposals for 2019-20 submitted by the Chamber on March 6, 2019. This was the second meeting of the FBR senior most hierarchy with OICCI, since the taxation proposals were also discussed in a meeting in FBR office, Islamabad on April 9, 2019.

The FBR Chairman shared his views on all the key taxation proposals of OICCI, which included, Simplifying the System to Determine Tax Liability, Broadening the Tax Base and Documentation, Incentive for investment to be made attractive, Standard Sales tax rates and improved coordination between Federal and Provincial Legislations, Revamping of complex Withholding Tax Regime, addressing the Illicit Trade and bringing it into tax ambit, Payment to Non-Residents to be aligned to avoidance of Double Tax Treaties, Tariff Rationalization and Reforms in FBR.

Mr. Zaidi appreciated a number of key proposals submitted by OICCI and assured that FBR would give due considerations in the upcoming Finance Bill to these recommendations. In addition the Chairman also responded to a number of participants questions. Shabbar Zaidi also revealed that he plans to start a campaign at national level to promote 'billing culture' in

the society in order to ensure 'documentation of all economic transactions for appropriate taxation of the transaction value.

Mr. Khalid Mahmood, Chairman and Mushtaqe Kazimi, Advisor on Taxes, Sindh Revenue Board (SRB) visited the OICCI for an interactive session with members on May 16, 2019, to discuss OICCI's Taxation Proposals 2019-2020 for Sindh. The Chairman and Mr. Kazmi thanked the OICCI for inviting the SRB for discussing the Taxation Proposals every year and for appreciating the good work being done by the SRB. They also requested members to share their individual pending matters to SRB and they will try to resolve it, in best possible manner.

MC member Sarim Sheikh, along with senior Taxation Subcommittee member Aman Ghanchi, represented OICCI at the meeting called by the Ministry of Revenue/FBR with the Advisor on Finance, Secretary Finance, Chairman FBR, Member Tax Policy, and other officials on May 30, 2019 in Islamabad and presented the Chamber's views for the upcoming budget – more details in slide on Taxation Subcommittee.

Syed Ayaz Mahmood, Advisor at the Regional office of the Federal Tax Ombudsman (FTO), Karachi invited the OICCI team for a meeting on October 16, 2019 for an orientation of the facilitation role that FTO can provide to OICCI members for resolution of issues related to FBR. The OICCI team* was briefed by Messer's Manzoor Hussain Qureshi, Advisor in charge, Shahid Ahmed, Advisor (Customs/Sales Tax) and Syed Ayaz Mahmood on the role of the FTO and their jurisdiction related to revenue related matters.



Secretary General, M Abdul Aleem had a meeting with the new Chairman Punjab Revenue Authority (PRA) Zainul Abedin Sahi, on November 14, 2019 at PRA office, Lahore and invited him to the OICCI for a meeting with members. Some specific members' issues, specifically inter-provincial harmonization and coordination matters were also taken up in detail.

An Exclusive Talk by Mr. Ashfaq Tola on key taxation measures in the Finance Act 2019-20, and subsequent amendments



A special Tax session was arranged at the Chamber on August 31, 2019 for OICCI members to get a better understanding of the key taxation measures in the Finance Act 2019-20, and the subsequent amendments made by the FBR. Well known Tax Professional, Ashfaq Tola, President of 'Tola Associates', apprised the participants on the impact of the key taxation measures in the Finance Act, as well as the subsequent amendments made through notifications and SROs. CE/SG M. Abdul Aleem stressed upon the rapid changes taking place in taxation related laws and the need for a person, like Mr. Tola, closely involved with the tax authorities to give his views for a better understanding of the impact of these changes. The talk covered matters related to Income Tax, Sales Tax and Federal Excise Duty.

Ease of Doing Business

As OICCI has always been at the forefront in stressing the need for visible longer term actions to create a more enabling business environment in the country, to ensure improving level of ease of doing business (EODB) for all investors including FDI. This Chamber has for years been regularly advocating and materially contributing towards many initiatives focused on improving the rank of Pakistan in the World Bank Ease of Doing Business (EODB) Survey.

Besides making tangible proposals for improving the working process in the nine parameters of EODB, the OICCI led the initiative by inviting the international expert, Dr. Charity Wayua of IBM, who led the transformation of EODB rating of Kenya from 136 to 61 in a span of just four years. Dr. Wayua, during her visit to Pakistan in January 2019, not only had working session with BOI leadership, but also had an in-depth working session with Honourable Prime Minister and Advisor on Commerce and Investment and many other relevant stakeholders in helping transform the EODB culture in Pakistan.

In 2018, the Chamber initiated another comprehensive review of the processes, timelines and costs involved in the WB EODB parameters, and also conducted a detailed survey on the Regulatory Environment which indicated that foreign investors work under a highly regulated environment in the country. Thereafter the OICCI made recommendations on five of the ten WB parameters, viz 'Paying Taxes', Enforcing Contracts',

'Getting Electricity', 'Trading Across Borders', and 'Resolving Insolvency', to the Board of Investment (BOI), as it was tasked with improving the ranking of the country in the WB survey. The prime objective of the recommendations was to advocate for simplification and reduction in the timelines to complete these processes, which could be experienced by investors.

OICCI acknowledged the efforts of the government in improving Pakistan's ranking by 28 positions in the World Bank – Ease of Doing Business' (EODB) Survey 2020, from 136 to 108. OICCI continued to be an active partner of BOI/GOP and shared practical recommendations on four additional parameters, - 'Registering Property', 'Dealing with Construction Permits', 'Starting a business' and 'Labor Market Regulations', on November 29, 2019, to further improve EODB ranking of Pakistan.

Additionally, a detailed recommendations related to Industrial Relations matters, Labor issue and uniformity of labour regulations throughout the country, have been separately submitted to the relevant federal and provincial ministries.

One important reason for Pakistan's poor ranking in the World Bank Survey, as per the perception of many followers of the survey, is perhaps due to the fact that there is a very small base of contributors from Pakistan, and they may not be the appropriate persons to answer the survey, as they may not have enough practical experience of the different parameters to give the right responses which accurately reflects the ground realities, and hence Pakistan's ranking is negatively impacted in all the parameters of the survey. Most of the current contributors are professionals from law and accounting firms, architects, engineers, freight forwarders, etc., and not too many from the business community.

The K-Electric team has been actively working on correcting the above situation in respect of the parameter "Getting Electricity", in collaboration with the World Bank, and besides widely circulating the initiatives KE has taken to simplify processes for 'new connections' to facilitate customers and improve 'Turnaround Times', KE has arranged for genuine representatives of the business community to be guided on the way to fill out the World Bank questionnaire and to become 'contributors' in respect of "Getting Electricity", so that the most accurate feedback could be recorded for the World Bank EODB survey.

A similar session was also held at OICCI on "Paying Taxes" in March 2019, facilitated by Aman Ghanchi of Unilever, who has been the regular WB Survey contributor since last couple of months. Where the representatives of member companies were guided on filling the online questionnaire. OICCI also encourage the members, especially the Taxation subcommittee members to become the contributor and actively coordinated with WB Pakistan coordinating team to confirm the acceptance of the members' contributions.

OICCI will be organizing training sessions, for becoming a contributor in the WB Survey, in coordination with World Bank team, especially designed for OICCI member company persons who volunteer to become WB Survey 'Contributors'. The participants will be given guidance on filling the World Bank new Questionnaire of 2021 in respect of the parameters 'Paying Taxes', 'Enforcing Contracts', 'Resolving Insolvency', 'Trading Across Borders' and 'Getting Electricity', 'Starting a Business', 'Dealing with Construction Permits', 'Registering Property', 'and 'Labor Market Regulations'.

SBP Governor, Dr. Reza Baqir, visits the OICCI



SBP Governor, Dr. Reza Baqir, visited Chamber along with Executive Directors, Dr. Inayat Hussain, Muhammad Ali Malik, Shaukat Zaman and Directors, Ghulam Muhammad Abbasi, Abid Qamar, Muhammad Arshad Bhatti, for an interactive session with the OICCI members on October 7, 2019. The key highlights of the Chamber's annual survey on remittances and other concerns of members relating mainly to outward non-import FX remittances were shared with the Governor and his support was requested in addressing the concerns in accordance with SBP policy to facilitate FDI by improving Ease of Doing Business in Pakistan.

Chairman Board of Investment (BOI), Mr. Haroon Sharif visits the OICCI



Chairman Board of Investment (BOI), Mr. Haroon Sharif visited the OICCI on January 17, 2019. The main objectives of the meeting was an introduction of the members to the new Chairman, to learn about the initiatives being taken by the BOI for further improvement of the Business Environment and to inform the Chairman about a few members' issues regarding Ease of Doing Business and recommendations to address them. The OICCI recommendations on five of the ten parameters of the World Bank EODB Survey, namely; Paying Taxes, Enforcing Contracts, Trading Across Borders, Resolving Insolvency and Getting Electricity, were also presented during the meeting.

Trade and industry

OICCI subcommittee on Trade and Industry was very active throughout the year. Few exclusive OICCI position paper were prepared with effective recommendations, which include, "Illegal Trade – (covering twin issues of counterfeits and illicit trade), "Harmonisation of Food Standards" and "Pakistan Trade Deficit – Reducing the Trade Gap". These position papers will be submitted to the relevant government ministries/regulators as well as published in media, for speedy action. OICCI also proactively took up with the concerned authorities a number of members' trade and fiscal policy related issues such as 'SRO 237(1)2019 – Amendment in Import Policy 2016'.

OICCI did an extensive survey with members to prepare a database of top issues/ recommendations for the key Ministries/ Regulatory Bodies, relating to Operating Procedure and Rules of these Bodies, which were submitted to Securities Exchange Commission of Pakistan (SECP), Competition Commission of Pakistan (CCP), Environmental Protection Agency (EPA), Pakistan Standard Quality Control Authority (PSQCA), and State Bank of Pakistan (SBP), with a request for their respective Heads to visit the Chamber for an interactive session with members to discuss the highlight their concerns/ issues and the recommendations for a conducive business environment and facilitate FDI in the country.

On the members' request a dedicated group for Food and Beverage Sector has been created in order to pro-actively take up concerns relating to this sector. The OICCI Secretary General chaired a meeting of this group on November 14, 2019 at the Nestle Pakistan Head Office, Lahore to discuss way forward, mainly related to concerns on the lack of harmonization in food standards between a number of federal and provincial laws.

The Secretary General also joined in a meeting of member companies from the paints sector, on November 14, 2014 at DHA club Lahore to learn about their concerns on the eroding market share of the compliant sector, by the informal sector, due to poor enforcement by the authorities

Pakistan Customs celebrated World Customs day on January 26, 2019 at Customs House Karachi, where Dr Arif Alvi, the President of Pakistan was the chief guest. Ms. Shazia Syed was the Keynote Speaker and she highlighted the role of Customs IPR, the significance of effective partnership between FBR and the large Corporates. She also emphasized that Regulatory bodies and Corporates need to stay continuously engaged to create awareness and enforcement of IP in Pakistan through diligent Appraisalment and transparent Valuation processes. A number of OICCI member companies representatives also attended where the key take-away included that Regulatory bodies and Corporates need to stay continuously engaged to create awareness and enforcement of IP in Pakistan through diligent Appraisalment and transparent Valuation processes.

OICCI visit by Mr. Farrukh Sabzwari, Chairman Securities Exchange Commission of Pakistan (SECP)



Mr. Farrukh Sabzwari, Chairman, Securities Exchange Commission of Pakistan, visited the OICCI on February 7, 2019, where members concerns were raised. These included delays in the agreed amendments in sections 208 and 452 of Companies Act 2017, approving appointment of Foreign Directors, ambiguities in intercorporate dividend, newly proposed Buy-Back regulations, restrictions on permission to establish Branches of International Insurance Companies, discrimination in Tax Treatment of PF contribution by employer and excessive reporting requirements for public listed companies etc. Participants mentioned that regulation is important but over-regulations leads to difficulties in doing business.

OICCI Managing Committee met Mr. Younus Dagha, Secretary Ministry of Commerce

MC Member Sarim Sheikh, Secretary General M. Abdul Aleem and Shanul Haq of Telenor met Mr. Younus Dagha, Secretary Ministry of Commerce (MOC), and his senior team on January 29, 2019 for a discussion on the OICCI "Recommendations for Digital Transformation". The Secretary Commerce appreciated the report and gave his commitment to support the initiative at all forums in the government. He pointed out that since the relevant stakeholders are Ministry of IT, Software Export Board, PTA, and Ministry of Interprovincial Coordination, OICCI should make the presentation to them as well. The Secretary Commerce requested OICCI to assist MOC by giving a short summary of actionable items, with an action plan for various other government departments, highlighting the nature of the recommendation, whether it is change in legislation, investment in technology etc.

Recommendations for Energy Reforms

Further to the OICCI Energy Report 2019, the chamber is in process of submitting the Energy Reforms recommendations in an actionable format covering the entire portfolio of energy sector including Upstream (Oil & Gas exploration, production and mining), Downstream (refining and distribution) and Power (coal and renewable generation, transmission and distribution), to the Ministers of Petroleum and Power Divisions. The recommendations aim to assist the government to streamline the energy sector

and improve the efficiency of the sector in line with the best international practices to cater to the fast growing energy demand of the country.

Security, Law and Order related activities

The OICCI Security, Law and Order Subcommittee remained active throughout the year with visits and interactions with LEAs, two security related training sessions for members, security related alerts sent to members and visits to the OICCI by corporate/regional security heads of several member companies who were keen to get the OICCI perspective on the security, law and order environment in Pakistan. The results of the OICCI Security Survey 2019 were also shared during these meetings. Additional IG Police, Mr. Ghulam Nabi Memon came to the Chamber on Oct 25, 2019, where he was informed about various concerns and issues of members relating to security, law and order. He responded to all the points raised by the members and shared a number of initiatives being launched to control street crimes/law and order related matters, which was the key concern of members.



Chairman, Intellectual Property Organization of Pakistan visited OICCI



Mr. Mujeeb Khan, Chairman of the Intellectual Property Organization of Pakistan (IPOP) visited OICCI on July 31, 2019. CE/Secretary General, M Abdul Aleem, informed that the effective protection of IPR has always been a key focus of the OICCI agenda and the chamber has actively highlighted the need to create awareness and promote IPR friendly business environment at various forums. Shazia Syed, in her welcome comments emphasized on the importance of protecting IPR to attract the foreign investors and suggested that IPOP should partner with the private sector to agree on the ground reality and to seek suggestions for better enforcement measures. She acknowledged the role of Pakistan Customs (IPR Wing) in curbing the adverse impact being caused by the Afghan Transit Trade. During the meeting OICCI also unveiled its maiden and unique manual on the “Evolution of Intellectual Property Rights (IPR) in Pakistan: OICCI Perspective”.

Chairman IPOP Mujeeb Khan thanked the OICCI for its support in contributing to an improved IPR regime. He informed that all matters related to IPO-P are being reviewed and relevant rules, procedures and policies will be updated to ensure that IPO-P plays a more effective role in enforcing IP rights and said the OICCI IPR manual will contribute to the strengthening of the IP regime and educating all stakeholders about their IP rights.

Meeting of Director Customs with the OICCI IPR Subcommittee on December 18, 2019



The senior FBR Director IPR Enforcement, Pakistan Customs (South Region), Mr. Amer Rashid had an interactive session with OICCI members on December 18, 2019, sharing recent success of FBR’s Customs Intellectual Property Rights (IPR) Enforcement wing. OICCI members were highly appreciative of the increasing number of success stories resulting from the collaboration of MNCs and Customs. Mr Amer Rashid also identified the key areas where the IPR Enforcement Customs team could collaborate further with the OICCI members to ensure that robust IPR enforcement continues to take place at import stage.

The OICCI Secretary General complimented FBR’s IPR wing, for its professionalism and effective monitoring of import resulting in successful seizure of internationally well-known brands, as well as counterfeit goods, including those coming through the Afghan Transit Trade mainly in the area of pharmaceutical and consumer goods. The participants also appreciated the successful detection of several cases of massive under invoicing of parallel imported brands of products already marketed by OICCI members, thereby saving the country and the respective brand owners several million rupees of potential revenue losses. A large chunk of the seized counterfeit products was destroyed recently in the presence of stakeholders and reported in the national press. Director IPR Enforcement, Pakistan Customs also informed that FBR had signed MOUs with the two major e-commerce companies in Pakistan to curb the online sales of counterfeit products.

Mr. Amer Rashid requested for strong support from OICCI members to the IPR Customs wing to immediately share information if they suspect import of counterfeit or genuine items which are undervalued. He also requested that OICCI should arrange for training workshops with the Customs’ representatives, in order to educate its members on approaching Customs to take action against the counterfeiters. OICCI committed to recommend to FBR Chairman to further strengthen its IPR enforcement wing together with assigning highly trained and respectable officers on monitoring import of consumer, pharmaceutical and other goods especially under the Afghan Transit Trade with a focus on eliminating the import and sales of counterfeit products in the country.

Activities of the Pharma Bureau

The Supreme Court of Pakistan order issued in November 2018 provided the pharmaceutical industry with some stability and predictability with regard to price adjustments for the future. This was particularly important as, post the issuance of the Drug Pricing Policy in June 2018, the Pakistani Rupee was significantly devalued. In February 2019, the government gave a price adjustment for devaluation of 9% on essential medicines and 15% on all other medicines. This relief was short lived as in May 2019 the government ordered that hardship price adjustments would be capped at 75% increase only. Additionally, the devaluation adjustment was withdrawn on any products that were increased by more than 50%. As a result many low priced products remained in hardship and as a result unviable to manufacture.

At the end of last year, the Pharma Bureau (PB) engaged a consultant, Fariha Aziz, to write a paper on policy reform and opportunities in the health sector in Pakistan. The report was submitted in February which recommended the following:

- Include the representative of PB on the Policy Board of DRAP
- Facilitate contract manufacturing for job creation
- Make policy changes to enable innovation, technology transfer and investment
- Factor in devaluation of rupee in pricing policy
- Streamline registration process through fast-track registration and introduction of e-governance
- Form alliances internationally and initiate public-private partnerships to meet healthcare needs, improve infrastructure, access to medicines and launch patient access programmes

PB's Chairman, Co-Chairman, members and Executive Director have had regular meetings with Dr. Zafar Mirza, Special Assistant to the PM on Health and the Mr. Asim Rauf (CEO DRAP) to resolve industry issues.

PB has been actively seeking the relaxation of restrictions imposed on the contract manufacture of pharmaceutical products. This would encourage many multinational companies that do not currently own a manufacturing facility to bring innovative and high quality pharma products to Pakistan and in the process create employment opportunities and increase foreign investment.

In July, a DRAP team from Islamabad came to Karachi and conducted a workshop in Pharma Bureau for member companies on the Drug Regulatory Information System (DRIS). This included detailed presentation of registration process.

In August, tensions with India escalated and the government banned trade with India. The impact on pharma was huge and representatives from the pharma

industry met Mr. Abdul Razak Dawood, Advisor to the Prime Minister on Commerce, and Dr. Zafar Mirza to seek a waiver for pharmaceutical products. PB remained engaged with the Advisor and the Commerce Ministry and on September 2, 2019 SRO's 977 and 978 were issued exempting all therapeutic products from the trade ban. This was a huge relief for the industry as almost 60% of all pharma products are imported from India and in many cases India is the only source.

PB has remained engaged in discussing Barcoding Rules with DRAP for at least two years prior to the notification of SRO 470(I) 2017 and has throughout stressed support for the implementation of a bar code regime in Pakistan. In 2019, most of the PB member companies had full implementation of the SRO 470 as far as secondary packaging is concerned. In August, SRO 962(I)/2019 was issued amending Drugs (Labelling and Packing) Rules, 1986. Major amendment was removal of the requirement of AI-240 on the Secondary and Tertiary packaging and increasing the implementation of the rules to six years.

A new National Medicine Policy is being prepared and the Pharma Bureau has been proactive in ensuring that the industry is part of the consultative process and that the final product is drafted with the consensus of the industry.

PB had sent recommendations of its member companies on the draft of 'Advertisement of Therapeutic Goods Guidelines', 'Common Technical Document (CTD)' and 'Pakistan National Pharmacovigilance Guidelines'. In October, DRAP issued the final document of the 'Pakistan National Pharmacovigilance Guidelines' after an extensive consultative process.

IBA has been contacted to arrange media training sessions to train business reporters to help them understand complex business related issues, especially those relating to the pharmaceutical industry.

Awareness seminars will be arranged that will include patient anecdotes of improvement in their lives brought by the efforts of the MNC pharmaceutical companies. Social media will also be used to counteract negative media campaigns against the pharmaceutical industry.

Investment Promotion

The chamber remains a 'port of first call' for potential new foreign investors/foreign business delegations, ambassadors/various diplomats and government officials of countries visiting Pakistan to explore investment opportunities for the entrepreneurs of their respective countries, to get an insight of the perspective of existing major foreign investors about the business environment in Pakistan. The chamber ensures that transparent and balanced views are shared with all visitors based on the results of the regular researches and surveys conducted by the chamber on various aspects of the business operating environment in the country.

2019 was another busy year for the chamber with over thirty interactions with several foreign trade and business delegations, including France-Pakistan Business Council of MEDEF International, Information and Communications Technology (ICT) Delegation, under the aegis of Canada Pakistan Business Council (CPBC), Japan International Cooperation Agency (JICA), representatives of IFC/World Bank Group, IMF, UNESCO, ambassadors from Netherlands, France, the High Commissioners/Consul Generals of UK, Australia, Netherlands, Japan, US, Germany and other senior foreign diplomats from various countries. The primary aim of these visits was to get the chamber's perspective on the business environment and learn about the experiences of foreign investors in Pakistan, as well as incentives for foreign investors. Visitors were keen to get insight of the CPEC projects and related investment opportunities. During these regular interactions, OICCI presented a factual position on the investment and business environment in Pakistan highlighting fiscal, tax, legal and other incentives available to foreign investors, as well as updates on the security climate, so as to help potential investors make long-term investment decision on Pakistan.

The OICCI also shared the members' perception regarding the new government and their economic policies. Some details of the visits' by various diplomats and trade delegations to learn about the OICCI members' perspective of the current business environment in Pakistan in 2019 are mentioned below.

Foreign Trade, Investment and Business Delegations visited OICCI:

September 6, 2019: A delegation of international investors, led by Mr. Shazad Dada, Vice President OICCI visited the chamber to learn about the OICCI perspective of the FDI landscape of Pakistan. The delegation included representatives of TCW Ltd, Investec Asset Management Ltd, Global Evolution Fondsmæglersekskab A/S, Bluebay Asset Management Ltd, Pictet Asset Management (SP) Pte Ltd, and Autonomy Capital Research LLP, Head of

MENAP Trading, Bunge, MENAP, Standard Chartered Bank. Abdul Aleem, CE/Secretary General, OICCI, welcomed the business persons and informed that foreign investors already operating in Pakistan are quite bullish and continue to invest in expanding their operations, whilst potential new investors continue seek OICCI perspective on the investment climate in Pakistan. The delegation asked questions pertaining to the results of the OICCI surveys, resistance of the MNCs to the exchange rate fluctuation, the possible challenges which Pakistan could face in near future, and the timeframe within which the business environment in Pakistan would improve and the potential for investment in Balochistan.



June 25, 2019: Simon Penney, Her Majesty's Trade Commissioner (HMT) to the Middle East, Afghanistan and Pakistan, Elin Burns, Director for Trade Pakistan and Deputy High Commissioner Karachi and Patricia Seex, Group Head, Economic Growth Group, Department for International Development (DFID), accompanied by Sumera Naveed, Senior Trade Manager, Department for International Trade visited the Chamber for a dialogue on trade related matters and to learn about OICCI views on a number of matters, including GDP growth projections, exchange rate etc.



April 11, 2019: A delegation of France-Pakistan Business Council of MEDEF International led by Thierry PFLIMLIN, Chairman, comprising of CEOs/Senior Directors of more than 15 leading French companies accompanied by His Excellency Marc Baréty, Ambassador of France to Pakistan and Mr Philippe Fouet, Head of Economic Dept. Embassy of France, Pakistan, visited OICCI, were welcomed by OICCI Vice-President Shazad G. Dada and CE/SG, M. Abdul. The OICCI team emphasized on the need for coordinated efforts to improve the image of the country, to project the actual ground reality, as previous concerns on security are no longer key issues for the businesses operating in Pakistan. The Ambassador, thanked the OICCI as the delegation appreciated the information shared and enjoyed the very concrete business oriented discussion.



April 18, 2019: A delegation from Japan International Cooperation Agency (JICA), comprising of Mr. Masao Otsuka, Ms. Yuko Tanaka and Mr. Shunichi Uchida, who were advising Trade Development Authority of Pakistan (TDAP), Board of Investment (BOI) and Engineering Development Board (EDB), respectively, and Mr. Nozomu Aoki, Economic Advisor, Japan Consulate in Karachi visited the OICCI, for the Chamber's perspective of current business environment, and the potential and opportunities in Pakistan. Discussions included highlights of key business challenges and success stories of members listed on PSE.



December 26, 2019: Mr. Masao Otsuka, Senior Consultant from Tokyo office and Ms Mei Saito, Jica Expert currently assigned to TDAP for past two years, visited again to meet the Secretary General, M Abdul Aleem and informed that Jica has initiated an extensive survey of the investment environment in Pakistan to suggest to GOP as to how to improve investment environment and attract FDI in the country. He also shared the top four concerns of Japanese companies based in Pakistan, on which Secretary General responded and gave his view.

March 11, 2019: Information and Communications Technology (ICT) Delegation, under the aegis of Canada Pakistan Business Council (CPBC), visited OICCI to learn about ICT related business opportunities and Digital transformation taking place in Pakistan, with a view to explore synergies between Canada & Pakistan for growth of business between the two countries. The delegation was led by CPBC President, Mr. Samir Dossal and DR. Reza Mordid, Former Minister of Research, Innovation and Science as well as Minister for Training, Colleges and Universities, and was welcomed by Mr Khalid Mansoor, Ex-President OICCI and CEO of Hubco, who represented OICCI in 2016 at the Ontario CPBC Conference. Some senior representatives of OICCI member companies also attended the meeting. Mr Shan-ul-Haq, Telenor, also gave a presentation on OICCI recommendations on National Programme for Digital Transformations Report.



Visits of the High Commissioners, Ambassadors and Senior Officials to OICCI

25 October, 2019: Mr. Willem Wouter Plomp, who recently took over as the Ambassador of the Kingdom of Netherlands to Pakistan, visited the OICCI for a courtesy call. M Abdul Aleem, gave an overview of the business climate in Pakistan, including current business environment and factors impeding FDI Inflow. He was accompanied by Ms. Winnie van der Wal, First Secretary, Economic Affairs and Mr. Tarek M. Khan, Honorary Consul General, Karachi.



October 18, 2019: Mr Toshikazu Isomura, Consul General of the Consulate General of Japan in Karachi visited the OICCI for a courtesy call and to get the OICCI perspective of the current economic environment in Pakistan.



October 9, 2019: The Australian High Commissioner in Pakistan, H.E. Dr. Geoffrey Shaw, visited the OICCI along with Dr. Lachlan Strahan, First Assistant Secretary, South and West Asia Division, Department of Foreign Affairs and Trade, Mr. Michael Cheyne, First Secretary (Economic-Public Diplomacy), and Ms. Bushra Zia, Program Officer (Political & Economic), Islamabad, to get the Chambers perspective of the current business environment in Pakistan. The High Commissioner, Dr. Geoffrey Shaw raised a number of queries for a better understanding of the Chamber's viewpoint and thanked the participants for sharing their views.



October 7, 2019: Robert Silberstein, US Consul General and Nathan Seifert, Senior Commercial Officer, visited the Chamber for a dialogue on economic/trade related matters and to learn about OICCI views of the current Business environment in Pakistan. They were accompanied by Mr. Tashfeen Mehdi, U.S. Commercial Service, International Trade Administration, Consulate General of the United States of America.



August 29, 2019: Mike Nithavrianakis, British Deputy High Commissioner, Karachi and Director Trade, Pakistan, visited the OICCI on August 29th for a courtesy call and to get the OICCI perspective of the current Business environment in Pakistan. The BDHC who also heads the UK Trade office in Pakistan, assured the SG that he shall focus his efforts on bringing new UK investors to Pakistan and to promote more trade between the two countries and also shared that he will review UK Travel advisories for Pakistan to give a more realistic view.



27 August, 2019: Peggy Walker, who took over in July as the Economic Counselor at the U.S. Embassy, visited the OICCI for a courtesy call and to get the OICCI perspective of the current Business environment in Pakistan. Peggy has been a U.S. diplomat for twenty-five years, with extensive experience in economic policy, as well as European politics and economics. She was most recently on the staff of the Under Secretary for Economic Growth, Energy, and the Environment in Washington D.C. She also previously served at the U.S. Embassy in Kabul, Afghanistan. She was accompanied by Mahreen Ghayas, from U.S. Consulate General, Karachi.



July 24, 2019: Ms. Teresa Daban Sanchez, Resident Representative of IMF accompanied by Dr. Zafar Hayat, Hiba Zaid, (Economists) and Muhammad Ali from the IMF Pakistan office visited the Chamber for a dialogue on matters of mutual benefit, including a presentation of the salient features of the latest IMF agreement with the Pakistan government, how IMF Pakistan office and OICCI can work together for the betterment of the country's economy, and to get the Chambers perspective of the current trade and economic related environment in Pakistan.



May 3, 2019: Zeba Reyazuddin, Deputy Assistant US Trade Representative, South and Central Asian Affairs and Erland Herfindahl, Deputy US Trade Representative for GSP, both based in Washington, accompanied by Mahreen Ghayas,, visited the Chamber. The US team shared that despite being a beneficiary of US GSP related trade access for exports to USA, Pakistani exporters have not taken full advantage whereas other countries in the Region have increased their exports to USA significantly. The discussions included matters related to IPR, IMF support to Pakistan, besides other matters.



April 18, 2019: Messers Tom O'Keeffe, Deputy Economic Council and Economic Officer Christopher Elms from the US embassy in Islamabad, accompanied by Jean M. Foster, Economic Officer and Mahreen Ghayas, visited the Chamber to learn about OICCI views on the current economic related environment in Pakistan and to share their own views on American businesses interest in investing in Pakistan. The discussions included matters related to IMF support to Pakistan, and the benefits thereof, recent entry/expansion of American companies Exxon, Cargill, Texaco in Pakistan, current policies and their implementation, CPEC, besides other matters.



April 3, 2019: Mr. Nozomu Aoki, Economic advisor, Consulate General of Japan in Karachi, accompanied by Saadia Qamar, Economic Assistant, visited the OICCI to get members' views on the business operating and perception of the current business environment, with emphasis on the potential and many business opportunities in Pakistan.



February 12, 2019: Eugene Wollfarth, Consul General of Germany in Karachi came to the Chamber and discussed with the Secretary General M. Abdul Aleem potential opportunities for German investment in Pakistan. They also discussed various areas where OICCI and the German Embassy/Consulates could work together for promoting Trade and Investment between Pakistan and Germany.



March 27, 2019: The Ambassador of the Embassy of the Kingdom of the Netherlands in Pakistan, Ms. Ardi Stoios-Braken, accompanied by Hammad Raza, Trade Officer of the Netherlands in Karachi, visited the OICCI. They were welcomed by Secretary General, M. Abdul Aleem, MC Member Dr Imran Rasheed and Engro Foods CFO, Imran Hussain, to share members' views on the business operating environment in Pakistan. SG also shared with the Ambassador the positive take-away from the meetings of MC members with senior government hierarchy, including the Prime Minister, Finance Minister and PM's Advisor on Commerce.



Other engagements of the OICCI with diplomats included:

- February 20, 2019: Anaïs BOITIÈRE Deputy Economic Counsellor in Islamabad met SG to discuss about trade and potential opportunities for French investors in Pakistan and OICCI perception of the current business environment, with emphasis on the potential and business opportunities in Pakistan. The Deputy Economic Counsellor was keen to get sectorial insight from investors' perspective particularly in banking sector of Pakistan.
- February 11, 2019: Fiza Farhan, Global Strategic Development Advisor, Convener for Male Champions of Change (MCC), an NGO based in Australia, working with around 170 CEOs in Australia to promote gender equality at the workplace visited OICCI and met M. Abdul Aleem.
- February 11, 2019: Mark Russell, Senior Commercial Counselor, US Embassy, along with Tashfeen Mehdi, Commercial Assistant from the US Consulate in Karachi, visited OICCI to discuss about trade, and gave a briefing about Select USA Investment summit 2019 in USA – which he termed as an excellent business opportunity for Pakistani investors to invest or open their businesses in USA.
- January 23, 2019: Daniel Jackson, FCO's Prosperity Desk Officer for Pakistan from the UK Foreign Office met Secretary General M. Abdul Aleem to research what sectors of Pakistan's economy could benefit from UK expertise and investment, with a view to enhancing British investment and to contribute to Pakistan's prosperity.
- January 15, 2019: Charles Schneider, Senior Private Sector Specialist, IFC/World Bank Group and his team visited OICCI to discuss how IFC/World Bank Group could collaborate with OICCI to support public-private dialogue to improve the investment climate, seek opportunities to work with foreign investors to build linkages with local suppliers and SMEs and assist the government to attract foreign investment.
- April 5, 2019: The Consul General of France, Mr. Didier Talpain visited OICCI to discuss and finalize the agenda of the visit of the French Business delegation on April 11, 2019 and the visit of the French Senators on April 25, 2019.
- April 12, 2019: Secretary General M. Abdul Aleem along with a few selected business persons, were invited by Marc Baréty, Ambassador of France to Pakistan and Consul General of France, Didier Talpain for a breakfast meeting at the Consul General's residence.
- May 4, 2019: Secretary General M. Abdul Aleem attended a dinner by the Ambassador of Netherlands Karachi to celebrate the Dutch King's birthday.
- June 12, 2019: Secretary General M. Abdul Aleem had a conference call with Ms. Alexandra van Selm, Program Director International RBC, Social and Economic Council of the Netherlands (SER). The Telecom, initiated by the Dutch Embassy Economic Counselor, was primarily for an understanding of the Dutch Private/Public partnership for social and economic projects.
- August 6, 2019: The UK Department for International Development (DIFD) team comprising of Alex Read and Ms. Sarah Peng along with World Bank Group team Charles Schneider and Reshma Aftab visited OICCI to discuss ongoing engagements with the Chamber on Doing Business and Investment Competitiveness programs.
- September 19, 2019 Toshikazu Isomura OIG: Secretary General M. Abdul Aleem attended a dinner meeting with the High Commissioner of New Zealand at Karachi Boat Club and had an interaction on matters of mutual interest and economic/ business climate of Pakistan.
- October 9, 2019: Secretary General M. Abdul Aleem met the Japanese Ambassador K. Matz Matsuda at a dinner in the Sind Club where he shared the role of the OICCI in the business environment in Pakistan and invited him to the Chamber on his next visit to Karachi.
- December 11, 2019: Patrick Pillon, Regional Financial Counsellor, Economic Department for Indian and South Asia, based in the Embassy of France in New Delhi, visited the Chamber to learn about the economic environment in Pakistan from the OICCI perspective.

In order to improve the perception of Pakistan in the international business community, the chamber played a role of facilitator in promoting and marketing Pakistan by sharing success stories and good practices of member companies, doing well in the country by speaking on various investment forums and conferences.

September 12, 2019: Ambassadors/High Commissioners, the IMF Pakistan Head, Representative from Asian Development and other senior diplomats from most of the 35 countries from where OICCI members come, had an Interactive session with the Managing Committee of the OICCI at Islamabad to exchange views on current Business Environment in Pakistan.



November 18, 2019: John Dickerson, Senior Commercial Law Advisor, Commercial Law Development Program (CLDP), Office of the General Counsel, U.S. Department of Commerce, visited the OICCI. He was accompanied by Chad Miner, Economic Unit Chief, U.S. Consulate General Karachi and his team members from CLDP/CLEIP, Amar Naseer, former OICCI subcommittee member and Bulent Sohail. The objective of the visit was to meet with the members of the OICCI Intellectual Property Rights (IPR) and Digital Subcommittee to understand the challenges they faced while operating in Pakistan, particularly in terms of IPR enforcement and its impact on businesses.



- November 5, 2019: Muhammed Ahmed Consultant to UNESCO Islamabad on 'Private Sector Partnership for Development' came to the Chamber to discuss the possibility of member companies aligning with UNESCO sustainable goals through his consulting firm.

Visits by Company Representatives

During the year, number of foreign officials from the global and regional offices of member companies visited OICCI to get an insight on various aspects of doing business in Pakistan including the business and security related climate, economic conditions, investment and growth prospects. Some of these visits are listed below.

- April 3, 2019: Chen Yuncheng, CEO Pakistan operations, of ICBC and Hasan Jamal visited OICCI for an orientation of the Chamber. They said that ICBC wanted to be a member of OICCI to 'benefit from the chamber's outreach in the multinational corporate landscape and to play a constructive part in further pursuit of business excellence in the country. ICBC subsequently became a member.
- May 23, 2019: Andrew Wilson, Security Head for Middle East, Africa & Pakistan, Schneider Electric met Secretary General M. Abdul Aleem to discuss Security, Law and Order in country in general and Karachi in particular on at the Chamber.
- July 24, 2019: Ms. Joyce Wong, Business Integrity Director, South Asia, Unilever Pakistan visited

OICCI, to discuss matters of mutual interest relating to the business climate in Pakistan. She was welcomed by Secretary General M. Abdul Aleem.

- August 8, 2019: Sami Ahmed, along with the senior Global team of Procter & Gamble met Prime Minister Imran Khan. During the meeting Jon R. Moeller, Vice Chairman, Chief Operating Officer/Chief Financial Officer of P&G reaffirmed the company's commitment to Pakistan and to continue serving consumers and the community through its brands and operations here. The meeting was also attended by Magesvaran Suranjan, President – Asia Pacific, Middle East and Africa, P&G.
- October 30, 2019: To acquaint themselves with the OICCI perspective of the prevailing security and business environment of Pakistan/Karachi, the Global Security team of Abbott visited OICCI. The Abbott team included: Wayne Towson - Senior Director Global Security. John Pollock - Senior Business Systems Analyst, Global Security. Brandon Nedza - Senior Program Manager Product Integrity, Global Security, Muhammad Anwaar – Manager Security Middle East, Global Security. Ihsanullah Khan Khattak – Director Operations, Abbott Pakistan. SG gave a detailed overview of the current security, law and order environment, which included a presentation of the OICCI Security Survey 2019.
- November 5, 2019: NCR Pakistan team along with senior persons from their Regional office visited OICCI to get the OICCI perspective of the recent restrictions imposed by the government on imports from India as NCR Pakistan was importing their computer parts from NCR India. The company has taken up this matter with the Advisor on Commerce.
- November 19, 2019: Global Security Team of DuPont, accompanied by CEO of Dupont Pakistan came to the Chamber to learn about the economic and security environment in Pakistan from the OICCI perspective.

The chamber's activities also included liaising with trade bodies and diplomatic missions, certification of export documents and issuance of inward and outward visa recommendation letters for business purposes. About 6,709 executives were issued recommendation letters for speedy visa process and 16,427 export certifications of origin were facilitated by the chamber during the year.



Profile Building and Networking

The primary function of the chamber is to promote FDI and the growth of commerce and industry in Pakistan. In order to facilitate this very important role, the OICCI continues to cultivate and broaden its network of associates, maintain a regular engagement with them through meetings, hosting of events and participation in various forums to share information about best practices and success stories of foreign investors operating in Pakistan, as well as other matters.

Conferences/Seminars in Collaboration with OICCI Partners

OICCI President Shazia Syed and Vice President Shazad Dada participated in a panel discussions at the Aga Khan University (AKU) conference “The Time is Now: Gender Equity and Women in Leadership” on December 2, 2019. The conference was aimed at advancing initiatives and understanding of issues related to gender equity and women in leadership. It showcased the challenges facing women in Pakistan as well as worldwide, with speakers drawing upon their own experience, practices in their respective institutions, and research in the field.



Shazia Syed, President, OICCI attended the ICAP seminar on “Pakistan: The Economy of an Elitist State”, as a speaker/panellist on November 27, 2019, along with Dr. Ishrat Husain, Advisor to Prime Minister for Institutional Reforms & Austerity of Pakistan, Dr. Shamshad Akhtar, Development Economist & Ex-Governor State Bank of Pakistan, Mr. Shabbar Zaidi, Chairman, Federal Board of Revenue, & Mr. Saquib Shirazi, CEO, Atlas Honda Limited. She gave an overview of the chamber’s profile, activities and views on the current business environment.



The British Deputy High Commission, Karachi and the Overseas Investors Chamber of Commerce and Industry organised a panel discussion on diversity and inclusion in the workplace titled, “Diversity: Thinking Independently, Together” at the OICCI Karachi on 27 September 2019. The event was in line with the UK’s priority of driving the message of prosperity through diversity and inclusion. The discussion was led by a diverse panel comprising Shazia Syed, President OICCI and CEO Unilever Pakistan; Shahzad Dada, Vice President OICCI and CEO Standard Chartered Bank; Pakistan; Haroon Rashid, MC Member OICCI and CEO, Shell Pakistan; Sabrina Dawood, CEO, The Dawood Foundation and Fouzia Younis, Director Communications for the British High Commission, Pakistan, who gave their views on benefits and challenges involved in a diverse, inclusive work environment, including gender, disability/different ability, socioeconomic diversity and ethnic/religious diversity. Mike Nithavrianakis, the BDHC Karachi and Head of Trade & Investment, in his concluding remarks gave his own views on the subject and thanked all panelists for their enlightening comments and the OICCI for supporting the event.



OICCI Secretary General M. Abdul Aleem participated in a panel discussion on Ethics at the Global Ethics Day event organized jointly by the ACCA Pakistan, BDHC, Karachi, PBC Centre of Excellence and the CFA Society Pakistan on October 9, 2019



- Sarim Sheikh, OICCI Managing Committee member represented OICCI in the International Conference "TIME TO INVEST" organized by Board of Investment (BOI) and GEO TV/Jang Media Group on May 3, 2019 at Islamabad, to explore the investment avenues of Pakistan.
- OICCI, in collaboration with the IBA Deptt 'Centre for Excellence in Journalism', organised a workshop on 'Data and its significance in Business Reporting' for business journalists from Islamabad on April 29, 2019. MC members Amir Ibrahim and Sarim Sheikh attended the workshop.
- OICCI, Vice President, Shahzad Dada made a presentation on OICCI role and relevance, at the "Future Summit" held on Sep 18, 2019. He gave an overview of OICCI, the oldest chamber in the country and painted a positive picture of the economic scenario of Pakistan terming it a growing market and advised foreign investors not to come with a short-term mind-set. The conference had a large number of international and national delegates and was organized by Nutshell and CPG group. OICCI was a co-sponsor of this event. Secretary General, M. Abdul Aleem and a number of other members of the Chamber also participated.
- Irfan Wahab Khan shed light on women's digital and financial inclusion while speaking to GSMA's prestigious Ministerial Program on April 10, 2019. The program brings together the most influential leaders in the telecom industry from across the world and provides a unique platform to expand knowledge, stimulate debate, and engage with the mobile industry' leading experts. He spoke about the significance of female inclusion in the digital and financial mainstream along with its challenges and benefits.
- Deputy Secretary General, Moin Mohajir attended a meeting of Chief Minister Sindh, Mr Murad Ali Shah and his senior team with the Chinese Business Delegation comprising of about 30 representatives of 25 organizations at CM Sindh office, on November 28, 2019. The Chinese team was led by Mr Sha Zukang, President of Pakistan Friendship Association of China and Honorary Chairman of the International Green Economy Association. Mr Zukang informed the visit is for promotion of CPEC, and also aims to encourage private entrepreneurs to join in CPEC projects and that the Chinese are willing to share their experience of economic progress of China with Pakistan businessmen.

Various Interactive Sessions

- Shazia Syed, OICCI President met Ms. Zartaj Gul Minister of State for Climate Change on August 30, 2019. She briefed the minister about the sustainability initiatives taken by OICCI members. She appreciated the efforts of the minister for ensuring ECO friendly ways of doing business including her views on reducing carbon footprint. She also urged that cross functional teams should be formed with Ministry of Science and Technology, PSQCA and FBR to ensure that laws are effectively implemented and simultaneously enforced.



- M. Abdul Aleem was one of three keynote speakers at the ICAP National Tax Conference in Islamabad on March 19, 2019. The topic of his presentation was 'Doing Business – An Impasse'. He informed the participants about business opportunities in Pakistan, some of the Chamber's recommendations shared with the government for creating a more enabling business environment and specific recommendations given to BOI to address five of the eleven World Bank Ease of Doing Business parameters.
- Dr. Qazi Masood, Vice Dean at IBA, who is an economist, and works closely with OICCI, met CEOs/senior persons of Pharma and Auto sector member companies on Sep 20, 2019 at the Chamber, to get their candid views to assist on a study of 'India Pakistan bilateral and transit trade' requested by Government of Pakistan.
- Secretary General M. Abdul Aleem participated in the National Foundation Day of Korea, to represent OICCI on October 18, 2019
- Secretary General M. Abdul Aleem attended the Dhabeji Special Economic Zone (SEZ) Roadshow, organized by the Sindh Government on November 19, 2019 at local Hotel.

Media Coverage

The activities of the OICCI were extensively covered in all leading newspapers and news channels throughout the year and a total of 334 OICCI appearances were noted in the print and electronic media which was 18% higher than that in the previous year.

The President, Secretary General and all MC members are proactively portraying the potential for foreign investment in Pakistan and, in this respect, have given various interviews in international as well as national print and electronic media. Some of these interactions are mentioned below:

OICCI President was invited on two leading TV channels on March 8, 2019 on International Women's Day where she gave her views on the subject and the role being played by the Chamber in promoting gender equality. OICCI also issued a press release with messages from President and Secretary General.

Interview of Shazia Syed, President OICCI: 'Pakistan is a land of opportunities' – Business Recorder on May 20, 2019: In this interview as President OICCI, BR Research was interested in learning about her views on current macroeconomic situation, including the delay in going to the IMF, the IMF programme itself, taxation & budget. Reasons for slowdown in FDI are also discussed, along with her policy suggestions to turn the situation around.

President Shazia Syed, was interviewed by Business Recorder on May 13, 2019, where she highlighted that 'Pakistan is a land of opportunities'. She also gave her views, amongst other matters on current macroeconomic situation, including the IMF program, taxation & budget, reasons for slowdown in FDI, as well as policy suggestions to turn the situation around.

OICCI President, Ms. Shazia Syed, in her interview appearing in Dawn, February 18, 2019 mentioned that the one thing most business leaders seem to unanimously agree upon is that having women in the workplace makes for a successful business model. However, according to her, for women in Pakistan the struggle for career growth continues unabated. This can be supported by the following example: In a survey by OICCI, whose members follow global trends set by their head offices, the percentage of women employees in OICCI member companies is a little over 13%. Similarly, there are about 11.7% of women in top leadership; 11.9% in middle management; 12.2% in junior management and 12.1% in non-management cadre amongst OICCI member companies.

President OICCI, Shazia Syed, was interviewed by the well-known Dunya TV channel host Kamran Khan on the views of foreign investors on October 17, 2019, on the Pakistan business environment. Shazia Syed mentioned the challenges but at the same time expressed full confidence that measures taken by the government to address the challenges will improve the overall economic situation for the compliant sector.

President OICCI, Shazia Syed, interview on Nadeem Malik Live-HUM News on 05 Feb 2019. She gave foreign investors' perspective relating to the business operating environment in Pakistan and also highlighted the investment opportunities available in the country.

CEO Lunches

Total four luncheon meetings with CEOs of member companies were hosted by the President OICCI; two in Karachi, one in Lahore and Islamabad during 2019. The sessions provide an excellent opportunity for networking and for the President to share with the participants an overview of the various recent activities of the chamber and also to respond to some queries of the members.

Information Dissemination

The OICCI serves as a resource pool for its members as well as other key stakeholders and disseminates information of interest to its members. The OICCI publications assist members to stay abreast with new developments regarding business and investment.

OICCI Surveys and Reports

The chamber remains focused on conducting research which assists existing and potential investors, as well as other stakeholders to plan their activities. The researches, surveys and publications released in 2018 included:

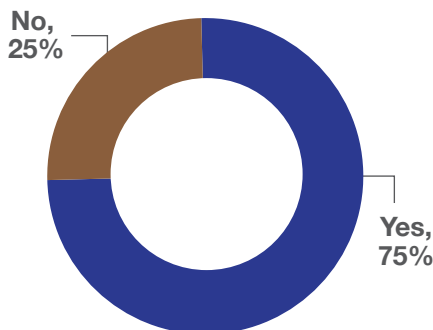
- OICCI Perception and Investment Survey Report 2019
- OICCI Security Survey 2019
- Evolution of Intellectual Property Rights in Pakistan: OICCI Perspective
- OICCI Intellectual Property Right Survey 2019
- OICCI Energy Report 2019
- Consumer Price Index
- Corporate Social Responsibility Report 2018-19

OICCI Perception and Investment Survey Report 2019

The Perception and Investment Survey 2019 (PIS) was conducted between August and October 2019, reflecting the latest sentiments and views of foreign investors on key aspects of doing business in Pakistan. The results of this survey present an array of insights, shedding light on both the concerns on the current business environment, as well as the confidence of OICCI members on the growth potential of the country.

Whilst there is dissatisfaction amongst respondents with several areas of doing business, an overwhelming majority of respondents (about 75%) stay positive, indicating willingness to recommend new FDI in Pakistan to their parent companies. The survey shows that on a number of business climate parameters foreign investors remain positive, going forward, on the performance of their respective business entities in Pakistan.

Willingness to recommend new FDI in Pakistan, based on the current Business Climate in 2019



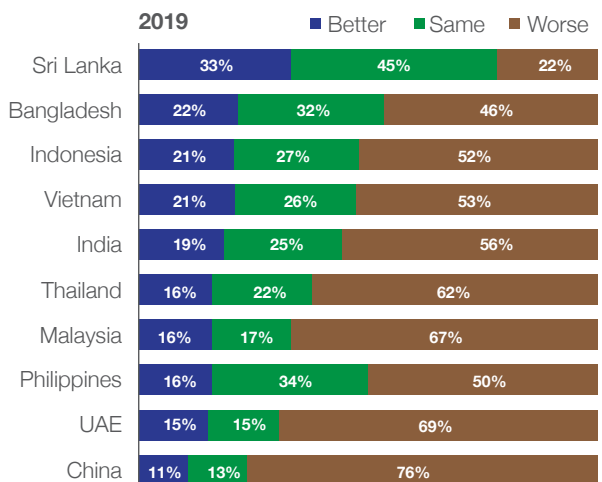
The case for business growth potential and opportunities in Pakistan is supported by over 66% of survey respondents indicating their plans to make new investments, out of which 7 out of 10 respondents plan to invest more or similar amounts over the next 1 to 5 years, as compared to the investments they made in the previous corresponding period. Moreover, 50% respondents plan to increase their employment base. The planned investment in business and human capital is expected to boost both revenue and profitability, as 68% of the respondents expect increased sales and 47% expect their profits to rise.

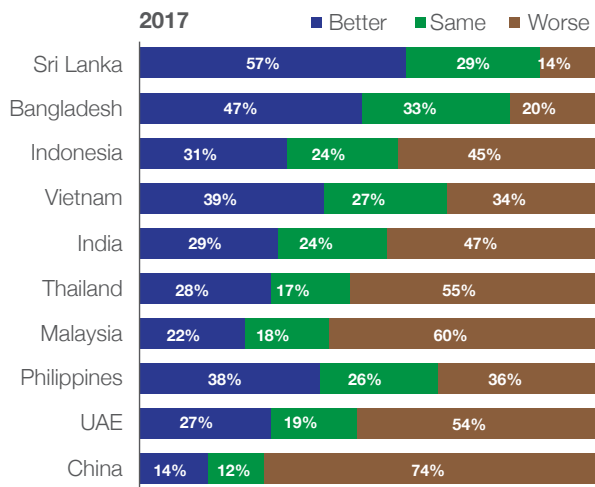
New planned investment vs. comparative previous period



		Increase(%)	No Change	Decrease
Sales in Value/Revenue	2019	68%	11%	21%
	2017	85%	8%	7%
Profitability	2019	47%	13%	40%
	2017	68%	18%	14%
Taxes	2019	75%	18%	7%
	2017	76%	21%	3%
Employment base	2019	35%	42%	23%
	2017	50%	43%	7%

The survey respondents have indicated that the federal government is now more engaged in addressing their business concerns, whereas the provincial government of Punjab and Sindh have been rated rather lowly in respect getting meaningfully engaged with the OICCI members. As done in the previous surveys, members have again strongly advocated on the need for a transparent accountability of departments as well as functionaries, timely corrective action for policy improvement and regular interaction with investors for timely and effective resolution of issues.

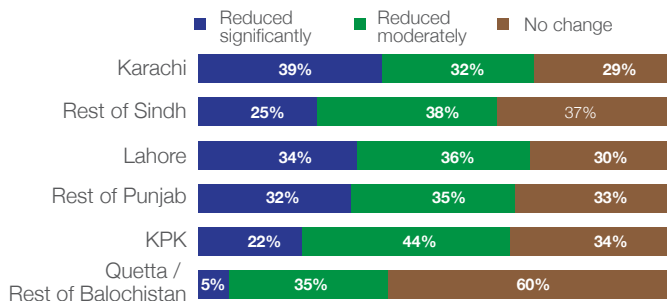




Members' sentiments about the investment climate in Pakistan have declined significantly as compared to the 2017 survey. This can be noted from a drastic increase in negative ratings of Pakistan in respect of Investment and Operating Conditions (IOC) versus all the regional countries included in the survey. In 2017 Pakistan was rated Better/Same than six countries included in the survey.

OICCI Security Survey 2019

The OICCI members' positive perception of the country's security environment was further consolidated in the results of the fifth survey on security related matters conducted by the chamber in June 2019. The annual survey is done to gauge foreign investors' perception on the current countrywide security environment especially since 2013 after the launch of operations in the FATA region, Karachi and some other parts of the country and also in comparison to the previous year's survey so that existing and potential investors, as well as other stakeholders are kept aware of the collective views on security related matters of the largest bloc of foreign investors operating in Pakistan.



The results of this fifth survey are a further affirmation of the earlier surveys with respondents expressing their views about the comprehensive improvement in security, law and order situation across the country, particularly in Karachi. OICCI's 2019 annual security survey showed that security situation of the country has further improved significantly compared to the already improved security situation recorded in the 2018 survey.

The improvement in security environment ranges from 40% in Baluchistan to over 70% in Karachi and Lahore, the latter two cities where most of the head offices of OICCI members are located. The visibly improved security situation has boosted confidence of foreign investors and is reflected in over 65% increase in the visit to Pakistan by OICCI members' senior HQ/Regional management. Furthermore most of the Board of Directors and management review meetings are now taking place in the country. The increase in visits is a vote of confidence in the improved security environment, although there were also some postponement of visits, mainly due to closure of air space after India Pakistan air encounters in March 2019. This is a strong indicator that Pakistan as a destination for investors has improved significantly with less concern on overall security situation. This improved security environment besides enabling many foreign business visitors and trade delegations being granted travel permissions for their visits to Pakistan from their respective embassies and travel security agencies, saw the resumption of international cricket in Pakistan with two separate visits by the Sri Lanka cricket team.

Security Trainings and Awareness Sessions

An OICCI Security awareness session was conducted in Karachi on May 2, 2019 at the chamber on "Security Dynamics in Regional Context and Protocols of the Security and Protection of Key Points" by Brig. (Retd.) M. Farooq Shaukat and Brig. (Retd.) Syed Wajid Raza Kazmi, member of the OICCI Security, Law and Order Subcommittee. The session was well-attended by the corporate security and administration managers of the OICCI member companies. An overview of the regional security environment and their impact on corporate sector and the security apprehensions were discussed.



An awareness session, on the “Security Management-Best Practices and Keeping tab with Employees during Crisis” was organised for the OICCI north based members, on July 30, 2019 at the Head office of ABB Power & Automation Pvt. Norbert Almeida, a member of the OICCI Security, Law & Order subcommittee conducted the workshop which was attended by security and administration managers. The session was very interactive with some good practical suggestions by the participants related to the topic.



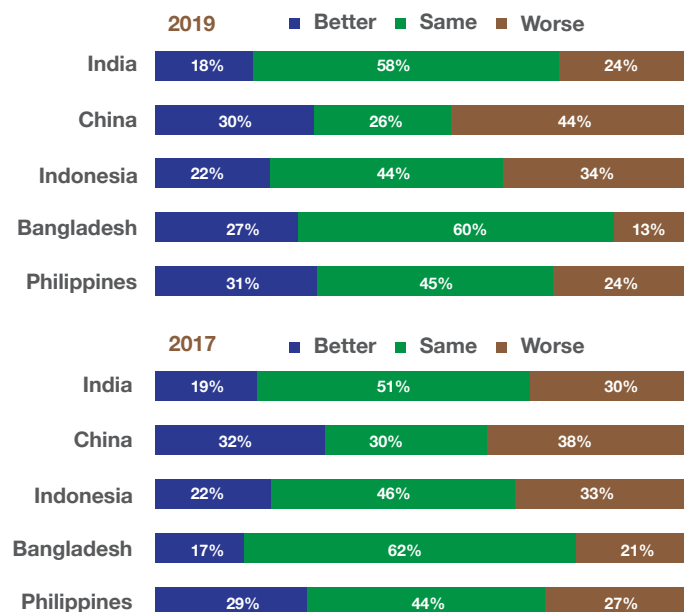
OICCI IPR manual “Evolution of Intellectual Property Rights in Pakistan: OICCI Perspective”

The Overseas Investors Chamber of Commerce and Industry (OICCI) unveiled its maiden and unique manual on the “Evolution of Intellectual Property Rights in Pakistan: OICCI Perspective” at a ceremony chaired by Mr Mujeeb Khan, Chairman of the Intellectual Property Organization of Pakistan (IPOP) on July 31, 2019. The manual is a landmark publication, first of its kind in Pakistan, giving comprehensive views of the laws and its application in relation to copyrights, trademarks and patents in Pakistan. This manual will be of great interests to foreign investors, who own IPR in various forms and to the local innovators in various fields of business and vocation. The launch ceremony was well attended by OICCI President Shazia Syed, Ali Kabir Shah, Senior partner of Ali & Associates, who collaborated with OICCI for the research in compilation of the manual, members, owners of IPR in Pakistan, representatives from IPR enforcement wings of Customs, FIA and other Law Enforcement Agencies, members of diplomatic missions, senior leadership of IPOP and Anti-Counterfeit and Infringement Forum (ACIF) members. Mr. Ali Kabir explained that IPR Manual looked at IPR protection not only from the perspective of the IP Laws in Pakistan but also from the perspective of Cybercrime Laws, Data Protection Act and Competition Commission Act. The OICCI IPR Manual will facilitate a comprehensive understanding of the IPR laws in Pakistan and that the publication contained information that will not only be useful to foreign investors but all players in the Pakistani economy looking for information on IPR.



OICCI Intellectual Property Rights (IPR) Survey 2019

OICCI Intellectual Property Rights (IPR) Survey was conducted in August - September 2019, following up on a similar survey conducted in 2017. The purpose was to compile data on OICCI members’ views and concerns, in their continuing focus to facilitate improvement of the IPR regime in Pakistan. IPR are extremely valuable assets for businesses and, therefore, IP protection is considered by foreign investors to be critical for attracting Foreign Direct Investment. The survey results indicate that IPR protection continues to be of high importance for foreign investors, OICCI members. Approximately, 50% of the respondents believe that IP rights are not adequately protected in the country. However, comparing the IPR environment with that of other regional countries, OICCI members perceive the IPR environment in Pakistan to be ‘better’ or ‘same’ than Bangladesh, India and Philippines.



In terms of estimated revenue losses, 17% of the respondents, compared to 6% in 2017, have indicated losing more than 20% of their annual turnover due to IP violation. It is clear from the IPR Survey results that IPR Enforcement needs to be further prioritized since increased number of respondents highlighted that IP laws are ineffective for different types of IP violation.

OICCI Awareness Seminars on Intellectual Property Rights

The OICCI firmly believes that business leaders of tomorrow, the post graduate students of leading universities need to be made cognizant about the fact

that IPR regime is one of the most sensitive and critical aspects of doing business and that IPR should be included in the curriculum of business studies. Over the last few years, OICCI has taken an initiative on this matter by conducting regular training/awareness seminars in various business universities and colleges of the country. In 2019, OICCI conducted five such seminars in the top business schools of the country. During these highly engaging sessions, various aspects of Trademarks transgressions, Copyrights violation, Trade Secrets, Patent infringements, Geographical Indications and the respective IPR laws/policies were discussed at length.

OICCI IPR Awareness Seminar at Karachi School of Business and Leadership on September 20, 2019 conducted by Mr. Rehan Aziz, Senior Regional Reassurance Manager and Mr. Shaheryar A. Siddiki, Manager IPR, South Region, Oxford University Press Pakistan.



OICCI IPR Awareness Seminar, titled, “Fostering Creativity and Ingenuity Agenda for Economic Growth Sustainable Development” at Lahore University of Management Sciences (LUMS) on October 15, 2019, conducted by Mr. Amar Naseer, Advocate and Solicitor.



OICCI IPR Awareness Seminar, titled, “Protecting What is Yours” at Shaheed Zulfikar Ali Bhutto Institute of Science and Technology (SZABIST) on October 16, 2019, conducted by Mr. Shaharyar Nashat, OICCI IPR Subcommittee Member and Company Secretary, Director Legal and Public Relations, HUBCO.



OICCI IPR Awareness Seminar, titled, “Fostering Creativity and Ingenuity Agenda for Economic Growth Sustainable Development” at Institute of Business Administration (IBA) on October 24, 2019, conducted by Mr. Amar Naseer, Advocate and Solicitor.

OICCI IPR Awareness Seminar at Sukkur IBA on October 30, 2019, conducted by Mr. Shahid Mustafa Qureshi, former OICCI IPR Subcommittee Member with over 30 years of experience in areas of Legal and Regulatory Affairs in multinational companies, both overseas and in Pakistan.



OICCI Energy Report 2019

OICCI Energy Report 2019 is a comprehensive report containing the challenges and recommendations for the two main sectors; Oil, Gas and Coal Sector – including exploration, refining, marketing and distribution; and Power Generation, Transmission and Distribution. This report is in line with the OICCI Energy Reforms 2017 and seeks to substantiate the need for reforms in associated areas and helps reiterate the importance of steps taken to progressively improve the ability and efficiency of the country's energy sector to meet the growing demand. These key recommendations aim to assist the government with the improvement and implementation of policies in key energy sectors.

Consumer Price Index 2019

The chamber once again conducted the traditional OICCI Consumer Price Index Survey (CPI), which is very much appreciated by the members. This independent survey of the inflation trends during the year is very useful for member companies' budgeting, including related salary actions. CPI survey is carried out through an in-depth feedback of expenditure consumption patterns of 150 households, belonging to employees of multinational companies only and changes in prices of key expenditure categories during the past twelve months based on market surveys in Karachi. The CPI survey conducted annually is done by a leading research agency specialized in this field. The CPI survey results are provided free of cost for the OICCI members' use only.

OICCI Daily Political and Economic Update

OICCI has been circulating a comprehensive round-up from all major English newspapers in a daily update, since 2010, which covers matters related to economy, business, energy, as well as interesting news and editorial items relating to political and economic affairs and PKR rate versus various major currencies. This daily report reaches out to around 500 recipients, and is greatly appreciated with regular feedback on the usefulness of these daily updates and requests for adding new recipients.

Impactful Journey: OICCI CSR Exhibition

President Islamic Republic of Pakistan, Dr Arif Alvi was the chief guest at the members CSR exhibition in Islamabad titled, "Impactful Journey: OICCI CSR Exhibition" organised on October 2, 2019. The purpose of the event was to showcase the impact of CSR activities of OICCI member companies across the country and their alignment to the United Nations Sustainable Development Goals. The OICCI and its members, are committed to these goals and consider it their responsibility to contribute to the economic and social development of Pakistan.

President, Dr. Arif Alvi in his address lauded the efforts of the OICCI and the work being done by foreign investors in social upliftment across the country to improve the lives of the marginalized communities of the country. He also requested OICCI members to specifically support eradication of breast cancer, family planning and the differently abled persons, causes which he also supports. A similar session was also held at Karachi on November 19, 2019, for rescreening the members' CSR initiatives for the Karachi based audience.



OICCI Corporate Social Responsibility Report 2018-2019

During the CSR Exhibition of October 2, 2019, the OICCI Managing Committee presented the 'OICCI CSR Report 2018-19' to the Honourable President of Pakistan, Dr. Arif Alvi and formally launched the annual publication. During 2018-19, the OICCI members, collectively invested over PKR 5.5 billion and reached out to 58 million direct beneficiaries throughout Pakistan. OICCI members were involved with 160 social and development sector organizations and spent around 1,180,000 man-hours in some of the key social development initiatives. As in the past, the CSR activities were spread all over the country with 32% of the CSR activities focused in Sindh, 27% in Punjab, 15% in Khyber Pakhtunkhwa, 10% in Baluchistan, and another 16% in FATA, Gilgit-Baltistan and Azad Kashmir.

OICCI Women Empowerment Awards 2019

The Governor Sindh, Imran Ismail, was the Chief Guest at 2nd OICCI Women Empowerment Awards event on December 10, 2019 at a local hotel in Karachi. The ceremony was attended by around 400 people including CEOs, HR Executives and corporate professionals from different OICCI member companies, as well as diplomats and other distinguished guests.

The Governor commended the efforts of foreign investors and said that OICCI and its member companies are role models for empowering women at the workplace and urged the corporate sector across Pakistan to follow the 'OICCI Women' initiative for more inclusive economic growth of the country.

The results of the awards were tabulated by the well-known professional firm, FAMCO Associates and the awards were judged by an independent jury who vetted the performance of the companies from different angles and awarded the best performers overall and in seven different categories. The jury members included Zaffar Khan, Past President OICCI, Sadia Khan, CEO PICG and Honorary Consul General of Finland, Atif Bajwa, Past President OICCI, Spenta Kandawalla, well-known entrepreneur, Khawar Mumtaz, women's rights activist and Former Chairperson of the National Commission on the Status of Women and Ayesha Tammy Haq, TV Host and Executive Director Pharma Bureau. Zaffar Khan informed the participants in detail about the process adopted by the jury and the scoring criteria.

President OICCI, Shazia Syed, also addressed the audience and informed that OICCI has been advocating for women empowerment for past 2 years and it is the second edition of the awards this year.

Three companies emerged victorious across all the categories and won top three positions for the main "OICCI Women Empowerment Award 2019." P&G and Telenor were declared the first and second runner-up while Unilever won the top position and became 'Champion of 2019.' Special Recognition Awards were

given in seven categories: Reckitt Benckiser won in the 'Leadership & Strategy' category; Sanofi Aventis in 'Gender Balance Workforce'; Nestle in 'Work Life Integration'; GlaxoSmithKline in 'Women Leaders Development'; Philip Morris in "Growth in Number of Women in Top Leadership"; Total Parco in "Notable Growth in Women Empowerment" and Pak Brunei Investment bagged the 'Top Performer amongst small-sized companies' Award.

There was also a lively and very informative panel discussion which was moderated by Ayesha Tammy Haq and the panelists included President OICCI, Shazia Syed; Vice President OICCI, Shazad G. Dada; CEO P&G, Sami Ahmed; and Former Chairperson National Commission on the Status of Women, Khawar Mumtaz. The panelists shared the best practices for women empowerment with the audience and urged them to further empower women as there is still a long way to go in Pakistan.



Members' Milestones

PSX Top 25 Companies – 2018

Ten Members of the Overseas Chamber of Commerce and Industry (OICCI), listed on the Stock Exchange and one associate* of OICCI members are amongst the 'Top 25 Companies for the year 2018' announced by the Pakistan Stock Exchange on December 6, 2019. Selection criteria is based on 1. Capital Efficiency, 2. Profitability, 3. Free-Float shares, 4. Transparency, 5. Corporate Governance & Investors Relations and 6. Compliance with Listing of Companies & Securities Regulations.

1. Archroma Pakistan Limited
2. Indus Motor Company Limited
3. Atlas Honda Limited
4. Engro Corporation Limited
5. United Bank Limited
6. Dawood Hercules Corporation Limited
7. The Hub Power Company Limited
8. Pakistan International Container Terminal Limited
9. ICI Pakistan Limited
10. Attock Petroleum Limited

*Engro Corporation Limited the subsidiary of Engro Fertilizer Limited

Standard Chartered Pakistan (SCB) wins the Best Commercial Bank 2019 award

SCB has been recognised as the Best Commercial Bank 2019 by Management Association of Pakistan (MAP) in May 2019. The award was recognition of the bank's superior and unmatched product suite and banking capabilities. Shazad Dada, chief executive, Standard Chartered Pakistan said that, the award was a testament to the exceptional performance that the bank had achieved while servicing different client segments in the country.

Nestlé and Akhuwat join hands to empower BISP beneficiaries

Nestlé Pakistan and Akhuwat partnered to empower Nestlé's Rural Women Sales Agents enrolled under the Benazir Income Support Programme (BISP). A Memorandum of Understanding was signed under which Nestlé has provided a grant of PKR 2 million to Akhuwat to extend interest-free loans to Nestlé-affiliated BISP beneficiaries in expanding their businesses, in districts of Renala, Okara, Sheikhpura and Pindi Bhattian. Nestlé's BISP Rural Women Sales Programme focuses on graduating women benefiting from BISP out-of-poverty.

Pakistan Tobacco Company Limited (PTC) launches "Made in Pakistan" exports initiative

PTC, a member of the British American Tobacco (BAT) group, launched its exports initiative "Made in Pakistan"

on April 30, 2019. This initiative aims at exporting finished products to Saudi Arabia, other GCC countries and wider Middle East Region, worth an annual estimated of USD 50 million with a potential to grow annually. Advisor to the Prime Minister for Commerce, Investment, Industries & Production and Textile, Mr. Abdul Razak Dawood inaugurated the event and praised PTC for being a responsible corporate citizen and for the value it has added to the economy of the country in the last seven decades. He also lauded PTC's export initiative that will ensure not only the company's sustainability but will also benefit the country's economy. He also urged other multinational organizations to contribute in increasing the exports of the country.



Getz Pharma awarded Best Export Award

For the 14th consecutive year, Getz Pharma has received the "Highest Export Performance Award" by Federation of Pakistan Chambers of Commerce & Industry (FPCCI) in the Pharmaceutical industry of Pakistan. Getz Pharma is present in 25 countries and expanding its global market. The 2019 award was received by Mr. Imtiaz Ahmed Razzaq, Director International Business at Getz Pharma, from the President of Pakistan Dr. Arif Alvi. Getz has been receiving this award for eleven consecutive years.



Ease of Doing Business session on 'Getting Electricity' Indicator

OICCI Member company, K-Electric Limited, in collaboration with the World Bank, arranged a session on February 25, 2019, on the Ease of Doing Business (EODB) – 'Getting Electricity' Indicator. The team responsible for the Ease of Doing Business Survey has begun circulating the questionnaire among its registered respondents inviting feedback on the Getting Electricity

parameter and the deadline is approaching in March. In the past, the questionnaire has not reached the right stakeholders and hence the quality of responses received has been poor and has not reflected the correct ground reality, impacting Pakistan's ranking in respect of the 'Getting Electricity' Indicator. The participants of the session were informed about the major reforms initiated by KE for 'New Connections' to facilitate customers and improve 'Turnaround Times'.



OICCI's Representation on Various Bodies For the Year 2019

One of the key objectives of the Chamber is to act as a mediator between the government and its members to ensure timely solutions to genuine concerns. This is done through highlighting issues faced by members and bringing them to the notice of relevant authorities as well as lobbying with the government.

OICCI is represented on the boards of the following government and semi-autonomous bodies:

1	Intellectual Property Organisation of Pakistan	President
2	Executive Committee & General Body of FPCCI	MC Members, Mr. Imran Anwer and Mr. Syed Anis Ahmed
3	Pakistan Institute of Corporate Governance	Mr. Faisal Akhtar, CEO BASF Pakistan
4	Board of Trustees – Karachi Port Trust	Mr. Babar Bashir Nawaz, CEO Attock Cement Company
5	BOI Task Force on Improving Pakistan's Ranking on Ease of Doing Business	Secretary General
6	Karachi Dock Labour Board	Mr. Junaid Zamir, CEO QICT and Mr. Khurram Aziz Khan CEO PICTL

OICCI has also been represented in recent past on the Advisory Board of the Board of Investment, the Tax Reforms Commission, FBR's Tax Advisory Committee, Competition Commission of Pakistan, The Committee on Broadening of Tax base, and other bodies.

Financial Statements

For the Year Ended December 31, 2019



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERSEAS INVESTORS CHAMBER OF COMMERCE AND INDUSTRY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Overseas Investors Chamber of Commerce and Industry (the Company), which comprise the statement of financial position as at December 31, 2019, and the income and expenditure statement, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the income and expenditure statement, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2019 and of the surplus, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the income and expenditure statement, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.



**Chartered Accountants
Karachi**

Date: January 08, 2020

Statement of Financial Position

As at December 31, 2019

	Note	2019 Rupees	2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	42,090,470	29,665,399
Long term deposits		412,586	412,586
Staff retirement benefit - gratuity	4	547,430	-
		43,050,486	30,077,985
CURRENT ASSETS			
Receivable from members	5	81,630	483,630
Advances	6	402,441	21,334
Short-term prepayments		649,632	664,126
Accrued mark up		29,342	6,129,397
Investments	7	176,874,521	-
Cash and bank balances	8	50,463,590	200,039,827
		228,501,156	207,338,314
		271,551,642	237,416,299
ACCUMULATED FUND			
Accumulated Fund - Unrestricted		213,243,857	193,808,419
LIABILITIES			
NON-CURRENT LIABILITIES			
Staff retirement benefit - gratuity	4	-	1,357,189
Deferred taxation	9	1,075,310	341,819
		1,075,310	1,699,008
CURRENT LIABILITIES			
Taxation - provisions less payments		17,929,479	12,757,926
Trade and other payables	10	39,302,996	29,150,946
		57,232,475	41,908,872
		58,307,785	43,607,880
		271,551,642	237,416,299

The annexed notes 1 to 22 form an integral part of these financial statements.



Shazia Syed
President



M. Abdul Aleem
Secretary General



Shazad G. Dada
Member

Income and Expenditure Statement

For the Year Ended December 31, 2019

	Note	2019 Rupees	2018 Rupees
INCOME			
Members' contributions	11	81,670,161	79,600,583
Rental income from building		6,138,040	5,580,036
Return on bank deposits and investments		20,519,432	11,652,102
Other income	12	21,059,940	21,088,872
		129,387,573	117,921,593
EXPENDITURE			
Salaries, allowances and other benefits	13	67,124,193	61,764,515
Legal and professional charges		6,333,161	17,145,881
Depreciation and amortisation		2,355,561	5,599,224
Advertisement, promotions and public relationship - net		10,164,681	9,309,659
Electricity, fuel and gas		1,875,997	1,798,638
Printing and stationery		1,756,227	1,212,691
Repairs and maintenance		2,092,410	1,366,844
Entertainment		181,632	41,506
Other expenditure	14	8,388,457	7,501,688
		100,272,319	105,740,646
SURPLUS BEFORE TAXATION		29,115,254	12,180,947
Taxation	15	(9,679,816)	(5,859,904)
SURPLUS AFTER TAXATION		19,435,438	6,321,043

The annexed notes 1 to 22 form an integral part of these financial statements.



Shazia Syed
President



M. Abdul Aleem
Secretary General



Shazad G. Dada
Member

Statement of Changes in Equity

For the Year Ended December 31, 2019

	Accumulated Fund (Unrestricted) Rupees
Balance as at January 1, 2018	187,487,376
Surplus after taxation for the year	6,321,043
Balance as at December 31, 2018	<u>193,808,419</u>
Surplus after taxation for the year	19,435,438
Balance as at December 31, 2019	<u><u>213,243,857</u></u>

The annexed notes 1 to 22 form an integral part of these financial statements.



Shazia Syed
President



M. Abdul Aleem
Secretary General



Shazad G. Dada
Member

Statement of Cash Flows

For the Year Ended December 31, 2019

	Note	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	16	23,833,407	(5,893,698)
Taxes paid		(3,746,604)	(2,031,387)
Increase in long term deposits		-	(4,000)
Staff gratuity paid		(5,099,206)	(4,541,327)
Net cash generated from / (used in) operating activities		14,987,597	(12,470,412)
CASH FLOWS FROM INVESTING ACTIVITIES			
Encashment of term deposit receipts		355,120,000	161,800,000
Term deposit receipts placed		(260,120,000)	(107,000,000)
Investment in T-Bills		(224,756,932)	-
Encashment of T-Bills		56,120,000	-
Purchase of property and equipment		(14,780,632)	(2,929,556)
Proceeds from disposal of property and equipment		500,000	924,300
Return received		18,353,730	10,289,022
Net cash (used in) / generated from investing activities		(69,563,834)	63,083,766
		(54,576,237)	50,613,354
Cash and cash equivalents at the beginning of the year		105,039,828	54,426,474
Cash and cash equivalents at the end of the year	17	50,463,591	105,039,828

The annexed notes 1 to 22 form an integral part of these financial statements.



Shazia Syed
President



M. Abdul Aleem
Secretary General



Shazad G. Dada
Member

Notes to and forming part of the Financial Statements

For the Year Ended December 31, 2019

1. THE COMPANY AND ITS OPERATION

Overseas Investors Chamber Of Commerce And Industry (the Chamber) is a not for profit association under section 42 of the Companies Ordinance, 1984 and was incorporated as a guarantee limited company. The Chamber deals with matters relating to trade and commerce for the foreign investors in Pakistan. The Chamber was granted a license as a Trade Organisation by the Federal Government under Trade Organisations Act 2013 which is valid upto June 2024 and is renewable.

The registered office of the Chamber is situated at Chamber of Commerce Building, Talpur Road, Karachi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards for Small and Medium sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standards for Not for Profit Organisations (Accounting Standards for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or the Accounting Standards for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The preparation of financial statements in conformity with IFRS and Standard for NPOs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Chamber's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management believes that no significant estimate has been made and no critical judgment has been used in applying the accounting policies that would have significant effect on the amounts recognised in the financial statements.

2.2 Overall valuation policy

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

2.3 Property and equipment

i) Tangible

These are stated at cost less accumulated depreciation and any accumulated impairment losses except for capital work-in-progress which are stated at cost.

Depreciation on all assets is charged to income applying the straight line method whereby cost of an asset is written off over its estimated useful life at rates shown in note 3.1. Leasehold land is depreciated over the period of lease. Full year's depreciation is charged on additions during the year whereas no depreciation is charged in the year of disposal.

Maintenance and normal repairs are charged to income as and when incurred, gains and losses on disposal of fixed assets are included in income currently.

Notes to and forming part of the Financial Statements

For the Year Ended December 31, 2019

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

ii) Intangible

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the period of three years on straight-line basis.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2.4 Receivables

Receivables are stated at original invoice amount. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

2.5 Investments

Investments with fixed or determinable payments and fixed maturity are carried at amortised cost using the effective interest rate method less impairment losses.

2.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, with banks and short term investments with original maturities of three months or less.

2.7 Staff Retirement Benefits

The Chamber operates an approved funded gratuity scheme which is a defined benefit plan. Accrual is made on the basis of actuarial recommendation. Actuarial valuation of scheme is carried out on periodical basis using the projected unit credit method and the latest valuation has been carried out as at December 31, 2019. Gratuity is payable to all employees of the Chamber who have completed minimum qualifying period in accordance with the Gratuity Scheme.

Actuarial gains and losses are charged or credited to income and expenditure statement in the period in which they arise.

Past-service costs are recognised immediately in income and expenditure statement.

2.8 Compensated absences

The Chamber accounts for compensated absences on the basis of unavailed leave balance of each employee in accordance with the policy of the Chamber at the end of the year.

2.9 Trade and other payables

Trade payables are carried at the fair value of the consideration to be paid for goods and services.

2.10 Fund accounting - Unrestricted

The unrestricted fund accounts for the Chamber matters relating to trade and commerce for the foreign investors in Pakistan. This Fund reports unrestricted resources.

2.11 Revenue recognition

Members' contributions are recognised on accrual basis. Certification and Visa fee are recognised at the time of issuance of certificate / letter.

Return / interest on bank deposits is recognised on accrual basis.

Notes to and forming part of the Financial Statements

For the Year Ended December 31, 2019

2.12 Foreign currency transactions and translation

Foreign currency transactions are translated into Pakistani Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translation are recognised in the income and expenditure statement.

The financial statements are presented in Pakistani Rupees, which is the Chamber's functional and presentation currency.

2.13 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in income and expenditure statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

i) Current

Provision for taxation is based on taxable income at the current rates of taxation.

ii) Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.14 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. Its also requires management to exercise its judgement in the process of applying the Chamber's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are provision for taxes and provision for staff gratuity.

3. PROPERTY AND EQUIPMENT

Operating assets - note 3.1
Capital work in progress - note 3.3

	2019 Rupees	2018 Rupees
Operating assets - note 3.1	29,952,734	29,185,399
Capital work in progress - note 3.3	12,137,736	480,000
	<u>42,090,470</u>	<u>29,665,399</u>

Notes to and forming part of the Financial Statements

For the Year Ended December 31, 2019

3.1	OPERATING ASSETS	Leasehold land (note 3.2)	Building on leasehold land	Air conditioning plant	Electrical Installations	Office furniture, fittings and equipments	Motor Vehicles	Total	
		←————— Rupees —————→							
	Net carrying value basis								
	Year ended December 31, 2019								
	Opening net book value (NBV)	11,637,432	14,300,972	-	162,704	1,534,691	1,549,600	29,185,399	
	Additions (at cost)	-	-	-	-	3,122,896	-	3,122,896	
	Disposals / write-off (at NBV)	-	-	*	-	-	-	-	
	Amortisation / Depreciation charge	(353,500)	(354,740)	-	(34,929)	(1,218,792)	(393,600)	(2,355,561)	
	Closing net book value	11,283,932	13,946,232	-	127,775	3,438,795	1,156,000	29,952,734	
	Gross carrying value basis								
	At December 31, 2019								
	Cost	17,675,000	18,231,583	-	3,542,313	19,128,900	1,968,000	60,545,796	
	Accumulated depreciation	(6,391,068)	(4,285,351)	-	(3,414,538)	(15,690,105)	(812,000)	(30,593,062)	
	Net book value	11,283,932	13,946,232	-	127,775	3,438,795	1,156,000	29,952,734	
	Net carrying value basis								
	Year ended December 31, 2018								
	Opening net book value (NBV)	14,139,999	14,655,712	1,250,728	197,633	2,053,793	37,200	32,335,065	
	Additions (at cost)	-	-	-	-	543,556	1,906,000	2,449,556	
	Disposals / write-off (at NBV)	-	-	-	-	-	*	-	
	Amortisation / Depreciation charge	(2,502,567)	(354,740)	(1,250,728)	(34,929)	(1,062,658)	(393,600)	(5,599,222)	
	Closing net book value	11,637,432	14,300,972	-	162,704	1,534,691	1,549,600	29,185,399	
	Gross carrying value basis								
	At December 31, 2018								
	Cost	17,675,000	18,231,583	12,507,325	3,542,313	16,006,004	1,968,000	69,930,225	
	Accumulated depreciation	(6,037,568)	(3,930,611)	(12,507,325)	(3,379,609)	(14,471,313)	(418,400)	(40,744,826)	
	Net book value	11,637,432	14,300,972	-	162,704	1,534,691	1,549,600	29,185,399	
	Rate of depreciation	2%	2%	10%	15%	15% & 33.33%	20%		
	<i>* Assets disposed off having nil net book value.</i>								

3.2 During the last year, the Land Utilization Department, Government of Sindh issued a letter to the Deputy Commissioner intimating the renewal of lease for 50 years retrospectively from 2007. The company has accordingly paid the lease and ground rent charges upto 2057 to the respective departments. However, the lease has not yet been executed due to the order of Supreme Court as per which no application regarding mutation, allotment, transfer, conversion and / or reservation of state land shall be entertained, till further notice of the Supreme court.

3.3	Movement in capital work in progress:	2019 Rupees	2018 Rupees
	Balance as at January 1	480,000	-
	Additions during the year	11,657,736	480,000
	Balance as at December 31	12,137,736	480,000

The Company has entered into an agreement with an Architect / Interior Designer for Consultancy services relating to Conservation and Restoration / Renovation of the office building. The amount represents services rendered during the year.

Notes to and forming part of the Financial Statements

For the Year Ended December 31, 2019

4. STAFF RETIREMENT BENEFIT - GRATUITY

As stated in note 2.7, the Chamber operates approved funded gratuity scheme. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum qualifying period in accordance with the Gratuity Scheme. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at December 31, 2019.

The latest actuarial valuations of the Plans as at December 31, 2019 were carried out using the Projected Unit Credit Method. Details of the scheme as per the actuarial valuations are as follows:

	2019 Rupees	2018 Rupees
4.1 Balance sheet reconciliation as at December 31		
Present value of defined benefit obligation	31,671,870	25,883,731
Fair value of plan assets	32,219,300	24,526,542
(Surplus) / Deficit	<u>(547,430)</u>	<u>1,357,189</u>
4.2 Movement in the defined benefit obligation		
Obligation as at January 01	25,883,728	20,595,779
Current service cost	3,574,353	2,888,405
Benefits paid	-	-
Other changes	2,213,789	2,399,544
Obligation as at December 31	<u>31,671,870</u>	<u>25,883,728</u>
4.3 Movement in the fair value of plan assets		
Fair value as at January 01	24,526,542	19,067,284
Employer contributions	5,099,203	4,541,327
Benefits paid	-	-
Other changes	2,593,555	917,931
Fair value as at December 31	<u>32,219,300</u>	<u>24,526,542</u>
4.4 Expense recognised in income and expenditure statement		
Current service cost	3,574,353	2,888,405
Net interest expense	167,663	124,427
Other changes	(547,430)	1,357,189
Expense for the year	<u>3,194,586</u>	<u>4,370,021</u>
4.5 Net recognised liability		
Balance as at January 01	1,357,189	1,528,495
Expenses for the year	3,194,586	4,370,021
Employer contributions	(5,099,203)	(4,541,327)
Balance as at December 31	<u>(547,428)</u>	<u>1,357,189</u>

Notes to and forming part of the Financial Statements

For the Year Ended December 31, 2019

4.6 Composition of Plan Assets

	2019		2018	
	Rupees	%	Rupees	%
Cash at bank	13,795	-	4,719,693	19%
Term Deposit Receipts	32,205,505	100%	19,806,849	81%
	32,219,300	100%	24,526,542	100%

4.7 Actuarial assumptions

	2019	2018
Expected rate of increase in salaries	12.00%	12.75%
Discount rate	12.00%	12.75%
During service mortality table	SLIC (2001-05)-1	SLIC (2001-05)-1

4.8 The actual return on plan assets was Rs. 2,593,555 (2018: Rs. 917,931).

	2019 Rupees	2018 Rupees
5. RECEIVABLE FROM MEMBERS		
Considered good	81,630	483,630
Considered doubtful	1,650,960	1,650,960
	1,732,590	2,134,590
Provision for doubtful receivable - note 5.1	(1,650,960)	(1,650,960)
	81,630	483,630

5.1 This represents receivable from Johnson & Johnson Pakistan (Private) Limited.

	2019 Rupees	2018 Rupees
6. ADVANCES		
Advances to suppliers – considered good	402,441	21,334
7. INVESTMENTS		
Treasury Bills - note 7.1	169,825,965	-
Accrued mark up	7,048,556	-
	176,874,521	-

7.1 These represent 12 months treasury bills at amortised cost. The yield ranges from 13.4% to 14% (2018: NIL) per annum, maturing on or before September 20, 2020.

	2019 Rupees	2018 Rupees
8. CASH AND BANK BALANCES		
With banks on:		
- current accounts	3,336,984	10,359,447
- savings account - note 8.1	29,053,106	22,620,680
- term deposit receipt - note 8.2	18,000,000	167,000,000
Cash in hand	73,500	59,700
	50,463,590	200,039,827

Notes to and forming part of the Financial Statements

For the Year Ended December 31, 2019

8.1 These carry mark up rate of 5.75% to 11.2% (2018: 3.3% to 8.8%) per annum.

8.2 This carries mark up rate of 11.9% per annum (2018: 6.5% to 9.25% per annum) maturing by January 2, 2020 (2018: September 10, 2019)

	2019 Rupees	2018 Rupees
9. DEFERRED TAXATION		
9.1 Credit balance arising in respect of accelerated tax depreciation allowances	<u>1,075,310</u>	<u>341,819</u>
9.2 Deferred tax liabilities at January 1	341,819	511,357
Credited to income and expenditure statement	733,491	(169,538)
Deferred tax liabilities at December 31	<u>1,075,310</u>	<u>341,819</u>
	2019 Rupees	2018 Rupees
10. TRADE AND OTHER PAYABLES		
Creditors	318,969	1,061,484
Accrued liabilities	15,749,587	13,275,430
Subscription received in advance	21,382,486	13,465,486
Members' contribution for flood relief activities	250,546	250,546
Security deposit from tenant utilized for business purpose	1,098,000	1,098,000
Other liabilities	503,408	-
	<u>39,302,996</u>	<u>29,150,946</u>
11. MEMBERS CONTRIBUTIONS		
Membership subscription and entrance fee - Note 11.1	51,789,583	49,720,000
Members contributions for sub-committee - Note 11.2	29,880,578	29,880,583
	<u>81,670,161</u>	<u>79,600,583</u>
11.1 Membership subscription and entrance fee is fixed based on number of employees of the member companies. Such subscriptions are received from 197 companies in the range from Rs. 135,000 - Rs. 400,000 per year.		
11.2 This represents membership subscription of Sub - committee of the Company Pharma - Bureau which is decided by the members of the sub - committee.		
	2019 Rupees	2018 Rupees
12. OTHER INCOME		
Fees for certification	9,857,800	9,343,300
Fee for VISA recommendation	10,063,500	10,348,500
Gain on disposal of fixed assets	500,000	924,300
Others	638,640	472,772
	<u>21,059,940</u>	<u>21,088,872</u>

Notes to and forming part of the Financial Statements

For the Year Ended December 31, 2019

	2019 Rupees	2018 Rupees
13. SALARIES, ALLOWANCES AND OTHER BENEFITS		
Salaries and allowances	62,711,677	56,289,511
E.O.B.I.	91,000	88,400
Medical expenses	1,126,929	1,016,585
Staff gratuity	3,194,587	4,370,019
	<u>67,124,193</u>	<u>61,764,515</u>
14. OTHER EXPENDITURE		
Travelling	1,589,875	1,659,631
Postage, telegram and telephone	1,241,785	1,116,562
Vehicle running and maintenance	597,172	15,268
Insurance	1,296,438	1,416,988
Municipal taxes and ground rent	326,311	184,271
Subscriptions	264,645	246,401
Auditors' remuneration - Note 14.1	265,912	211,200
Security	992,528	887,709
Software	33,048	26,930
General expenses	1,780,743	1,736,728
	<u>8,388,457</u>	<u>7,501,688</u>
14.1 Auditors' Remuneration		
Audit fee	225,000	180,000
Audit of staff retirement fund	25,000	11,200
Out of pocket expenses	15,912	20,000
	<u>265,912</u>	<u>211,200</u>
15. TAXATION		
For the year		
- Current	8,946,325	6,029,442
- Deferred	733,491	(169,538)
	<u>9,679,816</u>	<u>5,859,904</u>

Applicable tax rate for the year is 29% (2018: 29%).

Notes to and forming part of the Financial Statements

For the Year Ended December 31, 2019

	2019 Rupees	2018 Rupees
16. CASH GENERATED FROM OPERATIONS		
Surplus before taxation	29,115,254	12,180,947
Adjustments for non-cash charges and other items:		
Depreciation	2,355,561	5,599,222
Return on bank deposits	(20,519,432)	(11,652,102)
Gain on sale of fixed assets	(500,000)	(924,300)
Provision for staff gratuity	3,194,587	4,370,019
	<u>(15,469,284)</u>	<u>(2,607,161)</u>
Surplus before working capital changes	13,645,970	9,573,786
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Receivables	402,000	(483,630)
Loan and advances	(381,107)	864,888
Short term prepayments and other receivables	14,494	(94,058)
	<u>35,387</u>	<u>287,200</u>
Increase / (decrease) in current liabilities		
Trade and other payables	10,152,050	(15,754,684)
	<u>23,833,407</u>	<u>(5,893,698)</u>

17. CASH AND CASH EQUIVALENTS

Items shown in note 8 'cash and bank balances' include following for the purpose of cash and cash equivalents:

	2019 Rupees	2018 Rupees
With banks on		
- current accounts	3,336,985	10,359,448
- savings account	29,053,106	22,620,680
Cash in hand	73,500	59,700
Term deposit receipt - having term of 3 months or less	18,000,000	72,000,000
	<u>50,463,591</u>	<u>105,039,828</u>

18. REMUNERATION OF CHIEF EXECUTIVE / SECRETARY GENERAL

Managerial remuneration	12,505,627	11,368,752
House rent	5,627,532	5,115,938
Bonus - note 18.1	5,815,123	5,286,474
Retirement benefits	1,615,312	1,468,465
Conveyance	908,400	880,824
Leave benefits	807,656	734,233
Utilities	1,250,568	1,136,880
Medical	88,043	82,905
	<u>28,618,261</u>	<u>26,074,471</u>
Number of person	<u>1</u>	<u>1</u>

18.1 Out of bonus recognized in financial statements for 2018, amount paid in 2019 was Rs. 5,286,474 (paid in 2018 relating to 2017: Rs. 4,805,881).

Notes to and forming part of the Financial Statements

For the Year Ended December 31, 2019

	2019 Rupees	2018 Rupees
19. FINANCIAL INSTRUMENTS		
Financial assets measured at amortised cost less impairment	<u>51,307,959</u>	<u>206,603,144</u>
Financial liabilities measured at amortised cost	<u>23,553,409</u>	<u>17,232,705</u>

20 TRANSACTIONS WITH RELATED PARTIES

Relationship	Nature of transaction	2019 Rupees	2018 Rupees
i) Key management compensation (Other than Secretary General as shown in note 18)	- Salaries and other short-term employee benefits	18,951,187	17,228,352
	- Post retirement benefits	1,294,480	1,176,800
ii) Staff retirement funds:	Contribution during the year		
	- Gratuity Fund	5,099,203	5,898,514

21 NUMBER OF EMPLOYEES

	2019	2018
Number of employees including contractual employees at the end of year	23	23

22. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **08 Jan 2020** by the Managing Committee of the Chamber.



Shazia Syed
President



M. Abdul Aleem
Secretary General



Shazad G. Dada
Member

January 9, 2020

Notice of the 160th Annual General Meeting

Notice is hereby given that the 160th Annual General Meeting of the members of the Overseas Investors Chamber of Commerce and Industry will be held on Friday January 31, 2020 at 3.30 pm at the Chamber's registered office, Chamber of Commerce building, Talpur Road, Karachi, to transact the following business:

1. To confirm the minutes of 159th Annual General Meeting.
2. To receive, consider and adopt the Accounts for the year ended December 31, 2019, the report of the Auditors' thereon and the report of the Managing Committee.
3. To appoint Auditors of the Chamber and fix their remuneration. The retiring Auditors A. F. Ferguson & Co., being eligible, have offered themselves for reappointment for the year 2020.
4. To consider, and if found fit, approve the following Resolution which would be moved as an Ordinary Resolution by the Managing Committee, as per attached statement under Section 134(3) of the Companies Act 2017:
"Resolved that under the powers given to Members of the Chamber under Article 10 (a) of the Chamber's Articles of Association, the under-mentioned revised Annual Subscription shall be payable by Members of the Chamber with effect from January 1, 2021"

Up to 100 employees	Rs. 150,000
From 101 to 300 employees	Rs. 300,000
Over 300 employees	Rs. 500,000
5. To receive the report of the scrutineers of the ballot for the election of Vice President and 8 (eight) members of the Managing Committee and announce the results of the election for the 2020 term.
6. Any other business with the permission of the Chair.

By order of the Committee.



M. Abdul Aleem
Secretary General

Notes:

- A member entitled to attend the General Meeting is entitled to appoint a proxy instead of him / her. A proxy should be a member of the Chamber who is attending the meeting.
- The instrument appointing a proxy (attached) should be signed by the member or by his / her attorney duly authorized in writing.
- The proxies shall be deposited at the registered office of the Chamber not less than 48 hours before the time of the meeting.

Statement under section 134(3) of the Companies Act 2017

In view of the fact that the expenses of the Chamber are met mainly from the annual subscription received from member companies, there is a need to maintain a link between income of the Chamber and the yearly increase in expenses for the various activities of the Chamber and administration costs, which are annually adjusted to account for inflation.

As the last increase in subscription was done in 2018, we propose an increase after three years with effect from January 1, 2021.



M. Abdul Aleem
Secretary General

Seven Meetings of the Managing Committee were held from February 2019 to January 2020 on the following dates:

February 1, 2019

March 28, 2019

June 11, 2019

September 12, 2019

November 14, 2019

December 17, 2019

January 8, 2020

Attendance of the Managing Committee

S. No.	Name	Total
1.	Shazia Syed	7
2.	Shazad G. Dada	7
3.	Haroon Rashid	3
4.	Helmut Von Struve	5
5.	Dr. Imran Rasheed	6
6.	Irfan Siddiqui	3
7.	Nadeem Lodhi	3
8.	Sami Ahmed	5
9.	Syed Anis Ahmed	1
10.	Aamir Ibrahim	2
11.	Imran Anwer	2
12.	Najeeb Ahmad	3
13.	M. Abdul Aleem	7
14.	Sarim Sheikh*	3
15.	Freda Yahan Duplan*	0

*Resigned before end of the term.



List of OICCI Members

As on December 31, 2019

1	3M PAKISTAN (PRIVATE) LIMITED	59	FAUJI OIL TERMINAL & DISTRIBUTION COMPANY LIMITED
2	ABB POWER & AUTOMATION (PRIVATE) LIMITED		
3	ABBOTT LABORATORIES (PAKISTAN) LIMITED	60	FAYSAL BANK LIMITED
4	ABUDAWOOD TRADING COMPANY PAKISTAN (PRIVATE) LIMITED	61	FRESENIUS KABI PAKISTAN (PVT) LIMITED
5	AISHA STEEL MILLS LIMITED	62	FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED
6	AKZO NOBEL PAKISTAN LIMITED	63	GE INTERNATIONAL OPERATIONS COMPANY INC.
7	AL BARAKA BANK (PAKISTAN) LIMITED	64	GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED (THE)
8	AL HAJ PAKISTAN EXPLORATION LIMITED	65	GETZ PHARMA (PRIVATE) LIMITED
9	ALLIANZ EFU HEALTH INSURANCE LIMITED	66	GILLETTE PAKISTAN LIMITED
10	ARABIAN SEA ENTERPRISES LIMITED	67	GLAXOSMITHKLINE PAKISTAN LIMITED
11	ARCHROMA PAKISTAN LIMITED	68	GRID SOLUTIONS PAKISTAN (PVT.) LIMITED
12	ARYSTA LIFESCIENCE PAKISTAN (PRIVATE) LIMITED	69	HABIB METRO PAKISTAN (PVT) LIMITED
13	ASIA PETROLEUM LIMITED	70	HABIB METROPOLITAN BANK LIMITED
14	ASIAN CONSUMER CARE PAKISTAN (PVT) LIMITED	71	HASCOL PETROLEUM LIMITED
15	ASPIN PHARMA (PVT) LTD	72	HEINZ PAKISTAN (PVT) LTD
16	ATLAS HONDA LIMITED	73	HINOPAK MOTORS LIMITED
17	ATLAS POWER LIMITED	74	HUB POWER COMPANY LIMITED (THE)
18	ATTOCK CEMENT PAKISTAN LIMITED	75	HUNTSMAN TEXTILE EFFECTS PAKISTAN (PRIVATE) LIMITED
19	ATTOCK OIL COMPANY LIMITED (THE)		
20	ATTOCK PETROLEUM LIMITED	76	IBL-UNISYS (PVT) LIMITED
21	ATTOCK REFINERY LIMITED	77	IBM ITALIA SPA.
22	B. BRAUN PAKISTAN (PRIVATE) LIMITED	78	ICI PAKISTAN LIMITED
23	BANK ALFALAH LIMITED	79	ICI PAKISTAN POWERGEN LIMITED
24	BANKISLAMI PAKISTAN LIMITED	80	IDEMITSU LUBE PAKISTAN (PVT) LIMITED
25	BARRETT HODGSON PAKISTAN (PRIVATE) LIMITED	81	IFFCO PAKISTAN (PRIVATE) LIMITED
26	BASF PAKISTAN (PRIVATE) LIMITED	82	INDUS MOTOR COMPANY LIMITED
27	BATA PAKISTAN LIMITED	83	INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD
28	BAYER PAKISTAN (PRIVATE) LIMITED	84	INDUSTRIAL PROMOTION SERVICES (PAKISTAN) LIMITED
29	BELTEXCO LIMITED		
30	BERGER PAINTS PAKISTAN LIMITED	85	ITOCHU CORPORATION
31	BIPL SECURITIES LIMITED	86	J&P COATS PAKISTAN (PRIVATE) LIMITED
32	BMA CAPITAL MANAGEMENT LIMITED	87	J. P. MORGAN PAKISTAN (PRIVATE) LIMITED
33	BULK FLEXIBLES PAKISTAN (PVT) LTD	88	JOHNSON & PHILLIPS (PAKISTAN) LIMITED
34	BYCO PETROLEUM PAKISTAN LIMITED	89	JUBILEE LIFE INSURANCE COMPANY LIMITED
35	CHEVRON PAKISTAN LUBRICANT (PVT) LIMITED	90	KANSAI PAINT (PRIVATE) LIMITED
36	CHIESI PHARMACEUTICALS (PRIVATE) LIMITED	91	KARACHI INTERNATIONAL CONTAINER TERMINAL
37	CHUBB INSURANCE PAKISTAN LIMITED	92	K-ELECTRIC LIMITED
38	CITIBANK N. A.	93	KIRTHAR PAKISTAN B.V.
39	CLARIANT CHEMICAL PAKISTAN (PVT) LTD	94	KOHINOOR ENERGY LIMITED
40	CLOVER PAKISTAN LIMITED	95	KOT ADDU POWER COMPANY LIMITED
41	COCA-COLA BEVERAGES PAKISTAN LIMITED	96	KSB PUMPS COMPANY LIMITED
42	COCA-COLA EXPORT CORPORATION (THE)	97	KUWAIT PETROLEUM CORPORATION
43	CONTINENTAL BISCUITS LIMITED	98	L'OREAL PAKISTAN (PRIVATE) LIMITED
44	DAWLANCE (PRIVATE) LIMITED	99	LOTTE CHEMICAL PAKISTAN LIMITED
45	DAWOOD HERCULES CORPORATION LIMITED	100	LUNDBECK PAKISTAN (PRIVATE) LIMITED
46	DEUTSCHE BANK AG	101	MACKINNON, MACKENZIE & COMPANY OF PAKISTAN (PRIVATE) LTD
47	DHL GLOBAL FORWARDING PAKISTAN (PRIVATE) LIMITED	102	MAPAK EDIBLE OILS (PRIVATE) LIMITED
48	DHL PAKISTAN (PVT) LTD	103	MARTIN DOW MARKER LTD
49	DUBAI ISLAMIC BANK PAKISTAN LIMITED	104	MARUBENI CORPORATION
50	DUPONT PAKISTAN OPERATIONS (PRIVATE) LIMITED	105	MASTERCARD PAKISTAN (PRIVATE) LIMITED
51	ELI LILLY PAKISTAN (PRIVATE) LIMITED	106	MEEZAN BANK LIMITED
52	ENGRO CORPORATION LIMITED	107	METRO PAKISTAN (PVT) LTD
53	ENGRO POLYMER & CHEMICALS LIMITED	108	MICROSOFT CORPORATION PAKISTAN LIAISON OFFICE
54	ENGRO POWERGEN THAR (PRIVATE) LIMITED	109	MITSUBISHI CORPORATION
55	ENGRO VOPAK TERMINAL LIMITED	110	MITSUI & COMPANY LIMITED
56	ENI PAKISTAN LIMITED	111	MOL PAKISTAN OIL AND GAS CO. B.V.
57	ESSITY PAKISTAN LIMITED	112	MONDELEZ PAKISTAN LIMITED
58	EXIDE PAKISTAN LIMITED	113	MUFG BANK LIMITED

114	MULLER & PHIPPS PAKISTAN (PRIVATE) LIMITED	176	SIKA PAKISTAN (PRIVATE) LIMITED
115	NALCO PAKISTAN (PRIVATE) LIMITED	177	SOUTH ASIA PAKISTAN TERMINALS LIMITED
116	NBP FULLERTON ASSET MANAGEMENT LIMITED	178	SPGPRINTS PAKISTAN (PRIVATE) LIMITED
117	NCR CORPORATION	179	STANDARD CHARTERED BANK (PAKISTAN) LIMITED
118	NESTLE PAKISTAN LIMITED	180	SUMITOMO CORPORATION ASIA & OCEANIA PTE LIMITED
119	NIPPON PAINT PAKISTAN (PVT) LTD	181	SYNGENTA PAKISTAN LIMITED
120	NOVARTIS PHARMA (PAKISTAN) LIMITED	182	TELENOR MICROFINANCE BANK LIMITED
121	NOVO NORDISK PHARMA (PRIVATE) LIMITED.	183	TELENOR PAKISTAN (PRIVATE) LIMITED
122	ORIX LEASING PAKISTAN LIMITED	184	TERADATA GLOBAL CONSULTING PAKISTAN (PRIVATE) LIMITED
123	ORKILA PAKISTAN (PRIVATE) LIMITED	185	TERADATA PAKISTAN (PRIVATE) LIMITED
124	OTSUKA PAKISTAN LIMITED	186	TETHYAN COPPER COMPANY PAKISTAN (PRIVATE) LIMITED
125	OXFORD UNIVERSITY PRESS	187	TETRA PAK PAKISTAN LIMITED
126	PAIR INVESTMENT COMPANY LIMITED	188	TOTAL PARCO PAKISTAN LIMITED
127	PAK BRUNEI INVESTMENT COMPANY LIMITED	189	TPL HOLDINGS (PRIVATE) LIMITED
128	PAK CHINA INVESTMENT COMPANY LIMITED	190	TRG (PRIVATE) LIMITED
129	PAK OMAN INVESTMENT COMPANY LIMITED	191	TRI-PACK FILMS LIMITED
130	PAK OMAN MICROFINANCE BANK LIMITED	192	UCH POWER (PRIVATE) LIMITED
131	PAK-ARAB PIPELINE COMPANY LIMITED	193	UNILEVER PAKISTAN LIMITED
132	PAK-ARAB REFINERY LIMITED	194	UNITED BANK LIMITED
133	PAKISTAN CABLES LIMITED	195	UNITED ENERGY PAKISTAN LIMITED
134	PAKISTAN GUM & CHEMICALS LIMITED	196	WMGS SERVICES LIMITED (LIAISON OFFICE)
135	PAKISTAN GUM INDUSTRIES (PRIVATE) LIMITED	197	WYETH PAKISTAN LIMITED
136	PAKISTAN INTERNATIONAL CONTAINER TERMINAL LIMITED		
137	PAKISTAN MOBILE COMMUNICATIONS LIMITED		
138	PAKISTAN OXYGEN LIMITED		
139	PAKISTAN PETROLEUM LIMITED		
140	PAKISTAN REFINERY LIMITED		
141	PAKISTAN TELECOMMUNICATION COMPANY LIMITED		
142	PAKISTAN TOBACCO COMPANY LIMITED		
143	PAK-LIBYA HOLDING COMPANY (PVT) LIMITED		
144	PAK-QATAR FAMILY TAKAFUL LIMITED		
145	PAK-QATAR GENERAL TAKAFUL LIMITED		
146	PARAZELUS PAKISTAN (PRIVATE) LIMITED		
147	PAXAR PAKISTAN (PRIVATE) LIMITED		
148	PEPSI-COLA INTERNATIONAL (PRIVATE) LIMITED		
149	PFIZER PAKISTAN LIMITED		
150	PHARMATEC PAKISTAN (PRIVATE) LIMITED		
151	PHILIP MORRIS (PAKISTAN) LIMITED		
152	PHILIPS LIAISON OFFICE, PHILIPS ELECTRONICS MIDDLE EAST & AFRICA		
153	PHOENIX ARMOUR (PRIVATE) LIMITED		
154	PIONEER PAKISTAN SEED LIMITED		
155	PROCTER & GAMBLE PAKISTAN (PRIVATE) LIMITED		
156	QASIM INTERNATIONAL CONTAINER TERMINAL PAKISTAN LIMITED		
157	RAFHAN MAIZE PRODUCTS COMPANY LIMITED		
158	RECKITT BENCKISER PAKISTAN LIMITED		
159	REUTERS LIMITED		
160	ROCHE PAKISTAN LIMITED		
161	ROUSCH (PAKISTAN) POWER LIMITED		
162	S. C. JOHNSON & SON OF PAKISTAN (PRIVATE) LIMITED		
163	SANOFI AVENTIS PAKISTAN LIMITED		
164	SAP MIDDLE EAST AND NORTH AFRICA LLC		
165	SAUDI PAK INDUSTRIAL & AGRICULTURAL INVESTMENT CO. LTD		
166	SCHNEIDER ELECTRIC PAKISTAN (PRIVATE) LIMITED		
167	SERIOPLAST PAKISTAN (PVT) LTD		
168	SERVIER RESEARCH & PHARMACEUTICALS PAKISTAN (PRIVATE) LTD		
169	SGS PAKISTAN (PRIVATE) LIMITED		
170	SHEIKHOO SUGAR MILLS LIMITED		
171	SHELL PAKISTAN LIMITED		
172	SICPA INKS PAKISTAN (PVT) LIMITED		
173	SIEMENS HEALTHCARE (PRIVATE) LIMITED		
174	SIEMENS PAKISTAN ENGINEERING COMPANY LIMITED		
175	SIGNIFY PAKISTAN LIMITED		



Published in January 2020 by

Overseas Investors Chamber of Commerce and Industry

Chamber of Commerce Building, Talpur Road,
Karachi-74000, Pakistan.

☎ +92 21 32410814-15 | 📠 +92 21 32427315

✉ info@oicci.org | 🌐 www.oicci.org | 🐦 @oicci_pakistan