

OVERSEAS INVESTORS CHAMBER OF COMMERCE & INDUSTRY

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**ANNUAL REPORT
FOR THE YEAR
2003**

OVERSEAS INVESTORS CHAMBER OF COMMERCE AND INDUSTRY

ANNUAL REPORT 2003

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MANAGING COMMITTEE OF THE CHAMBER FOR THE YEAR 2003



Office Bearers:

ZAFFAR A KHAN

PRESIDENT

Engro Chemicals Pakistan Limited

FAROOQ RAHMATULLAH

VICE PRESIDENT

Shell Pakistan Limited

ZAHID ZAHEER

SECRETARY GENERAL

Members:

HUMAYUN BASHIR

IBM ITALIA S.p.A.

JEREMY PIKE

Pakistan Tobacco Company Limited

SALMAN BURNEY

Glaxo SmithKline Pakistan Limited

AMEENA SAIYID

Oxford University Press

MUSHARAF HAI

Unilever Pakistan Limited

SOHAIL W. H. SIDDIQUI

Siemens Pakistan Engineering Company Limited

NADEEM KARAMAT

American Express Bank Limited

ZUBYR SOOMRO

Citibank N. A.

HASAN ALI KHAN

Continental Biscuits Limited

JONATHAN R. STONEY

ICI Pakistan Limited

MASAMI MIZUKAMI

Mitsui & Company Limited

CHAIRMEN OF THE CHAMBER

CHAIRMEN			
D. MCLVER	- 1860/61	F. CLAYTON C.I.E., M. L. C.	- 1922/23/24/25
W. NICHOL	- 1861/62	F. CLAYTON C.I.E., M. L. C.	
A. STEWART	- 1862/63/64	R. D. ENGLAND	- 1925/26
A. E. DENSO	- 1864/65/66	F. CLAYTON C.I.E., M. L. C.	- 1926/27/28
W. G. HALL	- 1866/67/68	F. CLAYTON C.I.E., M. L. C.	
J. G. TINDAL	- 1866/69/70	J. R. N. GRAHAM V.C.	- 1928/29
MAX DENSO	- 1870/71/72	E. A. PEARSON	- 1929/30
F. MASOTTI	- 1872/73	E. A. PEARSON	- 1930/31
W. THORBURN	- 1873/74	H. G. COOPER,	
W. M. MACAULAY	- 1874/75	M.C.D.C.M.	- 1930/31
W. THORBURN	- 1875/76	H. S. BIGG - WITHER,	
MAX DENSO	- 1876/77	O.B.E.	- 1931/32
JAMES GRANT	- 1877/78	J. R. N. GRAHAM, V.C.	- 1932/33
A. MCHINCH	- 1878/79/80	G. H. RASCHEN	
MAX DENSO	- 1880/81	R. H. MARTIN	- 1933/34
MAX DENSO	- 1881/82	H. S. BIGG - WITHER	
JAMES GRANT		O.B.E.	- 1934/35/36
JAMES GRANT	- 1882/83/84	G. H. RASCHEN C.B.E.	- 1936/37/38
MAX DENSO	- 1884/85	G. H. J. RICHMOND	
MAX DENSO	- 1885/86	R. H. MARTIN	- 1938/39
A. THOLE		J. H. BLACKWELL,	
A. THOLE	- 1886/87	C.B.E., M.C.	- 1939/40
A. MCHINCH	- 1887/88 TO	J. HUMPHREY, O.B.E.	- 1940/41/42
	1889/90	A. T. ORR DEAS, M.C.	- 1942/43
JAMES CURRIE	- 1890/91 TO		
	1894/95	J. H. BLACKWELL,	
T. R. MCLELLAN	- 1895/96 TO	C.B.E., M.C.	1943/44
	1898/99	W. J. CULLEN, M.B.E.	
T. L. F. BEAUMONT	- 1899/1900	J. HUMPHREY,	
D. MCLVER	- 1900/01 TO	C.B.E., J.P.	- 1944/45
	1902/03	LT. COL W.E. HOSSACK,	
HON'ABLE W. T.		M.L.A.	- 1945/46
O' BRIEN	- 1903/04	B. R. GRAHAM	1946/47
M. DE P. WEBB, C.I.E.	- 1904/05 TO	E. J. PAKES	
	1909/10	R. L. COGLIAN	- 1947/48
M. DE P. WEBB, C.I.E.	- 1910/11	B. R. GRAHAM, O.B.E.	- 1948/49/50
H. T. ROBSON		J. N. KERR	- 1950/51
M. DE P. WEBB, C.I.E.	- 1911/12/13	D. B. ASHWORTH	
M. DE P. WEBB, C.I.E.	- 1913/14	B. R. GRAHAM, C.B.E.	- 1951/52/53
W. U. NICHOLAS		T. W. CREE	- 1953/54
M. DE P. WEBB, C.I.E.	- 1914/15/16	B. FANE SAUNDERS, C.B.E.	- 1954/55
M. DE P. WEBB, C.I.E.		T. W. CREE	- 1955/56
W. U. NICHOLAS	- 1916/17	W. E. WILKIE - BROWN	- 1956/57
M. DE P. WEBB, C.I.E.	- 1917/18/19	MIRZA A. RAZA	- 1957/58
H. G. JAUGHTON	- 1919/20		
SIR MONTAGUE WEBB			
KT., C.I.E., C.B.E., M.L.C.	- 1920/21/22		

PRESIDENTS OF THE CHAMBER

PRESIDENTS

T. W. CREE, C.B.E.	-	1958/59/60
M. J. CONDON, C.B.E.		
W. N. BANKS	-	1960/61
W. B. BANKS	-	1961/62
S. R. STEPHENS	-	1962/63
H. C. G. BROWN, D.S.C.,	-	1963/64
I. HABIBULLAH		1964/65
J. F. C. GALLAHER	-	
C.B.E., D.S.O., D.F.C.,	-	1965/66
R. A. M. HENSON	-	1966/67
J. F. C. GALLAHER		
C.B.E., D.S.O., D.F.C.,	-	1967/68
J. D. LE VALLIANT	-	1968/69/70
D. JONGENEEL	-	1970/71
MASUD KARIM	-	1971/72/73/74
J. H. A. MIDWOOD	-	1974/75
K. Z. HASSAN	-	1975/76
W. R. A. KIMBER	-	1976/77/78
SALEEM MAJIDULLAH	-	1978/79/80
R. STOKELL	-	1980
N.A. SHAH	-	1980/81/82/83
D.M. KEITH, O.B.E.	-	1983/84/85
DR. M. S. HABIB	-	1985/86/87
NASEEM S. MIRZA	-	1987/88/89
DR. M. S. HABIB		1989/90/91/92
C. T. DULLAERT	-	1992
M. YOUNAS KHAN	-	1992/93/94
NISAR A. MEMON	-	1994/95
TARIQ IKRAM	-	1995/96
T. V. HIGGINS, OBE	-	1996/97
S. NASEEM AHMAD	-	1997/98
I. S. SANGSTER, OBE	-	1998/99
MUNNAWAR HAMID, OBE	-	1999/2000
TARIQ AMIN	-	2000/2001
MOJIB M. FUDDA	-	2001/2002
KAMRAN Y. MIRZA	-	2002/2003
ZAFFAR A KHAN	-	2003/2004

SECRETARIES OF THE CHAMBER

R. Bell	
R. Stewart	
W. Nicol	1860-4
W.W. Beck	
J.W. Hill	
H. Jacob	
A.N. de Fleurimont	1864-68
Dan McIver, Jr.	1868-69
G.T. Portlock	1870-81
W. Cooper (Acting)	1881-82
G.Y. Portlock	1882
Harry W. Brooks	1882-87
Stephen W. Anderson	1887-90
H.E. Fuller (Acting)	1890-91
Col A.C. Cory	1891-93
T.L. F. Beaumont	1894-95
C.H. Chetham	1895-1908
E.L. Rogers	1908-20
Major Alan Duguid, AFC, MLC	1921-31
H.M. Gomes (Acting)	1932-42
M. de Melo (Acting)	1943
H.J. Martin, MBE	1944-53
J.S. Lobo	1953-58
M. Nazir Mohiyuddin (Acting)	1958-59
A. Eumorfopoulos	1959-64
P.T. Ensor	1964-78
Salamat R. Rizvi	1978-90

Secretary General

Zahid Zaheer	1991 TO DATE
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CIRCULAR NO 31

19TH MARCH, 2004.

CEO'S OF MEMBER FIRMS

NOTICE OF 144TH ANNUAL GENERAL MEETING OF THE CHAMBER

NOTICE is hereby given that at the 144TH ANNUAL GENERAL MEETING of the Members of the OVERSEAS INVESTORS CHAMBER OF COMMERCE & INDUSTRY to be held in the Registered Office, Chamber of Commerce Building, Talpur Road, Karachi-74000 ON TUESDAY 20TH APRIL, 2004 AT 11 AM, it is proposed to consider and if thought fit, to pass the following Resolution, which would be moved as ORDINARY RESOLUTION by the Committee:

'RESOLVED that under the powers given to Members of the Chamber under Article 11 (a) of the Chamber's Articles of Association, the under mentioned Annual Subscription shall be payable by Ordinary Members of the Chamber with effect from 1st July, 2004.

ANNUAL MEMBERSHIP SUBSCRIPTION

TOTAL NUMBER OF EMPLOYEES: ANNUAL SUBSCRIPTION:

UPTO 100	RS. 22,000
FROM 101 TO 300	RS. 44,000
OVER 300	RS. 66,000

BY ORDER OF THE COMMITTEE

**ZAHID ZAHEER
SECRETARY-GENERAL**

CIRCULAR NO. 32

19TH MARCH, 2004.

CEO'S OF MEMBER FIRMS

NOTICE OF 144TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 144TH ANNUAL GENERAL MEETING of the Members of the OVERSEAS INVESTORS CHAMBER OF COMMERCE & INDUSTRY will be held at the Registered Office, Chamber of Commerce Building, Talpur Road, Karachi-74000 ON TUESDAY 20TH APRIL, 2004 AT 11 AM to transact the following business:

1. To confirm and sign the Minutes of the 143rd Annual General Meeting held on Friday 20th June, 2003 at 11 AM.
2. To receive the Report of the Managing Committee for the year 2003.
3. To adopt the Audited Accounts for the year ended 31st December, 2003.
4. To consider and if found fit, approve the attached Resolution which would be moved as an ORDINARY RESOLUTION by the Managing Committee, notice of which is being sent to all Members vide Circular No. 31 dated 19th March, 2004.
5. To appoint Auditors for the Chamber for the year 2004 and to fix their remuneration.
6. To receive Report of the Scrutineers on the ballot for the election of Vice President & (Eight) Members of the Managing Committee and announce the results of the election.
7. Any other matter with the permission of the Chair of which due notice shall have been given as required under Article 26 of the Chamber's Articles of Association.

BY ORDER OF THE COMMITTEE

**ZAHID ZAHEER
SECRETARY-GENERAL**

**MINUTES OF THE 143RD ANNUAL GENERAL MEETING
OF THE OVERSEAS INVESTORS CHAMBER OF COMMERCE
& INDUSTRY HELD IN THE COUNCIL HALL OF THE CHAMBER
AT CHAMBER OF COMMERCE BUILDING, TALPUR ROAD,
KARACHI ON FRIDAY 20TH JUNE, 2003 AT 11 AM**

PRESENT IN PERSON

**MR. KAMRAN Y. MIRZA
PRESIDENT
ABBOTT LABORATORIES (PAKISTAN) LIMITED**

MEMBERS

- | | |
|--|---------------------------|
| 1. ABBOTT LABORATORIES (PAKISTAN) LIMITED | MR. KAMRAN Y. MIRZA |
| 2. AMERICAN EXPRESS BANK LIMITED | MR. NADEEM KARAMAT |
| 3. BOC PAKISTAN LIMITED | MR. M. ASLAM |
| 4. CADBURY PAKISTAN LIMITED | MR. ROBERT JONES |
| 5. DEUTSCHE BANK AG | MR. ARIF M. ALI |
| 6. ENGRO ASAHI POLYMER & CHEMICALS LIMITED | MR. ASIF QADIR |
| 7. ENGRO CHEMICAL PAKISTAN LIMITED | MR. ZAFFAR A. KHAN |
| 8. GILLETTE PAKISTAN LIMITED | MR. MOHAMMAD AZHAR |
| 9. HONGKONG & SHANGHAI BANKING CORPORATION LTD (THE) | MR. GUY N de B PRIESTLEY |
| 10. IBM ITALIA S.p.A. | MR. HUMAYUN BASHIR |
| 11. KHADIM ALI SHAH BUKHARI & COMPANY LIMITED | MR. NADIR RAHMAN |
| 12. LAKSON TOBACCO COMPANY LIMITED | MR. T. A. BATLAY |
| 13. M-I OVERSEAS LIMITED | MR. M. R. MONEM |
| 14. MACKINNON, MACKENZIE & CO. OF PAKISTAN (PVT) LTD | MR. S. H. A. BUKHARI |
| 15. MITSUBISHI CORPORATION | MR. YUKIO HASEGAWA |
| 16. P&O CONTAINERS PAKISTAN (PRIVATE) LIMITED | MR. S. H. A. BUKHARI |
| 17. PAKISTAN TOBACCO COMPANY LIMITED | MR. JEREMY PIKE |
| 18. SHELL PAKISTAN LIMITED | MR. FAROOQ RAHMATULLAH |
| 19. SIEMENS PAKISTAN ENGINEERING COMPANY LIMITED | MR. SOHAIL W. H. SIDDIQUI |
| 20. UNILEVER PAKISTAN LIMITED | MS. MUSHARAF HAI |

PRESENT BY PROXY

1. ABB (PRIVATE) LIMITED
2. ALBARAKA ISLAMIC BANK B.S.C. (E.C.)
3. BANK OF TOKYO - MITSUBISHI LIMITED
4. BASF PAKISTAN (PRIVATE) LIMITED
5. CDC CAPITAL PARTNERS
6. CONTINENTAL BISCUITS LIMITED
7. DOHA BANK
8. ELI LILLY PAKISTAN (PRIVATE) LIMITED
9. ENGRO VOPAK TERMINAL LIMITED
10. ENI PAKISTAN LIMITED
11. EQUITY INTERNATIONAL (PRIVATE) LIMITED
12. GLAXOSMITHKLINE PAKISTAN LIMITED
13. GLOBAL SECURITIES PAKISTAN LIMITED
14. HUB POWER COMPANY LIMITED (THE)
15. ITOCHU CORPORATION
16. J&P COATS PAKISTAN (PRIVATE) LIMITED
17. MERCK MARKER (PRIVATE) LIMITED
18. MERCK SHARP & DOHME OF PAKISTAN LIMITED
19. MULLER & PHIPPS PAKISTAN (PRIVATE) LIMITED
20. NEW HAMPSHIRE INSURANCE COMPANY
21. NOVARTIS PHARMA (PAKISTAN) LIMITED
22. OERLIKON - WELDING LIMITED - ZURICH
23. ONDEO NALCO GULF LIMITED

24. ORGANON PAKISTAN (PRIVATE) LIMITED
25. OXFORD UNIVERSITY PRESS
26. PAKISTAN PTA LIMITED
27. PHARMATEC PAKISTAN (PRIVATE) LIMITED
28. PHOENIX ARMOUR (PRIVATE) LIMITED
29. REUTERS LIMITED
30. ROCHE PAKISTAN LIMITED
31. ROUSCH (PAKISTAN) POWER LIMITED

The meeting was invoked with a short recitation from the Holy Quran by Mr. Hafiz Moinuddin. President, Mr. Kamran Y. Mirza chaired the meeting. He addressed:

Ladies & Gentlemen,

I welcome you to the 143rd Annual General Meeting of the Chamber. In addition to the 20 Members present in person, we have received 31 proxies from Members. These are as prescribed under Article 36 of the Chamber's Articles of Association. The quorum prescribed under Article 31 is 25% of total membership, which is 43. We therefore, constitute the necessary quorum.

The Notice convening the meeting has already been circulated, I propose that this be taken as read unless any Member wishes that it should be read. The house agreed.

The **First Item** on the Agenda is to confirm and sign the Minutes of the 142nd Annual General Meeting held on Thursday 27th June, 2002 at 11 AM. These have already been circulated to all Members and if there are no comments, I propose that these be taken as confirmed and I will now sign the Minutes.

MR. KAMRAN Y. MIRZA, PRESIDENT WHO CHAIRED THE ANNUAL GENERAL MEETING SIGNED THE MINUTES.

The **Second item** on the Agenda is to receive your Committee's Annual Report for the year 2002. President's Review and the Committee's Report have already been circulated to you. I will be pleased to answer any questions arising therefrom, and now invite discussions.

Since there are no questions forthcoming, may I PROPOSE that the Report of the Committee for the year 2002 as circulated to members be ADOPTED.

RESOLUTION PROPOSED

“THAT THE REPORT OF THE COMMITTEE FOR THE YEAR 2002 AS CIRCULATED TO MEMBERS, BE AND IS HEREBY ADOPTED”

(PROPOSED BY MS. MUSHARAF HAI
OF UNILEVER PAKISTAN LIMITED)
AND

(SECONDED BY MR. T. A. BATLAY
OF LAKSON TOBACCO COMPANY LIMITED)

The Resolution was carried unanimously.

The **Third item** on the Agenda is to pass the Audited Accounts for the year 2002. Copies are already with you and if there are any questions, I shall endeavor to reply to them.

As there were no questions, I request a Member to PROPOSE the adoption of the Accounts for the year ended 31st December, 2002 and another Member to SECOND the Resolution.

RESOLUTION PROPOSED

“THAT THE AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2002 BE AND ARE HEREBY ADOPTED”

(PROPOSED BY MR. MUHAMMAD ASLAM
OF BOC PAKISTAN LIMITED)

AND

(SECONDED BY MR. ARIF M. ALI
OF DEUTSCHE BANK AG.)

The Resolution was carried unanimously.

The **Fourth item** on the Agenda is to consider appointment of Auditors for the year 2003.

The present Auditors, Messrs. A. F. Ferguson & Company have offered themselves for re-election.

I request a Member to PROPOSE and another Member to SECOND a RESOLUTION for the appointment of Auditors.

RESOLUTION PROPOSED

“THAT MESSRS. A. F. FERGUSON & COMPANY, BE AND ARE HEREBY RE-APPOINTED AS AUDITORS FOR THE YEAR 2003 AT A FEE OF RS. 23,000 PER ANNUM”

(PROPOSED BY MR. HUMAYUN BASHIR,
OF IBM ITALIA S.p.A.)

AND

(SECONDED BY MR. YUKIO HASEGAWA
OF MITSUBISHI CORPORATION)

The Resolution was carried unanimously.

The **Fifth item** on the Agenda is to record the election of Eight Members of the Managing Committee for the year 2003 - 2004, and to receive the Scrutineers Report on the election.

Vice President, Mr. Zaffar A. Khan, President & Chief Executive of Engro Chemical Limited will succeed me and would assume the Office of the President on 1st July, 2003.

Since Mr. Farooq Rahmatullah, Country Chairman & Managing Director, Shell Pakistan Limited was the only candidate whose nomination had been received for the Office of the Vice President, an election was therefore not necessary.

Mr. Farooq Rahmatullah is accordingly ipso facto Vice President of the Chamber for the year 2003 - 2004.

This year elections were held only for the Eight Members of the Managing Committee.

Mr. Arif M. Ali and Mr. Azhar Hamid were kind enough to act as Scrutineers this year and I wish to thank both of them for having rendered this service.

I now open the envelopes and read the Scrutineers Reports on the result of the Ballot.

The result of the election is:

Members of the Managing Committee (In alphabetical order)

1. **MR. HUMAYUN BASHIR**
2. **MR. M. SALMAN BURNEY**
3. **MS. MUSHARAF HAI**
4. **MR. NADEEM KARAMAT**
5. **MR. HASAN ALI KHAN**
6. **MRS. AMEENA SAIYID**
7. **MR. SOHAIL WAJAHAT H. SIDDIQUI**
8. **MR. ZUBYR SOOMRO**

I take this opportunity to congratulate all the Members who have been elected to serve on the Managing Committee and to thank those who have not been successful for the interest they have shown in the affairs of the Chamber.

The **last item** on the Agenda is to discuss any other business for which due notice should have been given. No such notice has been received. However, I will entertain any comments from Members.

No comments were forthcoming.

I would like to take this opportunity to thank the Members of the Managing Committee and the staff of the Chamber for their cooperation and support. I would especially like to acknowledge the valuable assistance provided by the Secretary-General throughout my tenure as President.

Before closing the meeting, I would like to request Mr. Zaffar A. Khan, the President elected to say a few words.

QUOTE:

Mr. Zaffar A. Khan thanked Members for their support and also proposed a vote of thanks to the outgoing President, Mr. Kamran Y. Mirza, under whose able leadership the Chamber has benefited.

UNQUOTE:

The business of the Annual General Meeting having finished, I now request Members to join me for tea.

ZAHID ZAHEER
SECRETARY-GENERAL

ZAFFAR A. KHAN
PRESIDENT

PRESIDENT'S REVIEW – 2003

The year that has gone by has posed many challenges for Pakistan. The Country has forged ahead with the difficult task of economic reform and democratic institutional building. Macro economic stability has been achieved and reforms continues on a broad front. The economic indicators for the current year forecast further improvements in real GDP from 5.3 % to 5.5% and per capita income is estimated to rise from \$ 492 to \$ 600 (p.a.).

The Chamber was led by Mr Kamran Mirza upto 30th June, 2003 and he was succeeded by Mr Zaffar Khan as President of your Chamber who continued to lead the Chamber till 5th January, 2004, on which date he stepped down from the Office of the President and since that date I have taken over the mantle.

The year that has gone by was led by these two very able people and I am sure you will join me in thanking them for their respective contributions.

All through the year your Managing Committee continued to interact with key functionaries of the Government, some of whom are Chairman Securities & Exchange Commission of Pakistan, Chairman Export Promotion Bureau, Chairman National Tariff Commission, Chief Minister of Sindh, Governor State Bank of Pakistan and Federal Ministers for Investment & Production, Industries & Production, and Commerce.

The Chamber submitted recommendations both for the Federal Budget and the Trade Policy and these are also covered in the Committee's Report.

Meeting of the Advisory Councils of the Ministry of Finance, Commerce & Industries were also attended by the Chamber, advocating policy changes as was the meeting of the National Credit Consultative Council. Meetings were also held during the year with the World Bank, ADB, UNCTAD, Ministry of Foreign Affairs, Ministry of Interior and the International Chamber of Commerce.

Many of the above activities have been covered in detail in the Committee's Report being sent to you.

The Chamber pursued the non-implementation of IPR Laws and several events were done during the year towards achieving these objectives. The Chamber also advocated changes in the IPR Legislation. The Antidumping Legislation was also taken up with the government as was unabated smuggling of Petroleum products. The security concerns of Member Companies were also taken up with the Sindh Police and Federal Minister of Interior. The need to

have independent Members in the Regulatory Bodies like NEPRA, OGRA and PTA was also taken up with the Minister of Investment.

The Chamber can be proud of the fact that it embodies leadership from the Business Sector, which is respected by all stakeholders, including the Government, that value the advice and suggestions put forward by it either directly or through its sub-Committees.

In order to further capitalize on our strengths and to keep up with the changing world of today with its opportunities and challenges it was felt that we needed to explore new ways of working, in order to meet expectations of the members of this Chamber. In this regard your Managing Committee has formed a working group to study the current ways of working of this Chamber in the background of some best practice models available both locally and internationally. The working group has been tasked with developing a new vision and a dimensionally different role for your Chamber. Once the study and the work associated with it are completed it will require approval from the Managing Committee and your support for its implementation.

I would like to express my appreciation for the assistance and advice extended to me by the Secretary-General and the support provided by the staff of the Chamber on a wide range of issues. I would also like to take this opportunity to thank the outgoing Committee for its cooperation and support.

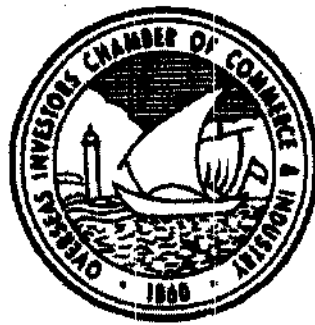
I also take this opportunity to welcome all the Members of the New Committee as they commence their term of office.

FAROOQ RAHMATULLAH
PRESIDENT

March 2004

REPORT OF THE COMMITTEE

FOR THE YEAR 2003



**THE MANAGING COMMITTEE SUBMITS TO MEMBERS
THEIR ANNUAL REPORT UPON SOME OF THE IMPORTANT
SUBJECTS DEALT WITH BY THE CHAMBER DURING THE YEAR
ENDING 31ST DECEMBER, 2003**

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➤ **CHAMBER'S MEMBERSHIP**

▪ **NEW MEMBERS**

During the period January to December 2003, following members were elected as new members of the Chamber:

1. **LUNDBECK PAKISTAN (PRIVATE) LIMITED**

F – 9, Block - 4
Hatim Alvi Road
Clifton, Karachi
Telephone 5822821 - 3
Fax 5822827

NAME OF CHIEF EXECUTIVE

Mr. Syed Aqeel Abbas Zaidi
CEO

2. **UNITED BANK LIMITED**

State Life Bldg. No. 1
I. I. Chundrigar Road
Karachi
Telephone 2400419
Fax 2411749

NAME OF CHIEF EXECUTIVE

Mr. Amar Zafar Khan
President

3. **MEEZAN BANK LIMITED**

3rd Floor, PNSC Bldg.
M T Khan Road
Karachi.
Telephone 5610582
Fax 5610375, 5611451

NAME OF CHIEF EXECUTIVE

Mr. Irfan Siddiqui
President & Chief Executive Officer

OUTGOING MEMBERS IN 2002

Following are the outgoing members during the year.

S. No.	NAME OF MEMBERS	REASONS
1	EMIRATES BANK INTERNATIONAL PJSC	Amalgamation
2	RHONE POULENC RORER (PVT.) LIMITED	
3	BANK OF CEYLON	Resignations
4	NICHIMEN CORPORATION	
5	CGU INTERNATIONAL INSURANCE PLC	Change of Ownership
6	INDOSUEZ W. I. CARR PAKISTAN (PVT.) LIMITED	
7	ATLAS LEASE LIMITED	Non-payment of dues
8	CREDIT AGRICOLE INDOSUEZ	
9	PHARMACIA PAKISTAN (PVT.) LIMITED	
10	RUPALI BANK LIMITED	

CHANGE IN NAMES OF MEMBERS

At the request of the following members, the committee approved the change in their names have been recorded in the Chamber's register as follows:

<u>Previous name</u>	<u>Present name</u>
1. BHP MINERALS INTERNATIONAL EXPLORATION INC.	TETHYAN COPPER COMPANY PAKISTAN (PRIVATE) LIMITED
2. AVENTIS CROPSCIENCE PAKISTAN (PRIVATE) LIMITED	BAYER CROPSCIENCE (PRIVATE) LIMITED
3. AVENTIS PHARMA (PAKISTAN) LIMITED	AVENTIS LIMITED
4. GLAXO WELLCOME PAKISTAN LIMITED	GLAXOSMITHKLINE PAKISTAN LIMITED
5. JARDINE FLEMING PAKISTAN (PRIVATE) LIMITED	J. P. MORGAN PAKISTAN (PRIVATE) LIMITED
6. LASMO OIL PAKISTAN LIMITED	ENI PAKISTAN LIMITED
7. STORK - IBI SCREENS INDUSTRIES (PRIVATE) LIMITED	STORK IBI PRINTS PAKISTAN (PRIVATE) LIMITED
8. COMMERCIAL UNION LIFE ASSURANCE COMPANY (PAKISTAN) LIMITED	NEW JUBILEE LIFE INSURANCE COMPANY LIMITED

CLASSIFICATION OF MEMBERS

The Membership of the Chamber as on 31st December 2003 stood at 165. List of Members in alphabetical order follows at the next page.

Classification of Membership as per country and category wise is as follows:

Country Wise

BRITISH	43
AMERICAN	42
SWISS	16
JAPANESE	11
GERMAN	08
DUTCH	07
FRENCH	06
HONG KONG	04
U.A.E	04
BELGIAN	02
SAUDI	03
BANGLADESH	01
BAHRAIN	02
CANADIAN	01
SWEDISH	01
AUSTRALIAN	01
DOHA	01
SINGAPORE	01
GREEK	01
DENMARK	01
Bermuda (South America)	01
ITALIAN	01
KUWAIT	02
MALAYSIAN	01
OMAN	01
OTHERS	<u>03</u>
	165

Category Wise

PHARMACEUTICAL INDUSTRIES	24
TRADING & OTHER SERVICES	23
OIL / GAS & ENERGY	23
BANKING	17
ENGINEERING & INDUSTRIAL PRODUCTS	17
CHEMICAL / PESTICIDES / FERTILIZERS / PAINTS	14
LEASING & FINANCIAL COMPANIES	12
FOOD & CONSUMER PRODUCTS	14
SHIPPING & AIRLINES	10
TOBACCO & OTHER MANUFACTURING COMPANIES	07
INSURANCE	<u>04</u>
	165

Note: Fifty member companies are quoted at Karachi Stock Exchange.

LIST OF MEMBERS – AS AT 31ST DECEMBER 2003

1. *ABB (PRIVATE) LIMITED*
2. *ABBOTT LABORATORIES (PAKISTAN) LIMITED*
3. *ABN AMRO BANK N.V.*
4. *ACE INSURANCE LIMITED*
5. *AES LAL PIR LIMITED*
6. *ALBARAKA ISLAMIC BANK B.S.C. (E.C.)*
7. *ALCATEL PAKISTAN LIMITED*
8. *ALSTOM PAKISTAN (PRIVATE) LIMITED*
9. *AMERICAN EXPRESS BANK LIMITED*
10. *ARABIAN SEA ENTERPRISES LIMITED*
11. *ATLAS INVESTMENT BANK LIMITED*
12. *ATTOCK CEMENT PAKISTAN LIMITED*
13. *ATTOCK OIL COMPANY LIMITED (THE)*
14. *ATTOCK REFINERY LIMITED*
15. *AVENTIS LIMITED*
16. *AVERY SCALES (PRIVATE) LIMITED*
17. *BANK OF TOKYO - MITSUBISHI LIMITED*
18. *BARRETT HODGSON PAKISTAN (PRIVATE) LIMITED*
19. *BASF PAKISTAN (PRIVATE) LIMITED*
20. *BATA PAKISTAN LIMITED*
21. *BAYER CROPSCIENCE (PRIVATE) LIMITED*
22. *BAYER PAKISTAN (PRIVATE) LIMITED*
23. *BECTON DICKINSON PAKISTAN (PRIVATE) LIMITED*
24. *BERGER PAINTS PAKISTAN LIMITED*
25. *BLACKWOOD HODGE PAKISTAN (PRIVATE) LIMITED*
26. *BOC PAKISTAN LIMITED*
27. *BP PAKISTAN EXPLORATION & PRODUCTION, INC.*
28. *BRISTOL-MYERS SQUIBB PAKISTAN (PRIVATE) LIMITED*
29. *BSN MEDICAL (PRIVATE) LIMITED*
30. *CADBURY PAKISTAN LIMITED*
31. *CALTEX OIL (PAKISTAN) LIMITED*
32. *CDC CAPITAL PARTNERS*
33. *CHIESI PHARMACEUTICALS (PRIVATE) LIMITED*
34. *CITIBANK N.A.*
35. *CLARIANT PAKISTAN LIMITED*
36. *COCA-COLA BEVERAGES PAKISTAN LIMITED*
37. *COCA-COLA EXPORT CORPORATION (THE)*
38. *CONTINENTAL BISCUITS LIMITED*
39. *COX & KINGS (AGENTS) LIMITED*
40. *DADEX ETERNIT LIMITED*
41. *DAWOOD HERCULES CHEMICALS LIMITED*
42. *DELPHI DIESEL SYSTEMS PAKISTAN (PRIVATE) LIMITED*
43. *DEUTSCHE BANK AG*
44. *DOHA BANK*
45. *DUPONT FAR EAST INC.*
46. *ELI LILLY PAKISTAN (PRIVATE) LIMITED*
47. *ENGRO ASAHI POLYMER & CHEMICALS LIMITED*
48. *ENGRO CHEMICAL PAKISTAN LIMITED*
49. *ENGRO YOPAK TERMINAL LIMITED*
50. *ENI PAKISTAN LIMITED*
51. *EQUITY INTERNATIONAL (PRIVATE) LIMITED*
52. *EXIDE PAKISTAN LIMITED*
53. *FAUJI OIL TERMINAL & DISTRIBUTION COMPANY LIMITED*

54. FAYSAL BANK LIMITED
55. GENERAL TYRE & RUBBER COMPANY OF PAKISTAN LIMITED (THE)
56. GESTETNER (PRIVATE) LIMITED
57. GETZ PHARMA PAKISTAN (PRIVATE) LIMITED
58. GILLETTE PAKISTAN LIMITED
59. GLAXOSMITHKLINE PAKISTAN LIMITED
60. GLOBAL SECURITIES PAKISTAN LIMITED
61. HABIB BANK AG ZURICH
62. HINOPAK MOTORS LIMITED
63. HONGKONG & SHANGHAI BANKING CORPORATION LIMITED (THE)
64. HUB POWER COMPANY LIMITED (THE)
65. IBM ITALIA S.p.A
66. ICI PAKISTAN LIMITED
67. ICI PAKISTAN POWERGEN LIMITED
68. INDUS MOTOR COMPANY LIMITED
69. INDUSTRIAL PROMOTION SERVICES (PAKISTAN) LIMITED
70. INTERNATIONAL FINANCE INVESTMENT & COMMERCE BANK LIMITED
71. INTERNATIONAL HOUSING FINANCE LIMITED
72. INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED
73. ITOCHU CORPORATION
74. J&P COATS PAKISTAN (PRIVATE) LIMITED
75. JAMES FINLAY LIMITED
76. JOHNSON & JOHNSON PAKISTAN (PRIVATE) LIMITED
77. JOHNSON & PHILLIPS (PAKISTAN) LIMITED
78. J. P. MORGAN PAKISTAN (PRIVATE) LIMITED
79. KARACHI INTERNATIONAL CONTAINER TERMINAL LIMITED
80. KHADIM ALI SHAH BUKHARI & COMPANY LIMITED
81. KLM ROYAL DUTCH AIRLINES
82. KODAK LIMITED
83. KSB PUMPS COMPANY LIMITED
84. LAKSON TOBACCO COMPANY LIMITED
85. LUFTHANSA CARGO AG
86. LUNDBECK PAKISTAN PRIVATE LIMITED
87. 3M PAKISTAN (PRIVATE) LIMITED
88. M-I OVERSEAS LIMITED
89. MACKINNON, MACKENZIE & COMPANY OF PAKISTAN (PRIVATE) LIMITED
90. MASHREQBANK PSC
91. MEEZAN BANK LIMITED
92. MERCK MARKER (PRIVATE) LIMITED
93. MERCK SHARP & DOHME OF PAKISTAN LIMITED
94. MITSUBISHI CORPORATION
95. MITSUI & COMPANY LIMITED
96. MULLER & PHIPPS PAKISTAN (PRIVATE) LIMITED
97. NCR CORPORATION
98. NESTLE MILKPAK LIMITED
99. NEW HAMPSHIRE INSURANCE COMPANY
100. NEW JUBILEE LIFE INSURANCE COMPANY LIMITED
101. NIMIR CHEMICALS PAKISTAN LIMITED
102. NOVARTIS PHARMA (PAKISTAN) LIMITED
103. OERLIKON-WELDING LIMITED – ZURICH
104. OMAN INTERNATIONAL BANK S. A. O. G.
105. ONDEO NALCO GULF LIMITED
106. ORGANON PAKISTAN (PRIVATE) LIMITED
107. ORIX LEASING PAKISTAN LIMITED
108. OTSUKA PAKISTAN LIMITED
109. OXFORD UNIVERSITY PRESS

110. P&O CONTAINERS PAKISTAN (PRIVATE) LIMITED
111. PAK - ARAB REFINERY LIMITED
112. PAKCOM LIMITED
113. PAK OMAN INVESTMENT COMPANY (PRIVATE) LIMITED
114. PAKISTAN CABLES LIMITED
115. PAKISTAN GUM & CHEMICALS LIMITED
116. PAKISTAN GUM INDUSTRIES (PRIVATE) LIMITED
117. PAKISTAN INTERNATIONAL COMPUTERS LIMITED
118. PAKISTAN MOBILE COMMUNICATIONS (PRIVATE) LIMITED
119. PAKISTAN OILFIELDS LIMITED
120. PAKISTAN PETROLEUM LIMITED
121. PAKISTAN PTA LIMITED
122. PAKISTAN TOBACCO COMPANY LIMITED
123. PAKTEL LIMITED
124. PARKE DAVIS & COMPANY LIMITED
125. PEPSI-COLA INTERNATIONAL (PRIVATE) LIMITED
126. PHARMATEC PAKISTAN (PRIVATE) LIMITED
127. PHILIPS ELECTRICAL INDUSTRIES OF PAKISTAN LIMITED
128. PHOENIX ARMOUR (PRIVATE) LIMITED
129. PREMIER - KUFPEC PAKISTAN B.V.
130. PROCTER & GAMBLE PAKISTAN (PRIVATE) LIMITED
131. PROGAS PAKISTAN LIMITED
132. QASIM INTERNATIONAL CONTAINER TERMINAL PAKISTAN LIMITED
133. RAFHAN BEST FOODS LIMITED
134. RAFHAN MAIZE PRODUCTS COMPANY LIMITED
135. RAY SHIPPING ENTERPRISES LIMITED
136. RECKITT BENCKISER PAKISTAN LIMITED
137. REUTERS LIMITED
138. RHODIA PAKISTAN (PRIVATE) LIMITED
139. ROCHE PAKISTAN LIMITED
140. ROUSCH (PAKISTAN) POWER LIMITED
141. ROYAL & SUN ALLIANCE INSURANCE plc
142. SAUDI PAK INDUSTRIAL & AGRICULTURAL INVESTMENT COMPANY (PRIVATE) LIMITED
143. S. C. JOHNSON & SON OF PAKISTAN (PRIVATE) LIMITED
144. SCHERING ASIA GmbH
145. SECURITY LEASING CORPORATION LIMITED
146. SGS PAKISTAN (PRIVATE) LIMITED
147. SHEIKHOO SUGAR MILLS LIMITED
148. SHELL GAS LPG (PAKISTAN) LIMITED
149. SHELL PAKISTAN LIMITED
150. SIEMENS PAKISTAN ENGINEERING COMPANY LIMITED
151. SINGER PAKISTAN LIMITED
152. STANDARD CHARTERED BANK
153. STORK - IBI PRINTS PAKISTAN (PRIVATE) LIMITED
154. SYNGENTA PAKISTAN LIMITED
155. TAPAL ENERGY (PRIVATE) LIMITED
156. TETHYAN COPPER COMPANY PAKISTAN (PRIVATE) LIMITED
157. TETRA PAK PAKISTAN LIMITED
158. TOTAL ATLAS LUBRICANTS PAKISTAN (PRIVATE) LIMITED
159. TYCO FIRE & SECURITY PAKISTAN (PRIVATE) LIMITED
160. UNILEVER PAKISTAN LIMITED
161. UNION BANK LIMITED
162. UNISYS PAKISTAN (PRIVATE) LIMITED
163. UNITED BANK LIMITED
164. UNITED LINER AGENCIES OF PAKISTAN (PRIVATE) LIMITED
165. WYETH PAKISTAN LIMITED

**CHAMBER REPRESENTATIONS ON VARIOUS BODIES
FOR THE YEAR 2003-2004**

REPRESENTATION

- | | | | |
|-----|--|-------------|---|
| 1. | Managing Committee of the
Federation of Pakistan
Chambers of Commerce & Industry | (Alternate) | President
Vice President |
| 2. | Board of Governors-Foreign
Trade Institute of Pakistan, Islamabad | (Alternate) | President
Secretary-General |
| 3. | Board of Governors
Pakistan Institute of
Management Karachi | | Representation
withdrawn |
| 4. | Advisory Council for
the Ministry of Finance | (Alternate) | President
Secretary-General |
| 5. | Advisory Council for
the Ministry of Commerce | (Alternate) | Vice President
Secretary-General |
| 6. | Advisory Council for
the Ministry of Industries | (Alternate) | President
Secretary-General |
| 7. | Board of Investment, Islamabad | (Alternate) | President
Secretary-General |
| 8. | Board of Investment, Karachi
Investment Facilitation Board (Alternate) | | Vice President
Chairman of Standing Sub
Committee on Industrial &
Commercial Matters |
| 9. | Board of Investment &
Trade Promotion Punjab | (Alternate) | Vice President
Chairman of Standing Sub
Committee on Industrial &
Commercial Matters |
| 10. | Board of Trustees -
Karachi Port Trust | (Alternate) | Mr. M. Moonis
Secretary-General |
| 11. | Shipping Rates Advisory Board (SRAB)
(Ports & Shipping Wing)
Ministry of Communications | | Secretary-General |
| 12. | Standing Committee on International
Maritime Organization (IMO)
Ministry of Communications | | Secretary-General |

- | | | |
|--|-------------|--|
| 13. <i>National Engineering
Manufacturers Export Council</i> | (Alternate) | <i>Chairman of Standing Sub
Committee on Industrial &
Commercial Matters
Co-Chairman of the above</i> |
| 14. <i>Sindh Industries Facilities Board</i> | (Alternate) | <i>Chairman of Standing Sub
Committee on Industrial &
Commercial Matters
Co-Chairman of the above</i> |
| 15. <i>Sindh Social Securities Board</i> | (Alternate) | <i>To be nominated by the
Chairman of Standing Sub
Committee on Labour &
Employee Relations
Co-Chairman of the above</i> |
| 16. <i>Advisory Committee for the
Regional Commissioner of
Income Tax and Wealth Tax</i> | (Alternate) | <i>Chairman of Standing Sub
Committee on Taxation
Co-Chairman of the above</i> |
| 17. <i>Karachi Port Trust
Port Council</i> | | <i>Captain M. A. Siddiqui of
United Liner Agencies of
Pakistan (Private) Limited</i> |
| 18. <i>Karachi Dock Labour Board</i> | | <i>Chairman of Standing Sub
Committee on Ports,
Communications & Shipping Matters.</i> |
| 19. <i>Merchant Navy Club</i> | | <i>Chairman of Standing Sub
Committee on Ports,
Communications & Shipping Matters</i> |
| 20. <i>Managing Committee of the
Employers Federation of Pakistan</i> | (Alternate) | <i>To be nominated by the
Chairman of Standing Sub
Committee on Labour &
Employee Relations
Co-Chairman of the above</i> |
| 21. <i>Member of Governing Body -
Workers Welfare Fund</i> | | <i>To be nominated by the
Chairman of Standing Sub
Committee on Labour & Employee
Relations</i> |
| 22. <i>Advisory Committee on
Customs & Sales Tax</i> | (Alternate) | <i>Chairman of Standing Sub
Committee on Taxation
Co-Chairman of Standing
Sub Committee on Industrial &</i> |

- Commercial Matters*
23. *Consultative Committee on Industrial Research* *Dr. Farid Khan,
Novartis Pharma (Pakistan)
Limited*
24. *Export Processing Zone Authority* *Chairman of Standing Sub
Committee on Industrial &
Commercial Matters*
- (Alternate)*
25. *Valuation Advisory Committee (ITP) of Collector of Customs Valuation* *Co-Chairman of the above
Chairman of Standing Sub
Committee on Industrial &
Commercial Matters*
- (Alternate)*
26. *Government of Sindh Labour Advisory Board* *To be nominated by the
Chairman of Standing Sub
Committee on Labour & Employee
Relations*
27. *National Credit Consultative Council (NCCC)* *President*
28. *Pakistan Environmental Protection Council (PEPC)* *President
Chairman of Standing Sub
Committee on Environmental
Matters*
- (Alternate)*
29. *Technical Experts Committee of the Ministry of Environment* *Co-Chairman of Standing Sub
Committee on Environmental
Matters*
30. *Committee of Investment (Sindh)* *Chairman of Standing Sub
Committee on Industrial &
Commercial Matters*
31. *Provincial Environment Monitoring Committee on NEQS* *Co-Chairman of Standing Sub
Committee on Environmental
Matters*
32. *National Statistical Council* *Secretary-General*

**NOMINATIONS OF CHAMBER'S REPRESENTATIVES TO
FPCC&I MANAGING COMMITTEE & GENERAL BODY FOR THE
NEXT TWO YEARS TERM BEGINNING 1ST JANUARY, 2003**

- MANAGING COMMITTEE OF FPCC&I

President

GENERAL BODY OF FPCC&I

Representing Trade:

*Mr. Zaffar A. Khan
Mr. Hasan Ali Khan*

Representing Industry:

*Mr. Farooq Rahmatullah
Mr. Sohail Wajahat H. Siddiqui*

➤ **MANAGING COMMITTEE**

• **MEETINGS OF THE MANAGING COMMITTEE**

During the year under review, the Managing Committee held its meetings on 7th January, 4th February, 20th March, 8th April, 8th May and 20th June, 2003. Minutes of the above meeting have been duly circulated to all members.

At the 143rd Annual General Meeting held on 20th June, 2003 following Members were elected to the Managing Committee for the year 2003 - 2004:

PRESIDENT

MR. ZAFFAR A. KHAN

ORGANIZATION

ENGRO CHEMICAL PAKISTAN LTD.

VICE PRESIDENT

MR. FAROOQ RAHMATULLAH

SHELL PAKISTAN LIMITED

MEMBERS (in alphabetical order)

- | | |
|------------------------------|-------------------------------|
| 1. MR. HUMAYUN BASHIR | IBM ITALIA S.p.A |
| 2. MR. SALMAN BURNEY | GLAXOSMITHKLINE PAKISTAN LTD. |
| 3. MS. MUSHARAF HAI | UNILEVER PAKISTAN LTD. |
| 4. MR. NADEEM KARAMAT | AMERICAN EXPRESS BANK |
| 5. MR. HASAN ALI KHAN | CONTINENTAL BISCUITS LIMITED |
| 6. MS. AMEENA SAIYID | OXFORD UNIVERSITY PRESS |
| 7. MR. SOHAIL W. H. SIDDIQUI | SIEMENS PAK. ENGG. CO. LTD |
| 8. MR. ZUBYR SOOMRO | CITIBANK N. A. |

• **MANAGING COMMITTEE CO-OPTION**

The following three additional members were co-opted to the Managing Committee on 17th July 2003.

NAME:

ORGANIZATION

MR. JEREMY PIKE	PAKISTAN TOBACCO LTD
MR. JONATHAN R STONEY	ICI PAKISTAN LTD.
MR. MASAMI MIZUKAMI	MITSUI & COMPANY LTD.

• **FURTHER MEETINGS OF NEW MANAGING COMMITTEE**

The incoming Managing Committee held meetings on 17TH July, 5TH August, 2ND September, 22ND September, 7th October, 4th November and 18th December, 2003.

- **ACTIVITIES OF THE MANAGING COMMITTEE**

- **LISTED COMPANIES (SUBSTANTIAL ACQUISITION OF SHARES) ORDINANCE 2002**

Mr. Khalid Mirza, Chairman, Securities & Exchange Commission of Pakistan was invited to the Chamber on 10th January 2003 and discussed with the members amendments to be made in listed Companies (Substantial Acquisition of Shares) Ordinance 2002. On 18th February 2003 Chamber addressed Chairman Securities & Exchange Commission of Pakistan, outlining the issue which can be seen in **Appendix 1**

- **FEDERAL BUDGET (2003 - 2004) PROPOSALS**

Suggestions for the federal budget 2003 – 2004 were invited from the members. Based on the replies received from the members, the sub committee had detailed discussion on each proposal. Company specific proposals which did not have general applicability were excluded. The budget proposals were sent to the Government on 28th March 2003. Summary of the proposals can be seen in **Appendix 2**

- **MEETING WITH MR. TARIQ IKRAM, MINISTER OF STATE & CHAIRMAN EXPORT PROMOTION BUREAU**

Mr. Tariq Ikram Minister for State and Chairman Export Promotion Bureau visited the Chamber on 5th April 2003 and met the members of the Managing Committee. The President and few Head of the member firms present in the meeting identified areas where exports could be enhanced. However it was emphasized by members that without bringing down cost of production and port handling charges the MNCs would not be able to enhance exports.

- **TRADE POLICY PROPOSAL 2003 - 2004**

The Chamber's Trade Policy Proposals for the year 2003 – 2004 were finalized by 23rd April 2003 & the proposals were forwarded to the Ministry of Commerce on 24th April 2003. Summary of the proposals can be seen in **Appendix 3**. Detail proposals can be seen on our website www.oicci.org.

Chamber's trade policy proposals were subsequently followed up on 10th July 2003 with Mr. Humayun Akhtar Khan Federal Minister of Commerce. This meeting was attended by President, Secretary General and Chairman of standing sub committee on Industrial & Commercial Matters. The OICCI members highlighted the following issues during the meeting.

1. Tariff not to be used for revenue generation
2. Need for cascading of tariffs.
3. Expansion of trade with India
4. Early resolution of conflicts / disputes between Inter Governmental agencies.
5. High cost of manufacturing.

After the announcement of the Trade Policy the Chamber released a press note on 22nd July 2003 which can be seen in **Appendix 3 A**

- **MEETING WITH MINISTER FOR INDUSTRIES & PRODUCTION**

Mr. Liaquat Ali Jatoi, Federal Minister for Industries & Production was invited to the Chamber on 8th May 2003 and met the members of the Managing Committee and some Head of member companies. Issues discussed during the meeting are enumerated below.

- a. Proposals to accelerate the inflow of Direct Foreign Investment
- b. Consistency and implementation of the government's policies
- c. Rationalization of tariffs.
- d. Rationalization of over protective labour laws
- e. Improvement in law & order
- f. Investment in social sector education and health
- g. Improvement in current infrastructure
- h. An equitable tax system
- i. IPR issues

Welcome address on the occasion of his visit can be seen in **Appendix 4**.

Subsequently a letter dated 12th May, 2003, addressed to the Minister suggesting the government to set up a central authority to deal with IPR issues can be seen in **Appendix 5**

- **CHAIRMAN NATIONAL TARIFF COMMISSION**

Dr. Faizullah Khilji was invited to the Chamber on 14th May 2003 and met the members of the Managing Committee and some of the members. Welcome address delivered on occasion of his visit can be seen in **Appendix 6**

The issues discussed during the meeting are summarized below:-

- a) Impact of WTO on all sectors of the economy.
- b) Rationalization of tariff on raw materials
- c) Consistency in laws
- d) High Cost of doing business in Pakistan
- e) Sub standard items sold at very low prices in domestic market.
- f) Dumping investigations & anti-dumping legislation.

Chamber's letter dated 15th April 2003 to Federal Commerce Minister on anti-dumping legislation can be seen in **Appendix 16**

- **INTELLECTUAL PROPERTY RIGHTS ISSUES**

Dr. Abdul Hafeez Shaikh, Advisor to Prime Minister on Investment and Privatization was invited to the Chamber on 20th March 2003 and met the members. Issues relating to violation of IPRs, were discussed. Speech delivered on occasion of his visit can be seen in **Appendix 7**

The Chamber addressed the Advisor to the Prime Minister on Privatization and Board of Investment on its concern on violation of IPR's and sale of counterfeit products vide its letter dated 21st March 2003. This can be seen in **Appendix 8**

Subsequently in response to the above letter Board of Investment asked the Chamber to identify the relevant provisions of IPR laws that required

changes. A letter dated 15th April 2003, addressed to Dr. Abdul Hafeez Shaikh can be seen in **Appendix 9**, details of the changes proposed can be seen on our website www.oicci.org

- **DISCUSSION WITH REGISTRAR – TRADE MARK REGISTRY**

Mr. Muhammad Mohsin Registrar Trade Marks Registry Government of Pakistan visited the Chamber on 25th March 2003 and met members of Intellectual Property Rights sub committee. The problems of counterfeiting and Trade Mark infringement faced by the members were discussed. Minutes have been posted on our website.

- **SEMINAR ON VIOLATION OF IPR**

A Seminar on IPR was organized by OICC&I for journalists in Karachi on 10th May 2003. The aim of the seminar was to apprise the journalist about the damage that IPR laws violation had done to legitimate companies. President OICC&I in his welcome address informed the participants that IPR violations were not only hurting the foreign investment but to a number of local manufacturers. Co-chairman of IPR sub committee talked about counterfeiting and Trade Mark infringement. Representative of Shell Pakistan Limited spoke on counterfeit lubricants in Pakistan. Representative of Bristol Myers spoke on infringement of patents and woes of pharmaceutical industry.

- **PRESS BRIEFING ON COUNTERFEITING & TRADE MARK INFRINGEMENT**

A press briefing on counterfeiting and Trade Mark infringement was held in Islamabad on 10th May 2003 by OICCI. The issue was selected in view of the growing concern among local and foreign companies. Speakers talked about counterfeiting and Trademark infringement and how consumers and government are cheated.

- **IPR SEMINAR FOR JUDICIARY**

An IPR seminar for the judiciary was held on 23rd October in Sheraton Hotel Karachi under the auspices of PIPRA and Sindh Bar Association. Mr. Salman Burney, co-chairman of sub committee gave a presentation on behalf of the President. He emphasized that the extent of counterfeiting in consumer & pharma products had increased. He called upon the government to take necessary steps in this regard.

- **MEETING WITH INSPECTOR GENERAL OF SINDH POLICE**

Syed Kamal Shah, Inspector General of Police Sindh visited the Chamber on 21st May 2003 and met the members of the Managing Committee and Head of Member companies. Following issues were discussed.

- a) Law and order situation in Sindh.
- b) Kidnapping of Shell employees
- c) Regular liaison with Police authorities.
- d) Measures for decreasing the incident of car lifting
- e) Installation of surveillance system.
- f) Refresher training of security staff employed by MNCs.

- **THREAT LEVELS BASED ON INFORMATION RECEIVED**

The working group of Chamber's standing sub committee on Security Law and order during a meeting held on 17th October 2003 emphasized that due to prevailing security law and order situation there was a need to formulate strategy. The member companies personnel have at times being targeted by terrorist / extremists / criminal elements. To mitigate the feeling of prevailing insecurity there was a need to establish close liaison with law enforcing agencies. The working group defined the threat levels which can be seen in **Appendix 10**

- **MEETING OF WORKING GROUP WITH DIRECTOR GENERAL RANGERS SINDH**

Chairman along with members of the working group on Security Law & Order met DG Rangers in his office on 15th December 2003. Major General Salahuddin assured the forum his full support in terms of assistance to be provided to OICC&I members. Minutes of the meeting can be seen at **Appendix 11**

- **MEETING WITH DIG (OPERATIONS) SINDH POLICE**

Members of the working group on Security Law & Order met Mr. Tariq Jamil DIG Operations in his office on 15th December 2003. He emphasized that he considered the security of MNCs as very important function and agreed to provide assistance to address the security concerns of MNCs. Minutes of the meeting can be seen at **Appendix 12**.

- **PRESENTATION ON KIDNAPPING AND CAR SNATCHING BY CHIEF CPLC**

Mr. Sharfuddin Memon Chief CPLC was invited to give a presentation in the Chamber on 17th December 2003 to all members of standing sub committee on Security Law and order. Personal precautionary measures to be taken to reduce the risk of becoming the target / victim of criminal activity can be seen at our website.

- **SIGNIFICANT CORRESPONDENCE**

- **LETTER TO PRIME MINISTER**

Chamber's letter dated 10TH January, 2003 to the Prime Minister of Pakistan drawing his attention to a pamphlet distributed in Province of Balochistan and NWFP by "Al Khidmat Trust" to create public opinion against the use of products manufactured by Multinational Companies. This can be seen in **Appendix 13**

- **SHIPPING RATES ADVISORY BOARD**

Chamber's letter dated 30TH January 2003 to Secretary Ministry of Communications submitting comments under which the Federal Government has vested itself with powers to regularize & determine charges to be levied by shipping companies and shipping agents can be seen in **Appendix 14**

- **ADJUSTMENTS OF PRICES OF PHARMACEUTICAL PRODUCTS**

Chamber wrote on 31st March 2003 to Federal Minister of Commerce, highlighting the current problems faced by pharmaceutical companies alongwith recommendations can be seen in **Appendix 15**

- **ANTIDUMPING LEGISLATION – INCONSISTENCIES AND CONCERNS**

Chambers letter dated 15th April 2003 to Federal Minister of Commerce apprising him the issues and concerns regarding the anti-dumping duties ordinance 2000. This can be seen in **Appendix 16**

- **COMPARATIVE REVIEW OF PATENTS (AMENDMENT) ORDINANCE 2002 WITH PATENT ORDINANCE 2000 - CHANGES REQUIRED IN LAW**

Chambers letter dated 9th May 2003 to Advisor to the Prime Minister on Privatization and Board of investment identifying the changes to be made in Patent Ordinance 2002 along with a comparative review. This can be seen in **Appendix 17**

- **PATENTS (AMENDMENT) ORDINANCE 2002**

Chamber wrote on 12th May 2003 to Federal Minister of Commerce for requesting him to initiate a review and repeal the Patent Amendments of 2002 in order to make it TRIPs compliant. This can be seen in **Appendix 18**

- **PROPOSED EMPLOYERS SALARY CERTIFICATE INCOME TAX YEAR ENDING 30TH JUNE 2003**

Chambers letter dated 12th May 2003 to Member Direct Taxes, CBR on concern of the members of the chamber regarding the new salary certificate. This can be seen in **Appendix 19**.

- **FUNCTIONING OF LARGE TAX PAYERS UNIT**

Chamber wrote on 20th June 2003 to Chairman Board of Revenue expressing deep concern and alarm at the discretion of misinterpretation of certain tax laws to achieve the short term objectives of the LTU. This can be seen in **Appendix 20**

- **VIOLENT ATTACKS ON SHELL / CALTEX PETROL PUMPS**

Chamber's letter dated 16th May 2003 to President, and other concerned authorities regarding concern and anguish on violent attacks on MNCs' petrol pumps in Karachi, and non recovery of 2 Shell employees kidnapped on 11th April 2003. This can be seen in **Appendix 21**

- **PROPOSALS FOR ELIMINATING SMUGGLING OF POL ITEMS FROM IRAN & AFGHANISTAN**

Chamber wrote on 9th July 2003 to Minister for Petroleum and Natural Resources on the above subject. The proposals for eliminating smuggling along with the recommendations can be seen in **Appendix 22**

- **ENERGY SECTOR ISSUES**

Chamber's letter dated 9th July 2003 addressed to Secretary Pakistan Petroleum Exploration and Production Companies Association offering assistance in coordination with them for taking up the subject issues with the government. This can be seen in **Appendix 23**

- **REQUEST FOR AMENDING SECTION 73 OF SALES TAX**

Chamber's letter to Member Sales Tax CBR dated 24th September 2003 for drawing their attention regarding certain changes made in section 73 and incorporated in the Finance Act 2003. The changes made in the act were difficult to implement. This can be seen in **Appendix 24**

- **FILING OF INCOME TAX RETURN**

Chamber wrote on 24th September 2003 to Chairman Central Board of Revenue apprising him about the confusion created in minds of employees and tax assesses with the introduction of new income tax form and requesting them for extending the filing date of tax return. This can be seen in **Appendix 25**

- **COMPOSITION OF THE BOARD OF KARACHI PORT TRUST**

Chambers letter dated 1st October 2003 to Federal Minister of Communication for reinstating the chambers representation on the Board of Karchi Port Trust. This can be seen in **Appendix 26**

- **POOR IMPLEMENTATION OF IPR LAWS**

Chamber approached the Federal Minister of Commerce vide their letter dated 8th October 2003 on the subject for taking remedial measures and curtailing this inappropriate practice. This can be seen in **Appendix 27**

- **TRANSPORTATION OF FUEL TO UPCOUNTRY**

Chamber's letter dated 22nd October 2003 to Federal Minister of Communication for taking necessary measures in improving the road conditions due to which the transportation of fuel to upcountry being delayed. This can be seen in **Appendix 28**

- **PETROLEUM PRODUCTS SMUGGLING FROM IRAN AND AFGHANISTAN**

The Federal Minister of Interior was addressed on the above subject vide Chamber's letter dated 22nd October 2003. This can be seen in **Appendix 29**

- **REVIEW OF PATENTS ORDINANCE 2000 – PROPOSALS FOR ENHANCEMENT OF PENALTIES**

Chamber letter dated 3rd November 2003 to Ministry of Industries and Production apprising them to include the issue of Patent's Ordinance 2002 being non compliant with TRIPS agreement on the agenda. This can be seen in **Appendix 30**

- **INDEPENDENCE OF REGULATORY BODIES**

Chamber wrote on 10th November 2003 to Minister of Investment and Privatization on concerns regarding independence of regulatory bodies like NEPRA PEMRA and PTA not having independent members. This can be seen in **Appendix 31**

- **INDUSTRIAL RELATIONS ORDINANCE 2002**

Chamber's wrote on 20th November 2003 to Minister of Labour Manpower & Overseas Pakistanis apprising him about the problems relating Industrial Relation Ordinance 2002 and inviting him to the chamber for discussing the proposals relating to IRO 2002. This can be seen in **Appendix 32**

- **FUELING AT ALLAMA IQBAL INTERNATIONAL AIRPORT LAHORE**

Director General Civil Aviation was addressed vide Chamber's letter dated 18th December 2003 requesting him to resolve the issue of supply of JET - AL fuel at the Allama Iqbal Airport. This can be seen in **Appendix 33**

- **OTHER ACTIVITIES INCLUDING SEMINAR, WORKSHOPS, CONFERENCES AND PRESENTATION**

17TH MARCH WORKSHOP ON RESPONSIBILITIES OF DIRECTORS AND MANAGEMENT OF LISTED COMPANIES

The subject workshop was organised by Securities and Exchange Commission of Pakistan in Karachi. This was attended by Secretary General

19 – 20 APRIL INTERNATIONAL CONFERENCE / EXHIBITION ON INVESTMENT & PRIVATIZATION IN OIC COUNTRIES

The above seminar / exhibition was organized by Board of Investment in Islamabad and was attended by President and Secretary General

24TH JULY 2003 DISCUSSION CUM SEMINAR ON INVESTMENT OF PROVIDENT FUNDS PENSION FUNDS AND GRATUITY FUNDS

The subject seminar was organized by Akhtar and Hasan in Karachi and was attended by Secretary General

27TH JULY 2003 SEMINAR ON GLOBAL ECONOMIC CHALLENGES THE ROLE OF FOREIGN OFFICE

The above seminar was organized by Ministry of Foreign Affairs in Islamabad and was attended by Secretary General. The discussion centered around the role which the envoys of Pakistan can play in WTO matters. The meeting was chaired by the foreign Minister and attended by Pakistan's Ambassador to major countries.

8 – 9 AUGUST 2003 CONFERENCE ON WTO / GATS - THE STATE OF PREPAREDNESS

A conference on the subject was organized by the Institute of Chartered Accountants of Pakistan Lahore. This was attended by the President and Secretary General. A paper on Global Trade Negotiations was presented by Secretary General during the conference.

9 – 11 DECEMBER 2003 WORLD BANK SOUTH ASIA REGIONAL WORKSHOP ON INVESTMENT CLIMATE

World Bank Islamabad invited the Secretary General to participate in the Regional Workshop on the Investment Climate held in Colombo, Srilanka. Secretary General attended the conference and made a presentation in the opening session.

12TH DECEMBER 2003 PRESENTATION BY ICC KARACHI ON IPR

International Chamber of Commerce Karachi Chapter made a presentation on Copyrights and Intellectual Property Rights in the Chamber. The members of Chambers standing sub committee on IPR attended this presentation.

17TH DECEMBER 2003 PRESENTATION ON PORT SAFETY SHIP QUALITY ASSURANCE AND ENVIRONMENT

A presentation on the subject was made by Shell Pakistan to members of Chambers Standing Sub committee on Environment and Ports Communications and Shipping in the Chamber's premises.

17TH DECEMBER 2003 SEMINAR ON STRENGTHENING INDUSTRIAL COMPETITIVENESS THROUGH QUALITY MANAGEMENT

The above seminar was organized by Ministry of Industries and Production and UNIDO in Islamabad. This was attended by Secretary General

• **SIGNIFICANT MEETINGS HELD IN THE CHAMBER**

21ST May 2003 VISIT OF CEO ARABIAN ANTI PIRACY ALLIANCE

Mr. Scott Butler Chief Executive Officer AAPA Dubai UAE along with Mr. Tariq Rangoonwala Chairman ICC Pakistan and Mr. Afaque A Khan Director Pulse Global Home Video visited the Chamber and met the President, Mr. Humayun Bashir and Secretary General

20TH AUGUST 2003 PAKISTAN'S HIGH COMMISSIONER (DESIGNATE) TO THE COURT OF ST. JAMES

Dr. Maliha Lodhi Pakistan High Commissioner (Designate) to the Court of St. James visited the Chamber and met the Managing Committee and a few Heads of British Companies.

20TH AUGUST 2003**WORLD BANK MISSION ISLAMABAD**

Dr Asiya Akhlaque and Dr. Zia Jalal from the World Bank Mission Islamabad Office visited the Chamber and met the Secretary General along with representatives from Unilever, Engro Chemicals BOC, and ICI. They discussed functions of Central Board of Revenue and LTU

14TH OCTOBER 2003**ASIAN DEVELOPMENT BANK TEAM**

A meeting was held on ADB facility of Insurance cover for terrorism and sabotage. The ADB team was represented by Mr. Werner E Liepach Mr. Daniel Wagner Guarantee and Risk Mangement Advisor and Mr. Nicholas Robson, Partner JLT Risk Solutions. The Chamber was represented by Mr. Mujib Khan & Mr. S Umer Ali Shah

- **SIGNIFICANT MEETINGS HELD OUTSIDE THE CHAMBER**

8TH JANUARY 2003**MEETING OF THE SHIPPING RATES
ADVISORY BOARD (SRAB)**

A meeting was held in Ministry of Communications (Ports & Shipping Wing) Karachi. Mr. S H A Bukhari (Mackinnon Mackenzie) and Secretary General attended the meeting.

13TH TO 15TH JAN 2003**18TH ANNUAL GENERAL MEETING OF
PAKISTAN SOCIETY OF DEVELOPMENT
ECONOMISTS**

The above meeting was held in Islamabad. The theme of the meeting was Regulation, competition and information. This was attended by Secretary General

29TH MARCH 2003**4TH MEETING OF NEQS IMPLEMENTATION
COMMITTEE**

National Environment Quality Standards Implementation committee meeting was held in Islamabad. Mr. Javed Akhtar (Engro Vopak) Co chairman of Environment sub committee attended the meeting on behalf of the Chamber.

12 – 14 MAY 2003**PAKISTAN DEVELOPMENT FORUM
MEETING**

The above meeting was attended by the President of OICCI in Islamabad. The President also made a presentation at this meeting praising the reforms programme and expressing optimism for the future.

16TH MAY 2003**ADVISORY COUNCIL FOR MINISTRY OF
INDUSTRIES AND PRODUCTION MEETING**

The subject meeting was attended by Secretary General in Islamabad

24th MAY 2003**5th MEETING OF NEQs IMPLEMENTATION COMMITTEE**

The above meeting was organised by Pakistan Environmental Protection Agency in Peshawar and was attended by Mr. Javed Akbar (Engro Vopak) Co-Chairman Environment sub committee

4th JULY 2003**ANNUAL MEETING NATIONAL CREDIT CONSULTATIVE COUNCIL**

The above meeting was held in State Bank of Pakistan Karachi and was attended by the President of the Chamber.

7th SEPTEMBER**ADB MEETING WITH DG ADB**

A meeting was organised by Sindh government to meet ADBs Director General Private Sector Operations Department (PSOD) in Karachi. This was attended by the President and Secretary General

28th OCTOBER**MEETING WITH FEDERAL INTERIOR MINISTER.**

The Dutch Ambassador to Pakistan along with representatives of Dutch companies called on the Federal Interior Minister where the issue of smuggling and security concerns were raised. Vice President of the Chamber also attended the meeting.

5th NOV 2003**SINDH INVESTMENT BOARD MEETING**

The above meeting was held in Karachi. The role of Sindh Investment Board in creating a healthy climate for investment in Sindh was discussed. This meeting was attended by Secretary General

11th NOVEMBER**MEETING ON LIBERALIZATION OF FOREX REGIME FOR PAYMENT OF SERVICES RECEIVED**

A meeting on the subject was held in State Bank of Pakistan Karachi. This was attended by Mr. Feroz Rizvi (ICI) and Mr. Imran Hussain (Unilever) to present the Chamber's point of view.

- **VISITORS TO THE CHAMBER**

During the period under review following persons visited the Chamber:

20th FEBRUARY**UNCTAD TEAM**

Captain S I H Naqvi and Mr. Will Keenan, Chief Technical Advisor, United Nations Conference on Trade and Development Transportation Facilitation Committee visited the OICC&I and met the Secretary General and discussed matters relating to trade facilitation.

10TH APRIL

ECONOMIC COUNSELLOR EMBASSY OF ROMANIA

Mr. Cezar Paun, Economic Counsellor, Embassy of Romania visited the Chamber & met the Secretary-General. Prospects of trade & investment between the two countries were discussed.

1ST OCTOBER

FINANCIAL CONSULTANT - FRANCE

Mr. Philippe Guitard, Financial Consultant, Mareillagues, France and Dr. Mohammad Akbar, Trade & Development Economist, Anjum Asim Shahid Rahman, from Karachi visited the Chamber and met the Secretary-General.

17TH OCTOBER

**INSTITUTE OF DEVELOPMENT STUDIES,
UNIVERSITY OF SUSSEX**

Dr. Khalid Nadvi, Fellow at the Institute of Development Studies, University of Sussex and Dr. Asad Sayeed, Director, Collective for Social Science Research (Private) Limited, Karachi visited the Chamber & met the Secretary-General. Problems faced by the Pakistan economy were discussed.

13TH NOVEMBER

BRITISH DEPUTY HIGH COMMISSIONER

Mr. David Pearey, British Deputy High Commissioner visited the Chamber and met the Secretary-General. The business and investment climate was the subject of discussion.

➤ CHAMBER'S STANDING SUB COMMITTEES

The new Managing Committee on 17th July, 2003 decided that the sub committee on Insurance matters be merged with Banking Finance and Leasing matters. It was also decided that a new sub committee on Security Law & Order matters to be constituted. The following Standing sub committees were formed with respective Chairmen & Co-chairmen

<u>SUB COMMITTEE:</u>	<u>CHAIRMAN:</u>	<u>CO-CHAIRMAN:</u>
BANKING, FINANCE, LEASING & INSURANCE	ZUBYR SOOMRO CITIBANK	HUMAYUN MURAD ORIX LEASING
CORPORATE LAW	AMEENA SAIYID OXFORD	MRS. NAUSHEEN AHMED ICI
ENERGY SECTOR	F. RAHMATULLAH SHELL	MR. ANTHONY R. MIDGLEY ROUSCH
ENVIRONMENTAL	JONATHAN STONEY ICI	JAVED AKBAR ENGRO VOPAK
INDUSTRIAL & COMMERCIAL	SOHAIL W. H. SIDDIQUI SIEMENS	MS. ZAHRA AHMED SHELL
INTELLECTUAL PROPERTY RIGHTS	HASAN ALI KHAN CONTINENTAL BISCUITS	MR. TAHIR IQBAL MERCK SHARP & DOHME
I. T. & E COMMERCE	HUMAYUN BASHIR IBM	JAVED FARUQI REUTERS
LABOUR & EMPLOYEE RELATIONS	JEREMY PIKE PAKISTAN TOBACCO	
PHARMACEUTICAL	SALMAN BURNEY GLAXOSMITHKLINE	JUERGEN KOENIG MERCK MARKER
PORTS, COMMUNICATIONS & SHIPPING	S. H. A. BUKHARI - P & O CONTAINERS	
SECURITY, LAW & ORDER	NADEEM KARAMAT AMERICAN EXPRESS	COL (R) M. ALI SHAH GLAXOSMITHKLINE
TAXATION	MUSHARAF HAI UNILEVER	PARVEZ GHIAS ENGRO CHEMICAL

A detailed list of the Members of each of the Chamber's Standing Sub Committees for the year can be seen in our website at <http://www.oicci.org>

- **MEETINGS OF STANDING SUB COMMITTEES**

- **ADMINISTRATION SUB COMMITTEE**

The following Members were appointed to this Sub Committee:

PRESIDENT
VICE PRESIDENT
MR. NADEEM KARAMAT

Admin sub committee met on 19TH June 2003.

A task force consisting of Secretary General along with Mr. Arif Ali (Deutsche Bank), Mr. Imran Hussain (Unilever) and Mrs. Hafsa Shamsie (Shell) was formed. The task force was to recommend all options available for redeployment of funds.

During the period the recommendations received from Administration sub committee for renovation of Chambers building was also approved and the work is in progress.

- **BANKING, FINANCE, LEASING & INSURANCE MATTERS**

During the period under the review the sub committee held its meetings on:

27th March, 29th May, 6th September, and 18th November 2003.

- **CORPORATE LAW**

The following meetings were held during the year 2003

6th January, 7th April, 2nd September, 3rd November & 15th December 2003.

- **ENERGY SECTOR**

The sub committee held its meetings on:

21st March, 17th September & 20th November 2003

- **ENVIRONMENT**

The sub committee meeting was held on

29th August 2003.

- **I. T. & E COMMERCE**

The sub committee held its meetings on:

8th January, 2nd April, 26th September, & 9th November 2003

- **INDUSTRIAL & COMMERCIAL MATTERS**

The sub committee held its meetings on
15th April, 18th September, & 3rd November 2003

- **INTELLECTUAL PROPERTY RIGHTS**

The following sub committee meetings were held during the year 2003:
9th January, 25th February, 21st April, 28th August & 18th November 2003.

- **LABOUR & EMPLOYEE RELATIONS**

The sub committee meeting was held on
4th November 2003

- **PHARMACEUTICAL**

During the year under review, following sub committee meetings were held
18th February, 18th June, 21st August, & 19th November 2003.

- **PORTS, COMMUNICATIONS & SHIPPING**

The sub committee held its meetings on
16th January & 23rd September 2003

- **SECURITY LAW & ORDER**

Following sub committee & working group meetings were held during the
year 2003.

30th September, 17th October, (working group), 15th December, (working
group), & 17th December 2003.

- **TAXATION**

During the year under review, following sub committee meetings were held.

26th March, 1st September, & 7th November 2003.

The minutes of the above-mentioned meetings can be read from our website
at www.oicci.org

➤ **ADMINISTRATION & OTHER MATTERS**

• **ANNUAL GENERAL MEETING**

143rd Annual General Meeting of the Chamber was held at 11 AM on 20th June, 2003 in the Chamber's Hall. Mr. Kamran Mirza presided the meeting. Minutes are attached on page VI of this report.

• **MEASUREMENT DEPARTMENT'S ACTIVITIES**

In the year 2003 the Measurement Department earned revenue of Rs. 2,789,839 compared to Rs. 1,512,040 last year. Revenue of the previous five years are listed below:

1998	RS. 1,323,900
1999	RS. 1,183,365
2000	RS. 1,067,908
2001	RS. 977,006
2002	RS. 1,512,040

• **KARACHI CHAMBER HOSPITAL ASSOCIATION**

The Managing Committee for the year 2003 was elected at the 50th Annual General Meeting held on 30th December 2002. Mr. S. H. A. Bukhari of Mackinnon Mackenzie was nominated by the Chamber as the Chairman of the Association for 2003. The secretarial services were provided by the Chamber. The Deputy Secretary of the Chamber acted as Secretary to the Association.

The new Managing Committee for the year November 2003-Oct 2004 was elected at the 51st AGM held on 24th December 2003. Mr. S. H. A Bukhari has been nominated again as the Chairman by the Chamber for the year November 2003-Oct 2004. Copy of the report for 2003 is available in the Chamber.

• **REMEMBRANCE DAY**

A wreath laying ceremony was held on 9th November 2003 under arrangements of Common Wealth Ex-services Association of Pakistan to commemorate the persons who gave their lives in the two World Wars.

The customary site for the said function has always been the Karachi War Cemetery but due to prevailing law and order situation in the city this was shifted to British Deputy High Commission, Karachi.

Secretary General laid a wreath on behalf of OICC&I

• **MERCHANTS GOLF CUP COMPETITION**

Karachi Merchants Golf Cup Competition was held on Sunday 12th January, 2003 at the Arabian Sea Country Club. This tournament was sponsored by Overseas Investors Chamber of Commerce & Industry.

Seventy two persons participated. Admiral ® Saeed Khan, former Ambassador & Chief of Naval Staff was the chief guest and distributed the prizes.

MERCHANT'S CUP (OICCI MEMBERS)

Winner Mr. Zaffar A. Khan Engro Chemical Pakistan Ltd.
 Mr. Parvez Ghias

Runners Up Dr. Amir Jafri ICI Pakistan Limited
 Mr. Jehanzeb Khan

PRESIDENT CUP

Winner Mr. Samsam Qadir Members of Defence Golf Club
 Mr. Shoaib Khokar

Runners Up Mr. Omar Javed Members of Defence Golf Club
 Mr. Waseem Rand

BOOBY Mr. Hasan Sobuctageen
PRIZE Cdre ® Usman Umar

Admiral ® Saeed Khan, congratulated the winners of the coveted trophies and applauded the oldest Chamber of Pakistan in supporting sport activities.

- **CONSUMER PRICE SURVEY**

The Committee arranged the Consumer Price Index (CPI) survey which is used to measure inflation. The survey was carried out in Karachi during last two weeks of November and first week of December 2003. Those members who contributed towards the cost were provided a copy of the survey.

- **OBITUARY**

Overseas Investors Chamber of Commerce & Industry expresses profound sadness and sorrow at the untimely death of Mr. Azhar A Malik Chief Executive ICI Pakistan Limited and Chairman Pakistan PTA on 11th June 2003. Azhar Malik was a highly professional corporate Executive and was an active member of the Chamber where he made significant contributions and was very liked and respected. In his death the members of the Chamber have lost a trusted friend and a colleague whose memory will always be cherished by them.



COMMITTEE REPORT ON THE ACCOUNTS FOR 2003

Overseas
Investors
Chamber of
Commerce
& Industry

The audited accounts of the Chamber for the year ended 31st December, 2003 together with Auditors Report thereon, are attached.

The current year's working has resulted in excess of income over expenditure amounting to Rs. 5,272,916 as compared to Rs. 1,877,914 for last year. After providing for Income Tax for the year amounting to Rs. 1,300,000 this surplus is reduced to Rs. 3,972,916.

The income of the Chamber increased by Rs. 966,192 compared to previous year, which was mainly due to increased revenue income of the Measurement Department. There has however been a reduction in Membership Subscription income and investment income of the Chamber.

The expenditure for the year compared to previous year decreased by Rs. 2,428,810. This is mainly due to reduction in Entertainment and Promotional Expenses, Travelling Expenses, Lease Rental, Professional Fees, Donations and Exchange Loss.

FAROOQ RAHMATULLAH
PRESIDENT

ZAHID ZAHEER
SECRETARY-GENERAL

MEMBER
MANAGING COMMITTEE

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Overseas Investors Chamber of Commerce and Industry as at December 31, 2003 and the related income and expenditure account together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet and income and expenditure account together with the notes forming part thereof, give the information required by the Companies Ordinance, 1984, 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, 2003 and of the surplus for the year then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).


Chartered Accountants
Karachi 15 MAR 2004

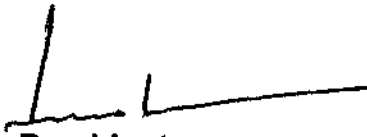
OVERSEAS INVESTORS CHAMBER OF COMMERCE AND INDUSTRY

BALANCE SHEET AS AT DECEMBER 31, 2003

	Note	2003 Rupees	2002 Rupees
SURPLUS ACCOUNT			
Balance as at January 1		35,015,246	34,137,332
Surplus for the year		3,972,916	877,914
		<u>38,988,162</u>	<u>35,015,246</u>
DEFERRED LIABILITY			
Provision for staff gratuity		3,435,051	3,463,236
CURRENT LIABILITIES			
Creditors		293,883	112,256
Accrued liabilities		1,526,351	1,321,503
Subscription received in advance		3,280,000	2,730,000
Rentals received in advance		4,762,204	4,330,470
Other liabilities		1,083,025	1,685,251
Taxation	2	1,242,340	2,164,282
		12,187,803	12,343,762
COMMITMENTS			
	3		
		<u>54,611,016</u>	<u>50,822,244</u>

	Note	2003 Rupees	2002 Rupees
FIXED ASSETS	4	1,570,816	1,172,767
INVESTMENTS	5	36,496,645	16,820,753
LONG-TERM DEPOSITS		300,946	95,485
CURRENT ASSETS			
Stationery - at cost		113,362	110,405
Sundry debtors - considered good		270,530	238,344
Accrued mark up		6,407,619	5,221,010
Advances, short-term deposits and prepayments	6	444,725	957,949
Cash and bank balances	7	9,006,373	26,205,531
		16,242,609	32,733,239
		<u>54,611,016</u>	<u>50,822,244</u>

The annexed notes form an integral part of these financial statements


President


Secretary General

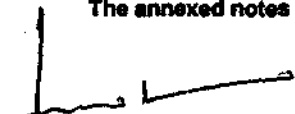

Member


OVERSEAS INVESTORS CHAMBER OF COMMERCE AND INDUSTRY
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2003

	Note	2003 Rupees	2002 Rupees
INCOME			
Membership subscription and entrance fee		6,300,000	6,751,217
Fees for measurement etc.		2,789,839	1,512,040
Secretarial fee		60,000	60,000
Commission on sale of publication		7,800	4,950
Building Fund Contributions		615,000	660,121
Surplus on compilation of COLA Index		67,000	96,500
Rent		3,797,415	3,616,586
Airconditioning charges		5,269,009	5,018,103
Return on investments		2,106,274	1,904,678
Return on deposit accounts		537,882	1,048,048
Gain on sale of fixed assets		51,667	-
Other income		153,425	116,875
		<u>21,755,311</u>	<u>20,789,119</u>
EXPENDITURE			
Salaries and allowances		7,082,485	6,273,224
Contribution to provident fund		320,686	296,711
Contribution to E.O.B.I.		32,400	32,550
Medical expenses		343,962	349,027
Provision for staff gratuity		524,796	567,764
Cost of staff uniforms		43,545	29,989
Entertainment and promotional expenses		208,881	534,930
Insurance		597,651	484,616
Electricity and gas [net of recoveries Rs.186,533 ; (2002: Rs. 313,667)]		1,672,278	1,796,977
Municipal taxes and ground rent [net of recoveries Rs.20,703 ; (2002: Rs.21,279)]		289,903	290,028
Repairs and maintenance		1,078,353	743,518
Postage, telegram and telephone		496,823	488,974
Printing and stationery		457,885	448,845
Books and periodicals		118,042	105,235
Subscription		45,800	44,700
Travelling expenses		216,193	318,836
Lease rentals		1,223,057	1,809,857
General expenses [net of recoveries Rs. 11,798 ; (2002: Rs. 10,834)]		465,409	636,220
Motor car maintenance		326,850	199,411
Depreciation		157,293	139,279
Amortization of premium on WAPDA Bonds		49,989	-
Generator running expenses		52,350	57,882
Legal and professional		6,000	1,994,355
Ex-members' subscription fee considered irrecoverable written off		-	4,689
Donation		-	514,673
Exchange loss		225,859	514,500
Auditors' remuneration	8	98,000	98,000
Golf club competition		147,805	132,415
		<u>16,482,395</u>	<u>18,911,205</u>
SURPLUS BEFORE TAXATION FOR THE YEAR		5,272,916	1,877,914
Taxation - current		1,300,000	1,000,000
SURPLUS AFTER TAXATION FOR THE YEAR		3,972,916	877,914

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




President


Secretary General


Member

OVERSEAS INVESTORS CHAMBER OF COMMERCE AND INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2003

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Overall valuation policy

These financial statements have been prepared under the historical cost convention.

(b) Staff gratuity

The Chamber operates an approved unfunded gratuity scheme, covering all employees whose period of service with the Chamber is five years or more and provision is made annually to cover its obligation under the scheme.

(c) Fixed assets

These are stated at cost less accumulated depreciation.

Depreciation on all assets except leasehold land, is charged to income applying the reducing balance method. Cost of leasehold land is depreciated over the lease period using the straight line method. 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.

Assets donated are capitalized at market value and corresponding credit is recognised as deferred income. Deferred income is credited to income and expenditure account over a period of useful life of these assets.

(d) Investments

These are stated at cost less provision for diminution in the value of investments.

(e) Stationery

These are valued at cost using the first-in-first-out method.

(f) Revenue recognition

Income is accounted for on an accrual basis except for certification fee and commission on sale of publications which are recognised on actual receipt.

(g) Rates of exchange

Assets in foreign currencies are translated into rupees at the rates of exchange approximating to those prevailing on the balance sheet date.

Exchange gains and losses on translation are included in income currently.

2. TAXATION

In finalising the assessments for 1997-98 through 2002-2003 the Deputy Commissioner of Income Tax (DCIT) has raised additional tax demand of Rs. 1.74 million by following a basis not in line with that applied by Chamber consistently for allocation of Chamber expenses. The management has filed an appeal against the order of DCIT and is hopeful for a favourable outcome. Therefore, no provision has been made in these accounts in respect of the additional tax demand.

3. COMMITMENTS

Commitments for rentals payable under lease agreements in respect of vehicles and photocopy machine are as follows:

Year	2003 Rupees	2002 Rupees
2003	-	849,330
2004	590,460	-
2005	590,460	-
2006	396,015	-
2007	306,840	-
2008	76,710	-
	<u>1,960,485</u>	<u>849,330</u>

4. FIXED ASSETS


	Cost or revaluation as at January 1, 2003	Additions/ (disposals)	Cost as at December 31, 2003	Accumulated depreciation as at January 1, 2003 Rupees	Depreciation for the year / (on disposals)	Accumulated depreciation as at December 31, 2003	Written down value as at December 31, 2003	Rate of depreciation %
Leasehold land	1,237,250	-	1,237,250	1,113,526	24,745	1,138,271	88,979	50 years
Building on Leasehold land	457,958	-	457,958	227,052	4,618	231,670	226,288	2
Air Conditioning Plant	-	623,175	623,175	-	46,738	46,738	576,437	7.5
Electrical Installations	362,772	-	362,772	286,988	5,684	292,672	70,100	7.5
Office furniture, fittings and equipments	1,509,366	(18,860)	1,490,506	827,733	75,508 (11,747)	891,494	599,012	5 & 15
Motor vehicle	75,900	(75,900)	-	15,180	- (15,180)	-	-	20
	<u>3,643,246</u>	<u>623,175 (94,760)</u>	<u>4,171,661</u>	<u>2,470,479</u>	<u>157,293 (26,927)</u>	<u>2,600,845</u>	<u>1,570,816</u>	
2002	4,535,659	(892,413)	3,643,246	2,331,200	139,279	2,470,479	1,172,767	

GA

	2003 Rupees	2002 Rupees
5. INVESTMENTS – at cost		
3 years Special US Dollar Bonds [US\$ 211,200 ; (2002: US\$ 211,200)]	12,135,552	12,320,753
10 years Defence Savings Certificates	2,000,000	2,000,000
3 years Pakistan Investment Bonds	2,500,000	2,500,000
5 years Wapda bond [2,800 bonds; (2002: Nil)] - note 5.1	14,858,629	-
Unit trust of Pakistan [642 Units; (2002: Nil)]	5,002,464	-
	<u>36,496,645</u>	<u>16,820,753</u>
5.1		
On October 7, 2003, Chamber purchased 2,800 WAPDA bonds having face value of Rs. 14 million at a premium of Rs. 908,618. This premium is being amortised over the maturity period of 5 years.		
Cost of WAPDA bonds	14,908,618	-
Less: Amortisation of premium	<u>(49,989)</u>	<u>-</u>
	<u>14,858,629</u>	<u>-</u>
6. ADVANCES, SHORT-TERM DEPOSITS AND PREPAYMENTS		
Advances to employees	11,250	11,250
Advances to suppliers	85,233	1,187
Short-term deposits	-	623,175
Short-term prepayments	<u>348,242</u>	<u>322,337</u>
	<u>444,725</u>	<u>957,949</u>
7. CASH AND BANK BALANCES		
With banks		
- on deposit accounts		
- local currency	-	12,658,885
- foreign currency [US\$ 46,359 ; (2002: US\$ 40,831)]	2,663,785	2,381,949
- on current accounts	6,323,125	11,152,463
Cash in hand	<u>19,463</u>	<u>12,234</u>
	<u>9,006,373</u>	<u>26,205,531</u>
8. AUDITORS' REMUNERATION		
Audit fee	23,000	23,000
Tax services	<u>75,000</u>	<u>75,000</u>
	<u>98,000</u>	<u>98,000</u>
9. CORRESPONDING FIGURES		

Previous year's figures have been re-arranged, wherever necessary, for the purposes of comparison.




President


Secretary General



Member

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dated 18th December 2003 33 - (i)

18th February, 2003.

**Mr. Khalid Mirza,
Chairman,
Securities & Exchange Commission of Pakistan,
NIC Building,
63-Jinnah Avenue,
ISLAMABAD.**

Dear Sir,

**LISTED COMPANIES (SUBSTANTIAL ACQUISITION OF SHARES)
ORDINANCE 2002**

Further to our letter dated 29th January, 2003, we have the following observations to make:

The proposed Ordinance aims to provide transparency and an even playing field, so that all investors including small shareholders can get an equal chance to benefit from any substantial acquisitions of shares in a company, and we commend the intention.

We have therefore reviewed the Ordinance, and generally are supportive of the provisions. We however feel that certain amendments are required to make it less cumbersome for foreign investors.

- Because of overseas mergers / acquisitions and sometimes other reasons, group companies overseas move their shares from one investment group overseas to another investment group overseas. Therefore, divestment / transfer of shares in a local subsidiary whether as a consequence of a global corporate restructuring or otherwise, by a non resident company to another non resident company abroad should be exempt from the operation of this Ordinance. This would, also facilitate the multinationals to carry out divestment / transfer of shares amongst group companies outside Pakistan without any hindrance, thus facilitating and encouraging investment in Pakistan.
- We believe that where the control of a target company already vests with the acquirer, no real benefit will result from the proposed disclosure. Accordingly, the Ordinance should not apply to acquisition of additional shares by an acquirer who already, directly or indirectly, holds more than 51% shares in a target company.
- Limiting the right to acquire additional 5% share for twelve months does not serve any purpose and therefore, the limitation of twelve months should be removed. The Ordinance allows that as long as the aggregate shareholding of an acquirer does not exceed 25% a person who acquires 10% shares in a listed company can acquire, within a period of twelve months, another 5% shares without making a disclosure to the company and the stock exchange.

In light of the above observations, we would suggest that following amendments be introduced in the Ordinance:

1. Following new Sub Clauses be added in Section 3:

(i) Divestment / transfer of shares in local subsidiary company by a non resident company to another non resident company abroad.

(j) Acquisition of additional shares by an acquirer or person who together with its associated companies, holding company, or subsidiary companies holding 51% or more of the shares or voting rights in the target company.

2. In lines 1 and 2 of Section 4 Sub Section 3 following words should be deleted:

"in any period of twelve months after acquisition of voting shares"

3. First line of Section 5 Sub Section 1 should be changed to read:

"No acquirer holding less than 15% of voting shares in a listed company directly or indirectly shall directly or indirectly acquire"

Also in Section 5 Sub Section 1 (ii) the following words should be deleted:

"Control of a listed company"

4. In Section 6 Sub Section 1 the word "control" appearing in first, second and third lines should be deleted.

5. In Section 34, the words "or expedient" should be introduced in the second line after the words "not practicable".

We trust you will find these comments useful and will be able to incorporate the necessary changes in the Ordinance.

Yours truly,

KAMRAN Y. MIRZA
PRESIDENT

PROPOSALS FOR FEDERAL BUDGET 2003-2004**SUMMARY****INCOME TAX**

1. Consistency and Predictability of Taxation Regime.
2. Rate of Corporate Tax
3. *Advance Tax*
4. *Minimum turnover tax*
5. Deduction allowed on depreciable assets
6. Appeal to Commissioner (Appeals)
7. Currently Income Tax Tribunal benches are overly represented by income tax department officials.
8. Inordinate delay by Income Tax Department.
9. Withholding tax
10. Adhoc Disallowances
11. Re-characterization of Income Tax and Deduction
12. *Delayed tax refunds*
13. *Tax credit on bad debts*
14. *Restricted cost for depreciation*
15. *Execution of Contracts outside Pakistan*
16. Presumptive tax on contracts and commercial imports
17. *Foreign Currency proceeds of commission*
18. Local supply against orders received from outside Pakistan
19. Taxability of Lease Rentals and Lease Income
20. *Minimum Tax on New Ventures*
21. Eligibility of Second hand machinery for Initial depreciation
22. *Tax on COI's and TFC's*
23. *Allowability of business expenditure*
24. Extra shift allowance on plant and machinery

SALARY / PERSONAL TAX

25. Perquisites
26. Tax Rates
27. Tax Exemption on Income of pension, Gratuity and pension funds
28. Reimbursement of Medical Expenses
29. Tax on tax exemption be reinstated
30. *Loan facility granted by employer*
31. Housing Finance
32. *Payment of Salary*

PROCEDURAL ITEMS

33. Requirement for furnishing asset wise details instead of class of assets for depreciation, initial allowance and ammortisation of intangibles
34. Unrealistic demands by Income Tax authorities
35. *Quarterly statement of salary*
36. Withholding Tax Exemption Certificates
37. Employee Benefit Funds

SALES TAX & EXCISE DUTY

1. Period of claiming the input tax credit
2. Levy of 3.0% further sales tax on supply to un-registered buyers
3. Sales Tax on Receipt of Advance
4. Revised Return
5. Elimination of Excise Duty
6. Registration as Retailer
7. Restricting credit period to 120 days
8. Definition of supply
9. Sales Tax on Fixed Assets
10. Sales Tax on some inputs is not available for set off against output tax
11. Input Tax On Wires & Cables
12. Sales tax on samples
13. Electricity bill
14. Exemption of Sales Tax on subsequent supply of goods imported to E& P companies by their contractors and subcontractors
15. Exemption of duty & sales tax on imported packing material.

PROCEDURAL ITEMS

16. Non-deduction of tax on supply of goods

GENERAL

1. Unfair burden on Manufacturing Companies

PROCEDURAL ITEMS

2. Delay in receiving opinions or replies to queries
3. Auditors appointed by Central Board of Revenue (CBR)
4. Tiresome procedure for the realization of concession in investment / manufacturing SROs.

Summary of Trade Policy Proposals 2003-2004

- Import Policy and Export Policy
- Tariff Rationalization
- Foreign Exchange Manual
- Anti-Dumping Law
- Excise Duty
- Sales Tax

22nd July, 2003.

PRESS NOTE

The Overseas Chamber of Commerce & Industry (OICCI) issued the following statement on the Trade Policy recently announced by the Government.

The new Trade Policy of the Government has many forward looking features which will help the commerce of the country and greatly enhance the prospects of attaining the new export and trade deficit targets of the country. The policy was adopted after a consultative process with a large number of business houses and trade associations including the OICCI. The policy envisages the Government's role as a facilitator to help the private sector to gain access to the international markets. The Overseas Chamber appreciates this supportive but focused approach and is hopeful that the collective efforts of the private sector and the Government will bear fruit.

The OICCI has pointed out certain areas for the consideration of the Commerce Ministry and the Export Promotion Bureau to further strengthen the Trade Policy.

These are briefly explained below:

1. The Trade Policy and the Federal Budget should be developed in tandem so that these key policy instruments are supportive of each other.
2. The cost of doing business in Pakistan needs to be brought down to increase the competitiveness of its exports. A key cost burden is the levy of custom duty on imported raw materials & processing equipment. It is recommended that custom duty should not be used as revenue generating mechanism. Its use should be limited to cases where there is a need to protect specified domestic industries or in cases where indigenous consumption of the imported item needs to be discouraged.
3. The post 2005 WTO regime needs to be carefully analysed and the findings widely communicated to exporting industries. The areas that specifically need to be focused on are:
 - a. WTO requirements of key markets of interest to our exporters.
 - b. The approach being taken by countries that compete with us in our key export markets.
4. The establishment of Pakistan Intellectual Property Rights Organisation is a welcome step. We must bring about effective and timely implementation of laws governing IPR, patents and copyrights. Laxity in these areas can significantly hurt both trade and the investment climate of the country.

ISSUED BY

ZAHID ZAHEER
SECRETARY-GENERAL

**SPEECH BY MR. KAMRAN MIRZA, PRESIDENT, OICC&I
ON THE OCCASION OF THE VISIT OF MR. LIAQUAT ALI JATOI,
FEDERAL MINISTER FOR INDUSTRIES & PRODUCTION ON
THURSDAY 8TH MAY, 2003 AT 11:30 AM IN OICC&I**

BISMILLAH IR REHMAN NIR RAHEEM,

HONOURABLE MINISTER OF INDUSTRIES & PRODUCTION,
MR. LIAQUAT ALI JATOI, MEMBERS, LADIES & GENTLEMEN,

ASSALAM-O-ALAIKUM,

OUR DISTINGUISHED VISITOR TODAY, BELONGS TO AN ILLUSTRIOUS POLITICAL FAMILY OF SINDH AND IS THE SON OF MR. HAMID KHAN JATOI, A HIGHLY RESPECTED PERSONALITY OF SINDH. HE IS CURRENTLY A MEMBER OF THE NATIONAL ASSEMBLY AND HAS ALSO BEEN THE CHIEF MINISTER OF SINDH AS WELL AS ITS MINISTER OF FINANCE.

WITH HIS POLITICAL CAREER, WHICH SPANS PROVINCIAL AND FEDERAL GOVERNMENTS, THE COUNTRY IS INDEED MOST FORTUNATE, THAT MAN OF HIS EXPERIENCE AND CALIBRE, IS RESPONSIBLE FOR SUCH AN IMPORTANT MINISTRY AT THIS POINT IN TIME.

IT GIVES ME GREAT PLEASURE TO WELCOME YOU, HONOURABLE MINISTER, TO THE OVERSEAS INVESTORS CHAMBER OF COMMERCE & INDUSTRY. THE CHAMBER LOOK TOWARDS YOU, NOT ONLY AS A FEDERAL MINISTER FOR INDUSTRIES, BUT ALSO AS ITS ENLIGHTENED AND FORCEFUL SPOKESMAN, IN THE HIGHEST FORUMS OF THE GOVERNMENT. I AM CONFIDENT, THAT WE CAN COUNT ON YOUR SUPPORT.

HONOURABLE MINISTER, THIS IS YOUR FIRST VISIT TO THE CHAMBER, THEREFORE, A BRIEF INTRODUCTION WOULD PERHAPS BE IN ORDER.

IT IS THE OLDEST CHAMBER IN PAKISTAN, FOUNDED IN 1860 BY BRITISH BUSINESSMEN.

THE CURRENT MEMBERSHIP IS 183, OF WHICH

102 ARE INDUSTRIAL UNDERTAKING
33 TRADING
34 BANKING & FINANCIAL SERVICES
&
14 INSURANCE, SHIPPING & AIRLINES

SEVERAL MEMBERS ARE LISTED IN THE FORTUNE 500 COMPANIES. COUNTRY-WISE, THE REPRESENTATION IS AS FOLLOWS:

50 BRITISH	15 JAPANESE
48 CONTINENTAL EUROPEAN	11 MIDDLE EAST
47 AMERICAN	12 OTHERS

THE SALES OF MEMBER COMPANIES, CONSTITUTE 9% OF THE TOTAL GDP OF THE COUNTRY AND NEARLY 15% OF THE GDP OF THE MANUFACTURING SECTOR. THEY CONTRIBUTE NEARLY ONE FIFTH OF THE TOTAL TAX REVENUE OF THE GOVERNMENT OF PAKISTAN, AND EMPLOY AROUND 50,000 PEOPLE.

THE CHAMBER'S PRIMARY FUNCTION IS TO PROTECT AND PROMOTE THE COMMERCIAL, INDUSTRIAL AND FINANCIAL INTEREST OF EXISTING, AS WELL AS, POTENTIAL FOREIGN INVESTORS IN PAKISTAN. IT WOULD NOT BE OUT OF PLACE TO MENTION HERE, THAT, OUR MEMBERS TAKE PRIDE IN BEING GOOD CORPORATE CITIZENS AND ARE CONFIDENT, THAT THEIR BUSINESS OBJECTIVES, ARE IN LINE WITH THE ECONOMIC ASPIRATIONS OF THE PEOPLE OF PAKISTAN.

HONOURABLE MINISTER, WHILE DISCUSSING THE CURRENT ECONOMIC ENVIRONMENT AND PLANNING FOR THE FUTURE, WE WISH TO ACKNOWLEDGE THE ECONOMIC ACHIEVEMENTS OF THE PREVIOUS GOVERNMENT, DURING THE LAST THREE YEARS. TO NAME A FEW – REDUCTION IN INTEREST RATE, LOWERING OF INFLATION, STRENGTHENING OF THE RUPEE, BUILD UP OF A SIGNIFICANT FOREIGN EXCHANGE RESERVE, RISE IN THE STOCK MARKET, LOWERING OF THE NATIONAL DEBT, IMPROVEMENT IN CORPORATE GOVERNANCE AND THE UNPRECEDENT ACCESSES ALLOWED TO THE MEMBERS OF THE BUSINESS COMMUNITY TO THE POLICY MAKERS AT THE HIGHEST LEVEL.

BUT MORE NEEDS TO BE DONE, IF THE NEW GOVERNMENT'S COMMENDABLE GOAL OF ACCELERATED ECONOMIC GROWTH RATE IS TO BE ACHIEVED.

PAKISTAN MUST ALLOW TRADE AND ECONOMIC GOALS TO SHAPE ITS FUTURE POLITICAL AGENDA AND FURTHER IMPROVE INVESTORS CONFIDENCE. THIS WILL BE POSSIBLE, IF GOOD GOVERNANCE IS RELENTLESSLY PURSUED. THE ESSENTIALS OF GOOD GOVERNANCE KNOWN TO ALL OF US ARE CREDIBILITY, INTEGRITY, PREDICTABILITY, SPEEDY DISPENSATION OF JUSTICE AND EFFECTIVE AS WELL AS RAPID IMPLEMENTATION OF POLICIES.

THESE MUST REMAIN ON THE REFORM AGENDA OF THE PRESENT GOVERNMENT.

TO ACCELERATE THE INFLOW OF DIRECT FOREIGN INVESTMENT, THERE IS NEED TO IMPROVE THE INVESTMENT ENVIRONMENT FURTHER. SOME OF THE AREAS THAT NEED TO BE ADDRESSED IN THIS CONNECTION ARE:

CONTINUITY AND IMPLEMENTATION OF THE GOVERNMENT'S POLICIES AS WELL AS HONOURING OF COMMITMENTS.
REMOVAL OF BIAS AGAINST MULTINATIONALS AND CREATION OF A LEVEL PLAYING FIELD.

RATIONALIZATION OF TARIFFS SO THAT MANUFACTURING IN PAKISTAN, DOES NOT ATTRACT LEVIES, IN EXCESS OF THOSE LEVIED ON THE IMPORT OF THE SAME PRODUCT.

□ RATIONALIZATION OF OVERPROTECTIVE LABOUR LAWS, THAT INHIBIT PRODUCTIVITY AND DISCOURAGES EMPLOYMENT.

A LEAN AND CLEAN GOVERNMENT ON THE LINES THAT 'LESS GOVERNMENT IS GOOD GOVERNMENT'.

SIGNIFICANT IMPROVEMENT IN LAW & ORDER. DUE TO SECURITY CONCERNS, THE U.S. AND MANY EUROPEAN COUNTRIES HAVE ADVISED AGAINST TRAVEL TO PAKISTAN.

GREATER INVESTMENT IN THE SOCIAL SECTOR ESPECIALLY EDUCATION AND HEALTH.

SIGNIFICANT IMPROVEMENT IN CURRENT INFRASTRUCTURE WHOSE POOR QUALITY GREATLY ADDS TO COSTS AND HANDICAPS EXPORTS.
BARRIERS TO SUCCESS OF EXISTING COMPANIES.

ONE OF THE BETTER WAYS TO ATTRACT FOREIGN INVESTMENT, IS TO DEMONSTRATE SUCCESS OF EXISTING COMPANIES. THIS HAS BEEN MISSING IN SOME AREAS, WHERE UNREASONABLE PRICE CONTROLS HAVE BEEN IN VOGUE LIKE THE PHARMACEUTICAL INDUSTRY AND THE OIL & GAS- SECTOR. BOTH OF THESE NEED TO BE DEREGULATED AND INITIAL STEPS TAKEN BY THE PREVIOUS GOVERNMENT IN THIS DIRECTION IN THE ENERGY SECTOR, ARE APPRECIATED.

AN EQUITABLE TAX SYSTEM IN WHICH ALL SECTORS OF ECONOMY INCLUDING AGRICULTURE, SHARE THE BURDEN OF TAXES. SALARIED EMPLOYEES, ORGANIZED BUSINESS AND INDUSTRY, MUST NOT BE OVER BURDENED WITH TAXES. PRESUMPTIVE TAXES MUST NOT BE OVERUSED AND TIMELY REFUNDS PAID WHEN DUE.

THERE IS NEED TO CONTAIN DISCRETIONARY POWERS OF TAX OFFICIALS EXPECTING BUSINESS AND INDUSTRY TO PAY ARBITRARY TAXES UP FRONT EVEN BEFORE THE APPEALS ARE HEARD, CAN HARDLY BE DESCRIBED AS A CONFIDENCE BUILDING MEASURE. THE COMMISSIONER OF INCOME TAX APPEAL AND INCOME TAX TRIBUNALS, SHOULD FUNCTION UNDER THE MINISTRY OF LAW. THIS WOULD MAKE THE APPEAL PROCEDURE MORE EQUITABLE. ALL THIS POINTS TOWARDS SPEEDING UP REFORMS IN THE CBR.

THERE IS NEED FOR DE-REGULATION AND FOR RAPID PRIVATIZATION OF UNDERDEPLOYED ASSETS THE MARKET FORCES MUST BE ALLOWED TO DETERMINE THE LEVEL OF INVESTMENT REQUIRED AND PRICES. THE GOVERNMENT MUST NOT CONTINUE TO BE A PLAYER (COMPETITOR) AND REGULATOR AT THE SAME TIME. I WOULD THEREFORE STRONGLY URGE YOU, TO CONVINCING THE GOVERNMENT, NOT TO PURSUE SHORT TERM POPULIST POLICIES WHICH WILL GREATLY ERODE ITS CREDITABILITY AND IMPROVEMENT SO PAINSTAKINGLY ACHIEVED IN THE ECONOMY OVER THE LAST FEW YEARS.

THERE IS ALSO THE NEED FOR TRANSPARENCY IN THE ACTIONS OF THE GOVERNMENT LEVIES COLLECTED BY THE GOVERNMENT FOR SPECIFIC PURPOSES, MUST BE UTILIZED FOR THE PURPOSE FOR WHICH THEY ARE COLLECTED. FEW SUCH EXAMPLES ARE - 1% FEE CHARGED FOR R&D TO ALL PHARMACEUTICAL COMPANIES, WORKERS PARTICIPATION AND WELFARE FUNDS.

I HAVE ONLY BRIEFLY TOUCHED UPON THE ISSUES AND AS MENTIONED EARLIER, THE MEMBERS PRESENT TODAY WILL ELABORATE ON THESE.

I CONCLUDE, HOWEVER, BY GIVING YOUR GOVERNMENT AND YOU ESPECIALLY, A CATEGORIC ASSURANCE OF SUPPORT BY OUR CHAMBER AND LOOK FORWARD TO A WORKING RELATIONSHIP, THAT WILL BENEFIT ALL THE STAKE HOLDERS IN PAKISTAN.

THANK YOU.

12th May, 2003.

**Mr. Liaquat Ali Jatoi,
Federal Minister for Industries & Production,
Ministry of Industries & Production
Government of Pakistan,
Pak Secretariat,
ISLAMABAD.**

Dear Mr. Minister,

This refers to your visit to our Chamber on May 8, 2003. As discussed, presently, depending on the type of IPR issue, i.e. Trademark, Patents, Copyright, etc., various Ministries involved are: Health, Education, Industry, Commerce, Science & Technology, Culture, Law and Interior.

Encouraged by your Government's efforts being made for good governance, we wish to suggest that the Government should set up an Authority which should deal with all IPR issues under one roof. The sole purpose of the Authority should be to strengthen IPR laws, ensure their effective implementation and eliminate IPR infringement in Pakistan.

The subject is so important from Pakistan's point of view that besides loss of revenue to the Government and the companies which suffer, the loss to the country is even larger because the counterfeits hurt the investment climate. Investors choose to invest their money in countries, which have effective laws against IPR infringement. This means that investments that could be made to create jobs and industry in Pakistan are made in other countries.

According to some estimates the Government is losing billions of Rupees annually because counterfeiters, the unscrupulous elements, are playing with the health of the nation and do not pay GST, income tax or any other tax, which is due to the Government.

We hope your Government will consider and implement the suggestion for setting up an independent Authority to deal with all IPR issues under one roof at the earliest.

Thanking you.

Yours truly,

**HASAN ALI KHAN
CHAIRMAN
CHAMBER'S STANDING SUB COMMITTEE
ON INTELLECTUAL PROPERTY RIGHTS**

**c.c.: Dr. Abdul Hafeez Sheikh, Adviser to the Prime Minister on
Privatization & Board of Investment,**

c.c.: Mr. Humayun Akhtar Khan, Federal Minister for Commerce,

SPEECH BY MR. KAMRAN MIRZA, PRESIDENT, OICC&I
ON THE OCCASION OF THE VISIT OF DR. FAIZULLAH KHILJI, CHAIRMAN,
NATIONAL TARIFF COMMISSION ON WEDNESDAY
14TH MAY, 2003 AT 1 PM IN OICC&I

I WELCOME DR. FAIZULLAH KHILJI TO THE CHAMBER. DR. KHILJI IS A UK QUALIFIED CHARTERED ACCOUNTANT HAVING QUALIFIED AS EARLY AS 1970. HE STUDIED INTERNATIONAL ECONOMICS AT OXFORD BETWEEN 1983 AND 1988, AND HAS A DOCTORATE DEGREE.

HE HAS HELD IMPORTANT POSITIONS IN THE GOVERNMENT STARTING WITH THE CORPORATE LAW AUTHORITY AND THE MONOPOLY CONTROL AUTHORITY WHERE HE WAS A MEMBER.

IN BETWEEN HE HAS BEEN ADDITIONAL SECRETARY INCHARGE OF STATISTICS DIVISION AND ALSO IN THE OFFICE OF WAFAQI MOHTASIB. FOR THE LAST FOUR YEARS DR. KHILJI HAS BEEN THE CHAIRMAN OF THE NATIONAL TARIFF COMMISSION.

I WILL NOT BE WRONG IN DESCRIBING HIM AS AN EMINENT OFFICIAL WHO UNDERSTANDS THE PROBLEMS RELATING TO TRADE & INDUSTRY.

DR. KHILJI SINCE THIS IS YOUR FIRST VISIT TO THE CHAMBER, A SMALL INTRODUCTION IS CALLED FOR.

IT IS THE OLDEST CHAMBER IN PAKISTAN, FOUNDED IN 1860 BY BRITISH BUSINESSMEN.

THE CURRENT MEMBERSHIP IS 183, OF WHICH

102 ARE INDUSTRIAL UNDERTAKING
33 TRADING
34 BANKING & FINANCIAL SERVICES
&
14 INSURANCE, SHIPPING & AIRLINES

SEVERAL MEMBERS ARE LISTED IN THE FORTUNE 500 COMPANIES. COUNTRY-WISE, THE REPRESENTATION IS AS FOLLOWS:

50 BRITISH	15 JAPANESE
48 CONTINENTAL EUROPEAN	11 MIDDLE EAST
47 AMERICAN	12 OTHERS

THE SALES OF MEMBER COMPANIES, CONSTITUTE 9% OF THE TOTAL GDP OF THE COUNTRY AND NEARLY 15% OF THE GDP OF THE MANUFACTURING SECTOR. THEY CONTRIBUTE NEARLY ONE FIFTH OF THE TOTAL TAX REVENUE OF THE GOVERNMENT OF PAKISTAN, AND EMPLOY AROUND 50,000 PEOPLE.

THE CHAMBER'S PRIMARY FUNCTION IS TO PROTECT AND PROMOTE THE COMMERCIAL, INDUSTRIAL AND FINANCIAL INTEREST OF EXISTING, AS WELL AS, POTENTIAL FOREIGN INVESTORS IN PAKISTAN. IT WOULD NOT BE OUT OF PLACE TO MENTION HERE, THAT, OUR MEMBERS TAKE PRIDE IN BEING GOOD CORPORATE CITIZENS AND ARE CONFIDENT, THAT THEIR BUSINESS OBJECTIVES, ARE IN LINE WITH THE ECONOMIC ASPIRATIONS OF THE PEOPLE OF PAKISTAN.

WE WISH TO ACKNOWLEDGE THE ECONOMIC ACHIEVEMENTS OF THE PREVIOUS GOVERNMENT, DURING THE LAST THREE YEARS. TO NAME A FEW - REDUCTION IN INTEREST RATE, LOWERING OF INFLATION, STRENGTHENING OF THE RUPEE, BUILD UP OF A SIGNIFICANT FOREIGN EXCHANGE RESERVE, RISE IN THE STOCK MARKET, LOWERING OF THE NATIONAL DEBT, IMPROVEMENT IN CORPORATE GOVERNANCE AND THE UNPRECEDENT ACCESSES ALLOWED TO THE MEMBERS OF THE BUSINESS COMMUNITY TO THE POLICY MAKERS AT THE HIGHEST LEVEL.

BUT MORE NEEDS TO BE DONE, IF THE NEW GOVERNMENT'S COMMENDABLE GOAL OF ACCELERATED ECONOMIC GROWTH RATE IS TO BE ACHIEVED.

PAKISTAN MUST ALLOW TRADE AND ECONOMIC GOALS TO SHAPE ITS FUTURE POLITICAL AGENDA AND FURTHER IMPROVE INVESTORS CONFIDENCE. THIS WILL BE POSSIBLE, IF GOOD GOVERNANCE IS RELENTLESSLY PURSUED. THE ESSENTIALS OF GOOD GOVERNANCE RECOGNISED BY ALL OF US ARE CREDIBILITY, INTEGRITY, PREDICTABILITY, SPEEDY DISPENSATION OF JUSTICE AND EFFECTIVE AS WELL AS RAPID IMPLEMENTATION OF POLICIES.

I WILL NOW REQUEST SOME OF MY COLLEAGUES HERE TO SHARE THEIR CONCERNS WITH YOU ABOUT THE ANTI DUMPING LEGISLATION.

SPEECH BY MR. KAMRAN MIRZA, PRESIDENT, OICC&I
ON THE OCCASION OF THE VISIT OF DR. ABDUL HAFEEZ SHAIKH,
ADVISOR TO PRIME MINISTER ON INVESTMENT
& PRIVATIZATION ON THURSDAY 20TH MARCH, 2003
AT 10.30 AM IN OICC&I

BISMILLAH IR REHMAN NIR RAHEEM,

HONOURABLE ADVISOR, DR. ABDUL HAFEEZ SHAIKH

LADIES – GENTLEMEN,
ASSALAM-O-ALAIKUM,

OUR DISTINGUISHED VISITOR TODAY, IS VERY WELL KNOWN AND NEEDS NO INTRODUCTION TO ALL OF YOU. HE WAS TILL A FEW MONTHS AGO, THE FINANCE MINISTER OF SINDH WHERE HE WAS ABLE TO DO MANY NOTEWORTHY AND GOOD THINGS FOR THE PROVINCE. BUT TODAY THE ISSUES THAT WILL BE DISCUSSED ARE FOREIGN INVESTMENT AND PRIVATIZATION.

THE COUNTRY IS INDEED MOST FORTUNATE, THAT MAN OF HIS EXPERIENCE AND CALIBRE, IS RESPONSIBLE FOR SUCH CRUCIAL MATTERS AT THIS POINT IN TIME.

IT GIVES ME GREAT PLEASURE TO WELCOME YOU, DR. SHAIKH TO THE OVERSEAS INVESTORS CHAMBER OF COMMERCE & INDUSTRY. THE CHAMBER LOOK TOWARDS YOU, NOT ONLY AS AN ADVISOR FOR INVESTMENT, BUT ALSO AS ITS ENLIGHTENED AND FORCEFUL SPOKESMAN, IN THE HIGHEST FORUMS OF THE GOVERNMENT. I AM CONFIDENT, THAT WE CAN COUNT ON YOUR SUPPORT.

THIS IS NOT YOUR FIRST INTERACTION WITH THE CHAMBER. HOWEVER, A BRIEF INTRODUCTION WOULD PERHAPS BE IN ORDER.

IT IS THE OLDEST CHAMBER IN PAKISTAN, FOUNDED IN 1860 BY BRITISH BUSINESSMEN.

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DR. SHAIKH, BEFORE DISCUSSING THE CURRENT ECONOMIC ENVIRONMENT AND PLANNING FOR THE FUTURE, WE WISH TO ACKNOWLEDGE THE ECONOMIC ACHIEVEMENTS OF THE PREVIOUS GOVERNMENT, DURING THE LAST THREE YEARS. TO NAME A FEW - REDUCTION IN INTEREST RATE, LOWERING OF INFLATION, STRENGTHENING OF THE RUPEE, BUILD UP OF A SIGNIFICANT FOREIGN EXCHANGE RESERVE, RISE IN THE STOCK MARKET, LOWERING OF THE NATIONAL DEBT, IMPROVEMENT IN CORPORATE GOVERNANCE AND THE UNPRECEDENT ACCESSES ALLOWED TO THE MEMBERS OF THE BUSINESS COMMUNITY TO THE POLICY MAKERS AT THE HIGHEST LEVEL. I WOULD ALSO LIKE TO MAKE A SPECIAL MENTION OF THE REDUCTION IN THE NUMBER OF PROVINCIAL TAXES IN SIND AS A RESULT OF YOUR EFFORTS.

BUT MORE NEEDS TO BE DONE, IF THE NEW GOVERNMENT'S COMMENDABLE GOAL OF ACCELERATED ECONOMIC GROWTH RATE IS TO BE ACHIEVED.

THERE IS NEED TO RESUME UNFINISHED NEGOTIATIONS ON MARKET ACCESS TO PAKISTAN. MARKET ACCESS ALONE HOWEVER, IS NOT ENOUGH. FIRMS NEED TO BE COMPETITIVE TO WIN IN THE EXPORT GAME. A KEY TO COMPETITIVENESS IS PARTNERSHIP BETWEEN BUSINESS AND GOVERNMENT THAT IS, THE COLLECTIVE EXPERIENCE OF THE PRIVATE SECTOR BACKED BY PRO ACTIVE SUPPORT OF THE GOVERNMENT POLICY MAKERS, AT THE HIGHEST LEVEL.

PAKISTAN MUST ALLOW TRADE AND ECONOMIC GOALS TO SHAPE ITS FUTURE POLITICAL AGENDA AND FURTHER IMPROVE INVESTORS CONFIDENCE. THIS WILL BE POSSIBLE, IF GOOD GOVERNANCE IS RELENTLESSLY PURSUED IN THE PUBLIC AND PRIVATE SECTOR. THE ESSENTIALS OF GOOD GOVERNANCE KNOWN TO ALL OF US ARE - CREDIBILITY, INTEGRITY, PREDICTABILITY, CONTINUITY, RESPECT FOR IPR, RAPID IMPLEMENTATION OF POLICIES AND SPEEDY DISPENSATION OF JUSTICE.

THESE MUST REMAIN ON THE REFORM AGENDA OF THE PRESENT GOVERNMENT.

TO ACCELERATE THE INFLOW OF DIRECT FOREIGN INVESTMENT, THERE IS NEED TO IMPROVE THE INVESTMENT ENVIRONMENT FURTHER. SOME OF THE AREAS THAT MUST BE ADDRESSED IN THIS CONNECTION ARE:

- CONTINUITY OF ECONOMIC REFORMS AND POLICIES OF THE PREVIOUS GOVERNMENT ON WHICH THERE WAS A CONSENSUS OF THE STAKEHOLDERS.
- THE PURSUIT OF POPULIST POLICIES NEEDS TO BE RESTRAINED. POSSIBLE GOVERNMENT INTERVENTION IN THE FERTILIZER AS WELL AS PHARMACEUTICAL SECTOR PRICES ARE OF GREAT CONCERN TO US.

REMOVAL OF BIAS AGAINST MULTATIONALS AND CREATION OF A LEVEL PLAYING FIELD.

RATIONALIZATION OF TARIFFS SO THAT MANUFACTURING IN PAKISTAN, DOES NOT ATTRACT LEVIES, IN EXCESS OF THOSE LEVIED ON THE IMPORT OF THE SAME PRODUCT. THIS WILL ALSO DISCOURAGE SMUGGLING AND PREVENT LOCALLY MANUFACTURED PRODUCTS FROM BECOMING UN-COMPETITIVE.

RATIONALIZATION OF OVERPROTECTIVE LABOUR LAWS, THAT INHIBIT PRODUCTIVITY AND DISCOURAGES EMPLOYMENT.

A LEAN AND CLEAN GOVERNMENT ON THE LINES THAT 'LESS GOVERNMENT IS GOOD GOVERNMENT'.

SIGNIFICANT IMPROVEMENT IN LAW & ORDER. DUE TO SECURITY CONCERNS, THE U.S. AND MANY EUROPEAN COUNTRIES CONTINUE TO ADVISE AGAINST TRAVEL TO PAKISTAN. THE SITUATION HAS BECOME EVEN MORE ACUTE NOW AND YOUR ASSISTANCE IS URGENTLY REQUIRED TO CREATE AWARENESS IN THE FEDERAL AND PROVINCIAL GOVERNMENTS, THAT SPECIAL SECURITY MEASURES ARE CRITICALLY NEEDED FOR PROTECTION OF FOREIGN INVESTORS ASSETS AND PERSONNEL.

GREATER INVESTMENT IN THE SOCIAL SECTOR ESPECIALLY EDUCATION AND HEALTH.

SIGNIFICANT IMPROVEMENT IN CURRENT INFRASTRUCTURE WHERE POOR QUALITY GREATLY ADDS TO COSTS AND HANDICAPS EXPORTS.

REMOVAL OF BARRIERS TO SUCCESS OF EXISTING COMPANIES.

ONE OF THE BETTER WAYS TO ATTRACT FOREIGN INVESTMENT, IS TO DEMONSTRATE SUCCESS OF EXISTING COMPANIES. THIS HAS BEEN MISSING IN SOME AREAS, WHERE UNREASONABLE PRICE CONTROLS HAVE BEEN IN VOGUE LIKE THE PHARMACEUTICAL INDUSTRY AND THE OIL & GAS SECTOR. BOTH OF THESE NEED TO BE DEREGULATED AND INITIAL STEPS TAKEN BY THE PREVIOUS GOVERNMENT IN THIS DIRECTION FOR THE ENERGY SECTOR, ARE APPRECIATED.

AN EQUITABLE TAX SYSTEM IN WHICH ALL SECTORS OF ECONOMY INCLUDING AGRICULTURE, SHARE THE BURDEN OF TAXES. SALARIED EMPLOYEES, ORGANIZED BUSINESS AND INDUSTRY, MUST NOT BE OVER BURDENED WITH TAXES. PRESUMPTIVE TAXES MUST NOT BE OVERUSED AND TIMELY REFUNDS PAID WHEN DUE.

THERE IS NEED TO CONTAIN DISCRETIONARY POWERS OF TAX OFFICIALS

EXPECTING BUSINESS AND INDUSTRY TO PAY ARBITRARY TAXES UP FRONT EVEN BEFORE THE APPEALS ARE HEARD, CAN HARDLY BE DESCRIBED AS A CONFIDENCE BUILDING MEASURE. THE COMMISSIONER OF INCOME TAX APPEAL AND INCOME TAX TRIBUNALS, SHOULD FUNCTION UNDER THE MINISTRY OF LAW. THIS WOULD MAKE THE APPEAL PROCEDURE MORE EQUITABLE. ALL THIS POINTS TOWARDS SPEEDING UP REFORMS IN THE CBR.

THERE IS NEED FOR DE-REGULATION AND FOR RAPID PRIVATIZATION OF UNDERDEPLOYED ASSETS

THE MARKET FORCES MUST BE ALLOWED TO DETERMINE THE LEVEL OF INVESTMENT REQUIRED AND PRICES. THE GOVERNMENT MUST NOT CONTINUE TO BE A PLAYER (COMPETITOR) AND REGULATOR AT THE SAME TIME.

THERE IS ALSO THE NEED FOR TRANSPARENCY IN THE ACTIONS OF THE GOVERNMENT

LEVIES COLLECTED BY THE GOVERNMENT FOR SPECIFIC PURPOSES, MUST BE UTILIZED FOR THE PURPOSE FOR WHICH THEY ARE COLLECTED. FEW SUCH EXAMPLES ARE - 1% FEE CHARGED FOR R&D TO ALL PHARMACEUTICAL COMPANIES, WORKERS PARTICIPATION AND WELFARE FUNDS.

I HAVE ONLY BRIEFLY TOUCHED UPON THE ISSUES AS MENTIONED EARLIER.

I CONCLUDE, HOWEVER, BY GIVING YOUR GOVERNMENT, A CATEGORIC ASSURANCE OF SUPPORT BY OUR CHAMBER AND LOOK FORWARD TO A WORKING RELATIONSHIP, THAT WILL BENEFIT ALL THE STAKE HOLDERS IN PAKISTAN.

THANK YOU.

FAX NO. 051 - 9203076

21st March, 2003.

**Dr. Abdul Hafeez Sheikh,
Adviser to the Prime Minister on
Privatization & Board of Investment,
Government of Pakistan,
5A Constitution Avenue,
Near Awami Markaz,
EAC Building,
ISLAMABAD.**

Dear Dr. Hafeez Sheikh,

It was a pleasure meeting you again at the Overseas Chamber meeting yesterday. Please accept our congratulations on being elected to the Senate of Pakistan.

During the course of the meeting, I pointed out that international investors are reluctant to bring their brands to Pakistan for fear of proliferation.

The violation of IPR's and the sale of counterfeit products in Pakistan is causing great loss to the Government revenue, and if allowed to go unchecked, will damage prospects of future investments in Pakistan.

I am sending you a Memorandum dated 27th December, 2002 which outlines the issues and the proposed remedies. I am confident it will receive your support, and you will take up the matter with the appropriate Ministries in Islamabad.

Kind regards.

Yours sincerely,

**HASAN ALI KHAN
CHAIRMAN
CHAMBER'S STANDING SUB COMMITTEE ON INTELLECTUAL PROPERTY
RIGHTS**

Attachments:

MEMORANDUM**December 27, 2002****Intellectual Property Rights Issues for Discussion with the Minister of
Commerce Government of Pakistan**

At the outset, we would like to express our concern regarding successive governments' apparent indifference to IPR issues. Unless IPR laws relating to Trade Marks, Patents, Copyrights etc. are made effective, and stern punishments awarded for violation, the country will suffer in the following manner:

1. It needs to be clear that the principal assets that an organization develops over time are its brands and the reputation and goodwill they carry. These brands, into which organizations invest heavily, are damaged by IPR violations.
2. Organizations will therefore, become reluctant to invest in Pakistan's economy if the present indifference to IPR laws continues and their intellectual property lacks protection. Multinationals, particularly, will not wish to invest and foreign investment will not come to the country.
3. The consumer is not being protected against spurious, sub-standard and possibly hazardous counterfeit products.
4. The quality image of the real brand is diminished or destroyed in the consumers' mind and consumers will lose confidence in brands and products.
5. The Government would continue to sustain substantial loss of revenue as these infringers and counterfeiters evade duties, taxes and government levies.
6. When Pakistan fully enters WTO arrangements, global companies will represent to the forum of WTO that Pakistan has failed to enact and enforce laws that already exist in South and South East Asian countries, with consequent damage to the country's reputation and image.

We believe the following actions need to be taken immediately to bring us at par with surrounding countries.

1. The offences of counterfeiting and infringement enumerated in the Penal Code and trade marks ordinance should be made "cognizable" and "non-bailable". In order that these laws act as a real deterrent they should provide for minimum imprisonment as well as minimum fines rather than maximum fines.

2. The offence of selling counterfeit products should also be made cognizable and non-bailable, as the seller is likely to be in collusion with the manufacturer,
3. The overlapping provisions of the Penal Code and Trade Mark Ordinance need to be reconciled and consistency in the two laws ensured for better enforcement.
4. The provincial governments should be empowered to make rules whereby the certificate of an independent laboratory certifying the goods to be counterfeit should be sufficient to sustain a conviction.
5. The Government of Pakistan should be requested to provide separate Benches in provincial High Courts to consider IPR violations.
6. New ordinances already under consideration by the Government need to be made effective and expedited.
7. Patents: In January 2001, a new patent ordinance was promulgated by the government which recognizes TRIPS. But in spite of lapse of almost 2 years, the rules under the new legislation have not been made. Instead—after DOHA declaration, there has been a rolling back of some of the provisions of the patent legislation, under the amendments passed in September 2002, which will make the law non-compliant with TRIPS.

Example: Ministry of Health has registered many generic copies of the patent products of multinational pharma companies. Therefore, in practical terms not much has changed after the new patent ordinance.

We seek your help and active support to ensure that appropriate laws are made in order to enforce the new patent legislation in letter & spirit.

15th April, 2003.

**Dr. Abdul Hafeez Sheikh,
Adviser to the Prime Minister on
Privatization & Board of Investment,
Government of Pakistan,
5A Constitution Avenue,
Near Awami Markaz,
EAC Building,
ISLAMABAD.**

Dear Dr. Hafeez Sheikh,

I write to thank you for your prompt response to my letter of 21st March, 2003, in which I outlined the issues of violation of IPR Laws in Pakistan.

Board of Investment in their letter of 25th March, 2003 have asked us to identify the relevant provisions of IPR which need to be amended.

Please find attached to this letter the proposals for the required changes in the Law.

Kind regards.

Yours sincerely,

**HASAN ALI KHAN
CHAIRMAN
CHAMBER'S STANDING SUB COMMITTEE ON
INTELLECTUAL PROPERTY RIGHTS**

c.c.: **Mr. Sulaiman Shah Mian,
Executive Director General,
Board of Investment,
Government of Pakistan,
Ataturk Avenue,
Sector G - 5 / 1,
ISLAMABAD.**

THREAT LEVELS

Members emphasized that it was necessary to first define the threat levels. After having a detailed discussion, it was agreed to have Four Threat Levels which are defined in the following paragraphs:

- I) **THREAT LEVEL 1**
Prevailing of an uneasy and uncertain situation after event of significance has taken place.
- II) **THREAT LEVEL 2**
An incident has taken place which is certain to trigger a serious law and order situation.
- III) **THREAT LEVEL 3**
Serious law and order situation prevails consequently resulting in disruption of daily routine and normal life.
- IV) **THREAT LEVEL 4**
Complete breakdown of law and order threatening life and property.

ACTIONS TO BE TAKEN AT EACH THREAT LEVEL

- A) **THREAT LEVEL 1**
 - i) Increase vigilance and alertness
 - ii) Keep abreast of the development and take appropriate measures
- B) **THREAT LEVEL 2**
 - i) Enhance security above Level 1
 - ii) Activate OICC&I Working Group on Security, Law and Order.
 - iii) Issue appropriate security / travel advice
 - iv) OICC&I Sub Committee on Security, Law and Order to meet and advise prevailing security situation to all Members.
- C) **THREAT LEVEL 3**
 - i) Activate individual crisis management
 - ii) Expatriates movement to be restricted / controlled to bare minimum
- D) **THREAT LEVEL 4**
 - i) Activate Crisis Management Plan (in case not activated at Level 3).
 - ii) Evacuation of Expatriates.
 - iii) Continuous review of effectiveness or otherwise of Crisis Management Plan / Business Continuity Plan.
 - iv) Take all possible measures to ensure continuity of Business Plan.
 - v) Intimate liaison / coordination with Law Enforcing and Intelligence Agencies.
 - vi) Activate alternate communication system in case of failure of existing communication network.

17TH DECEMBER, 2003.

**MINUTES OF THE MEETING OF WORKING GROUP OF
CHAMBER'S STANDING SUB COMMITTEE ON SECURITY,
LAW & ORDER WITH MAJOR GENERAL SALLAH-UD-DIN, D. G. RANGERS IN
HIS OFFICE ON MONDAY 15TH DECEMBER, 2003
AT 10 AM**

PRESENT:

MR. NADEEM KARAMAT	AMERICAN EXPRESS BANK
COLONEL @ MUHAMMAD ALI SHAH	GLAXOSMITHKLINE
MAJOR @ MUSHTAQ AHMED	ENI
LT. COLONEL @ MASOOD SIDDIQ	ICI
MAJOR @ A. A. ZUBERI	SIEMENS
MAJOR @ OWAIS HASAN	OICC&I

RANGERS (SINDH)

MAJOR GENERAL SALLAH-UD-DIN	DIRECTOR GENERAL RANGERS
COL. MUHAMMAD ZAFAR IQBAL AWAN	COLONEL GENERAL STAFF HQ RANGERS SINDH

Mr. Nadeem Karamat briefed the D. G. regarding the role of OICC&I, and apprised him about the current security concern of MNC's and sought the help which could be extended by the Pakistan Rangers Sindh in providing security assistance to MNC's through the forum of OICC&I. The focus of assistance requested was in terms of sharing information regarding the security environment and close liaison with Rangers in providing help and assistance on request.

The following points were discussed:

1. D. G. rangers assured the forum of their full cooperation in terms of assistance and requested for a plan in terms of vulnerability, which could be discussed and addressed on required basis.
2. D. G. Rangers kindly agreed to present to the OICC&I the salient of their deployment and role which may address the security concerns of MNC's. A mutual date will be decided later.
3. Regarding security of important foreign visitors, the D. G. agreed to provide escort security on request through OICC&I. However request would be considered on case to case basis.
4. OICC&I may contact the Staff (Col. M. Zafar Iqbal Awan) for obtaining any information on the Law and Order situation and measures taken by Rangers to tackle the same on periodic basis. Any important incident, happening or potential threat would be conveyed to all Members by the Chamber.

5. D. G. Rangers also agreed to inform his local Commanders to maintain liaison with the MNC's in their area of jurisdiction for quick response in times of emergency.
6. D. G. Rangers requested the Chamber to provide the List of Members along with other details for disseminating down the information to their local Commanders.
7. To maintain liaison with Rangers it was decided that regular meetings will be held with OICC&I forum. Dates will be decided later.

**MAJOR ® OWAIS HASAN
DEPUTY SECRETARY**

17TH DECEMBER, 2003.

**MINUTES OF THE MEETING OF WORKING GROUP OF
CHAMBER'S STANDING SUB COMMITTEE ON SECURITY,
LAW & ORDER WITH MR. TARIQ JAMIL, DIG OPERATIONS
SINDH POLICE IN HIS OFFICE ON MONDAY
15TH DECEMBER, 2003 AT 3 PM**

PRESENT:

COLONEL @ MUHAMMAD ALI SHAH	GLAXOSMITHKLINE
MAJOR @ MUSHTAQ AHMED	ENI
LT. COLONEL @ MASOOD SIDDIQ	ICI
MR. ADEEL KAZI	SHELL
MAJOR @ A. A. ZUBERI	SIEMENS
MAJOR @ OWAIS HASAN	OICC&I

SINDH POLICE:

MR. TARIQ JAMIL	DIG OPERATIONS, SINDH POLICE
LT. COMMANDER @ SHAUKAT	ADDITIONAL DIG OPERATIONS

This meeting was carried as a continuation of the visit of I. G. Sindh to the Chamber in which the prevailing security environment was discussed with focus on the assistance to be provided by Police Authorities to OICC&I Members to address their security concern.

The following points were discussed: -

1. DIG emphasized that he considered the security of MNC's as very important function and agreed to provide assistance to address the security concerns of MNC's.
2. To create a closer liaison in terms of sharing of information and police assistance. A regular schedule of meetings on quarterly basis has been agreed between Police and OICC&I. Details of meeting will be coordinated by the Chamber.
3. A List of OICC&I Members along with their location of facilities should be provided to DIG Operations to facilitate in dissemination to Town Police Officers for coordination.
4. In view of the constraint resources of Police, the assistance requested by the MNC's should be on a case to case basis, keeping in view the threat level and severity of potential incidents / law and order situation.
5. DiG Operations agreed to direct all TPO's for liaison with MNC's in their area of jurisdiction and requested MNC's to do the same at their end. A List of Telephone Numbers of all TPO's was provided by the DIG which will facilitate contact with Police Authorities in case of emergency.

6. In subsequent meetings operating procedures relating to passage of information, Police response in an emergency and routine patrolling / static police guards will be discussed and finalized.
7. DIG Operations agreed to provide a nucleus training team through the TPO's to Chamber Members in handling of suspected parcels / mail received, immediate action in emergency and procedures for contacting Police Stations.
8. MNC's must keep themselves abreast with local prevalent security environments by updating themselves through media channels.
9. Police control and Special Branch would be instructed to provide timely information to the Chamber regarding any potential Law and Order situation, which may affect security of MNC's.

**MAJOR @ OWAIS HASAN
DEPUTY SECRETARY**

10th January, 2003.

**His Excellency,
Mir Zafarullah Khan Jamali,
Prime Minister,
Prime Minister's House,
ISLAMABAD.**

Dear Zafarullah Khan Saheb,

We draw your attention to a pamphlet which has been widely distributed in the Province of Baluchistan and NWFP by the Alkhidmat Trust, a copy of this is enclosed.

You will notice that the purpose of this effort is to create public opinion against the use of products manufactured by multinational companies. If this is allowed to go unchecked, it will have an adverse effect on foreign direct investment in Pakistan.

Multinational investors must not be allowed to feel that their assets are likely to be threatened.

With kind regards.

Yours sincerely,

**KAMRAN Y. MIRZA
PRESIDENT**

Attachment:

**c.c.: Dr. Abdul Hafeez Sheikh,
Adviser to the Prime Minister on
Privatization & Board of Investment,
Government of Pakistan,
5A Constitution Avenue,
Near Awami Markaz,
EAC Building,
ISLAMABAD.**

30th January, 2003.

**Mr. Iftikhar Rashid,
Secretary,
Ministry of Communications,
Government of Pakistan,
ISLAMABAD.**

Dear Sir,

We refer to the meeting of the Shipping Rates Advisory Board (SRAB) held on 8th January, 2003 in Karachi under your Chairmanship.

Participants were requested to send in their submissions and comments on the deliberations of the meeting. We have also received a similar request from the Office of the Director General (Ports & Shipping Wing), Karachi.

1. It was noticed that the working paper tabled at this meeting that an Ordinance has been issued on 28th August, 2002 in which a new section, namely Section 79(a) has been included in the Pakistan Merchants Shipping Ordinance, 2001, under which the Federal Government has vested itself with powers to regulate and determine charges to be levied by shipping companies and shipping agents over and above those charges that are levied under the Ports Act 1908, in respect of cargo handled at Pakistani ports.

We must express our surprise at this new legislation, as it appears to be against the stated policy of the Government to progressively deregulate the economy. The rationale for bringing about this legislation appears to be complaints made by Shippers Council that the shipping lines have formed a cartel and are applying exorbitant charges on the import cargo. More specifically voices were raised at this meeting against application of the Pakistan Ports Surcharge on the containerized import cargo.

2. We would like to place on record that the assertion that the shipping lines have formed a cartel to take advantage of this situation, is not correct. In fact on all shipping routes there are many shipping lines competing for the same business, therefore multiple choice is available to both importers and exporters. Moreover, not all shipping lines are applying the Pakistani Ports Surcharge. The extent of competition can be gauged from the fact that between 1988 to 1994 and increasingly between 1994 to 2002 the freight rates to and from Pakistan have sharply declined.
3. Yet another suggestion was made at the meeting that now that there is no congestion in the Pakistan Ports, there is no justification for the Pakistan Ports Surcharge.

We would like to explain that the rationale for applying the Pakistan Ports Surcharge was not the congestion at the Pakistan Ports, but the higher port tariff applicable at the Pakistan Ports. This tariff reportedly continues to be one of the highest amongst the regional ports.

It is also relevant to point out that the Karachi Dock Labour Board (KDLB) levy also contributes to the higher cargo handling cost payable at Karachi Port, and remains a cause of concern and is therefore reflected in the charges payable by the importers.

4. A suggestion was also made at the meeting that the Pakistan Ports Surcharge be merged with the ocean freight.

We would like to point out that if this proposal is accepted, it will result in:

- a) Additional customs duty, sales tax payable by all importers, as import levies are payable on C&F cost.
- b) Additional freight charges will become payable in foreign currency and will therefore be a burden on the exchequer.

5. We therefore summarize our views as follows:

- i) There is little justification to regulate the trade further
- ii) The complaints about exorbitant charges levied by the shipping companies on import and export trade are not justified.

There is no PPS on the export trade, and the basis of this charge on the import trade is the high port tariffs applicable in Pakistan.

The application of PPS on import cargo is a commercial issue and is best left to the market forces to address the problem. Even today all shipping lines are not applying this charge, and, the importer has a wide choice to route his cargo by a line which is competitive.

We trust you will find these views of some value, and in the interest of deregulation of economy would not pursue the regulatory legislation.

Yours truly,

ZAHID ZAHEER
SECRETARY-GENERAL

c.c.: **Mr. Rasool Baksh,**
Director General (Ports & Shipping),
Ministry of Communications,
KARACHI.

March 31, 2003

**Mr. Humayun Akhtar Khan,
Federal Minister for Commerce,
Pak Secretariat
Government of Pakistan
Islamabad**

Dear Sir,

Further to our letter dated 27th February 2003, we are now sending herewith our comments on Annual Adjustments of Prices of Pharmaceutical Products, as desired by you.

The comments on Anti-dumping Legislation will follow.

Yours truly,

**Kamran Y. Mirza
President**

Attached

EXPORTS OF PHARMACEUTICAL PRODUCTS FROM PAKISTAN (CURRENT PROBLEMS AND OPPORTUNITIES)

Introduction

According to the Economic Survey 2001 – 2002, the grand total value of exports of health care products was recorded at Rs. 10,917,000,000 or Rs. 11.0 Billion or U.S.\$ 187 million at the current exchange rate. Out of this total, surgical/medical instruments had a share of 60.2% and medicines/chemicals 39.8% or Rs. 4,341,000,000 or U.S. \$ 74.2 million. Out of this, about U.S.\$ 66.0 million were medicine exports.

The large majority of medicine exports were and are being made by international subsidiary companies currently operating in Pakistan to a host of countries: Sri-Lanka, Bangladesh, Philippines, Malaysia, Indonesia, Saudi Arabia, China, Oman, UAE, Holland, Afghanistan, Thailand, Vietnam, Greece, Kenya, Ivory Coast, Mauritius, UK, Taiwan and Singapore.

Current Problems

- Insufficient demand in various countries (i.e. un-developed/un-explored markets)
- Export franchise area restrictions and/or UN/U.S./EU imposed trade export restrictions,
- by some of our international head-quarters
- Discouraging, drawn out government procedures (red tape, complicated)
- Past lack of focus and lack of dedicated resources for potential market exploration &
- Development for the Pharma sector
- **LOW PRICING OF PAKISTANI PRODUCTS.** This has been a major hindrance, since importers demand our price lists based upon existing MRPs, and we cannot add an extra value i.e. make value added exports. Our MRPs are so low in many cases, that such products are smuggled out in huge quantities to neighboring countries by 'kepias', i.e. un-documented sales.
- Lack of general and specific export incentives for this sector

Recommendations

- MOC should initiate the desk research and subsequent issuance of a "Guide Booklet for Pakistani Exporters of Health Care Products, with special emphasis on registered medicines". This booklet should provide step-wise guidance on procedures and limitations for exports, covering all mandatory requirements of MOH, CBR (customs), SBP and other concerned agencies/bodies. It would contain samples of up-to-date proformas, application forms and all other requirements to facilitate exports. Of course, a ONE-WINDOW system (say based at EPB offices) would be ideal.
- EPB should provide financial support to exporters equaling 50% of the product registration fees abroad, after registration applications have been submitted, and documentary evidence of fees deposited has been provided by any exporting manufacturer.

- A new, dynamic strategy could be formulated by a high powered MOC Committee chaired by the Minister, comprising very senior representatives of Pharma Bureau, PPMA, MOH, CBR, MOF, and MOI. Once a strategy has been evolved, country specific emphasis can be identified and appropriate action plans can be formulated.

Major Opportunities

- De-regulate the Pharma Sector
- Let market forces work in an intensely competitive market in which 400 licensed manufacturers fiercely fight for increased market shares
- Ensure clear cut, consistent government policies in this hi-tech sector, which due to its very nature of business, requires constant investment and re-investment in modernization, balancing, upgrading, etc. of both manufacturing and quality assurance equipment and systems.

OUR STRONG RECOMMENDATIONS

PHARMACEUTICAL PRICING

1. The excessive control in Pakistan is unparalleled. As immediate first steps:
 - the controlled list should be substantially reduced from the current 313 active substances (821 presentations) to a maximum of 50-75 active substances.
 - Other drugs should be decontrolled as is legally the case at present and the threat of "coercive action" by the MOH in the event of any company raising the prices of these drugs should be formally removed.
2. The reduced "controlled list" should be derived using the following principles:
 - Drugs for which there are multiple brands (say over 10), should be excluded.
 - Drugs, which are chronically short due to their very low prices, should be excluded.
 - Drugs using locally manufactured active substances, the local manufacture/use of which is being encouraged through tariff protection should be excluded.
3. The reduced "controlled list" (50-75 active substances) should aim essentially to treat the most common diseases prevalent in Pakistan, thus ensuring affordability of a limited number of essential drugs.

BENEFITS WHICH WILL ACCRUE

Exports

- De-regulation of the Pharma sector will result in a surge of exports of VALUE ADDED MEDICINES, at increased M.R.P. levels, which prices will still remain internationally competitive and yet provide more flexibility for price negotiations.

Domestic Market

- De-regulation would see a reduction in the MRPs of locally manufactured products for the benefit of the consumers, as competing brands would combat each other for a larger market share.

15th April 2003

Mr. Humayun Akhtar Khan
Federal Minister for Commerce
Government of Pakistan
Islamabad

Dear Sir,

ANTIDUMPING LEGISLATION – INCONSISTENCIES AND CONCERNS

During your meeting at the OICCI on 27th December 2002, we apprised you of our issues and concerns regarding the Anti-Dumping Duties Ordinance, 2000 (“**Ordinance**”). The lowering of tariffs in Pakistan to a maximum of 25% accentuates the necessity of effective antidumping laws to prevent harm caused through dumping by overseas competitors. We look forward to your assistance in discussing this matter further and wish to seek support from the Government of Pakistan in strengthening the new Ordinance so that it provides legitimate cover against potential injury to the domestic market. Our issues and concerns are tabled below for your attention.

LEGAL ISSUES AND CONCERNS:

1. Problems in initiating investigations:

Section 24 (1) and (2) of the Ordinance provide that an application shall only be considered if it is supported by domestic producers whose collective output is more than 50% of the total production of the ‘domestic like product’. The complainant under the law is required to be the industry affected and not an individual manufacturer and it is not always possible to bring all industrial units to a common platform as internal competitive pressures and locational differences may result in varying levels of injury to different manufacturers.

We recommend lowering this percentage requirement to 25%.

Section 24 (1) of the Ordinance may be amended as follows:

- (1) For the purposes of section 20, an application shall be considered to have been made by or on behalf of domestic industry only if it is supported by those domestic producers whose collective output constitutes twenty five percent of the total production of “domestic like product” produced by that portion of the domestic industry expressing either support for or opposition to the application.

The threshold requirement is based on Article VI of GAAT 1994 and therefore we are conscious of the fact that the Government may only be able to alter this subject to entering a reservation under the Implementation Agreement for the said Article. However, it may be noted that Section 25 of the Anti Dumping Ordinance 2000 allows the National Tariff Commission (the Commission) extremely wide powers to initiate an investigation if it has

sufficient evidence of dumping and injury. It is important for the Commission to use this enabling power in a proactive manner as in many cases it may receive credible evidence of dumping from a small portion of industry or even from an individual manufacturer which should be taken seriously and should not be hostage to the 50% rule.

2. Definition of normal value:

A product shall be considered as being dumped if it is introduced into the market at a price lower than its normal value.

Normal Value

Section 5 and 6 of the Anti-Dumping Duties Ordinance 2000 prescribe the way in which the Commission shall establish 'normal value' of the product in question.

'Normal value' is the comparable price paid or payable domestically in the ordinary course of trade for a like product intended for consumption in the exporting country.

When there are no sales of a like product in the domestic market of an exporting country or where such sales do not permit a proper comparison then the Commission shall establish 'normal value' on the basis of :

- a comparable price of a product exported to an appropriate third country; or
- constructed value i.e. cost of production in the exporting country plus a reasonable amount for administrative, selling and general costs and for profits. (Section 6 of the Ordinance).

We strongly feel dumping should be adjudged if any of the criteria listed in section 5 or 6 becomes applicable. Product sold at below true cost of production in the domestic market should not enable exporters to evade dumping laws by applicability of Section 5 only as the anti dumping law currently allows.

It is recommended that the limitation provided in the preamble to section 6 of the Ordinance should be removed so that any of the tests provided in section 5 and Section 6 (1) (a) and (b) of the Ordinance may be used by the Commission to determine "normal value".

Relief prospective in nature:

The relief provided under the Ordinance is prospective in nature and does not compensate for damage done before the duties are imposed e.g., since its promulgation only one case has been processed under the Ordinance which relates to import of tin plate from South Africa. It took 18 months for the Commission to recognize the injury and impose the regulatory duty whereas the Ordinance itself stipulates a period of 180 days for a final decision. The Ordinance allows the Commission a minimum period of 60 days before it initiates any proceedings on a complaint. This period allows

'dumped' product to be cleared through customs and be sold in the market place causing injury to domestic manufacturing even prior to action being taken by the Commission. Industry would be assisted greatly if the time period for making the preliminary determination and imposing provisional measures could be reduced below 60 days. However, in this case also since the time period is specified any reduction would require agreement by member countries.

The issues of industry are also compounded by the fact that the Commission is extremely slow to act and takes action much beyond the minimum 60 day period. The Commission must firstly streamline its procedure to ensure that provisional measures are imposed immediately after the end of the 60 day period. At the same time it should be possible through the Customs Act to scrutinise imports of products on the basis of under invoicing. The Custom Authorities are competent under the Customs Act to issue show cause notices with regard to under invoicing however it has been seen that they are reluctant to use their powers of enquiry in the case of products which are allegedly being dumped.

ADMINISTRATIVE ISSUES AND CONCERNS:

1. Expertise within the National Tariff Commission:

The Commission is presently ill equipped to handle complaints under this legislation. It is unfair to expect the Commission, because of its inadequate base of resources and expertise, to render timely determinations and judgments of acceptable quality keeping in mind the complexity of issues being referred to the Commission and also the fact that an appeal against its determination lies in an international forum. There is therefore a need for the Commission to be strengthened so that it becomes more knowledgeable and speed driven. The Commission requires professional expertise in the form of qualified MBA's, Accountants, Tax experts etc who can undertake the determinations and as the issues involved are complex and industry specific, perhaps one approach could be for the Commission to develop a panel of industry specific experts who could advise the Commission.

2. Costs involved in obtaining relief:

Obtaining relief is an expensive proposition and the result is decidedly not guaranteed. Even if the thresholds for initiation of an application are met, making out a preliminary case is extremely difficult given that the comparison is with prices and values in the exporting country:

- a) the applicants must provide information on the volume and value of production for each domestic producer.
- b) a complete description of the dumped products including quantities and values for each exporter separately.
- c) the names of exporters.
- d) the prices prevailing in exporting country, exporting price to third country and cost of production in exporting country.

- e) besides an application must include complete evidence of dumping, injury and show a causal link between the two.

Simple assertion unsubstantiated by relevant evidence is not considered sufficient to meet the requirements for imposition of measures. Filing a case therefore requires legal expertise and detailed knowledge/information from the exporting country. It also involves enormous costs and is difficult as local industry may not be able to get access to international information.

We would recommend that in coordination with the Commission Pakistani commercial counselors in our missions abroad should be tasked with providing any such information relating to the country of export. The Commission should also set up a complete data base of legal, tax, accounting experts in different countries who could provide advice/consultancy services to domestic producers.

3. Need for a guide book:

There is no specific provision in the Ordinance requiring the Commission to maintain a handbook or guide explaining and updating on an annual basis, domestic practice with respect to antidumping and countervailing duty measures. Such a guide is likely to provide an overview of anti-dumping laws and procedures for the benefit of domestic industry. We note that in India where the law is now being used extensively, a comprehensive guide book has been prepared for users and recommend therefore that such a guide should be developed in Pakistan also.

The very sharp reduction in tariffs brought about through the WTO is within a time frame which is inadequate for domestic industry to re-engineer itself and gear-up for enhanced international and regional competition. This competitive disadvantage to Pakistani manufacturers is further compounded by the high cost of 'doing business in Pakistan'. In this perspective effective countervailing and anti dumping laws are crucial for the survival of domestic industry. We look forward to a timely and measured response from you to assist Pakistan's domestic manufacturing.

9th May, 2003.

**Dr. Abdul Hafeez Sheikh,
Adviser to the Prime Minister on
Privatization & Board of Investment,
Government of Pakistan,
5A Constitution Avenue,
Near Awami Markaz,
EAC Building,
ISLAMABAD.**

Dear Dr. Sheikh,

IPR VIOLATIONS

Please refer to my earlier letter of 15th April, 2003 in which we had identified the changes required in the Trade Mark Ordinance and the Pakistan Penal Code.

We would like to inform you that the Chamber feels that the Patent Ordinance 2002 also needs to be modified.

In this connection we are sending herewith a comparative review of the Patents (Amendment) Ordinance 2002 with Patent Ordinance 2000 showing the changes required.

Look forward to hearing from you in this regard.

Kind regards.

Yours sincerely,

**HASAN ALI KHAN
CHAIRMAN
CHAMBER'S STANDING SUB COMMITTEE
ON INTELLECTUAL PROPERTY RIGHTS**

c.c.: **Mr. Sulaiman Shah Mian,
Executive Director General,
Board of Investment,
Government of Pakistan,
Ataturk Avenue,
Sector G - 5 / 1,
ISLAMABAD.**

Attachments can be seen on the website

12th May, 2003.

**Mr Humayun Akhtar Khan,
Federal Minister of Commerce,
Government of Pakistan,
ISLAMABAD.**

Dear Sir,

PATENTS (AMENDMENT) ORDINANCE 2002

Pakistan as a signatory to the WTO and TRIPS has an obligation to formulate a TRIPS compliant patent, required by 2000. Accordingly a new Patents Ordinance was issued in 2000, met most of the major compliance requirements under TRIPS. However, in 2002, the above Amendment Ordinance was promulgated on 26th October to amend the Patents Ordinance 2000, introducing very critical and sweeping amendments in the Patent Ordinance 2000.

The amendments made have had the effect of making Pakistan non-compliant with its treaty obligations under TRIPs, The Paris Convention and generally accepted concepts of Patent Laws and will have serious, far-reaching and detrimental consequences on new investments, R&D and also potentially expose Pakistan to sanctions under the WTO.

Some of the drastic changes in the Amendments Ordinance are as under:

- ❖ Well established and internationally accepted principle of group of inventions has been excluded. This effectively makes it impossible to protect new inventions fully.
- ❖ Separate applications are required for each and every derivate and salt of a chemical product. Apart from being impractical and prohibitive, this also makes patent protection impractical.
- ❖ Biological products per se can not be patented – both the product and the process of manufacture has to be novel.
- ❖ New and novel process for preparing admixtures which are patentable elsewhere and not now patentable in Pakistan.
- ❖ Exclusive marketing rights for local patents - beyond the scope of article 70(9) of TRIPS
- ❖ New or subsequent use of a known product or process are prohibited.
- ❖ Revocation of patent by federal government without judicial review is contrary to articles of TRIPS

- ❖ Scope of expression "Industrial application" restricted – full effect not given to Article 1 of the Paris Convention and Article 27 of TRIPS (Section 10)

The cumulative impact of these changes is to regress the patent protection regime available in Pakistan, to a level well below that obligated by TRIPS and even below that available prior to TRIPS. This is not in consonance with the direction being taken in other countries and can have very deleterious effects on protection of new investments in Pakistan.

If the Ordinance is not amended it will give legal protection to intellectual piracy in Pakistan, which is by no means an acceptable direction for the country to be taking.

You are therefore requested to initiate a review and repeal the Patent Amendments of 2002 in order to bring Pakistan in line with the TRIPs articles.

Yours sincerely,

**HASAN ALI KHAN
CHAIRMAN
CHAMBER'S STANDING SUB COMMITTEE
ON INTELLECTUAL PROPERTY RIGHTS**

c.c.: Mr. Liaquat Ali Jatoi,
Federal Minister for Industries & Production,
Government of Pakistan,
Pak Secretariat,
ISLAMABAD.

c.c.: Mr. Sulaiman Shah Mian,
Executive Director General,
Board of Investment,
Government of Pakistan,

12th May, 2003.

**Mr. Wakil Ahmad Khan,
Member Direct Taxes,
Central Board of Revenue,
ISLAMABAD.**

Dear Sir,

**PROPOSED EMPLOYERS SALARY CERTIFICATE - INCOME TAX YEAR
ENDING 30TH JUNE, 2003.**

We understand that the Central Board of Revenue proposes to modify the Employer's Salary Certificate. Although we have not been formally approached for our comments, the draft has been seen by us.

Upon initial reading and comparison with the current Certificate, the new format is considerably more complicated with a lot of new information requested, and more details are required for the current information also. A lot of information of the Wealth Statement has also been included in this new Certificate, which lead to duplication of work / information.

The second part which contains six pages which is to be completed by the Employee is voluminous and seeks personal information and should be removed from the Tax Certificate. The new Certificate if enforced will require substantial changes in the computer programme.

In our view the original Salary Certificate is adequate and should be continued.

Yours truly,

**ZAHID ZAHEER
SECRETARY-GENERAL**

20th June, 2003.

**Mr. Riaz A. Malik,
Chairman,
Central Board of Revenue,
Government of Pakistan,
ISLAMABAD.**

Dear Riaz Sahib,

I tried to reach on the phone today, but unfortunately was unable to speak to you.

Very briefly, during our Managing Committee meeting today the Members were expressing deep concern and alarm at the discretion of mis- interpretation of certain tax laws to achieve the short term objectives of the LTU. It is highly disappointing that LTU officials are attempting to raise revenue prior June 30, through coercive methods. This is absolutely contrary to the spirit and understanding given by you and the Finance Minister about the role of LTU, which was basically to facilitate the Large Tax Payer and avoid / prevent past practices which strained the relations between our Member Companies and CBR.

The members individually will be approaching the CBR but due to time pressure of June 30, I would greatly appreciate if you intervened.

I conclude by reiterating the OICCI-complete support to the Government in its objective of accelerating economic growth and increasing DFI.

Kind regards.

Yours sincerely,

**KAMRAN Y. MIRZA
PRESIDENT**

May 16, 2003

**General Pervaiz Musharaf
President, Islamic Republic of Pakistan
President's House
ISLAMABAD**

Your Excellency,

It is with deep regret and concern that I write to inform you about a series of events in the early hours of Thursday, May 15, when 19 Petrol Stations of Shell Pakistan, one of our largest member and two of Caltex, were subject to violent attacks. Mercifully no-one was killed, though people were injured and there was damage to property/installations. You will appreciate, the damage to the image of the country and the Foreign Investor's confidence will be considerable, if such acts of violence are not checked. Further, this will surely work against the Government's strong desire to accelerate the rate of economic development.

I will also take this opportunity to bring to your attention another most unfortunate event, that is, the non-recovery to date of two Shell Pakistan employees, who were kidnapped on the Super Highway near Hyderabad, on 11.4.2003, i.e. 35 days ago.

Your personal attention on these matters is requested and will be greatly appreciated. Before concluding however, I would like to reiterate this Chamber's very strong desire to assist the Government in achieving its goal of rapid economic development.

Yours truly,

**Kamran Y. Mirza
President**

9th July, 2003.

**Mr. Chaudhry Naurez Shakoor,
Minister for Petroleum & Natural Resources,
Pak Secretariat,
ISLAMABAD.**

Honorable Minister,

**PROPOSALS FOR ELIMINATING SMUGGLING OF PETROL DIESEL AND
LUBRICANTS FROM IRAN / AFGHANISTAN**

The Petroleum products smuggling into Pakistan is rampant and causing substantial loss to the oil marketing companies. The smuggled products are inferior in quality and causes loss of revenue to the Government and also impacts negatively on the legitimate business of the OMCs. Smuggling of petroleum products is a chronic issue and immediate steps are required to curb this menace.

According to estimates the government is losing billions of Rupees annually in terms of taxes and duty because of smuggling of petroleum products.

Proposals for eliminating smuggling along with the recommendations are attached.

We hope your Government will consider and implement the recommendations to curb such activities at the earliest.

Thank you.

Yours truly,

**ZAHID ZAHEER
SECRETARY-GENERAL**

Attachment

The Overseas Investors Chamber of Commerce and Industry (OICCI) would like to highlight the growing incidence of smuggling of Petrol, Diesel and Lubricants from Iran and more recently from Afghanistan into Pakistan. The smuggled product not only causes loss of revenue to the Government, but also impacts negatively on the legitimate business of the OMCs and their dealers, and forces the refineries to run at lower production levels with subsequent losses to these national assets.

Further, the smuggled products pose a safety and environmental hazard due to unsafe handling and are also harmful for the engines of the vehicles in Pakistan due to inferior quality.

The details of such smuggling activities are given below:

ROUTES

- Iran to Dalbadin to Quetta through the RCD highway & many routes in the mountains. These mountain routes meet the RCD highway at Chagi and Dalbadin from where the smuggled product is taken via the RCD highway to different locations.
- Iran to Panjgoor to Basima. This route is used by the conveys of the tank, lorries led by pickups clearing way for the convoys after negotiating with agencies at different check posts.
- Tribal agencies adjoining NWFP
- Via Torkham (Khyber agency)

SOLD AT LOCATIONS

- Majority areas of Baluchistan and bordering areas of Sindh and Punjab.
- Jamrud / Bara
- Peshawar local including Rickshaw / Bus Stands / Mall Godown Road.
- A stored in small roadside shops in Peshawar / Mardan / Charsadda and Tribal agencies

AFGHAN TRANSIT TRADE (FOR PACKED LUBRICANTS)

Under the spectrum of AFGHAN TRANSIT TRADE majority of the finished lubricants which are originally destined for Afghanistan, are being sold in Pakistan. Since these lubricants are supplied by those countries where the cost of production, taxes and duties are significantly lower than that in Pakistan, their final price is much cheaper than that of locally blended lubricants. This hurts the sales of the genuine blenders / OMCs in Pakistan who cannot compete with the cost of the imported lubricants coming under the Afghan Transit Trade.

RATES

	SMUGGLED RATES	OMC/GOVT. NOTIFIED RATES	DIFFERENTIAL
PETROL	Rs 20-24 per litre	Rs 36 per litre	Rs 12 – 16 per litre
DIESEL	RS 14 per litre	Rs 20per litre	Rs 6 per litre
LUBRICANTS	Varying	Varying	

QUANTITY

Exact volumes are not known, but from the information gathered It is estimated that on average smuggling is around 350- 650 litres per day of petrol, 500,000 litres/day of Diesel and 20,000 tons/year of Lubricants these quantities are dependent on the situation at the border and the prices prevalent in Pakistan..

LOSS TO THE GOVERNMENT BASED ON AVERAGE SMUGGLED QUANTITIES:

Volumes	Litres / Day	Litres / Annum*
Petrol	350,000	109,200,000
Diesel	500,000	156,000,000
Total	850,000	265,200,000

GOP Revenue as at July 01, 2002	Petrol (Rupees/litre)	Diesel (Rupees/litre)
Customs / Excise Duty	0.88	2.76
Petroleum Deve. Levy	11.99	2.53
Sales Tax	4.40	2.53
Total	17.27	5.29

ANNUAL LOSS TO THE GOVERNMENT ON SMUGGLED VOLUMES

PETROL	DIESEL	TOTAL
Rs. 1,885 mn	Rs. 825 mn	Rs. 2,710 mn
US \$ 31.5 mn	US \$ 13.7 mn	US \$ 45.2 mn

In addition a loss of about Rs. 450 mn per year (US \$ 7.5 mn per year) is being incurred by the national exchequer on account of Lubricants being smuggled into Pakistan.

RECOMMENDATIONS

To curb such activities, O requests the Government to undertake the following actions.

1. Sealing of Borders
2. Enforcing strict vigilance at Custom check-posts en-route the bordering provinces
3. Conducting frequent raids by the para-military forces at unauthorised storages and market locations.
4. Exemplary punishments to make this malpractice financially non-viable:
 - Offence should be made non-bailable and cognizable
 - Fine to the extent of Rs. 1,000,000.
 - Imprisonment for a term of 3-5 years
5. The Government of Pakistan to hold talks with the Government of Iran and Afghanistan to devise a mutual plan for stopping fuel and lubricants smuggling IfitCPa
6. Confiscated smuggled petroleum products must not be auctioned in the open market as this leads to further mal-practices. Rather, these should be provided to the local refineries for re-processing.
7. The Government of Pakistan should take strict measures to ensure that the finished lubricants destined for Afghanistan under AU are not sold in Pakistan.

FAX NO. 051 2276084

9th July 2003

Brig ® Jamil Hassan
Secretary
Pakistan Petroleum Exploration & Production Companies Association
House No. 1, Street No. 49, Sector F – 6 / 4
Islamabad

Energy Sector Issues pertaining to the upstream industry

Dear Sir,

The Energy sub committee of the Overseas Investors Chamber of Commerce & Industry has been identifying and taking up with the Government, various issues confronting the Energy Sector in Pakistan. In this regard we had also identified specific issues confronting the Gas producers, namely:

- > Inflection points specified in gas pricing framework should be adjusted to international inflation. (Although GOP through policy amendments has generally made the reward for E & P activity in Pakistan competitive on the world stage, with the possible exception of frontier areas, remote on shore and offshore, where additional incentives may be required.)
- > A concept of field gate should be introduced and implemented. (Concept introduced but we are not aware of its implementation).
- > A comprehensive regulatory framework for commercial third party gas transportation business needs to be established. (Although OGRA has been established but there is still no clarity on 3rd party transmission business).

Since some of our member companies who are also members of your association have raised these issues, we would like to offer our assistance in co-ordination with yourselves on taking them up with the Government. We would appreciate a joint session to develop modalities to take this forward.

Yours truly,

MAJOR ® OWAIS HASAN
DEPUTY SECRETARY

September 24, 2003

**Mr. Shahid Ahmad
Member Sales Tax
Central Board of Revenue
Islamabad**

Dear Sir,

Request for amending Section 73 of Sales Tax Act 1990

The Finance Act 2003 incorporated certain changes in Section 73 of the Sales Tax Act 1990 which are punitive and difficult to implement effectively. The major issues are:

1. Lowering of the threshold of a transaction to be routed through banks from Rs. 50,000 to Rs. 25,000.
2. The buyer of goods and services is required to pay bills above Rs.25,000 only from a designated bank account which is declared to the tax authorities. In addition, buyer must write details of the seller's specific bank account on the check itself. In essence all cheques must be paid from the pre-designated bank account of the buyer to the pre-designated of the seller. Furthermore, the GST relevant to the transaction must also be paid through the same bank account.
3. A strict interpretation of the amendment would require buyer to make two payments simultaneously, (a) to seller for goods or services, and (b) for transfer of GST amount to the sales tax account. Put it simply, the GST will have to be paid for each transaction instead of a consolidated settlement at the end of each month.
4. And, if the procedure is not followed fully by the buyer or the seller, howsoever unintentionally, neither would have the benefit of the tax credit.

We are pleased that the tax administration has recognized the difficulties posed by the amendment and have postponed implementation by one month. The Chamber strongly recommends that this section be re-drafted and until then action be put in abeyance.

Very truly yours

**ZAHID ZAHEER
SECRETARY-GENERAL**

September 24, 2003

**Mr. Riaz A. Malik
Chairman
Central Board of Revenue
Islamabad**

Dear Sir,

Income Tax Returns

The purpose of this letter is to bring to your notice the chronology of recent events relating to individual income tax returns, which could have been avoided.

- July 14 – 'new' Income Tax Forms released by CBR
- July 15 – deadline for issuance of salary certificate by employers
- September 1 – press announcement quoting CBR officials that the new forms (outcome of July 14) are not applicable and assesseees should use old forms used in last year filing
- September 2 – a SRO is issued with the 'revised new' forms i.e. amending the July 14 forms
- September 24 -- press announcement quoting CBR that all forms i.e. the 'old' as used last year, 'new' of July 14 and 'revised new' of September 2, are all acceptable

Given the confusion, the above has created in the minds of employers and the tax assesses, we request that the CBR consider extending the filing date of tax returns by one month.

Very truly yours

**ZAHID ZAHEER
SECRETARY GENERAL**

1st October, 2003.

**Minister of Communications,
Government of Pakistan,
KARACHI.**

Honorable Minister,

COMPOSITION OF THE BOARD OF KARACHI PORT TRUST

I understand that the Board of Karachi Port Trust has been reconstituted by a Government Notification issued by your Ministry whereby the seat allocated to the Overseas Investors Chamber of Commerce & Industry now stands withdrawn. This is contrary to KPT Act which envisages a nominee of the Karachi Chamber of Commerce & Industry (now called the Overseas Investors Chamber of Commerce & Industry) to serve as a Member on the Board of Karachi Port Trust and other nominees one of whom is the Chamber of Commerce & Industry, Karachi.

I would further clarify that the Chamber of Commerce & Industry, Karachi is entirely a different body to the Karachi Chamber of Commerce & Industry (which is the former name of the Overseas Investors Chamber of Commerce & Industry). Moreover the Chamber of Commerce & Industry, Karachi has given a written assurance to the Federal Ministry of Commerce that they would not adopt the name Karachi Chamber of Commerce & Industry. Letters dated 12th and 14th March, 1968 attached.

The name of the Karachi Chamber of Commerce was changed to Overseas Investors Chamber of Commerce & Industry in the year 1968 and a copy of Ministry of Commerce letter dated 13th April, 1968 is attached, and also the Certificate of Incorporation recording this change issued on 23rd May, 1968.

Ever since the inception of the KPT Board under KPT Act our nominees have very ably represented foreign shipping interest and have played an important role in the working and the development of the Port through various stages.

Our Chamber in existence since 1860 with its large Membership inclusive of all Multinationals plays a vital role in the economy of Pakistan. We therefore fail to understand why it has been denied a seat on the Board of KPT which otherwise is allowed by the KPT Act.

We shall be grateful if you would look into this matter and arrange to have the representation of our Chamber reinstated as soon as possible.

Soliciting your early response.

Yours truly,

ZAHID ZAHEER
SECRETARY-GENERAL

c.c.: Secretary,
Ministry of Communications,
Government of Pakistan,
ISLAMABAD.

c.c.: Director General,
Ports & Shipping,
Ministry of Communications,
Government of Pakistan,
KARACHI.

c.c.: Chairman,
Karachi Port Trust,
KARACHI.

FAX NO. 051 - 9205241

8th October, 2003.

**Mr. Humayun Akhtar Khan,
Federal Minister for Commerce,
Pak Secretariat,
Government of Pakistan,
ISLAMABAD.**

Honorable Minister,

You will recall our earlier discussions with you on our concerns about the poor implementation of IPR Laws, resulting in proliferation of brands and counterfeiting of products.

The President of the Chamber would like to lead a delegation to call on you in Islamabad to discuss remedial measures that need to be taken to curtail this inappropriate practice, which we believe causes a revenue loss of approximately Rs. 5 Billion to the national exchequer.

It also discourages foreign investors to bring in new products and brands into Pakistan impeding foreign investment.

In this connection we had written earlier on 15th and 26th August, 2003 seeking a meeting with you in Islamabad at your convenience.

We anxiously look forward to a favorable response.

Yours truly,

**ZAHID ZAHEER
SECRETARY-GENERAL**

22nd October, 2003.

**Mr. Ahmed Ali,
Minister of Communications,
Government of Pakistan,
Room No. 308, Block D,
Pak Secretariat,
ISLAMABAD.**

Honorable Minister,

I write to you on behalf of the Overseas Investors Chamber of Commerce & Industry, which you are aware represents overseas investors in Pakistan working in all sectors of the economy.

Our Managing Committee would welcome an opportunity to meet with you and discuss some of the Industry issues, particularly related to infrastructure development in Oil and Gas Sector. The transportation of Fuel to up country is one of the major problems, due to bad road conditions the consignments are delayed, which also adds to the cost of business. Apart from this, the upgrading and development of Ports infrastructure is required to meet the increasing future demands.

I write formally on behalf of the Chamber to invite you to visit us on any date suitable to you and discuss the problems faced by our Members.

We would appreciate your confirming the date and time convenient to you.

Thank you.

Yours truly,

**ZAHID ZAHEER
SECRETARY-GENERAL**

22nd October, 2003.

**Mr. Mukhdoom Syed Faisal Saleh Hayat,
Minister of Interior,
Government of Pakistan,
Block R, Pak Secretariat,
ISLAMABAD.**

Honorable Minister,

I write to you on behalf of the Overseas Investors Chamber of Commerce & Industry, which you are aware represents overseas investors in Pakistan working in all sectors of the economy.

The Chamber would like to highlight the growing incidents of Petroleum Products smuggling from Iran and more recently from Afghanistan into Pakistan. This is causing substantial loss to the Oil Marketing Companies. The smuggled products are inferior in quality and causes loss of revenue to the Government, and also impacts negatively on the legitimate business of the OMC's. According to estimates, the Government is losing Billions of Rupees annually in terms of Taxes and Duty.

Our Managing Committee would welcome an opportunity to meet with you and formally invite you to visit our Chamber in Karachi any date suitable to you and discuss the proposals for eliminating smuggling.

We would appreciate your confirming the date and time convenient to you.

Thank you.

Yours truly,

**ZAHID ZAHEER
SECRETARY-GENERAL**

3rd November, 2003.

**Mr. Muhammad Hafiz,
Deputy Secretary,
Ministry of Industries & Production,
ISLAMABAD.**

Dear Sir,

**REVIEW OF PATENTS ORDINANCE, 2000 - PROPOSALS FOR
ENHANCEMENT OF PENALTIES**

Thank you for your letter of 30th October, 2003 inviting our Chamber to review the Patents Ordinance 2000.

We wish to confirm that the undersigned along with Mr. Shahid Qureshi will attend the meeting in Islamabad on Thursday 6th November, 2003.

We are disappointed that the agenda of the meeting focuses on enhancement of penalties prescribed in Sections 71 to 78. In our view, the broader issue of Patents Ordinance 2002 being non compliant with TRIPS Agreement, should be the focus of the inter-ministerial meeting.

In our letter of 12th May, 2003 addressed to the Minister of Commerce and copy attached, we had drawn the attention to the areas which make the 2002 Ordinance non TRIPS compliant. In our view this should be included in the Agenda.

Please find attached copy of our letter dated 9th May, 2003 to the Adviser to the Prime Minister on Privatization & Board of Investment wherein we had requested for changes in the Patents Ordinance 2002 and included Clause by Clause review of the Patent Ordinance 2000 and 2002 which suggests where these changes are required.

These relate to Section 2, Section 7 (2), Section 7 (4) Section 7 (4)(d), Section 7 (4)(e), Section 10, Section 13 (3), Section 13 (8), Section 15 (2A), Section 15 (2B) and Section 15 (3C).

We shall be pleased if the meeting could discuss the proposed changes.

Yours truly,

**ZAHID ZAHEER
SECRETARY-GENERAL**

10th November, 2003.

**Dr. Abdul Hafeez Sheikh,
Minister for Investment & Privatization,
Government of Pakistan,
ISLAMABAD.**

Dear Dr. Sheikh,

Asalam-o-laikum !

I write to you on behalf of the Overseas Investors Chamber of Commerce & Industry (OICCI), which you are aware represents overseas investors in Pakistan working in all sectors of the economy.

The OICCI members appreciate the steps being taken by the Government to privatize the state owned enterprises and in particular the oil and gas sector. The establishment of the Oil & Gas Regulatory Authority (OGRA) is viewed as an important development in creating confidence among prospective investors. The creation of other regulatory bodies like NEPRA , PEMRA and PTA are equally important steps towards creating confidence in prospective investors.

We feel concerned however by the fact that none of these regulatory bodies have representation from the private sector, and that this may compromise the independence of the regulatory authority. This aspect becomes increasingly important as the privatization proceeds under your guidance.

We request that these bodies should include independent representation. This will increase the confidence of the prospective investors in Pakistan. We would appreciate if you could look into the matter and seek your support and thank you in anticipation.

Kind regards.

Yours truly,

**ZAHID ZAHEER
SECRETARY-GENERAL**

FAX NO. 051 - 9203043

20th November, 2003.

**Mr. Abdul Sattar Lalikha,
Minister of Labour, Manpower & Overseas Pakistanis,
Ministry of Labour, Manpower & Overseas Pakistanis,
Government of Pakistan,
Block 'B', Pak Secretariat,
ISLAMABAD.**

Honorable Minister,

I write to you on behalf of the Overseas Investors Chamber of Commerce & Industry, which you are aware represents the interests of overseas investors in Pakistan working in all sectors of the economy.

The new Labour Policy unveiled in September, 2002 aims at peaceful resolution of disputes and steps taken to make structural legislative changes, to provide access to speedy justice in the Labour Sector is a positive step and has been acclaimed by all concerned.

However, Industrial Ordinance 2002 promulgated as part of the new Labour Policy has been the subject of debate between all the stakeholders.

Our Managing Committee and Members would welcome an opportunity to meet with you and discuss some of the issues, relating to new Industrial Relations Ordinance 2002.

I write formally on behalf of the OICC&I to invite you to visit our Chamber in Karachi on any date suitable to you, and discuss the proposals relating to Industrial Relations Ordinance 2002. We would appreciate your confirming the date and time convenient to you.

Thank you.

Yours sincerely,

**ZAHID ZAHEER
SECRETARY-GENERAL**

18th December 2003

**Director General Civil Aviation Authority (DGCAA)
Headquarters,
Civil Aviation Authority,
Jinnah International Airport,
Karachi.**

Dear Sir,

FUELLING AT ALLAMA IQBAL INTERNATIONAL AIRPORT, LAHORE

We understand that a meeting, chaired by yourself, was held on 29th October 2003 to resolve the issue raised by Shell Pakistan of the supply of Jet A-1 fuel at the Allama Iqbal International Airport, Lahore.

We appreciate the efforts being made by CAA on this important issue, and look forward to a fair and just solution being found, which will provide a level playing field for all concerned and send positive signals to overseas investors.

The Overseas Investors Chamber of Commerce & Industry (OICCI), as you may be aware, is an umbrella body for foreign investors in the country, and plays a positive role in resolving issues pertaining to foreign investors so that the country benefits from increased overseas investment.

Assuring you of our support and cooperation.

Yours sincerely,

**ZAHID ZAHEER
SECRETARY GENERAL**

Copies:

1. Secretary, Ministry of Petroleum & Natural Resources, Government of Pakistan, Islamabad
2. Secretary, Ministry of Defence, Government of Pakistan, Islamabad