

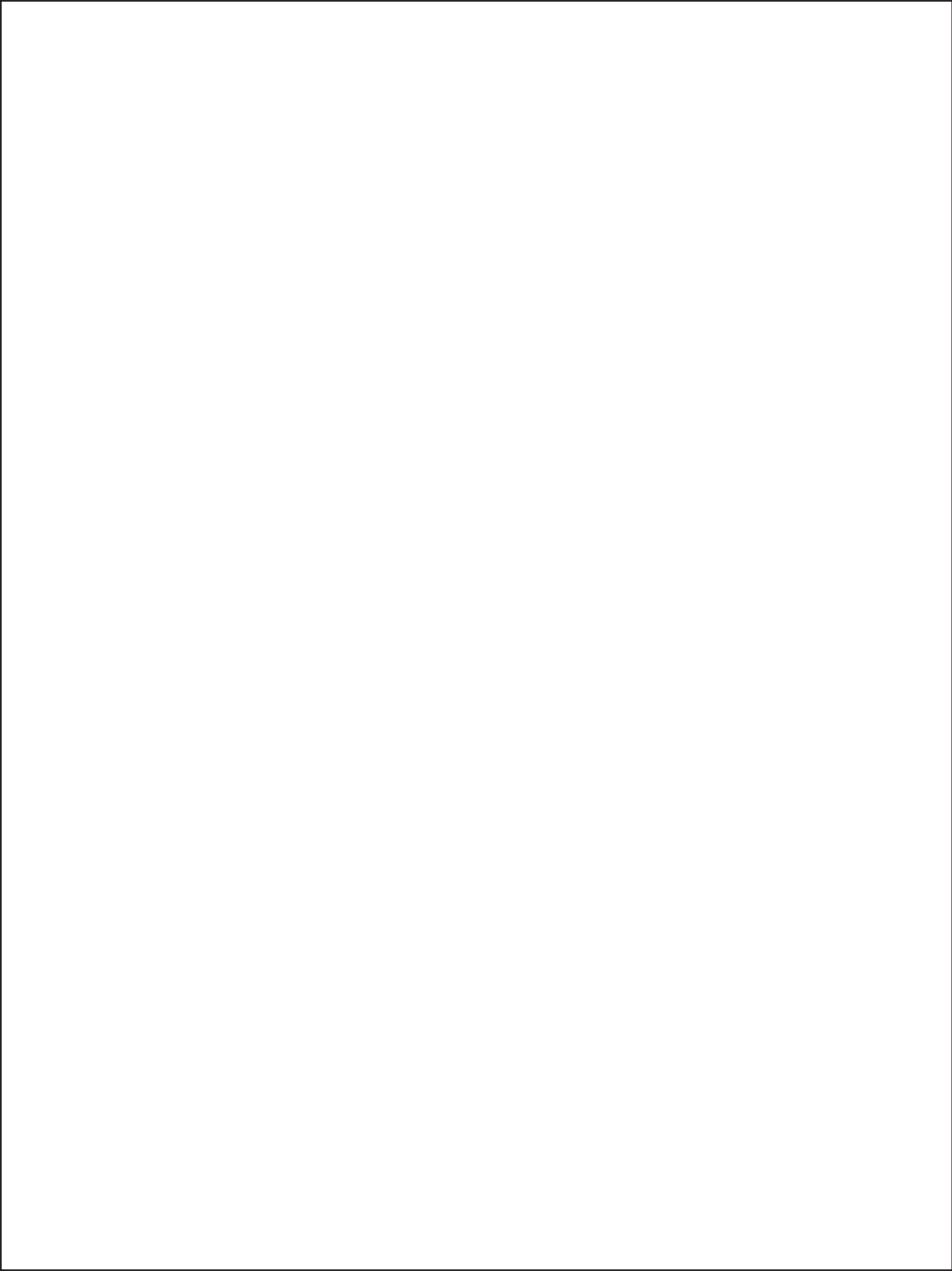


OICCI Annual Report 2011

Overseas Investors Chamber of Commerce and Industry

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INTRODUCTION

Overseas Investors Chamber of Commerce and Industry (OICCI) is the only representative body of all major foreign investors currently operating in the country. Primarily engaged in promoting and protecting the growth of commerce and industry in Pakistan, OICCI serves as the national point of reference for foreign investors in the country and ensures that the voice of its members is heard in the right quarters and has influence on government policymaking. The Chamber also helps its member firms navigate through any difficulties that may arise as a result of policy implementation. Through collaboration with the government, the Chamber also promotes private foreign investment in the country.

VISION

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

MISSION

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

REPRESENTATION

REPRESENTATION

Established over 150 years ago, OICCI is the oldest investment Chamber in the country. The membership is diverse both in terms of sector and geography. Of the total of 188 member companies, 35 are US-based, 32 from UK, 16 from the Middle East, 15 from the Netherlands, 13 from other European countries, 12 from Germany, 11 from Switzerland, 11 from Japan, 8 from UAE and 35 from other nationalities.

PRESIDENT'S MESSAGE

PRESIDENT'S MESSAGE

It is a great pleasure for me to share with you an overview of OICCI's activities in 2011.

The environment in Pakistan remained extremely challenging for business throughout 2011. A lack of focus in tackling economic challenges was compounded by security issues in Karachi, a growing energy deficit, an unresolved circular debt crisis, public spats with the US government following the "Abbottabad incident" and tensions amongst different organs of the state. All of this kept investors on edge throughout the year. As a consequence, Pakistan Foreign Direct Investment in fiscal 2010-2011 was \$1.6 billion, 27% lower than the \$ 2.2 billion invested in 2009-2010 which in itself was 41% lower than the previous year.

OICCI was deeply concerned by this uncertain situation which is a hindrance in fully exploiting Pakistan's true economic potential.

Your Managing Committee taking note of members' suggestions in the December 2010 OICCI image survey focused its activities for 2011 on raising the Chamber's profile vis-à-vis the Government and other stakeholders, strengthening the image of foreign investors and in addressing issues common to members.

Security was a prime concern during the year and we took action not only to accelerate our involvement with various security authorities, but to also share members concerns with the President of Pakistan, the Prime Minister, the Governor of Sindh, the Chief of Army Staff and the DG Rangers, Sindh.

Throughout 2011, in all our meetings with key decision makers including the Finance Minister, Secretary Commerce, Governor of the State Bank of Pakistan

as well as the Chairman of the FBR, we highlighted members issues and concerns. Our meetings with the Chairman and members of the FBR were highly productive and resulted in over 22% of the OICCI budget proposals being included in the 2011 Finance Bill. The Chamber also received considerable support from the FBR in resolving members long outstanding Sales Tax Refund claims. We are also thankful to the Minister of Finance for inviting OICCI to the Revenue Advisory Council deliberations in 2011, which helped in our clearly communicating the need for reform of the taxation system. No other Chamber was part of these deliberations and this is indeed a significant achievement for your Chamber.

The efforts of the Chamber to promote greater participation resulted in an increase in memberships to 188 following the admission of seven new foreign investors whereas four members resigned for reasons of merger etc. I take this opportunity to welcome our new members and look forward to their valuable contributions to the Chamber activities.

During the year four of the Managing Committee's (MC) 10 members, resigned due to career moves. The MC co-opted five new members in order to have equal representation from each sector of the industry.

As you are aware, the OICCI's activities are directed by dedicated subcommittees for specific areas and is headed by a member of the Managing committee. In 2011 a new "Public Relations and Communications" subcommittee was appointed. This committee aims to cater to the external communication needs of the Chamber. Currently this committee is engaged in planning for the media launch of the "OICCI Investment and Perception Survey 2011".



"As you are aware, the OICCI's activities are directed by dedicated subcommittees for specific areas and is headed by a member of the Managing committee. In 2011 a new "Public Relations and Communications" subcommittee was appointed. This committee aims to cater to the external communication needs of the Chamber. Currently this committee is engaged in planning for the media launch of the "OICCI Investment and Perception Survey 2011."

The Energy subcommittee, meanwhile, has been actively involved in developing three concept papers namely "Energy Efficiency and Conservation", "Natural Gas" and "Power Generation". These papers will shortly be presented to the Government for consideration. OICCI also participated as a co-sponsor at the "Pakistan Energy Conference 2011". I made a presentation at the conference on promoting foreign investment titled "What will drive Foreign Investment in Pakistan".

Trade and Industry subcommittee presented trade policy proposals to the Ministry of Commerce covering a wide spectrum of import policy, tariff rationalization and member feedback on trade with India and Afghanistan, including matters related to granting "Most Favored Nation" status to India.

The Intellectual Property Rights subcommittee continues to make efforts in promoting awareness among various stakeholders including law enforcement agencies on protecting intellectual property rights.

More details of all subcommittee activities during the year are mentioned in other pages of this annual report.

The Pharma Bureau members continued to face serious operational problems due to a lack of ownership of health related issues following the post 18th amendment devolution of such responsibilities to the provinces. As there is currently no Drug Regulatory Authority important matters such as registration of new drugs and the industry's long standing pleas for a price increase mechanism remain unattended. We hope the authorities will take appropriate action soon to avoid serious setbacks to the industry.

The Chamber conducted a comprehensive Perception and Investment Survey in the second half of the year. The survey report is in print and will be launched in February 2012. The salient feedback from the survey is that members are: i) planning to invest in Pakistan during the near term albeit at relatively low levels and ii) policy implementation remains a key concern.

I want to thank you for your contribution to the OICCI Flood Relief Fund 2011. The funds collected were distributed in the form of dry food items with the help of the Pakistan Navy. The chamber is currently building a data base of the Corporate Social Responsibility activities of its members prior to projecting it to the relevant audience.

One of our ongoing challenges is the political and economic instability of Pakistan which has resulted in a steep decline in investor confidence. The Chamber continues to aggressively pursue avenues for interaction with the Government of Pakistan to voice member concerns and will continue to extend its services and support to all members.

The Chamber's main source of income is the yearly subscription fees of its members. This yearly subscription has so far remained relatively low as the income was supplemented to a great extent by the rental of a major portion of the OICCI building. The loss in income due to the vacation of the premises since mid 2011 has been further compounded by high double-digit inflation of the past few years and the decline in rental values in the vicinity of the OICCI building. In order to continue the services currently provided by OICCI and also to add further value the MC has recommended an increase in the annual subscription fee of all categories of membership. The proposed subscription rates are mentioned in the notice of the 152nd AGM sent to the members and are included in this report. I request all our members to kindly approve the new charges which are relatively modest when compared to the annual charges of peer business organizations.

Looking ahead, OICCI will continue to provide members with a conduit to the Government for voicing concerns whilst facilitating business growth of our members. Moreover, the chamber will continue to be proactively engaged in all initiatives to attract FDI into Pakistan.

We are pleased that the Chamber Secretariat has successfully executed the majority of the planned programs for the period and, on behalf of the MC, I would like to thank our OICCI teams as well as members of various subcommittees for their contributions in 2011. I also want to thank all those members who actively participated in the chamber's activities and am confident all members will continue to enhance their active involvement in the chamber's on-going business.

In the end I would like to warmly welcome Mr. Humayun Bashir as the new President of the Chamber and wish the new Managing Committee even greater success in the year ahead.

Regards



Naved A. Khan
President

MANAGING COMMITTEE MEMBERS

Managing Committee Members 2011-2012

PRESIDENT

Mr. NAVED A. KHAN
President &
Chief Executive Officer
Faysal Bank Limited



VICE PRESIDENT

Mr. HUMAYUN BASHIR
Country General Manager
IBM



SECRETARY GENERAL

**Mr. MUHAMMAD
ABDUL ALEEM**
OICCI



MANAGING COMMITTEE MEMBERS

Mr. ASAD S. JAFAR
Chairman &
Chief Executive Officer
Philips Electrical Industries
of Pakistan Limited



Mr. ASIF JOOMA
Managing Director
Abbott Laboratories
(Pakistan) Limited



Mr. AZHAR ALI SYED
Managing Director
Tetra Pak Pakistan Limited



Mr. MOHAMMAD ZUBAIR
Country Representative
Chevron Pakistan Limited



Mr. BABAR B. NAWAZ
Chief Executive Officer
Attock Cement Pakistan
Limited



Mr. EHSAN MALIK
Chairman &
Chief Executive Officer
Unilever Pakistan Limited



Mr. KIMIHIDE ANDO
General Manager for
Pakistan
Mitsubishi Corporation



Mr. ASIF SAAD
Chief Executive
Lotte Pakistan PTA Limited



Mr. PERVAIZ A. KHAN
Chief Executive Officer
Uch Power & Uch II (Pvt)
Limited



The Chamber has been instrumental in giving direction to Pakistan's financial, commercial and industrial spheres by playing an influential role in providing policy input. The Chamber is widely seen as an avenue for projecting the views and reactions of its members, and also plays a vital role in ensuring that these are duly considered while formulating and implementing any new policy.

Meeting with the Finance Minister and Key Personnel

In January 2011, the Minister of Finance, Dr Abdul Hafeez Shaikh visited the Chamber along with his team to discuss the issues faced by Foreign Investors in Pakistan. He shared the current economic challenges faced by his team and discussed measures for implementing national economic reform. The minister welcomed OICCI members' feedback and advice on economic matters.

The Minister was accompanied by:

- Mr Saleem H. Mandviwalla, Minister of State/Chairman – Board of Investment
- Dr Waqar Masud, Secretary Finance - Ministry of Finance
- Mr Salman Siddique, Chairman – Federal Board of Revenue
- Mr Muhammad Ali, Chairman – Securities and Exchange Commission of Pakistan
- Dr Nadeem ul Haque, Deputy Chairman – Planning Commission

OICCI Tax Proposals for the Budget 2011-2012

The OICCI presented a list of recommendations based on members input and suggestions for the federal budget 2011-2012. Mr. Salman Siddique, Chairman, Mr. Asrar Raouf, Additional Secretary-Revenue Division, other members from Federal Board of Revenue and OICCI Managing Committee members attended a meeting on 19 March, 2011 in OICCI where each of the proposals were examined in detail.

OICCI's proposals aimed at increasing growth and investment in the country and at the same time urged the Government to broaden the tax base, make sure the already taxed sectors are not burdened with additional taxation and adopt fiscal and tax policy measures that encourage FDI, particularly in manufacturing activities.

OICCI budget proposals were well received and were also highlighted in the media. 17 recommendations out of the total of 75 proposals were included in the Finance Bill 2011-2012.

Meeting with Chairman FBR, Mr. Salman Siddique and other Revenue officials

An interactive session with the Chairman/Members, Federal Board of revenue along with CSF Consultants was held on 27 October 2011 at the OICCI. During the session the Chairman, FBR and his team addressed all the issues raised by OICCI and members present in the meeting. Few decisions were also announced in the meeting including the withdrawal of 6 % withholding tax on services for which the industry has been complaining since June 2011. The meeting was highly positive and was attended by many key FBR members.

The Chairman FBR assured OICCI members of serious consideration and possible resolution of their issues. As for its part, President OICCI assured the FBR full support in its efforts towards increased documentation of the economy leading towards increasing tax to GDP ratio.

On the issue of members' long outstanding, pre 2008-Sales Tax and Income Tax refund claims, held up mainly at LTU

Karachi, due to issues of implementation of Sales Tax Automated Refund Repository (STARR) system, the Chamber provided effective facilitation by raising issues at many levels, including the Minister of Finance. The issue was discussed with specific details at the level of Chairman, FBR, Member Direct Taxes, Chairman, BOI and Chief Commissioner LTU Karachi. Two full working sessions were held at OICCI between LTU, Karachi team and the affected members. We are pleased to report that many of the affected members have reported significant progress / resolution of their long pending claims.

During first half of 2011, Member Direct Taxes, Mr. Asrar Raouf gave a detailed presentation on the "Reformed General Sales Tax" (RGST) and clarified members' concerns surrounding the implementation of RGST.

Following the implementation of the Sindh Services Sales Tax Act, effective July 2011, the chamber invited the senior members of the Sindh Revenue Board to clarify concerns of the members. The operational and documentation issues highlighted by members were further cleared subsequent to this meeting.

Business Confidence Index

The Business Confidence Index Survey (BCI) is being regularly undertaken by the OICCI since 2010. Conducted now on a six monthly basis, the survey gauges the confidence level of the business community in the country, across all sectors and segments except Agriculture. Developed and developing economies are increasingly using the BCI as a tool to gauge the business and investment environment as well as the direction of the economy. During 2011 two BCI surveys (wave 4 and wave 5) were completed and results were shared with stake holders including the Government and Media.

Code of Corporate Governance (CCG)

OICCI regularly participated in the review sessions conducted by SECP on the proposed amendments to the 2002 Code of Corporate Governance. OICCI has earlier submitted comprehensive proposals on the code.

SECP appreciated OICCI's proposals especially in relation to Number of independent directors and executive directors

Moreover in respect of the mandatory certifications of directors, OICCI has made convincing arguments to revise the Directors's learning requirement for professionally qualified and experienced Directors.

The Chamber had earlier raised the issue of the delay in the appointment of Commissioners at SECP and amendments of OICCI Memorandum and Articles of Association (MAA) pending with SECP since April 2010.

Intellectual Property (IP) Rights

- Mr. Hameed-ullah Jan Afridi, Chairman, Intellectual Property Organization of Pakistan (IPOP) had a meeting with the President, OICCI on December 27, 2011 in Karachi. This meeting was held to discuss the OICCI's participation on the IPOP policy board. The President informed the Chairman, IPOP about the role of the OICCI in general and specifically about the various initiatives taken by the Chamber in protecting and in educating Government officials and students on IPR issues.
- To commemorate the World IP Day on 26 April 2011, the IPOP hosted the third National IP Conference titled 'Designing the future' in Islamabad. The Chamber was represented by Dr. Rizwan Majeed, Chief Executive Officer, Servier Research & Pharmaceuticals Pakistan (Private) Limited, Mr. Shoaib Hakeem, Plant Director, Servier Pakistan and Mr. Kamal Uddin Khan, Managing Director & Chief Executive Officer, Pak Libya Holding Company (Private) Limited.
- As part of its efforts towards creating IP awareness in Pakistan, the OICCI organized a talk show on Business Plus on 18 April, 2011 to address the issue of IP infringement in Pakistan. Ms. Aameena Saiyid OBE, then President, OICCI, Mr. Shahab Rizvi, Chief Executive Officer, Novartis Pharma (Pakistan) Limited and Mr. Hashim Jaffri an experienced Marketing and Sales professional, participated in the show .

Other activities

- OICCI was invited to participate in the Revenue Advisory Council (RAC) meetings at the Federal Board of Revenue between April and May 2011. OICCI appears to be the first Chamber in Pakistan to have been invited to the RAC meeting.
- OICCI's Trade and Industry subcommittee finalized the 2011-12 Policy proposals which were shared with the Ministry of Commerce. The proposals included amendments to the Import Policy, Governance improvement and tariff rationalization.
- Trade and Industry subcommittee thoroughly reviewed the newly signed Afghan Transit Agreement. Feedback from members was thoroughly discussed and shared with the Ministry of Commerce.
- The Trade and Industry subcommittee also raised the member's concerns to the Pakistan Standard Quality Control Authority (PSQCA) on the high rates of certification.
- Ministry of Commerce was regularly provided with members feedback on liberalizing trade with India and on the composition of negative and positive list.economic trend.

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

Meeting with Mr. Shahid Kardar

Mr. Shahid H. Kardar, then Governor, State Bank of Pakistan (SBP) met the members of the Managing Committee at the Chamber on 11 March 2011. The SBP Governor shared the pressures and challenges to the Pakistan economy especially after the 2010 devastating floods and the international oil price increase. The Governor also explained SBP's role in streamlining the fiscal and economic discipline in the Country. The meeting was well attended.

Session with Secretary Commerce

Mr. Zafar Mahmood, Secretary Commerce visited the OICCI twice in 2011. He appreciated the suggestions put forth by the Chamber and acknowledged its contribution towards the economy of Pakistan. Members highlighted key issues faced by the multinational companies in Pakistan, including circular debt, the patent issues faced by the Pharma sector, cross border trade with India as well as the negative impact of the security situation in Karachi on business.

Meeting with Chief Minister Punjab

Mian Muhammad Shahbaz Sharif, Chief Minister Punjab met with members of the Managing Committee and representatives from member companies on 26 August 2011 in a broader trade and industry forum. All the participants strongly urged the CM, both as CM Punjab and as a leader of PML (N) to help strengthen the governance in the country and improve the security situation especially in Karachi. OICCI members also raised the issue of delay in the formation of Drug Regulatory Authority (DRA) at the centre which is held up due to Punjab holding back its consent whereas all other provinces have agreed. The members once again raised the issue of copyright violations and multiple impact of counterfeit products in the market. The

CM assured to look into the DRA issue along with visible support on other recommendation of the group and assured his utmost support and cooperation to facilitate overall investment in the Punjab province/Pakistan.

Other Activities of the Pharma Bureau (Subcommittee of the Chamber) 2011

2011 was another year of constant scuffle and tussle for the dilapidated pharmaceutical industry, in addition to situation further aggravated by the implementation of 18th amendment to constitution.

The per capita consumption of Pharmaceuticals in Pakistan is currently less than 10 USD on a yearly basis as the modern medical and Pharmaceutical care is available mostly in large cities and a vast majority of rural population consumes the Homeopathic, Ayurvedic, or other forms of local and traditional (Unani) remedies. Government of Pakistan, being pro-poor, continues to struggle in order to improve the health facilities and availability of medicines at low cost to citizens of Pakistan. Hence, the Ministry of Health was devolved on June 30 under a constitutional amendment leading to the delegation of powers to provincial governments. At that time, Provinces were not well prepared to assume the new responsibilities, neither did they have the capacity or expertise to handle the intricate issues of drug regulation as no provincial legislation had been devised to fill the gap. Hence, a sense of confusion and uncertainty prevailed which has adversely affected the pharmaceutical Industry.

Pharma Bureau members belong to major global corporations, many of which are long standing and major investors in Pakistan and represents around 48% of Pakistan's Pharma Industry. In spite of tough and challenging situation, Pharma bureau has been able to plan

certain activities as mentioned below in addition to continued support to its members from time to time.

Pharma Bureau Meetings

Six meetings have been convened throughout the year. Extensive debates on key issues by members and amicable solutions were discussed.

Public Relations Agency

Pharma Bureau hired an agency in order to enhance its image by highlighting public services, quality and standard manufacturing practices to prepare medicines, educational activities for doctors, ethical marketing and innovative treatment availability based on research and clinical trials.

Lobbying for DRA establishment

Pharma bureau has been actively approaching the decision makers and raising its voice to establish Federal Drug Regulatory Authority in order to streamline the law regulating pharmaceutical sector in the country, and the regulatory structures formed under it for registration, manufacturing, quality assurance of medicines and adjudication of contraventions, etc.,

Delegations comprising of senior members from PB had meetings with senior politicians, Senators, Cabinet secretary, health secretaries and BOI several times in order to raise the issue of urgency to establish National drug regulation authority.

Efforts towards Flood Relief in Sind

Pharma Bureau members contributed towards the distressing catastrophe, involving interior Sind the most, and provided necessary medicines and food items for the flood affected people as per their need.

Pharma Bureau companies have, and continue to play a significant role in the context of Pakistan's landscape. Apart from continuing to manufacture and provide high quality, efficacious medicines in many cases at uneconomic prices under present conditions, Pharma Bureau is confident that 2012 will be a recovering and prosperous business year for its members.

Others

- Secretary General, OICCI attended the 62nd meeting of Advisory Council of the Ministry of Commerce on the Trade Policy 2011 – 12 held on 22 June, 2011 in Islamabad.
- President, OICCI and Mr. Babar Nawaz Member of the Managing Committee had a breakfast meeting with PMLN President Mian M. Nawaz Sharif on 20 September, 2011, and gave an overview of the key issues facing the business community and OICCI's role in Pakistan.

- President, OICCI met the Chief of Army Staff, General Ashfaq Pervez Kayani in Karachi on 21st September along with a group of business people. Besides discussing the ongoing security concerns in Karachi, the business community stressed the need for more focused and longer term action by the Rangers in Karachi.

INVESTMENT PROMOTION

The Chamber plays an important role in promoting Pakistan's image as an investor-friendly destination. These include regular interaction with potential investors, liaising with other trade bodies, facilitating visas for business purposes, providing pertinent data to potential investors and arranging trade certification, among others.

Pakistan Energy Conference 2011

The OICCI co-sponsored the "Pakistan Energy Conference 2011" organized by the Petroleum Institute of Pakistan (PIP) held in Islamabad from 10-12 April 2011. Ms. Aameena Saiyid OBE, then President, Mr. Naved A. Khan then Vice President, and Mr. M. Abdul Aleem Secretary General represented OICCI. Mr. Khan gave a detailed presentation on behalf of OICCI titled "What will drive foreign investment in Pakistan".

The Conference was well attended and managed to bring key local and international stakeholders, including the government, on one platform for an informed discussion on energy issues in Pakistan and to agree on the way forward. Recommendations of the Conference were compiled and are available with OICCI. These recommendations also provide useful guideline for Energy sub committee matters.

Business Prospects in Pakistan Conference organized by London CCI, UKTI and the Pakistan High Commission

Mr Vince Harris, OBE, member of the OICCI Managing Committee represented OICCI at an event organized by the UK Trade & Investment Pakistan in association with the London Chamber of Commerce & Industry and The Pakistan High Commission, UK. Mr Harris spoke on the Business Prospects in Pakistan.

Australian delegation visits OICCI

Mr. Ric Smith, the Australian Special Envoy for Afghanistan & Pakistan, Australian High Commissioner, H.E. Tim George, Ms. Nicola Rosenblum, First Secretary and Mr. Jon Merrill,

Assistant Secretary, Afghanistan & Pakistan had a meeting with the Managing Committee on 1 July, 2011 in Karachi. The meeting focused on investment opportunities and improvement of trade between the two countries.

Meeting with U.S. Ambassador

H. E. Cameron Munter, U. S. Ambassador to Pakistan met the Managing Committee (MC) on 28 July 2011 to discuss the current economic and business environment and explore areas where US Government and large organizations can facilitate investment in Pakistan. MC gave a profile of the Chamber and the significant contributions its members have made towards to the country's economy. MC also identified areas of interest where US help will facilitate economic growth and development in the country. Ambassador Munter appreciated the constructive role the chamber has played in promoting foreign investment and promised to assist in correctly presenting the true image of Pakistan.

Meeting with PBTIF

A 27 member delegation of the Pakistan – Britain Trade & Investment Forum – (Finance & Mining Sector) and the representatives from the Board of Investment had a meeting on 13 September, 2011 with the members of the OICCI Managing Committee and British member companies.

The meeting discussed issues impacting FDI in Pakistan. The main concerns include the current economic situation, energy crisis, law and order and the availability of specialized capital/receptive financial markets in Pakistan.

Dutch Ambassador visits OICCI

H. E. Joost Reintjes, Ambassador, Embassy of the Kingdom of the Netherlands, Islamabad and Mr. Peter Felix, Commercial Officer, Consulate General of the Netherlands had a meeting with the President OICCI on 25 March, 2011 to discuss business investment opportunities and to familiarize themselves with the business environment in the country. The President briefed the Ambassador about the operating environment in Pakistan from the business community's perspective.

BDHC visits OICCI

H. E. Adam Thomson, British High Commissioner and Mr. Peter Tibber, British Deputy High Commissioners Islamabad visited the Chamber on April 28, 2011. In the following month Mr. Francis Campbell, British Deputy High Commissioners and Director UK Trade and Investment Pakistan visited the OICCI on May 2011. Both delegations met with the President OICCI and members of the Managing Committee to discuss strategies to increase trade between Pakistan and the UK as announced by Prime Minister David Cameron. The Managing committee assured Chamber's full support to mutually work together to strengthen trade.

World Bank delegation visits OICCI

Mr. Rachid Benmessaoud, Country Director – World Bank, Mr. Naseer A. Rana, Governance Advisor, along with their team met the Managing Committee of OICCI on 11 May 2011. The meeting focused on the current Business Climate and the support required from World Bank in order to promote FDI in the country.

Roundtable on CSR in collaboration with USAID

USAID Funded Higher Education Commission – Financial Aid Development (HEC-FAD) in collaboration with OICCI held a Roundtable meeting on CSR in Lahore on 8 February 2011.

The purpose of the meeting was to bring the Higher Education Commission (HEC) and 11 partner universities into wide-ranging discussions with the private and corporate sector. Mr. Azhar Ali Syed, Managing Committee member and Managing Director, Tetrapak Pakistan Limited represented OICCI. Representatives of OICCI member companies, participated in the discussion. Both university and OICCI representatives had candid discussions on creating mutually beneficial relationships to increase access to higher education in Pakistan. These initial deliberations are anticipated to lead to sustainable partnerships in the near future.

Japanese delegation visits OICCI

H.E. Hiroshi Oe, Japanese Ambassador to Pakistan visited the OICCI on 19 October 2011 to discuss investment opportunities in the country. Ambassador Oe, expressed his interest in working with OICCI in attracting Japanese investment in Pakistan. He also stated that the long outstanding issue of circular debt needs to be resolved soon to ensure stable energy supply so as to encourage investment. The Japanese Ambassador also added that Pakistan should export more value added products.

Korean Ambassador visits OICCI

H.E. Choongjoo Choi, Korean Ambassador to Pakistan, visited the OICCI on 17 October, 2011 to promote investment between the two countries. Ambassador Choi, appreciated the business opportunities in the country and added that Korean investors are learning from the experience of existing foreign investors and are keen on investing in Pakistan.

The delegation included senior members from trade, economic and policy circles. The visitors also expressed their willingness to work with Pakistan for better business opportunities and commented that more actions were needed towards eliminating the misconceptions about Pakistan in other countries. In order to promote trade and commerce with Korea, it was suggested by OICCI members that a Korean bank may be invited to open up a branch in Pakistan. At the request of the Ambassador Choi, the CEO of an OICCI member bank offered two year, free of cost, assignment for a Korean banker at his bank. The Korean Ambassador greatly appreciated the offer and promised to take it forward at his end.

Meeting with Competitiveness Support Fund

Mr. James Ku, Senior Advisor and Mr. Mansoor Ali, Senior Project Manager, Competitiveness Support Fund (CSF) visited the Chamber on 9 March 2011 and met the Secretary General to discuss business opportunities of and ways to improve the policy framework needed for innovation-based competitiveness. CSF works towards enhancing public-private partnership within the country and also provides input for policy decisions, working to improve regulatory and administrative frameworks.

Karen Armstrong, Author visits OICCI

Ms Karen Armstrong, one of the world's leading historians and a best-selling author whose books have been translated into over forty languages visited the Chamber on 7 February 2011 to encourage corporate efforts to restore

not only compassionate thinking but more importantly, compassionate action as the central point of moral, economic, and political life.

Syed Babar Ali, Philanthropist, Educationist and Entrepreneur visits OICCI

Syed Babar Ali spoke on the subject of 'Role of Corporate Citizens as Philanthropists' during his visit to the Chamber, where he emphasized on the pressing need and vital importance of developing a culture of corporate volunteerism. He appreciated OICCI members for their active participation in corporate philanthropy; and encouraged corporate executives to supplement their time as corporate volunteers to worthy causes, especially to education.

Visa Letters/Certification of Origin

One of the most important services provided by the Chamber to the executives of member companies is providing letters of recommendation for speedy visa facilitation process. This year a total of 2694 executives were issued letters from OICCI.

A total of 13,881 requests for export certification of origins were received by the Chamber, all of which were facilitated by the Certification Department.

Other Important Meetings

- Secretary General represented OICCI at the International Coal Conference under the auspices of Thar Coal Energy Board and Sindh Board of Investment on 22 October 2011 in Karachi.
- Secretary General and Mr. Moin Mohajir, Deputy Secretary General & Head of Finance in OICCI met Dr. Tilo Klinner, Consul General of Germany on 25 November 2011
- Mr. Michael O'Sullivan CMG, Director, Cambridge Commonwealth Trust and Cambridge Overseas Trust, UK along with Ms. Uzma Yousuf, Country Manager, Relationships & Communication, and University of Cambridge, UK had a meeting with the Secretary General, OICCI in January 2011.
- Secretary General, OICCI met with Mr. Steve Arrick, Economist for South Asia, Foreign & Commonwealth, Mr. Arif Zaman South Asia & Corporate governance, Commonwealth Business Council UK, Ms. Vanessa Ryan, Second secretary (Economic) British Deputy High Commission, Mr. Hussain Babur (Inclusive Business Advisor of SNV Dutch Development Organization with

ADB), Mr. M. Farooq Afzal, Chairman, Pakistan Russia Business Council and Mr. Naved K. Baloch, Finance Secretary, Government of Sindh on different occasions to share views on the current economic situation and to discuss investment opportunities.

- Regular lobbying and dialogue with trade body representatives and international agencies were undertaken to promote enhanced level of FDI to Pakistan, which included several meetings with the Pakistan Institute of Corporate Governance (PICG).

To facilitate its primary function, OICCI realizes the importance of bringing key players onboard and maintaining dialogue with them. Over the years, the Chamber has cultivated a broad network of associates. At the same time, efforts are always underway to foster new links and further mutual interests. To this end, the Chamber hosts and/or plays an instrumental role on several participatory platforms to provide opportunities for information-sharing.

OICCI held a whole day Seminar on “Pakistan: Challenges and Aspirations: Taking Stock” at the Avari Towers on April 19, 2011.

The OICCI in its endeavour to support the government in formulating policies and promoting investments in the country, organized a seminar on “Pakistan: Challenges and Aspirations: Taking Stock” on 19 April 2011 in Karachi.

The prime objective of the seminar was to review the key challenges facing Pakistan and to have a dialogue with the intelligentsia from different areas of expertise. The seminar brought together some of the most experienced and highly respected name in the field of diplomacy, economic and social management. A list of policy recommendations were finalized at the conclusion of the seminar.

Some of the distinguished speakers of the seminar were Ambassador Najmuddin Shaikh, Dr. Akmal Husain, Dr. Shamsh Kassim-Lakha, Dr. Ishrat Husain, Ambassador Jamsheed Marker, Mr Paul Ross, International Monetary Fund, Mr. Gareth Aicken, Country Director Asia Development Foundation, Mr. Kamal Azfar (Rapporteur) and Mr. Maueen Afzal (Master of Ceremony).

OICCI Efforts towards Flood Relief

H.E. Asif Ali Zardari, President of Pakistan met OICCI representatives at Bilawal House to discuss the aftermath of the flood and its impact on business. He thanked OICCI members for their generous and continuous contributions, and requested them to continue with their efforts.

As a responsible corporate citizen, members of OICCI have come forward and contributed generously during the floods of 2011. Based on members information shared with the OICCI, the break-up of the flood contributions were as follows: 11 per cent cash donations by parent companies overseas; 57 per cent cash donations by member companies in Pakistan; and 32 per cent contribution in the form of food and other essential items.

Additionally the Chamber initiated an OICCI Flood Relief Fund for the 2011 floods in Sindh. 15 member companies contributed Rs 2.6 million to this fund. The total fund collected was used to distribute dry food packages in the areas of Badin, Sindh with assistance of the Pakistan Navy.

CEOs Lunches

Periodical luncheon meetings with CEOs of member firms were hosted by the President. While Karachi is the customary venue for such events, the Chamber also hosted similar get-together in Islamabad and Lahore, for member companies based in and around those cities. These events provide a participatory platform to CEOs of member firms to exchange views on various economic, security and global financial matters. During the year, the President and Secretary General also visited the offices of members based in Lahore.

Media Coverage

The activities of the OICCI were extensively covered in all leading newspapers and other media channels of the country. These included media events as well as closed-door sessions. During the year under review, a total of 46 appearances in the print and electronic media were reported.

OICCI's Registration with Trade Organizations Ordinance After regular follow up visits and communications, the Secretary, Ministry of Commerce and Director General, Trade Organizations Ordinance have amicably resolved immediate issues of licensing and temporary exemption for the Chamber.

National Management Course Participant Visits OICCI

36 Members of the 94th National Management Course (NMC) organized for Senior Civil Officers from the National Management College (NMC), Lahore visited the OICCI on 28 March, 2011. The Purpose of the meeting was to provide an insight into the overall business and economic climate of the country and share the need for an effective government strategy and proper policy implementation for improving the country's economy and attracting FDI. During this visit the NMC participants were particularly given an orientation on the importance of Intellectual Property Rights and its protection which is critical for encouraging foreign investment in the country.

Other Important Meetings

- President OICCI attended a Lunch hosted by the Prime Minister of Pakistan for the businessmen community on 23 September, 2011 in Karachi.
- A delegation from Corporate Social Responsibility Development Centre, Iran met the Secretary General in February, 2011. The purpose of the visit was to study implementation of good governance practices in the corporate sector in order to apply similar practice in Iran.
- Secretary General attended the international conference on the Pakistan's Economic Growth Strategy hosted by the Planning Commission in Islamabad on 13 and 14 July, 2011.
- President OICCI and Secretary General had a meeting with the Corp Commander Karachi, Lt. General Zaherul Islam on 16 August, 2011 to discuss the flood relief efforts by OICCI members. The president also handed over a cheque of Rs 2.9 million for the rehabilitation of the 2010 flood affectees. This was based on members contribution to the 2010 OICCI Flood Relief Fund.
- OICCI interacted with the following bodies/academic institutions:
 - ▶ Centre for International Private Enterprise (CIPE)
 - ▶ Institute of Business Administration (IBA)
 - ▶ Karachi School for Business and Leadership (KSBL)
 - ▶ Lahore University of Management Sciences (LUMS)

The OICCI serves as a resource pool for its members as well as other key stakeholders. The Chamber is currently focusing on developing its information pool and regularly brings out publications to aid members stay abreast with new developments. Moreover, the Chamber also serves as the focal point for various bodies to disseminate pertinent information to its members. In addition, interactive sessions with government personnel along with workshops and seminars, tailored to meet local needs and conditions of OICCI members, form a significant part of the Chamber's calendar.

The OICCI Perception & Investment Survey 2011

The OICCI Perception & Investment Survey 2011 has been finalized and is based on responses from member companies only. The survey gives an insight into the overall business and economic climate of the country through the perception of overseas investors. The survey is designed to gain a macro level perspective of various policy and institutional environment that affect businesses in Pakistan. This perception gives a fair summary of Pakistan's economic fundamentals, political developments, actual operating environment and other parameters that determine the success of current and future businesses.

The survey results are to be published in February 2012 and will be disseminated to all stakeholders especially senior government authorities, policy makers, diplomats, potential investors and independent organizations that have a vested interest in Pakistan's business environment.

The OICCI Consumer Price Index

The OICCI Consumer Price Index (CPI) report is a regular annual report which traces the trend of prices of various consumer items and assesses their impact on household budgets of various income groups, based on their respective expenditure patterns. The last CPI report measures the inflation rate in the country and its trend to figure macro-economic indices of Pakistan's economy. The report is particularly useful for remuneration decision and planning. The report was provided to all OICCI members in October 2011.

OICCI Daily Economic and Political Update

The OICCI Daily Economic and Political Update is a comprehensive round-up of all major English newspapers. The update is a simple and quick way of getting political, financial and business news. This daily report is highly sought after and is widely appreciated by members of OICCI, diplomatic community, foreign trade organizations and a range of other mixed stakeholders from within and outside Pakistan. Currently the daily update is shared electronically with more than 300 recipients.

OICCI Security Update

The 'OICCI Security Update' is a brief report with an update on the current law and order situation in the country. An initiative of the OICCI Law and Order Subcommittee, the purpose of the advisory service is to provide members with information that may be helpful while planning their own security advisory. The report is issued on situational assessment and need basis.

OICCI Newsletters

The main focus of the Newsletter is to highlight events and ongoing activities at the Chamber. The OICCI Newsletter also showcases the contributions made by member companies to Pakistan's economic and social sector. The mid year edition of the Newsletter was issued in August 2011 and was widely circulated besides being sent to members also.

Interaction with CPLC

Mr. Ahmed Chinoy, Chief-Citizens-Police Liaison (CPLC) along with 8 member delegation visited the Chamber for an interactive session with OICCI members on 3 March 2011. The deteriorating law and order situation and the security challenges faced by members were discussed in detail during the session.

OICCI requested CPLC's assistance in providing information on trends and crime data with Do's and Don'ts on a regular basis as well as assigning a liaison person at CPLC. Members requested assistance in increased surveillance and security in areas of Port Qasim, Korangi, S.I.T.E an I.I. Chundrigar road as well as in criminal record verification / security clearance. CPLC also agreed to provide assistance in car theft/ snatching and kidnapping related situation including training sessions for OICCI members. The two organizations agreed to continue interaction to assist member companies in tackling the law and order situation.

Session with Competition Commission of Pakistan (CCP)

Ms. Rahat Kaunain Hassan, Chairperson, CCP along with all members of CCP visited OICCI on 14 June 2011.

The session was held in continuation of the ongoing interaction between OICCI and CCP which aims at providing OICCI members opportunities to better understand the functions of CCP. The session focused on topics related to Leniency, Merger Control Regime in Pakistan, Voluntary Competition Compliance Code and Reward Payment Scheme.

The delegation included Dr. Joseph Wilson—member (Mergers, Acquisitions & International Affairs), Ms. Vadiyya Khalil— Member (Advocacy & IT), Mr. Mueen Batlay— Member (Competition Policy and Research), Mr. Shahhzad Ansar— Member (Office of Fair Trading and Budgetary Affairs) Mr. Nauman Farooqi-Joint Director (Legal), Ms. Mehreen Ibrahim-Deputy Director (Legal) and Ms. Wajeeha Saif-Jr. Executive Officer (Legal).

Sindh Revenue Board team meets OICCI members

In July, the Chamber conducted a sessions with Mr. Akhtar Jamil Khan, Member Operations- Sindh Revenue Board (SRB) and Mr. Mumtaz Ahmad, Member Legal and Coordination SRB for a comprehensive understanding of the Act enacted consequent to the 18th Constitutional amendment and its implementation.

Mr. Ahmad gave a presentation on the SSTSA 2011 and shared that the current tax to GDP ratio is 10.2 percent out of which the federal ratio is 9.2 percent. He informed that

the province was contributing around 52 percent in the total federal revenue collection, where as it was receiving only 3 percent.

Mr. Ahmad informed that starting from fiscal year 2011-12; Sindh would collect sales tax on various services rendered in the province. OICCI members sought clarification from SRB regarding the input tax claim adjustment and opined that services such as telecommunication, advertisement, insurance and freight forwarding would be subject to double taxation since FED is already applicable on such services. Another major cause of concern of OICCI was the withholding of Sales Tax from vendors/ Services providers who are non-registered vendors/service providers of Sindh. They also wanted clarification on the consequences of doing business with a non registered vendor/ service provider. SRB satisfactorily clarified these matters. For a copy of the complete Act, please visit our website: <http://www.oicci.org/forms/publications.aspx>

Meeting with Director General, Pakistan Rangers, Sindh

A meeting was held with Major General Mohammad Ijaz Chaudhry, Director General, Pakistan Rangers, Sindh in November 2011. During the meeting OICCI members shared their concerns and frustrations on the deteriorating law and order situation. While addressing the members concerns, Major General Ijaz Chaudhry, explained the role of the Rangers and actions taken by them to improve the Law and Order situation in Sindh. The DG Rangers also appointed a dedicated contact person to address OICCI members concerns and threats. Earlier in September 2011, the President, Chairman Security sub committee and Secretary General had a detailed meeting on the deteriorating law and order situation in Karachi.

Security Law and Order Subcommittee Activities

The security law and order subcommittee has been very active during the year; the committee conducted two security conferences in Karachi and Lahore on 19 July and 18 November 2011 respectively. Awareness raising sessions and training on "Dynamics of Security in the Present Environment"; "Sharing the best practices and effective use of physical and electronic systems" was also organized. A meeting with the All Pakistan Security Agencies Association (APSAA) was arranged for OICCI members. All these activities were well appreciated by the OICCI members

WAY FORWARD SECRETARY GENERAL'S MESSAGE

Dear Members,

2011 has been a challenging year for the economy and business in Pakistan. The fast changing political and security situation put an overhang on the economy, business growth and governance issues. The heightened security issues in Karachi, especially during the first nine months of the year, had a very negative impact on the trade and commerce in the country.

The environment affected the inflow of foreign direct investment besides being a restraining factor for the existing investors.

OICCI, as a premier body of foreign investors, remained focused in attending to issues of interest to its members and key stakeholders. The recommendations coming of the 2010 OICCI Image survey were also addressed.

During the year, the OICCI members had the opportunity of roundtable discussion at the Chamber with key Government functionaries - the Finance Minister and his top economic team, Governor, State Bank of Pakistan, Chairman, Federal Board of Revenue (FBR), Secretary, Ministry of Commerce, Chairman, Board of Investment; Chairperson, Competition Commission of Pakistan and many more senior officials. President OICCI and Managing Committee member(s) were also invited for meetings with the President of Pakistan, Prime Minister and Chief Minister, Punjab.

Significant activities during the year evolved around facilitating members taxation and security related matters. We are thankful to Ministry of Finance and Federal Board of Revenue for inviting OICCI, for the first time, to the Revenue Advisory Council meetings in 2011, to facilitate formulation of

2011-12 budget recommendations. OICCI's 2011 Budget Proposals were comprehensive and well documented. The Chairman, FBR along with senior tax officials visited the Chamber thrice during 2011 for first hand understanding of our taxation proposals and recommendations and many issues were resolved during the discussion at the Chamber. It is worth repeating that out of the total 75 Budget Proposals made by OICCI, 17 were incorporated in the 2011 Finance Bill. Chief Commissioner Large Taxpayers' Unit (LTU), Karachi and his team had a working session at the OICCI to resolve the old Sales Tax Refund claims of our members. A follow up visit by the LTU Head and his team was held in January 2012 with tangible success for affected members.

The Chamber conducted two waves of Business Confidence Index (BCI) survey in 2011. The survey results were duly shared with all stakeholders and prominently reported in the media as well. Besides usual elements the BCI respondents were asked to reflect on relevant issues for them like the most critical business challenge facing each sector, how to stop tax evasion in Pakistan, what should the business community do to revive trade and commerce in the country, besides seeking response on the impact of the new Afghan Transit Trade Agreement and the easing of trade with India.

The OICCI Perception and Investment Survey with members, was conducted in later half of 2011. The survey results have been analyzed and the report will be launched in February 2012. Though this survey is on the pattern of the previous survey conducted in 2009, and is restricted to OICCI members feedback only, the 2011 survey differs from previous surveys and takes into account the current economic and socio-political developments in the country. The latest



“ Going forward, the agenda for the year 2012 will continue to emphasise on facilitating members issues, especially relating to fiscal and taxation matters, security, Pharma’s Drug Regulatory Authority and pricing issues as well as on overall governance issues. The Chamber also plans to organize a CSR Conference based on members participation. OICCI will continue to build confidence among the existing investors on the seriousness of the Government to effectively implement policies and commitments. ”

survey focused on issues in Pakistan as well as a comparison with the operating situation in the region. Several new questions were introduced to get a more detailed feedback on members mid term priorities and investment plans. It is encouraging to observe from the 2011 survey results, that despite having serious concern on issues of security, energy and governance, our members are planning to invest in Pakistan, although at a much lower level. OICCI members also expect their revenue and profit to grow in the coming years.

OICCI was one of the co-sponsors of an international conference on energy issue entitled "Pakistan Energy Conference 2011" held on 10-12 April, 2011 in Islamabad. The conference was inaugurated by the Prime Minister of Pakistan and was aimed at addressing the widening energy shortfall now and in the longer term as well. The conference was preceded with an in depth analysis of the energy needs and supply gap for the next 25 years. The conference was well attended and was successful in getting due attention of the political leadership and policy makers to undertake well thought out measures to meet the energy challenge.

The Chamber also organized a one-day economic conference, titled "Pakistan: Challenges and Aspirations Taking Stock" in April 2011 in Karachi. Intellectuals from varied social and economic background and senior economists including Mr Paul Ross of International Monetary Fund and Mr. Gareth Aicken, Country Representative of the Asia Foundation, addressed on the overall economic and social agenda for Pakistan.

Responding to members serious concerns on the deteriorating security situation in the country, especially Karachi, OICCI organized a series of security workshops and conferences. In November 2011 Director General, Pakistan Rangers, Sindh had a working session with our members wherein a dedicated senior Rangers official was assigned to attend to members concerns and threats. Moreover, various security awareness and training sessions were also conducted in Karachi and Lahore. Members' security concerns were also brought to the notice of the Chief of Army staff during his interaction with Mr. Naved A. Khan, President, OICCI.

Following the passage of the 18th Amendment, the Ministry of Health was dissolved at the federal level effective 1st July 2011. In theory, all activities performed by the Ministry of Health were to be devolved to the respective provincial Governments. As a consequence, considerable confusion prevailed in the absence of a regulatory regime with critical functions of product licensing, quality and pricing remaining in limbo. Despite, repeated representations by the Pharma Bureau (sub-committee of the OICCI) and a congruity of views between all stake holders on the need for a central regulatory authority, the proposed Drug Regulatory

Authority (DRA) is yet to see the light of day. The members of the Pharma Bureau continue to face serious operational issues. The pricing and registration of pharma products remains a very serious matter and the Pharma Bureau continues to approach the relevant policy makers in the Government and the political leadership to address this critical issue. The impediment in the formation of a Federal DRA is predicated on issues that can easily be overcome and delays in forming a central DRA is compromising patient and industry

In response to an appeal from the Managing Committee, 15 members made contribution of Rs 2.6 million towards the OICCI Flood Relief Fund for flood affectees in Sindh. This was in addition to members own contribution to the flood relief activities. The fund collected from members was used to distribute dry food packages in the areas of Badin, Sindh with assistance of the Pakistan Navy.

Orix Leasing Pakistan Limited, after being tenants for 23 years, vacated the OICCI building and moved to their own premises. The building vacated in mid 2011 has been advertised to members and selected corporate customers. We are hopeful that, despite difficult business conditions, an appropriate tenant for this very important heritage building will be found in 2012. It is important to note that the rental income is an important source of revenue to the Chamber.

We are pleased to report that Secretary, Ministry of Commerce and Director General, Trade Organizations has amicably resolved the immediate regulatory issues of the Chamber.

We are actively pursuing to regain a seat for OICCI on the Intellectual Property Organization of Pakistan (IPOP) Policy Board. The IPOP law is currently under revision. It is expected that the Government of Pakistan will provide representation to OICCI on the IPOP Policy Board. Protection of trade marks and intellectual property is high on the agenda of international investors and IP monitoring agencies.

A number of Foreign Ambassadors and delegates visited the Chamber during 2011 to discuss economic issues. Besides Head of World Bank in Pakistan, delegates from Pakistan Britain Trade Forum, Australian Special Envoy for Afghanistan and Pakistan and Ambassadors of the US and few European and Asian countries interacted with the OICCI Managing Committee and members.

The Managing Committee (MC) has decided to close the gap between the year end and the Annual General Meeting of the members so that there is closer alignment between the MC term and the Chamber's budget. As such the current MC will complete its term in a ten month period only. Election for the new MC is in process and the new Committee is expected to be in place by 1st March 2012.

The Secretariat team has been visibly strengthened during the year with new inductions supported by training and development of the existing staff.

Going forward, the agenda for the year 2012 will continue to emphasise on facilitating members issues, especially relating to fiscal and taxation matters, security, Pharma's Drug Regulatory Authority and pricing issues as well as on overall governance issues. The Chamber also plans to organize a CSR Conference based on member's participation. OICCI will continue to build confidence among the existing investors on the seriousness of the Government to effectively implement policies and commitments. As done in the past we will continue to participate in all activities aimed at attracting foreign investment in the country. The Chamber and its members have the capacity and the capability, if properly engaged, to contribute significantly in the economic growth and development of Pakistan in these challenging times.

I take this opportunity to thank the Managing Committee, the members, key government functionaries and the Secretariat team for their support in making 2011 a productive year in our march towards further raising the profile of the Chamber.

Regards



M. Abdul Aleem
Chief Executive / Secretary General

YEAR IN PICTURES



OICCI Tax Proposals for the Budget 2011-2012

Left to Right: Mr Asrar Raouf, Member Direct Taxes, FBR with Mr. Salman Siddique Chairman, Federal Board of Revenue (FBR).



Meeting with the Finance Minister and Key Personnel

Left to Right: Mr. Abdul Hafeez Shaikh, Finance Minister; Mr. Naved A. Khan, President OICCI Mr. Muhammad Ali, Chairman, Securities & Exchange Commission of Pakistan (SECP) and M. Abdul Aleem, Chief Executive / Secretary General OICCI



SECP Chairman Visits OICCI

Left to Right: Mr. Muhammad Ali, Chairman, SECP with Mr. M. Abdul Aleem CE/Secretary General, OICCI.



Meeting with Mr. Shahid Kardar

Left to Right: Mr. Shahid Kardar, then Governor, State Bank of Pakistan with Mr. Naved A. Khan, President, OICCI.



BDHC visits OICCI

Left to Right: Mr. Humayun Bashir, Vice President; Mr. Naved A. Khan, President and Mr. Francis Campbell, British Deputy High Commissioner.



Interactive Session with CCP

Left to Right: Mr. Naved A. Khan, President, OICCI with Ms. Rahat Kaunain Hassan, Chairperson, Competition Commission of Pakistan.



Interactive Session with CPLC

Representatives of member companies at the interactive session with the Citizens Police Liaison Committee (CPLC).



OICCI Seminar

Guest speakers at the seminar "Pakistan; Challenges and Aspiration: Taking Stock" organized by OICCI



Japanese delegation visit OICCI

Mr. Naved Khan, President, OICCI presenting a memento to H.E. Hiroshi Oe, Japanese Ambassador to Pakistan



Korean Delegation visits OICCI

Mr. Asif Saad, Member, Managing Committee presenting a memento to H.E. Choongjoo Choi, Korean Ambassador to Pakistan



Delegates of the 94th National Management Course for civil officers



World Bank Officers meet the OICCI Managing Committee

Left to Right: Mr. Rachid Benmessaoud, Country Director, World Bank with Mr. Naved A. Khan, President OICCI



All Pakistan Security Agencies Association (APSAA)

Left to Right: Mr. Babar Bashir Nawaz, Chairperson, Security Law and Order Subcommittee with Brig. Rashid Ali Malik, Chairman, APSAA.



Meeting with FBR

Representatives of OICCI member companies along with delegates of the FBR team during the meeting with Mr. Salman Siddique, chairman, FBR at the OICCI.



Meeting with Sindh Revenue Board (SRB)

Left to Right: Mr. Mumtaz Ahmad, Member Legal, SRB; Mr. Akhtar Jamil Khan, Member Operations (SRB); Mr. Sirajuddin Aziz, Ex-Managing Committee Member and Mr. M. Abdul Aleem, Secretary General, OICCI.



OICCI Flood Relief Efforts

Mr. Ghulam Ali, Staff Member, OICCI distributing food packages in the flood affected areas of Sindh.



Australian delegation visits OICCI

Left to Right: Mr. Ric Smith, Australian Special Envoy for Afghanistan & Pakistan; H.E. Tim George, Australian High Commissioner; Ms. Nicola Rosenblum, First Secretary and Mr. Jon Merrill, Assistant Secretary, Afghanistan & Pakistan.



Secretary Commerce visits OICCI

Left to Right: Mr. Asad Jafar, Member, Managing Committee OICCI; Mr. Humayun Bashir, Vice President, OICCI; Mr. Zafar Mehmood, Secretary, Ministry of Commerce and Mr. M. Abdul Aleem, Secretary General, OICCI.

REPORT OF THE COMMITTEE ON THE ACCOUNTS FOR 2011

The audited accounts of OICCI for the year ended 31 December 2011, together with the Auditors' Report thereon, are attached.

The Income and Expenditure account for the year ended December 31, 2011 shows a surplus of Rs 4.6 million before taxation, as compared to a deficit of Rs 4.3 million in the previous year. After accounting for taxation of Rs 0.4 million, the net surplus for the year was Rs 4.2 million, showing an improvement over the net deficit of Rs 6.0 million in the previous year.

The total income, at Rs 59.9 million, was marginally lower than the Rs 60.9 income in the previous year, despite an increase in members annual subscription, as well as, certification and other receipts, due to the 57% reduction of rental income. Excluding the rental income and the income of the Pharma Bureau, there was a growth of nearly 16% in the OICCI income.

Orix Leasing, the OICCI tenant for over 23 years, moved out of the Chamber's building into their own building in May 2011. Your Chamber's efforts to find a new tenant has been hampered mainly on account of relatively surplus office space availability in the surrounding area at this point of time. Regular and heightened efforts will continue to suitably market this important heritage building in the city.

Recognizing the absence of rental income from mid year, the Chamber curtailed its' various non essential expenses. The chamber continued to organise a number of value adding activities and also increased inter-actions with key decision makers to raise its' profile further. Details of all these activities are mentioned elsewhere in this annual report.

Increase in salaries and wages due to normal annual increases and addition of two new persons was offset by vacancies of four persons due to retirement and resignations. Legal and professional charges have reduced significantly as last year's cost included some major payments made by the Pharma Bureau for legal opinions on devolution of Health Ministry post 18th amendment scenario and for pursuing matters relating to the Trade Organization Ordinance. Repairs and maintenance has increased to meet the building repair work. Bad debts written off relate to the Pharma Bureau's receivables of prior years mainly on account of flood relief activities and some other costs which was not recovered from member companies. As mentioned above cost increases were partly offset by cost control and savings in various administrative expenditures as per details available in the attached notes to the accounts.

Going forward, and building on recent efforts, as per the activity report attached, the chamber is planning to further accelerate its presence and interaction at various forums. These efforts are aimed at enhancing the image and effectiveness of the chamber. Such activities will have to be conducted on a sustained basis and will require stable funding. Considering the uncertain nature of rental income, which in any case is going to be much less than the historical level due to depressed market conditions, the chamber has to plan a realistic but challenging financial forecast. Besides continuous efforts to enlist new members, and to bridge the funding gap, the chamber has already raised its certification fee effective beginning of 2012. Additional revenue will also be generated from the proposed increase in the membership fee, duly recommended by the Managing Committee, for approval in the AGM, to reflect the true value of the services provided to OICCI members.

Finally, we would like to thank the members once again for their understanding and full support to the Chamber in all its' endeavors.



Naved A. Khan
President



M. Abdul Aleem
Secretary General



Humayun Bashir
Vice President

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Overseas Investors Chamber of Commerce and Industry as at December 31, 2011 and the related income and expenditure account, cash flow statement and statement of changes in equity 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 approved accounting standards and 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 accounts 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, income and expenditure account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and 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, 2011 and of the surplus, its cash flows and changes in equity 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

Dated : 08-02-2012

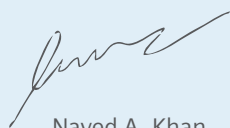
Name of the engagement partner: Farrukh Rehman

BALANCE SHEET

AS AT DECEMBER 31, 2011

	Note	2011 Rupees	2010 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	35,204,001	35,352,435
Intangibles	4	76,000	68,666
Long-term deposits		408,586	108,586
		<u>35,688,587</u>	<u>35,529,687</u>
CURRENT ASSETS			
Trade receivables	5	664,000	1,610,510
Accrued mark up		-	781,233
Advances, short-term prepayments and other receivables	6	1,063,040	3,003,408
Taxation - payments less provisions		3,896,228	2,709,681
Short term investments	7	35,763,451	-
Cash and bank balances	8	17,376,805	55,793,492
		<u>58,763,524</u>	<u>63,898,324</u>
		<u>94,452,111</u>	<u>99,428,011</u>
RESERVES AND LIABILITIES			
RESERVES			
		76,139,028	71,969,871
NON-CURRENT LIABILITIES			
Staff retirement benefit - gratuity		172,641	211,137
Deferred taxation	9	-	302,714
		<u>172,641</u>	<u>513,851</u>
CURRENT LIABILITIES			
Trade and other payables	10	18,140,442	26,944,289
		<u>18,313,083</u>	<u>27,458,140</u>
COMMITMENTS			
	11	<u>94,452,111</u>	<u>99,428,011</u>

The annexed notes 1 to 21 form an integral part of these financial statements.



Naved A. Khan
President



Muhammad Abdul Aleem
Secretary General



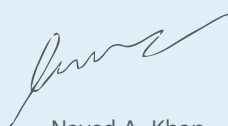
Humayun Bashir
Vice President

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2011

	Note	2011 Rupees	2010 Rupees
INCOME			
Members contributions	12	39,278,273	30,979,194
Rental income from building and air conditioning plant		7,437,733	17,283,491
Return on Treasury bills and bank deposits		4,751,256	4,901,344
Other receipts	13	8,399,254	7,706,726
		59,866,516	60,870,755
EXPENDITURE			
Salaries, allowances and other benefits	14	25,431,057	25,389,843
150th anniversary expenses		-	8,985,888
Legal and professional charges		5,842,253	9,093,535
Depreciation and amortisation		4,235,447	3,989,905
Advertisement, promotions and public relationship		4,519,900	4,353,575
Electricity, fuel and gas [net of recoveries Rs. 12,338; (2010: Rs. 21,910)]		2,666,914	2,550,430
Printing and stationery		1,948,037	879,931
Repairs and maintenance		2,780,222	2,439,374
Entertainment		846,641	799,883
Other expenditure	15	7,020,829	6,664,779
		55,291,300	65,147,143
SURPLUS / (DEFICIT) BEFORE TAXATION		4,575,216	(4,276,388)
Taxation	16	(406,059)	(1,698,531)
SURPLUS / (DEFICIT) BEFORE TAXATION		4,169,157	(5,974,919)

The annexed notes 1 to 21 form an integral part of these financial statements.



Naved A. Khan
President



Muhammad Abdul Aleem
Secretary General




Humayun Bashir
Vice President

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2011

	Note	2011 Rupees	2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	17	(537,877)	(7,826,842)
Taxes paid		(1,895,320)	(2,219,094)
Mark up paid		-	(39,133)
Long term deposits - net		(300,000)	-
Staff gratuity paid		(1,410,181)	(2,122,771)
Net cash used in operating activities		(4,143,378)	(12,207,840)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		(32,626,335)	-
Purchase of property, plant and equipment		(4,007,547)	(1,945,044)
Purchase of intangible assets		(100,000)	(28,000)
Proceeds from disposal of property, plant and equipment		65,200	537,154
Return / interest received		5,315,225	4,187,398
Net cash (used in) / from investing activities		(31,353,457)	2,751,508
CASH FLOWS FROM FINANCING ACTIVITY			
Payment of finance lease liabilities		-	(519,557)
Net decrease in cash and cash equivalents		(35,496,835)	(9,975,889)
Cash and cash equivalents at the beginning of the year		55,793,492	65,769,381
Cash and cash equivalents at the end of the year	18	20,296,657	55,793,492

The annexed notes 1 to 21 form an integral part of these financial statements.



Naved A. Khan
President



Muhammad Abdul Aleem
Secretary General



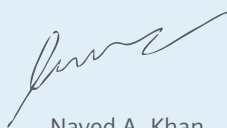
Humayun Bashir
Vice President

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2011

	Reserves Rupees
Balance as at January 1, 2010	77,944,790
Deficit after tax for the year	(5,974,919)
Balance as at December 31, 2010	<u>71,969,871</u>
Surplus after tax for the year	4,169,157
Balance as at December 31, 2011	<u><u>76,139,028</u></u>

The annexed notes 1 to 21 form an integral part of these financial statements.



Naved A. Khan
President



Muhammad Abdul Aleem
Secretary General



Humayun Bashir
Vice President

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

1. THE COMPANY AND ITS OPERATION

The company is a not for profit association under section 42 of The Companies Ordinance, 1984 and was incorporated as a guarantee limited company. The Chamber deals with matters relating to trade and commerce for the foreign investors in Pakistan. The company has been granted a license as a Chamber by the Federal Government under the Trade Organisations Ordinance, 2007 upto June 17, 2014 which is renewable after every three years. The registered office of the Chamber is situated at Chamber of Commerce Building, Talpur Road, Karachi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Medium Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 have been followed.

(b) Overall valuation policy

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

(c) Property, plant and equipment

i) Tangible

These are stated at cost less accumulated depreciation except for capital work-in-progress which are stated at cost. Depreciation on all assets is charged to income applying the straight line method whereby cost of an asset is written off over its estimated useful life at rates shown in note 3.1. Leasehold land is depreciated over the period of lease. Full year's depreciation is charged on additions during the year whereas no depreciation is charged in the year of disposal.

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

ii) Intangible

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

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

(d) Investments

Investments of the Chamber are classified into the following categories:

i) Held to maturity

Investments with fixed payments and maturity that the Chamber has positive intent and ability to hold till maturity are classified as held-to-maturity investments. These are measured at amortised cost using effective interest method.

ii) Available for sale

These represent investments that are either designated in this category or not classified in any other category. These are initially recognised at fair value plus transaction cost, and subsequently at fair value. They are included as non-current assets unless management intends to dispose off the investments within twelve months of the balance sheet date. Changes in fair value are recognised separately as part of reserves.

(e) Trade receivables

Trade receivables are stated at original invoice amount. Receivables considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

(f) Cash and cash equivalents

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

(g) Finance Lease

Lease that transfer substantially all the risks and rewards incidental to ownership of assets are classified as finance leases. Finance leases are capitalised at the inception of the lease term at the lower of fair value of the leased assets and the present value of minimum lease payments. The outstanding obligation under the lease less finance charges allocated to future periods is shown as a liability. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

(h) Staff Retirement Benefits

The Chamber operates an approved funded gratuity scheme. Accrual is made on the basis of actuarial recommendation. Actuarial valuation of scheme is carried out on periodical basis using the projected unit credit method and the latest valuation has been carried out as at December 31, 2011.

The Chamber also operates a recognised provident fund scheme which is a defined contribution plan for all its employees. Equal monthly contributions are made, both by the Chamber and the employees, to the fund at the rate of 10% of basic salary.

(i) Trade and other payables

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

(j) Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying asset, if any, are capitalised as part of the cost of that asset.

(k) Provisions

Provisions are recognised when the Chamber has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

(l) 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.

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

Return / interest on Treasury bills is recognised using the effective interest method.

(m) Foreign currency transactions and translation

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

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

(n) Taxation

i) Current

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

ii) Deferred

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

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

(o) Critical accounting estimates and judgements

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

3. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 3.1

2011
Rupees

2010
Rupees

35,204,001

35,352,435

3.1 OPERATING ASSETS

	Leasehold land (note 3.2)	Building on leasehold land	Air conditioning Plant	Electrical installations	Office furniture, fittings and equipments	Motor Vehicles	Total
	Rupees						
Net carrying value basis							
Year ended December 31, 2011							
Opening net book value (NBV)	4,517,318	13,474,899	10,005,859	2,512,486	4,841,873	-	35,352,435
Additions (at cost)	-	490,000	-	35,000	1,972,547	1,510,000	4,007,547
Disposals / write-off (at NBV)	-	-	-	-	(13,200)	-	(13,200)
Amortisation / Depreciation charge	(97,212)	(293,535)	(1,250,733)	(539,594)	(1,659,707)	(302,000)	(4,142,781)
Closing net book value	<u>4,420,106</u>	<u>13,671,364</u>	<u>8,755,126</u>	<u>2,007,892</u>	<u>5,141,513</u>	<u>1,208,000</u>	<u>35,204,001</u>
Gross carrying value basis							
At December 31, 2011							
Cost	4,860,625	15,171,296	12,507,325	3,732,217	10,669,610	1,510,000	48,451,073
Accumulated depreciation	(440,519)	(1,499,932)	(3,752,199)	(1,724,325)	(5,528,097)	(302,000)	(13,247,072)
Net book value	<u>4,420,106</u>	<u>13,671,364</u>	<u>8,755,126</u>	<u>2,007,892</u>	<u>5,141,513</u>	<u>1,208,000</u>	<u>35,204,001</u>
Net carrying value basis							
Year ended December 31, 2010							
Opening net book value (NBV)	4,614,530	12,522,434	11,256,592	2,001,740	4,699,846	489,218	35,584,360
Additions (at cost)	-	1,236,200	-	1,095,510	1,857,774	-	4,189,484
Disposals / write-off (at NBV)	-	-	-	(45,900)	(136,968)	(380,554)	(563,422)
Amortisation / Depreciation Charge	(97,212)	(283,735)	(1,250,733)	(538,864)	(1,578,779)	(108,664)	(3,857,987)
Closing net book value	<u>4,517,318</u>	<u>13,474,899</u>	<u>10,005,859</u>	<u>2,512,486</u>	<u>4,841,873</u>	<u>-</u>	<u>35,352,435</u>
Gross carrying value basis							
At December 31, 2010							
Cost	4,860,625	14,681,296	12,507,325	3,721,216	8,810,916	652,000	45,233,378
Accumulated depreciation	(343,307)	(1,206,397)	(2,501,466)	(1,208,730)	(3,969,043)	(652,000)	(9,880,943)
Net book value	<u>4,517,318</u>	<u>13,474,899</u>	<u>10,005,859</u>	<u>2,512,486</u>	<u>4,841,873</u>	<u>-</u>	<u>35,352,435</u>
Rate of depreciation	2%	2%	10%	15%	15% & 33.33%	20%	

3.2 Lease of land expired in 2007 and the Chamber is in the process of renewing the lease for another 50 years.

	2011 Rupees	2010 Rupees
4. INTANGIBLES - Computer software		
Net carrying value basis		
Opening net book value	68,666	172,584
Additions (at cost)	100,000	28,000
Amortisation for the year	(92,666)	(131,918)
Closing net book value	<u>76,000</u>	<u>68,666</u>
Gross carrying value basis		
Cost	690,730	590,730
Accumulated amortisation	(614,730)	(522,064)
Net book value	<u>76,000</u>	<u>68,666</u>
Amortisation is charged at the rate of 33.33% per annum.		
5. TRADE RECEIVABLES		
Considered good	664,000	1,610,510
Considered doubtful	-	333,098
	<u>664,000</u>	<u>1,943,608</u>
Provision for doubtful debts	-	(333,098)
	<u>664,000</u>	<u>1,610,510</u>
6. ADVANCES, SHORT-TERM PREPAYMENTS AND OTHER RECEIVABLES		
Short-term prepayments	339,822	325,039
Advances to suppliers – considered good	6,077	6,949
Advances to employees – considered good	20,259	-
Other receivables	696,882	2,671,420
	<u>1,063,040</u>	<u>3,003,408</u>
7. SHORT TERM INVESTMENTS		
- Held to maturity		
3 months Treasury bills	2,937,560	-
6 months Treasury bills	32,825,891	-
	<u>35,763,451</u>	<u>-</u>

These are held by the Chamber's banker on behalf of the Chamber. The yield on these bills are 11.65% and 11.75% per annum and these bills will mature in March 2012 and July 2012.

	2011 Rupees	2010 Rupees
8. CASH AND BANK BALANCES		
With banks on		
- term deposits having maturity of three months	-	42,500,000
- current accounts	17,370,759	13,277,034
Cash in hand	6,046	16,458
	<u>17,376,805</u>	<u>55,793,492</u>
9. DEFERRED TAXATION		
Credit balance arising in respect of accelerated tax depreciation allowances	3,341,359	3,664,895
Debit balance arising in respect of:		
- unabsorbed depreciation	(2,064,105)	(3,300,494)
- carried forward tax losses	(1,224,295)	-
- provision for staff gratuity	(52,959)	(52,915)
- provision for doubtful debts	-	(8,772)
	<u>-</u>	<u>302,714</u>

9.1 Deferred tax debit balance of Rs. 2,000,698 (2010: Rs. 5,411,086) in relation to carry forward tax losses has not been recognised as the recoverability is not expected.

	2011 Rupees	2010 Rupees
10. TRADE AND OTHER PAYABLES		
Creditors	684,840	2,367,198
Accrued liabilities	10,905,336	11,053,750
Subscription received in advance	5,035,333	9,053,000
Workers' Welfare Fund	279,748	279,748
Members' contribution for flood relief activities	471,718	3,013,772
Other liabilities - note 10.1	763,467	1,176,821
	<u>18,140,442</u>	<u>26,944,289</u>

10.1 This represents amount received from members of Pharma Bureau - sub committee of the Chamber against legal expenses for representing these members in Supreme Court of Pakistan.

11. COMMITMENTS

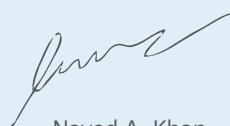
Commitments outstanding for capital expenditure as at December 31, 2011 amounted to Rs. Nil (2010: Rs. 155,500).

	2011 Rupees	2010 Rupees
12. MEMBERS CONTRIBUTIONS		
Membership subscription and entrance fee	22,431,666	18,272,501
Members contributions for sub-committee	14,653,439	10,979,443
Building fund contributions	2,193,168	1,727,250
	<u>39,278,273</u>	<u>30,979,194</u>

	2011 Rupees	2010 Rupees
13. OTHER RECEIPTS		
Fees for certification	6,258,700	5,848,600
Fee for VISA recommendation	835,600	439,800
Gain on disposal of fixed assets	65,200	19,632
Sale of publications	14,500	642,500
Liabilities no longer required written back	630,000	-
Others	595,254	756,194
	<u>8,399,254</u>	<u>7,706,726</u>
14. SALARIES, ALLOWANCES AND OTHER BENEFITS		
Salaries and allowances	22,902,049	22,715,203
Contribution to provident fund and E.O.B.I.	494,585	599,306
Medical expenses	662,738	519,881
Staff gratuity	1,371,685	1,555,453
	<u>25,431,057</u>	<u>25,389,843</u>
15. OTHER EXPENDITURE		
Travelling expenses	1,131,501	1,523,585
Postage, telegram and telephone	516,092	784,748
Vehicle running and maintenance	780,077	927,060
Insurance	625,103	769,956
(Reversal) / Provision for doubtful debts	(333,098)	333,098
Bad debts written off	707,881	-
Other receivables written off	1,789,319	-
Municipal taxes and ground rent	343,012	334,209
Lease rentals	24,853	298,334
Subscriptions	241,616	245,847
Donation	-	58,645
Mark up on finance leases	-	39,133
Auditors' remuneration - note 15.1	77,500	77,500
Fixed assets written off	13,200	45,900
Software expenses	187,931	186,000
Staff training	-	46,900
General expenses [net of recoveries Rs. 349,800; (2010: Rs. 574,650)]	915,842	993,864
	<u>7,020,829</u>	<u>6,664,779</u>

	2011 Rupees	2010 Rupees
15.1 Auditors' Remuneration		
Audit fee	70,000	70,000
Audit of staff retirement fund	2,500	2,500
Out of pocket expenses	5,000	5,000
	<u>77,500</u>	<u>77,500</u>
16. TAXATION		
For the year		
- Current	708,773	1,819,431
- Deferred	(302,714)	(120,900)
	<u>406,059</u>	<u>1,698,531</u>
17. CASH USED IN OPERATIONS		
Surplus / (Deficit) before taxation	4,575,216	(4,276,388)
Add / (less): Adjustments for non-cash charges and other items		
Depreciation	4,142,781	3,857,987
Amortisation	92,666	131,918
Mark up on finance leases	-	39,133
Return on Treasury bills and bank deposits	(4,751,256)	(4,901,344)
Gain on sale of fixed assets	(65,200)	(19,632)
Fixed assets written off	13,200	45,900
Provision for staff gratuity	1,371,685	1,555,453
	<u>803,876</u>	<u>709,415</u>
Surplus / (Deficit) before working capital changes	<u>5,379,092</u>	<u>(3,566,973)</u>
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
Decrease / (increase) in current assets		
Trade receivables	946,510	(402,506)
Advances, prepayments and other receivables	1,940,368	(2,223,477)
	<u>2,886,878</u>	<u>(2,625,983)</u>
(Decrease) in current liabilities		
Trade and other payables	(8,803,847)	(1,633,886)
	<u>(537,877)</u>	<u>(7,826,842)</u>

	2011 Rupees	2010 Rupees
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	17,376,805	55,793,492
Short term investments	2,919,852	-
	<u>20,296,657</u>	<u>55,793,492</u>
19. REMUNERATION OF CHIEF EXECUTIVE / SECRETARY GENERAL		
Managerial remuneration	5,382,000	5,722,194
House rent	2,421,900	2,580,826
Bonus	1,766,210	1,364,688
Retirement benefits	694,897	368,333
Conveyance	738,000	138,930
Leave benefits	347,875	-
Utilities	538,200	571,419
Medical	111,112	138,930
	<u>12,000,194</u>	<u>10,885,320</u>
Number of person(s)	<u>1</u>	<u>2</u>
20. RELATED PARTY DISCLOSURES		
Related parties with whom the Company had transactions		
i) Defined Contribution Plan:	Overseas Investors Chamber of Commerce & Industry Employees' Provident Fund	
ii) Defined Benefit Plan:	Overseas Investors Chamber of Commerce & Industry Employees' Gratuity Fund	
21. DATE OF AUTHORISATION FOR ISSUE		
These financial statements were authorised for issue on February 7, 2012 by the Managing Committee of the Chamber.		



Naved A. Khan
President



Muhammad Abdul Aleem
Secretary General



Humayun Bashir
Vice President

February 08, 2012

Notice is hereby given that the 152nd 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 Wednesday 29th February, 2012 at 3 p.m. to transact the following business:

1. To sign and confirm the minutes of 151st Annual General Meeting.
2. To adopt and approve the Audited Accounts for the year ended 31st December, 2011 together with the Committee's and Auditor's reports.
3. To appoint Auditors of the Chamber and fix their remuneration. The retiring Auditors A. F. Ferguson & Company, being eligible, have offered themselves for reappointment for the year 2012.
4. To consider, and if found fit, approve the following Resolution which would be moved as an Ordinary Resolution by the Managing Committee.

"Resolved that under the powers given to Members of the Chamber under Article 10(a) of the Chamber's Articles of Association, the under-mentioned Annual Subscription shall be payable by Members of the Chamber with effect from 1st January 2012"

Up to 100 employees	Rs. 100,000	} + 10% Building Fund
From 101 to 300 employees	Rs. 200,000	
Over 300 employees	Rs. 300,000	

4. To receive the Report of the Scrutineers of the ballot for the election of Vice President and 8 (Eight) Members of the Managing Committee and announce the results of the election for the 2012 term
5. Any other business with the permission of the Chair.

By order of the Committee.

M. ABDUL ALEEM
SECRETARY GENERAL

Notes:

- A member entitled to attend the General Meeting is entitled to appoint proxy instead of him / her. A proxy should be a member of the Chamber who is attending the meeting.
- The instrument appointing a proxy (attached) should be signed by the member or by his / her attorney duly authorized in writing.

The proxies shall be deposited at the registered office of the Chamber not less than 48 hours before the time of the meeting.

ANNEXURE II

LIST OF OICCI MEMBERS AS AT DECEMBER 2011

1. 3M Pakistan (Private) Limited
2. ABB (Private) Limited
3. Abbott Laboratories (Pakistan) Limited
4. Abudawood Trading Company Pakistan (Private) Limited
5. ACE Insurance Limited
6. Al Baraka Bank (Pakistan) Limited
7. Alstom Grid Pakistan (Private) Limited
8. Arabian Sea Enterprises Limited
9. Areva T&D Pakistan (Private) Limited
10. Arysta Life Science Pakistan (Private) Limited
11. Atlas Honda Limited
12. Atlas Power Limited
13. Attock Cement Pakistan Limited
14. Attock Oil Company Limited (The)
15. Attock Petroleum Limited
16. Attock Refinery Limited
17. Avery Scales (Private) Limited
18. B. Braun Pakistan (Private) Limited
19. Bank Alfalah Limited
20. Bank of Tokyo - Mitsubishi UFJ Limited (The)
21. Barclays Bank PLC
22. Barrett Hodgson Pakistan (Private) Limited
23. BASF Pakistan (Private) Limited
24. Bata Pakistan Limited
25. Bayer CropScience (Private) Limited
26. Bayer Pakistan (Private) Limited
27. Becton Dickinson Pakistan (Private) Limited
28. Berger Paints Pakistan Limited
29. Blackwood Hodge Pakistan (Private) Limited
30. BMA Capital Management Limited
31. BSN Medical (Private) Limited
32. Byco Petroleum Pakistan Limited
33. Chartis New Hampshire Insurance Company Limited
34. Chevron Pakistan Limited
35. Chiesi Pharmaceuticals (Private) Limited
36. Citibank N. A.
37. Clariant Pakistan Limited
38. Coca-Cola Beverages Pakistan Limited
39. Coca-Cola Export Corporation (The)
40. Continental Biscuits Limited
41. Dadex Eternit Limited
42. Dawood Hercules Corporation Limited
43. Delphi Diesel Systems Pakistan (Private) Limited
44. Deutsche Bank AG
45. DHA Cogen Limited
46. DHL Global Forwarding Pakistan (Private) Limited
47. DuPont Pakistan Operations (Private) Limited
48. El Paso Technology Pakistan (Private) Limited
49. Eli Lilly Pakistan (Private) Limited
50. Engro Corporation Limited
51. Engro Polymer & Chemicals Limited
52. Engro Vopak Terminal Limited
53. ENI Pakistan Limited
54. Exide Pakistan Limited
55. Fauji Oil Terminal & Distribution Company Limited
56. Faysal Bank Limited
57. General Tyre & Rubber Company of Pakistan Limited
58. Getz Pharma (Private) Limited
59. Gillette Pakistan Limited
60. GlaxoSmithKline Pakistan Limited
61. Global Securities Pakistan Limited
62. Gray Mackenzie Restaurants International Limited
63. Habib Metropolitan Bank Limited
64. Hascombe Business Solutions (Private) Limited
65. Hewlett Packard Pakistan (Private) Limited
66. Hinopak Motors Limited
67. HSBC Bank Middle East Limited
68. Hub Power Company Limited
69. IBM
70. ICI Pakistan Limited
71. ICI Pakistan PowerGen Limited
72. Indus Motor Company Limited
73. Industrial Promotion Services (Pakistan) Limited
74. International Power Global Developments Limited
75. ITOCHU Corporation, Karachi Office
76. J & P Coats Pakistan (Private) Limited
77. J. P. Morgan Pakistan (Private) Limited
78. James Finlay Limited
79. Johnson & Johnson Pakistan (Private) Limited
80. Johnson & Phillips (Pakistan) Limited
81. Jubilee Life Insurance Company Limited
82. Karachi Electric Supply Company Limited (The)
83. Karachi International Container Terminal Limited
84. KASB Securities (Private) Limited
85. Kodak Limited
86. Kot Addu Power Company Limited
87. Kraft Foods Pakistan Limited
88. KSB Pumps Company Limited
89. Kufpec Paksitan Holdings B.V.
90. Kuwait Petroleum Corporation
91. Lahore Cables & Engineering (Private) Limited
92. Linde Pakistan Limited
93. Lotte Pakistan PTA Limited
94. Lundbeck Pakistan (Private) Limited
95. Mackinnon Mackenzie & Company of Pakistan (Private) Limited
96. Makro-Habib Pakistan Limited
97. Mapak Edible Oils (Private) Limited
98. Marubeni Corporation
99. Meezan Bank Limited
100. Merck (Private) Limited
101. METRO Cash & Carry Pakistan (Private) Limited
102. M-I Overseas Limited
103. Mitsubishi Corporation
104. Mitsui & Company Limited
105. Muller & Phipps Pakistan (Private) Limited

- | | |
|---|--|
| 106. Nalco Pakistan (Private) Limited | 158. Security Leasing Corporation Limited |
| 107. NBP Fullerton Asset Management Limited | 159. Servier Research & Pharmaceuticals Pakistan Limited |
| 108. NCR Corporation | 160. SGS Pakistan (Private) Limited |
| 109. Nestle Pakistan Limited | 161. Sheikho Sugar Mills Limited |
| 110. NIB Bank Limited | 162. Shell Pakistan Limited |
| 111. Nimir Chemicals Pakistan Limited | 163. SICPA Inks Pakistan (Private) Limited |
| 112. Novartis Pharma (Pakistan) Limited | 164. Siemens Pakistan Engineering Company Limited |
| 113. OBS Healthcare (Private) Limited | 165. Singer Pakistan Limited |
| 114. OBS Pakistan (Private) Limited | 166. Standard Chartered Bank (Pakistan) Limited |
| 115. Oman International Bank S. A. O. G. | 167. Stork-IBI-Prints Pakistan (Private) Limited |
| 116. Orix Leasing Pakistan Limited | 168. Syngenta Pakistan Limited |
| 117. Orkila Pakistan (Private) Limited | 169. Tapal Energy (Private) Limited |
| 118. Otsuka Pakistan Limited | 170. Telenor Pakistan (Private) Limited |
| 119. Oxford University Press | 171. Teradata Global Consulting Pakistan (Private) Limited |
| 120. PAIR Investment Company Limited | 172. Teradata Pakistan (Private) Limited |
| 121. Pak Brunei Investment Company Limited | 173. Tethyan Copper Company Pakistan (Private) Limited |
| 122. Pak China Investment Company Limited | 174. Tetra Pak Pakistan Limited |
| 123. Pak Oman Investment Company (Private) Limited | 175. Thomson Reuters PLC |
| 124. Pak Qatar Family Takaful Limited | 176. Total Atlas Lubricants Pakistan (Private) Limited |
| 125. Pak-Arab Pipeline Company Limited | 177. TPL Holdings (Private) Limited |
| 126. Pak-Arab Refinery Limited | 178. TRG (Private) Limited |
| 127. Pakistan Cables Limited | 179. Tyco Fire & Security Pakistan (Private) Limited |
| 128. Pakistan Gum & Chemicals Limited | 180. UCH Power (Private) Limited |
| 129. Pakistan Gum Industries (Private) Limited | 181. Unilever Pakistan Foods Limited |
| 130. Pakistan Mobile Communications Limited | 182. Unilever Pakistan Limited |
| 131. Pakistan Petroleum Limited | 183. Unisys Pakistan (Private) Limited |
| 132. Pakistan Refinery Limited | 184. United Bank Limited |
| 133. Pakistan Tobacco Company Limited | 185. United Energy Pakistan Limited |
| 134. Pak-Kuwait Takaful Company Limited | 186. Wackenhut Pakistan (Private) Limited |
| 135. PakLibya Holding Company (Private) Limited | 187. Wire Products (Private) Limited |
| 136. Pak-Qatar General Takaful Limited | 188. Wyeth Pakistan Limited |
| 137. Parazelsus Pakistan (Private) Limited | |
| 138. Paxar Pakistan (Private) Limited | |
| 139. Pepsi-Cola International (Private) Limited | |
| 140. Pfizer Pakistan Limited | |
| 141. Pharmatec Pakistan (Private) Limited | |
| 142. Philip Morris (Pakistan) Limited | |
| 143. Philips Electrical Industries of Pakistan Limited | |
| 144. Phoenix Armour (Private) Limited | |
| 145. Premier Oil Pakistan Holdings B. V. | |
| 146. Procter & Gamble Pakistan (Private) Limited | |
| 147. Progas Pakistan Limited | |
| 148. Qasim International Container Terminal Pakistan Limited | |
| 149. Raffan Maize Products Company Limited | |
| 150. Ray Shipping Enterprises Limited | |
| 151. Reckitt Benckiser Pakistan Limited | |
| 152. Roche Pakistan Limited | |
| 153. Rousch (Pakistan) Power Limited | |
| 154. Sanofi-aventis Pakistan limited | |
| 155. Saudi Pak Industrial & Agricultural Investment Company (Private) Limited | |
| 156. SC Johnson & Son of Pakistan (Private) Limited | |
| 157. Schering-Plough Pakistan (Private) Limited | |

ANNEXURE III

LIST OF CHAMBER'S REPRESENTATIONS ON VARIOUS BODIES FOR THE YEAR 2011 - 2012

Sr. No.	REPRESENTATION		PRESENT
1.	Board of Investment, Islamabad	(Alternate)	President Vice President
2.	Board of Trustees - Karachi Port Trust		President
3.	Private Sector Credit Advisory Council (State Bank of Pakistan)		President / Secretary General
4.	Pakistan Environmental Protection Council (PEPC) (Ministry of Environment)	(Alternate)	President Member from Sub Committee on Trade & Industry
5.	Pakistan Institute of Corporate Governance		Secretary General
6.	Trade Development Authority of Pakistan		President
7.	Karachi Water Partnership		Secretary General
8.	Board of Governors – Pakistan Institute of Trade & Development (Ministry Of Commerce)	(Alternate)	President Vice President
9.	Federal Export Promotion Board (FEPB) (Ministry of Commerce) Committee III (Demand Side Issues & Export Promotion)		President
10.	Advisory Council of the Ministry of Commerce		President
11.	Competition Commission of Pakistan (Competition Consultative Group)		Secretary General
12.	Committee on Tax Facilitation, Sub Committee of Business Persons Council, Federal Board of Revenue		Secretary General
13.	Board of Directors of "Competitiveness Support Fund" (CSF)		President
NOMINATIONS OF CHAMBER'S REPRESENTATIVES TO FPCCI EXECUTIVE COMMITTEE 2011 / 2012			
14.	Executive Committee of FPCCI		President
NOMINATIONS OF CHAMBER'S REPRESENTATIVES TO EMPLOYERS' FEDERATION OF PAKISTAN 2011 / 2012			
15.	Managing Committee Of EFP		Mr. Shahid M. Qureshi Member, IPR Sub Committee

Six meetings were held from May 2011 to February 2012. The Managing Committee met on the following dates:

2011		2012	
May	09	FEB	07
JUN	07		
AUG	02		
OCT	11		
DEC	13		

S.No	Names	Total Number of Meeting Attended
1.	Mr. Naved A. Khan	06
2.	Mr. Humayun Bashir	05
3.	Mr. Asad S. Jafar	06
4.	Mr. Asif Jooma	04
5.	Mr. Azhar Ali Syed	05
6.	Mr. Mohammad Zubair	06
7.	Mr. Babar B. Nawaz	04
8.	Mr. Ehsan Malik	04
9.	Mr. Kimihide Ando	03
10.	Mr. M. Asif Saad	04
11.	Mr. Pervaiz Khan	01

OICCI is the oldest chamber, established in 1860 and one of the most respected investments Chamber in Pakistan with a membership of 188 companies representing 33 countries. OICCI is engaged in promoting and protecting the interests of foreign investors operating in the country while attracting potential investors.

Diverse both in terms of sector and geography, its 188 members collectively contribute over 29% of Pakistan's total GNP, 22% of total tax receipts and provide direct employment to approximately 150,000 people. Our members are responsible corporate citizen and had contributed over Rs 1.8 Billion in the 2010 floods in Pakistan. Out of the current 'Top 25 Companies' listed at the Karachi Stock Exchange, 13 are OICCI members.

MEMBERS BY NATIONALITY

USA	35	Netherlands	15
UK	32	Germany	12
Middle East	16	Other European Countries	13
Japan	11	UAE	08
Switzerland	11	Others	35

MEMBERS REPRESENTING VARIOUS SECTOR WISE

Financial Services	34	Oil/ Gas/ Energy	33
Pharmaceutical	26	Chemicals/ Pesticides/ Fertilizers/ Paints/ Cements	19
Food/ Consumer Products	18	Engineering/ Industrial Products	17
Trading & Other Services	16	Shipping & Airlines	5
IT & Communication	8	Automobile	3
Security Services	3	Telecom	2
Printing & Publishing	2	Tobacco	2



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