



U.S. – Pakistan Business Council

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Press Release

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U.S.-Pakistan Business Council Delegates Meet with Key Government Officials in Pakistan

Islamabad – A delegation of twelve business executives, organized by the U.S. Pakistan Business Council (USPBC), visited Islamabad, Pakistan from April 24-26. The USPBC is the leading private sector association of U.S. companies with business and investment interests in Pakistan.

The delegation was chaired by Jay Collins, Chairman, USPBC and CEO, Public Sector Group, Citigroup. Esperanza Gomez, Executive Director of the USPBC, accompanied the delegation.

The business representatives met with President Pervez Musharraf, Prime Minister Shaukat Aziz, Minister State for Foreign Affairs Makhdum Khusro Bakhtyar, Secretary of Commerce Syed Asif Shah, Secretary of Information Technology Farrakh Qayyum, Secretary of the Board of Investment Muhammad Jehangir Bashir, and Director General of the Intellectual Property Organisation Yasin Tahir. The delegates also met with officials of the U.S. Embassy in Islamabad.

In addition, the delegation met with members of the American Business Council of Pakistan (ABC), an organization that comprises local representatives of U.S. corporations. ABC is chaired by Zubyr Soomro. USPBC delegates and ABC members agreed on an agenda of cooperation on issues related to advancing U.S.-Pakistan bilateral business cooperation. The delegates also met with members of the Federation of Pakistani Chambers of Commerce and Industry.

Prior to arriving in Pakistan, the delegation members held meetings in Washington, D.C. The USPBC hosted Salman Shah, adviser to the Prime Minister of Pakistan on Finance and Economic Affairs; Shamsad Akhtar, Governor, State Bank of Pakistan; Nawid Ahsan, Secretary General of Finance; and Tanwir Ali Agha, Secretary of Finance, who were in Washington for the spring meetings of the International Monetary Fund and the World Bank. In addition, the delegation held meetings with Richard Boucher, U.S. Assistant Secretary of State for South and Central Asian Affairs and Frank Lavin, U.S. Under Secretary of Commerce for International Trade. The delegation was briefed by Edward Gresser, Progressive Policy Institute and Ambassador Teresita Schaffer, Center for Strategic and International Studies, both experts on Pakistan, as well as senior congressional staff.

During its meetings, the delegation praised the success of the Government of Pakistan in reforming and deregulating the country's economy. In particular, the business executives noted the growth of Pakistan's economy at the second highest rate in the world (8.4% in 2005) and record macro-economic performance across a broad array of indicators. The delegation agreed that the Government of Pakistan is having remarkable success with its privatization program across the banking, telecommunications, metals and mining and energy sectors.

The delegates expressed their strong support for prompt conclusion of a high standard Bilateral Investment Treaty. The view was expressed that the BIT was a necessary building block in order to move forward with discussions on a U.S.-Pakistan Free Trade Agreement (FTA). The business executives agreed, once a BIT is concluded, to put an FTA on the Council's priority agenda. An additional building block in improving U.S. Pakistan commercial ties is President Bush's initiative to create Reconstruction Opportunity Zones (ROZs). Members believe that ROZs could play an important role in creating jobs in depressed areas of Pakistan and will be helpful in the fight against terrorism.

Central to most discussions of the delegation were the Second Generation of Reforms currently underway in Pakistan. Legal, procedural, judicial and institutional reforms that are part of the government program will be critical to strengthening process efficiencies and contract enforcement, as well as to improving dispute resolution mechanisms that can cause disputes to linger on for long periods. The Aerospace industry stands out as an example of procurement transparency, integrity and the ability of the government to stream line government rules vis-à-vis the private sector. Continuing to success transfer this experience across other sectors and smaller size transactions is important.

The delegation expressed optimism that U.S. companies already operating in Pakistan will continue to grow their investments in the country based on their positive experience and profitability in the local market. However, the perception of Pakistan in the U.S. lags reality and is often dominated by issues surrounding security and terrorism. As a partner of the U.S. in the war on terrorism, Pakistan continues to place a high priority on security. USPBC has agreed to work with the government of Pakistan and its Public Affairs consultant on image building in the U.S., devising mechanisms to enhance Pakistan's profile, and developing case studies of U.S. corporations with successful experiences in the country.

The delegation discussed the positive role that American business leaders of Pakistani descent can have on attracting investment. In addition, many of the Pakistani government officials with whom the delegation met, expressed gratitude for the efforts of so many U.S. corporations in support of Pakistan's earthquake relief efforts.

As many U.S. companies continue to send Pakistani staff to the U.S., delegates expressed frustration with the continued delays in processing U.S. visas. While U.S. security must remain the primary objective, members urged further consideration of improvement in the processing of visas.

The delegates urged the Government of Pakistan to continue to pursue ways to improve the process and transparency in the area of title ownership of real estate. They also discussed the negative impact and distortions of price controls in the pharmaceutical sector and of double taxation in the beverage industry.

In the area of Intellectual Property Rights, the delegation expressed its appreciation to the leadership of IPO for advancing the IPR agenda in such a short period of time. The delegates urged the Government of Pakistan to continue to fully support IPO's initiatives as much work remains. USPBC agreed to take a series of steps to continue to reinforce the IPR initiatives of the Government of Pakistan, including examining ways to promote investment in the life sciences sector, matching new U.S. investors with select Pakistani producers, who have committed to abide by global IPR standards, to continue to provide views on legislation that would make Pakistan TRIPs compliant in the area of clinical data protection.

Members of the delegation exchanged views with government officials regarding the sectors, on both sides that would benefit from a Free Trade Agreement. There was broad agreement that USPBC should further develop information on, and understanding of, the merits of an FTA.

The USPBC is an affiliate of the US Chamber of Commerce in Washington, DC. The U.S. Chamber is the world's largest business federation representing more than 3 million businesses and organizations of every size, sector and region.