

The American Business Council of Pakistan

Press Release

67% ABC members to increase investment in Pakistan

Karachi January 26 2006: The American Business Council of Pakistan (ABC) in its annual survey on members' perception of business, economic and investment climate in the country as well as the performance assessment of relevant government departments highlighted that 67% of the respondents had plans to increase investment in Pakistan as opposed to 57% in 2000. In a presentation to the media Zubyr I. Soomro, President ABC, stated that 2005 survey results have been compared with 2000 results to reflect the trends over 5 years.

According to the survey on the domestic economy 98% members were positive compared to 40% five years ago. The external political position was deemed positive by 96% whilst in 2000 there were only 21%. Compared to 38% in 2000, in 2005, 85% were positive about the internal political situation. Over 98% members were positive about the consistency of policies up from 48% in 2000. Implementation of policies received positive response from 89% whilst State Bank of Pakistan received 100% positive response from the members. Both Securities & Exchange Commission and CBR received 98% response. Approximately 96% members were positive about Income Tax and 95% about Customs.

Members expressed negative sentiments about Export Promotion Bureau, Ministry of Industries and Production, Ministry of Health, Ministry of Labor and Man Power as well as, Law & Order.

Zubyr I. Soomro also said ABC members continued to be optimistic about the overall business climate and domestic economy. Majority of members plan further investment in Pakistan in the next 12 months also most members have reported growth in revenue and profits versus last year

He also said that ABC members and their parent companies were quick to respond to Pakistan's recent worst-ever natural disaster. Many of the members and their parent companies are engaged in multiple relief efforts to mobilize funds and relief goods both locally and internationally. The cumulative relief funds and goods committed by ABC members now exceed Rs. 2.3 billion (US\$ 38.5 million). Soomro further stated that on the Prime Minister's current visit to USA CEOs of various American companies (some of which are members of ABC) informed him that contributions to the Southasia Earthquake Relief Fund now stand at US\$ 70 million.

ABC is affiliated with the Federation of Pakistan Chambers of Commerce & Industry (FPCCI) and is a member of the U.S. Chamber of Commerce (USCC), Washington D.C., and Asia-Pacific Council of American Chambers of Commerce (APCAC). ABC also has a close working relationship with the U.S.-Pakistan Business Council, Washington which is a component of the USCC.

ABC members have cumulative revenues of about US\$ 2 billion and an investment of over US\$ 1 billion in Pakistan. ABC members contribute a sizable amount to the national exchequer every year as direct and indirect taxes - last year's contribution about Rs. 35 billion, which is 8% of the total taxes collected by the Government. ABC members also employ 22,000 employees directly who support 100,000 dependents and indirectly employ over half a million people with agents, distributors, etc. Besides adherence to the highest quality standards, the U.S. investment has brought about transfer of sophisticated technology to Pakistan, which is updated on an ongoing basis.