

Pakistan Day



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Pakistan: An Investor-friendly Country

FOR international companies considering strategic investment decisions, Pakistan's location as an entrepot to Central Asian Republics needs serious attention. Pakistan also offers most attractive investment incentives, in an environment which is completely liberal and investor friendly.

1. STRATEGIC LOCATION
By its location Pakistan provides a great advantage in terms of access to regional markets. It is gateway to Central Asian Republics and also acts as a bridge between the Far East and the Middle East.

2. FAST GROWING LIBERAL ECONOMY
Pakistan, with a population of 128 million, ranks amongst the seven fastest growing economies in Asia. Although agriculture is still mainstay of the economy, share of the manufacturing sector in its gross domestic product has steadily been rising. Industries are well diversified with a growing emphasis on development of engineering goods, agro-based and petro-chemical industries, chemicals, automotive parts and equipment, electronics and software development, infrastructure, specially parts, railways and special industrial zones, value

added textiles and hotel and tourism.

Attractive Features for investors
— Completely deregulated, liberalized economy based on market forces.

— Free movement and exchange of foreign currencies.

— Foreigners have free access to Pakistan's capital and there are no restrictions on the repatriation of principal, dividends, and profits.

— No limits on the equity share held by foreigners in companies and no special requirements for entering into a joint venture with Pakistan.

— No restriction on borrowing provided that government guarantees are not sought; and Statutory provisions guard against any expropriation or any other action that may be needed to be disadvantageous to investor. The Government has supported the legislation with bilateral treaties with most of its major trading partners.

3. INCENTIVES FOR INVESTMENT
(i) GENERAL
The following incentives are generally available:

— Foreign exchange controls have been relaxed. Foreign investors have been allowed to participate in local

projects on a 100 percent equity basis.

— The ceiling on payment of royalties and technical fee has been abolished.

— Work permit restrictions on expatriate managers from some of the countries including Japan have been eased.

— Foreign companies can engage in export/import activities provided that such companies are registered in Pakistan.

(ii) EXPORT PROCESSING ZONE (EPZ)

An Export Processing Zone (EPZ), with fully developed infrastructure including a digital international telecommunications system, has been set up in Karachi, the largest industrial and port city of Pakistan.

(iii) SPECIAL INDUSTRIAL ZONES (SIZs)

With a view to accelerating the pace of industrial investment, increasing the quantum of exports, ensuring transfer of

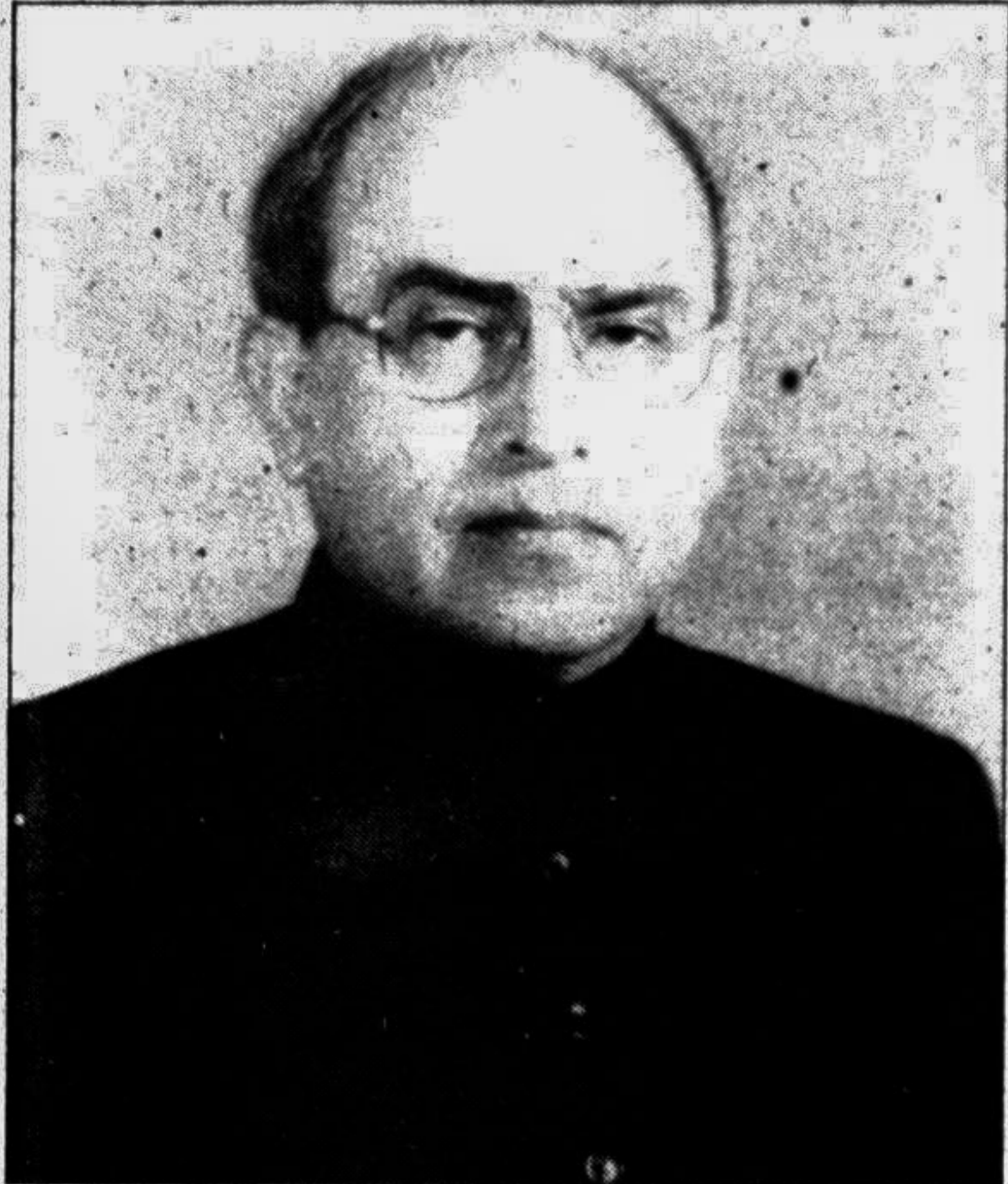
technology and creating additional employment opportunities, it has been decided to establish 12 Special Industrial Zones (SIZs) in Pakistan. These Zones will be fully equipped with requisite infrastructure.

4. PRE-FEASIBILITY STUDIES

Around 70 pre-feasibility studies on various highly profitable projects giving quick access to Pakistani markets have been prepared.

5. PROJECTION OF FOREIGN INVESTMENT

The government of Pakistan is committed to providing all protection to foreign investments; and for that purpose, adequate statutory safeguards have been provided by the Foreign Private Investment (Promotion and Protection) Act 1976. Pakistan is signatory to convention establishing the Multilateral Investment Guarantee Agency (MIGA).



Sardar Farooq Ahmad Khan Leghari
President of the Islamic Republic of Pakistan



Mohtarma Benazir Bhutto
Prime Minister of the Islamic Republic of Pakistan

Pakistan's Women Bank Economic Empowerment of Women

by Ikram Sehgal

THE only commercial bank in the world manned almost totally by women: FWB, with the experienced Ms Akram Khatoon as its first President, came into operation on December 2, 1989. Now celebrating its Sixth Anniversary of existence, FWB has certainly been successful in enhancing, in the words of Ms Akram Khatoon, "socio-economic status of women by creating opportunities for employment and self-employment in almost all the sectors of the economy."

Our culture and traditions provide for minimum public contact between men and women. This provides an artificial barrier for women in economic field, particularly in dealing with financial institutions. This is an unfair situation that disenfranchises the economic rights of women in developing their own capacity for livelihood, quite in contrast to the first woman in Islam who was a renowned entrepreneur. As a means to alleviate this handicap that favours the male prerogative, Ms Bhutto decided early in her

first term to establish First Women Bank (FWB) having "economic empowerment of women" as its prime objective. Consequently FWB, with the experienced Ms Akram Khatoon as its first President, came into operation on December 2, 1989. Now celebrating its Sixth Anniversary of existence, FWB has certainly been successful in enhancing, in the words of Ms Akram Khatoon, "socio-economic status of women by creating opportunities for employment and self-employment in almost all the sectors of the economy."

A bank run solely by women, mainly to promote women entrepreneurship, may have been a novel idea but there were plenty of skeptics as to whether this would be pragmatic, given the overwhelmingly male-dominated society in Pakistan. One of the major obstacles to overcome was the lack of trained staff as the other banks had an extremely sparse population of women and these were mostly

in non-banking positions. Today, FWB has a network of 34 branches throughout the country, mostly in major cities and towns, putting pessimists and doubting Thomases (mostly males) theory to the sword. Its focus is presently on urban areas but FWB has not constrained its access to rural population, with credit disbursement (with the innovative help of NGOs) in rural areas amounting to almost 9.7 per cent of the total amount disbursed while fully 15 per cent of the micro-businesses established by women with the help of FWB is from rural areas. Given Pakistan's demography these are significant figures. To add to this, approximately 4500 women have entered into income generating activities mostly in Katchi Abadis and rural areas. Through conventional credit schemes, almost 7500 women entrepreneurs have established their businesses on a total loan disbursed of about Rs 1.1 billion. Ms Akram Khatoon states that "going by the parameters

that, an investment of Rs 25,000 creates one new job. FWB has helped in creating about 40,000 new employment opportunities."

The Bank's balance-sheet is extremely impressive. Having assets worth Rs 4.5 billion, it has attracted deposits of Rs 2.3 billion. Its pre-tax profit for 1995, based on the figures available in the first 10 months of the year, is conservatively projected at Rs 72 million, almost double of that earned in 1994. When compared to other leading banks of the country as well as the pressures on the economy and consequently the economic turnaround, this has been a most impressive performance. All key progress indicators of the bank are favourable. On a pro-rata basis, considering its size it can be compared with the most dynamic of Pakistani banks today, Muslim Commercial Bank (MCB) with its almost 1500 branches. FWB's low administrative cost, highest recovery rate and its contribution for socio-economic uplift, being the first to introduce concept of banking for the poor, has earned international recognition for the Bank, being given the "Euromoney Excellence" award for 1994. Profitability at a desirable level could not have been achieved in the face of low earnings from concessionary credit schemes floated for business women and offering attractive returns on savings without excellent fund management by experienced, candid Finance Managers at the Head Office. This has been enhanced by the mobilisation of sizeable foreign exchange business, a computerisation of 90 per cent of the bank's working process as well as the maximum use of latest technology.

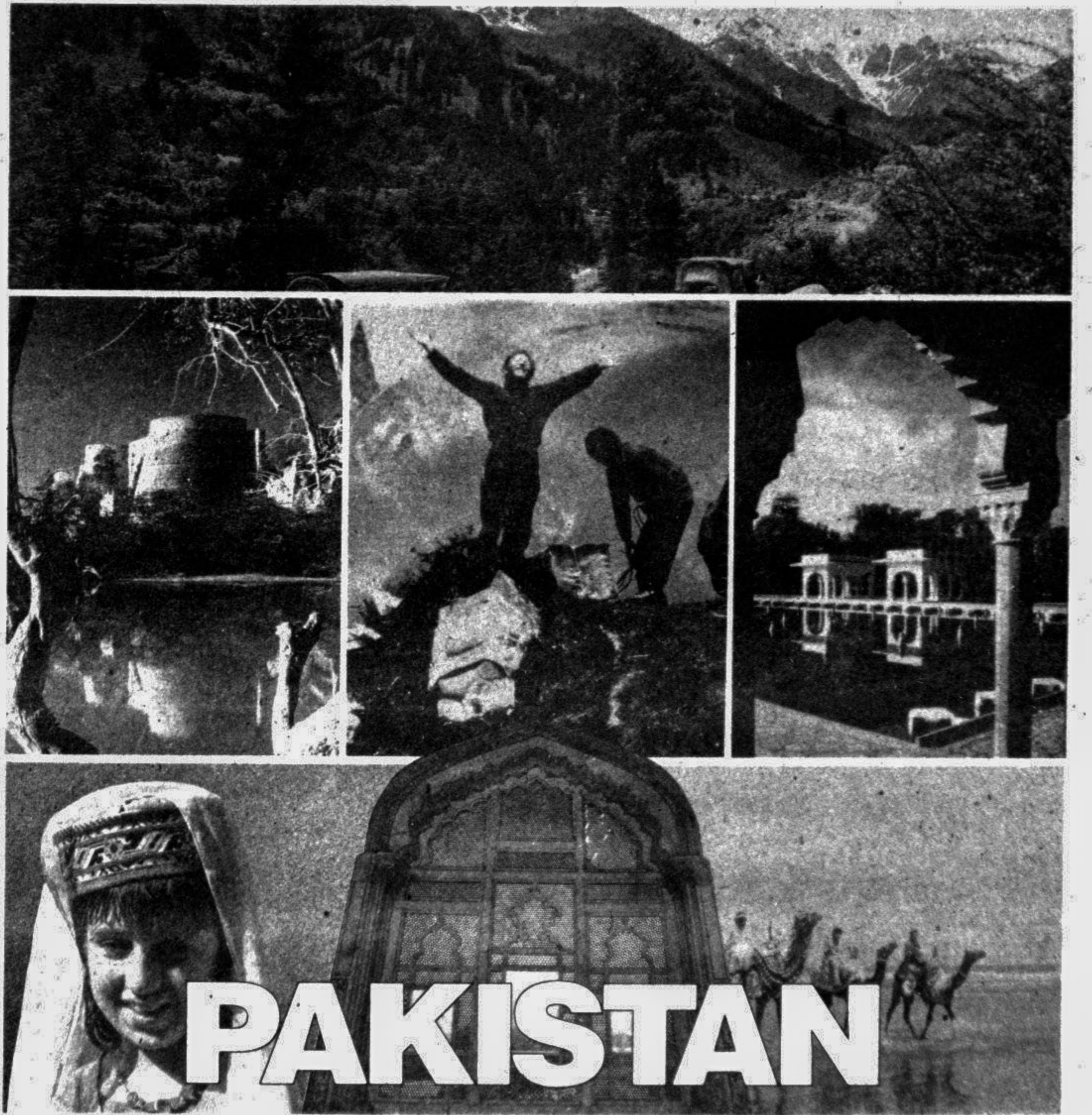
However, potent may be the effectiveness of any institution, it is only as good or bad as the human resources it has, most important being the management team. FWB, in contrast to other financial institutions in the public sector in Pakistan, has remained almost totally free of nepotism and corruption, a rather unequal task in the political environment obtaining from 1989 to 1995 where every "wish" must be acceded to. To the credit of Ms Akram Khatoon, she has provided an example that has honesty and integrity as its core. A simple, dedicated but tough professional, this calm and soft-spoken lady has been a salutary example down the line to executives and staff. As the President, 58 years old, Ms Akram Khatoon was the odd choice to be the first President of FWB in 1989 at the age of 52. Her deputy Ms Zeba Mumtaz, did her MBA in 1976 immediately thereafter joining Citibank as Financial Assistant. Mrs Mumtaz has done a number of courses in the Citibank Training Centre in Athens, Greece, becoming Manager Credit Administration before rising to be financial Controller for Pakistan Banking Council (PBC) as Vice President.

MESSAGE

Pakistan, as an outcome of the heroic struggle of the Muslim freedom fighter's in south Asia and an unmatched achievement of Quaid-i-Azam Mohammad Ali Jinnah's inspiring leadership, has, with the grace of Allah, been set on the road to self-sufficiency and prosperity. This day reminds all of us in south Asia that Pakistan was founded on the principle of unanimity within the frame-work of accepted democratic norms. Today, 56 years ago, all the leaders and workers under the banner of All-India Muslim League assembled in Lahore and resolved to attain a separate homeland through a people-backed and peaceful movement. It was during this historic session that a viable strategy towards achievement and the subsequent development of the state of Pakistan was chalked out. It was just a fruitful result of the selfless, unbiased and realistic leadership qualities displayed by the Quaid-i-Azam, and surely it was the cherished end of the Muslims' restless fight for the cause that converted Allama Iqbal's dream into reality within a timespan of only seven years and Pakistan emerged as a sovereign state on the world map. But, after death of the Quaid, the vested interests and the self-styled exponents, dragged Pakistan into the ditch of crisis. For quite a long period, the non-elected rulers kept the masses away from the government matters and thereby pushed Pakistan into backwardness and it lagged behind the world community. But we are proud to bear it out that the founder chairman of the Pakistan People's Party, Shaheed Zulfikar Ali Bhutto reinvigorated the people's confidence by urging them to participate in the affairs of the government. Today the people of Pakistan are the masters of the destiny of their homeland.

Next year Pakistan is going to complete 50 years of her existence with the nation preparing to celebrate golden jubilee of her independence with full vigour and honour. Almighty Allah has enriched Pakistan with an immense wealth of resources; there is abundance of diverse bounties and God Almighty has, of course, bestowed us with great potentials and qualities. We have, therefore, devised the strategy by fully exploiting all the material, mineral, and agricultural resources of the country. The self-sufficiency alone can be a source of the pride of our nation. We have achieved considerable success in winning over the confidence of the world in our country's resource potential and the capabilities of Pakistanis as a committed nation. Pakistan today, with the grace of God, is respected all over the world and has regained her lost glory. I congratulate the nation on this day of happiness and rejoicing. It is equally an occasion of self-accountability. We must look into our hearts and ensure as to whether we have fulfilled the pledges we made at the moment of its creation. This day reminds us to rededicate all of our energies to realize all the lofty goals and the true spirit of independence. We keep so supreme in our heart and mind. Pakistan Paidabad.

May We Suggest



PAKISTAN

As Your Next Destination?

A land where past and present blends into a harmonious culture, where people with a proud heritage welcome you with a smile, adding a special something to your holiday.

PIA is privileged to be the one airline which brings these unrivalled holiday destinations to you. Hospitality and grace, which is the very essence of our nation, is represented by our well trained and experienced staff. So, at any time of the year, PIA invites you to add Pakistan to your itinerary.



MUSLIM COMMERCIAL BANK

— CARES MOST, FOR RENDERING EFFICIENT, DYNAMIC AND TECHNICAL BANKING SERVICES TO ITS CLIENTS IN BANGLADESH, THE BROTHER COUNTRY OF PAKISTAN.

— FUNCTIONING IN DHAKA — CAPITAL CITY OF BANGLADESH SINCE 21 SEPTEMBER, 1994 AND HAS ALSO OPENED ITS DOORS FOR ITS CLIENTS IN CHITTAGONG — THE PORT CITY OF BANGLADESH, ON 04 DECEMBER, 1995.

PRAYS

FOR THE HAPPINESS AND PROSPERITY OF BANGLADESH AND ITS VALUED CLIENT IN BANGLADESH, AT THE GRACEFUL OCCASION OF NATIONAL DAY OF PAKISTAN — THE BROTHER COUNTRY OF BANGLADESH.

Good Banking Getting Even Better



Muslim Commercial Bank Ltd.

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