

*An Exclusive Interview with*  
**Mr. Irfan Qaiser Sheikh**

**President**

**Lahore Chambers of Commerce & Industry (LCCI)**

**What is your viewpoint on opening free trade with India? Do business community support this?**

Thank you very much for providing me the opportunity to share my thoughts on the issue which has assumed high importance now-a-days. In fact, I am an avid advocate of trade among the regional countries, particularly with the bordering states. We can easily wear off the intensity of global financial threats by increasing our trade in the region. There is no second opinion that a lot of trade between Pakistan and India is being done via third country that could be easily be channelized in larger interest of both the countries.

**Few sectors have shown concern over granting MFN Status to India, leading to free imports. How do you see that and what our government should do to alleviate the concerns of these sectors?**

The business community is in favour of granting MFN status to India but the government would have to satiate the reservations of certain sectors, including pharmaceuticals and automobile sectors. In my opinion, the MFN agreement should be signed only after getting an approval from the local manufacturers.

**Do you think that inflow of Indian products into Pakistan would harm our manufacturing industry? How strong is our industry to cope with this impending threat?**

If Pakistani businessmen can cope with Chinese products so there is nothing to worry about India but definitely we need to put our house in order. We must be very strong internally because one's weaknesses expose him to many threats. The deteriorating law and order situation not only hurts local investments but also keeps the foreign investors away. In my opinion, it always turns a country into a trading place instead of a manufacturing hub.

**What is the main hurdle in bilateral trade with India?**

The Indian Non-Tariff Barriers (NTBs) are the only hurdle in the way of a smooth bilateral trade between Pakistan and India. While in Pakistan, the Indians reject all sorts of NTBs but actually they are protecting their industry very smartly. Pakistani business community should be



provided with a level playing field while doing business with India.

**The Foreign Direct Investments (FDI) is declining gradually. What do you foresee this?**

Rising risk perception about investing into Pakistan is hitting hard the Foreign Direct Investment (FDI) that fell sharply in recent months and needs to be tackled through a comprehensive policy approach by involving Chambers of Commerce in the country.

The severest-ever energy shortfall, bad law and order situation, institutional fragility and the political instability were the major factors keeping the foreign investors away.

The fall in Foreign Direct Investment was likely to affect adversely the country's economic growth therefore the government should adopt remedial measures to reverse this trend and to attract foreign investment.

The slow government response to deal with aggravating energy crisis was also spoiling not only the local investment scenario but also sending a very negative signal to potential foreign investors.

**Do you have any concrete suggestions for the government to tackle the falling tendency in FDI?**

I would suggest to the government that a special committee comprising members of the Parliament,



**Mr. Zia ul Mustafa, President ICMAP shakes hand with Mr. Irfan Qaiser Sheikh, President, LCCI at Interview session.**

Presidents of Chambers of Commerce and Industry and representatives of Association should be formed to identify the solutions to attract foreign investment that is a prerequisite to economic growth. The proposed committee should also be tasked to look into the existing policy framework and if there is a need to redesign new policies it should immediately initiate work on them.

All the developed countries accord special importance to economic issues and challenges, but in our country, the situation is the other way round. Ironically, 'economy' is on the bottom of government priority list. The economy-connected key issues are power shortage, poor infrastructure, law and order situation etc. These should be addressed on priority basis to improve the bleak foreign investment condition to put the country on track of economic growth and development. At the same time the government should ensure that all institutions remain immune to any sort of undue interference as this will help improve quality of governance without which foreign investment can not be attracted.

A number of sectors in Pakistan including infrastructure



**Mr. Zia ul Mustafa, President ICMAP presenting plaque to Mr. Irfan Qaiser Sheikh, President, LCCI. Mr. Shazad Ahmad Awan, Chairman, J&P Committee, ICMAP, Mr. Arvind Saxena, Counsellor, Economic & Commercial Wing, HC of India, Mr. Sheikh Muhammad Arshad, former SVP, LCCI and other members were also present at this occasion.**

development, coal, energy, agriculture, livestock, textiles and pharmaceutical offer lucrative investment opportunities to foreign investors but unfortunately due to absence of a proper marketing strategy these opportunities are unattended even today.

It may be mentioned here that Pakistan's investment rate was only 13.4 percent at end of last fiscal year, which was lowest since FY74. The low saving rate, coupled with wary foreign investors led to record low investment rate in the country. The State Bank had already reported in its annual report that Pakistan had fared poorly when compared to its neighbours in South Asia, because of domestic and global factors. However, the SBP said it believed that the domestic issues are more decisive and chronic.



**Mr. Shahzad Ahmad Awan, Chairman, J&P Committee, presenting Book of History of Management Accountants in Pakistan to Mr. Irfan Qaiser Sheikh, President, LCCI, Mr. Zia ul Mustafa, President ICMAP is also present.**

**Do you think that political instability is a major bottleneck in our economic progress. How can the politicians play a role in achieving the economic goals of the country?**

Pakistan, at this point in time, is in dire need of stability in policy making and strong institutions and to achieve the very objective, both the politicians and the business leaders shall have to join their heads for finding out a common economic agenda. The political parties should shun their differences and consult the private sector, especially the Chambers of Commerce and Industry for devising and implementing an National Action Plan or Agenda for industrial and economic revolution. This is a prerequisite to help reduce dependence on International Financial Institutions (IFIs) like International Monetary Fund (IMF) and the World Bank and for paving way for self-reliance in coming years.

To compete head-to-head with the great nations of the world, the country needs a selfless and visionary leadership who has the ability to think beyond tomorrow to

tackle all the governance-related issues and for the sake of future generations.

**Do you think that heavy government borrowings has resulted in widening fiscal deficit and high interest rates? How private sector can help create employment opportunities?**

In a bid to bridge fast widening fiscal deficit, the government should immediately stop all domestic and international borrowings and draw up a clear strategy to push exports. Heavy and unprecedented government borrowings in the yester years have pushed the process of industrialization to the wall.

Availability of cheaper equity, by curtailing high mark-up rates and highest-ever banking spread, is a prerequisite to help expedite the process of industrialization in the country that in turn would also bring down the graph of unemployment. Unemployment is mother of a number of social ills being witnessed by the country today and the private sector has the solution - provided it is facilitated through a proper methodology.

**How can we manage the energy crises?**

There is a need for an early consensus in all the provinces for early initiation of work on mega water reservoirs including Kalabagh Dam to overcome electricity shortage and the power tariff issue. Huge coal reserves and existing potential to produce electricity through solar means, also needs a workable and time-bound strategy after due consultation of public and private sectors.



*(R to L) Mr. Arvind Saxena, Counsellor, Economic & Commercial Wing, High Commission of India in Pakistan, Mr. Zia ul Mustafa, President ICMAP and Mr. Irfan Qaiser Sheikh, President, LCCI during the interview.*

**How can Pakistan increase its export?**

The country's export base could be widened by encouraging especially the local investors and then the foreign investors who have lost their trust in existing policy framework. The local investors have the ability to convince the foreign investors for investment in various sectors.

The lack of proper planning and half-heartedness to harness the marvelous resources the country owns, Pakistan has become one of the most economically and socially challenged nations. If the political forces in the country failed to respond to the wake up call of the private sector with true intentions, external uncontrollable factors some day would roll over us ■

*The interview ended with a vote of thanks to Mr. Irfan Qaiser Sheikh, President, LCCI, a distinguished professional who spared his valuable time and gave his candid views. – Editor*

**Mr. Muhammad Rafi Elected as President South Asian Federation of Accountants (SAFA)**

In the 75th assembly meeting of South Asian Federation of Accountants (SAFA) held on January 7, 2012 at Chennai, India, Muhammad Rafi, a Fellow Member and Former President of ICMAP, has been elected as President of SAFA - an apex body of South Asian Association for Regional Co-operation (SAARC).

Mr. Rafi has also represented Pakistan at the International Federation of Accountants (IFAC), Public Sector Committee during 2000-02. Currently, he is the Chairman of ICMAP-ICAP Joint Committee and Member of the Consultative Group of International Public Sector Accounting Standards Board. He is also the Chairman of SAFA Committee on Governmental Accounting and Public Sector Enterprises. Mr. Rafi has presented many papers at national and international conferences and seminars.

Presently serving as Chief Financial Officer in the Oil & Gas Development Company Limited (OGDCL), Rafi has over 35 years of experience at senior management levels.

