

## Exclusive Interview with Senator Mr. Abdul Haseeb Khan

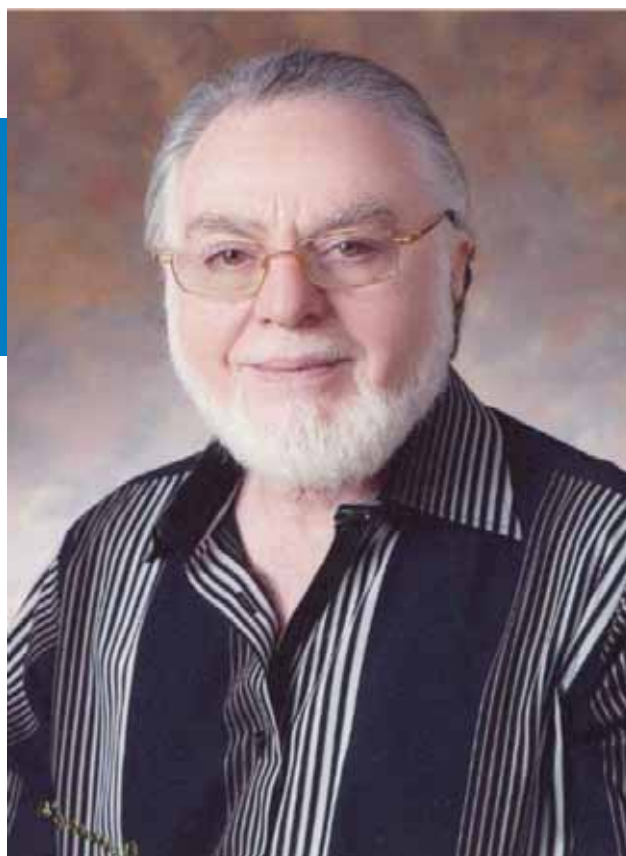
President & CEO, Brooks Pharmaceutical Laboratories Ltd.; CEO, KITE Development & Management Company; former Chairmen KATI and Pakistan Pharmaceutical Manufacturers Association

**Would you like to share with us your brief life story and how you started your initial business career, especially establishing a pharmaceutical company?**

I was born in Bhopal, India and migrated to Pakistan with my family in 1952. I got my formal education from Karachi and started my professional life with private jobs spanning over 15 years with different organizations. It was mid 70's when my entrepreneur spirit made me turn to Commerce and I initially set up my own business of manufacturing herbal medicines and later on established an oil distribution company. In the year 1986, I started a drug distribution company, which imported and marketed medicines primarily from Germany that was evolved into manufacturing unit which turned into the first pharmaceutical company of Pakistan to start its operations with the production of highly sophisticated and sensitive category of injectibles.

**You have been conferred with the "sitar-e-Imtiaz" by the Government in recognition of your outstanding contribution made to Pakistan's trade and economy. Would you like to share with us some of your major achievements in these fields and what is your future vision?**

I have mainly focused two things in my life which are health and education, as these are the foundation of a strong economy for any nation. All my contribution started off with these two areas to strengthen trade and economy of Pakistan, such as revamping of 18 City District Karachi Hospitals; laying down the foundation of Pakistan Pharmaceutical Education Foundation; laying down the foundation of alternative medicines in the country; establishment of Research Institute of Pharmaceutical Sciences at Karachi University; constructed a building for Pakistan Pharmacist Association; established Madadgar 15 Police reporting centre at Korangi Industrial Area; establishment of Brookes Health and Education, an NGO which runs a free school and dispensary in an impoverished neighborhood of North Karachi etc.



Besides above, I remained Executive Member of Drug Information Association, USA from 1996 to 2002; Chairman Korangi Association of Trade and Industry and CEO KITE Limited. I am also serving as a member of syndicate, University of Karachi; member Board of Governors of Baqai University and Hospital and member, Board of Governors of Hamdard University. I will keep working in these two areas as I have a firm belief that illiterate and sick people cannot contribute towards the development of economy and at this point of time when Pakistan is facing homogenous challenges, the high rate of literacy and sound health of nation can bring improvement.

**The successive governments in Pakistan have been resorting to taking loans from the IMF and the World Bank on one pretext or the other. The negative repercussions of these loans have to be borne by the national economy and Pakistani citizens. How and when would we be able to emancipate our country from clutches of international donor agencies and become dependent on our own resources?**

It is quite unfortunate that Pakistan's total debt liabilities have reached upto US\$172.5 billion, out of which US\$62.75 billion, corresponding to 36 percent, is a foreign debt and remaining US\$109.75 billion, corresponding to 64 percent, is a domestic debt.

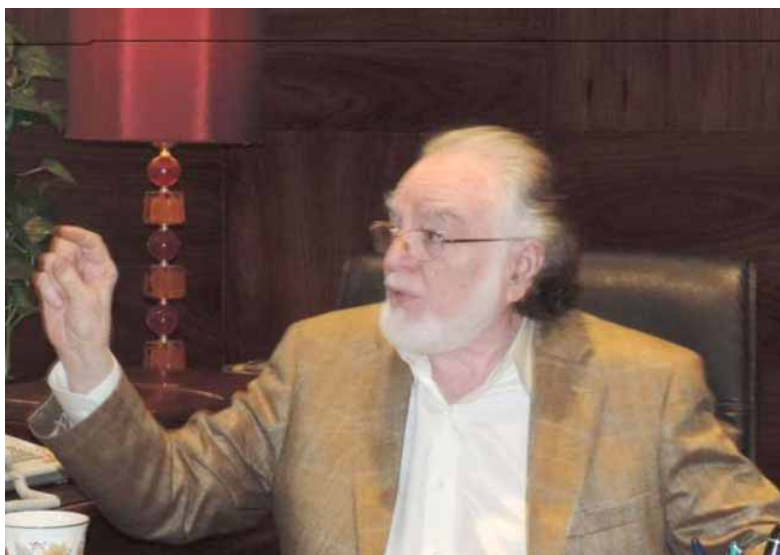
We can easily come out from not only clutches of international donor agencies but also from domestic borrowings, if we religiously start collecting tax from rich and mighty. It is estimated that Pakistan has got potential to collect tax revenue of Rs. 8 trillion i.e. around US\$ 8 billion per year. Pakistan's current year budget is Rs. 3.985 trillion i.e. around US\$4 billion. In this way, we can save around US\$ 4 billion per year and can get rid of the loans in five years time period.

**The trade and industry in the country is faced with innumerable problems in the shape of gas and power shortages, security issues, tax-related issues etc. Being a representative of business community in the Senate of Pakistan, how you are espousing their cause and concerns to the government?**

Being a responsible industrialist, allow me to say that all the problems our country faces today are self-created and have accentuated over the years because of ill-planning by our policy makers. They failed to critically assess the future development requirements which led to mushroom growth of industries all over the country. The true potential of natural resources in Balochistan is still unexplored and the quantity of sui gas reserves has also not yet been determined. We have reached a saturation point whereas other SAARC countries are well ahead of us. Bangladesh which imports cotton yarn, is exporting garments and textiles to 54 countries of the world.

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It is quite unfortunate that we still do not have a national industrial policy as well as an investment and investment return policies. I am clear on this that the local industrialists are the barometer for bringing in foreign investment flows; if they are not happy with the business climate and regulations; the foreign entrepreneurs would never take the risk of coming into this market.



In my capacity as the representative of industry in the Senate of Pakistan, it is always my endeavour to highlight the concerns and grievances of the industry and persuade the government to resolve their issues and improve the economic conditions. The industrialists are the largest tax payers in the country but they are not getting the benefits in shape of infrastructure facilities and other business and tax incentives. I have been continuously espousing the case of Karachi which is largest revenue earner for the government but this city is not getting the fair share in the development budget. Karachi alone contributes 65 percent of taxes from the Sindh Province.

In response to my query in the Senate, I was surprised to know from the concerned Minister that out of 217 million tax revenue collected during the FY 2012-2013, Karachi contributed 184 million; followed by Lahore with only 20 million; Peshawar 7 million and Quetta 6 million.

This is indeed a sorry state of affairs that other Provinces are not contributing taxes in proportion to the benefits they are getting from the government. That is why, I have been making efforts for last many years to form a 'Chamber of Industry' in Karachi to provide a single platform for the industries so that they can talk to the government 'face to face' on the basis of their contribution to national exchequer and demand development budget this city deserves to be provided.

I am sorry to say that the Chambers of Commerce which are ruled by vested interest groups, have failed to give adequate support to the industry and to take up their genuine issues with the higher ups. Recently through my humble efforts, a 'Chamber of Retailers' have been formed which is represented by 80 lac

retailers from all over the country. This is a good beginning and Insha Allah, a Chamber of Industry will also be formed on all Pakistan basis.

**What in your opinion, are the major challenges to the Pakistan economy at present and how prepared is the Government to tackle these challenges prudently?**



Pakistan's economy has been facing very hard time which is reflected from various economic and other indicators such as low GDP growth, low per capita income, high inflation, rapid devaluation of currency, energy crisis, rapid increase in fuel prices, trade imbalance, crisis of governance, uncertainty due to lack of continuity, political instability, deteriorating law and order situation, corruption, injustice, non-development foreign loans etc.

Owing to the above cited challenges, the cost of doing business has increased many fold, resulting into high unemployment rate; no substantial foreign investment; frustration in the society etc., leading to the deteriorating economic condition. In order to overcome these challenges, we need to have think-tankers in our political system; I mean technocrats who would be competent enough to run the different departments of the government for which their induction would definitely be based on their qualification, past experience etc. and not on existing orthodox system, which makes illiterate and incompetent person responsible for what he has never been exposed to.

I give you an example here of a corporation where the board of directors (Parliament in our political system) chosen by the shareholders/investors (common man in our political system) selects a Chief Executive Officer

based on his competency to run the organization and he further selects his team in view of the competency requirement of the business to increase shareholder value. Just suppose that if the CEO is recruited by ignoring the competency criteria, he will not be able to deliver results and would hire people like him and they will cumulatively not be able to create shareholder value; rather the corporation would go in a loss. The same

situation is in our country that is why I prefer to have technocrats in our political system as without them the situation would never change.

**What are your views on the privatization of PIA, Railways, Steel Mill and other public sector entities which are on the active agenda of Government? Do you think that we may give a chance to these PSEs to improve performance through induction of dynamic businessmen and professionals on their boards?**

The corruption is found everywhere in our political system and that is why any department or organization running under the government, despite being full potential to generate profit, fails to do so. I believe that instead of putting further burden on national exchequer, it would be better to privatize these entities so as to bring strong management control which is able to provide better services to the nation. Though after privatization, the cost of product would be bit high but it is better to have operations running especially in case of railways where there is no competitor.

**The Universities in Pakistan are facing financial constrains which are also impacting their scholarship programs and research initiatives.**



**As you are heading a Committee, formed by the Karachi University Syndicate, to help overcome its financial crisis, what are our views on this issue and what proposals you are considering to increase financial resources of the University?**

It is happening due to two primary reasons; the one is the image of Pakistan by virtue of deteriorating law and order situation and second is the obsolete curriculum being taught in the state universities which are no more in demand and acceptable internationally. The overall progress and competency of Pakistani students, especially those who get the education in the government run institutes, cannot be compared with the international students that is why we are losing our credibility.

As far as the University of Karachi is concerned, it is also beset with high expenditures which need to be controlled. There is also need to initiate different projects that could generate additional revenue for the University to run its departments and increase allocations for research and scholarships.

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**It is quite unfortunate that our budgetary allocations for education and health sector have not been sufficient enough, as compared to other countries in the region. How we can change this sorry state of affairs and bring visible improvement in these sectors for the benefit of the common people?**

I cent percent agree with you that the budgetary allocations for education and health sectors are not sufficient, but who is responsible? If you take my opinion, I think that we all, as a nation, are responsible for this sorry state of affairs. The civil society is just acting as a 'passive spectator' and not raising its voice in a forceful manner so as to exert pressure on the government to increase the budgetary allocations. The role of media in this regard is even deplorable as they do not give importance to education and health and most



of their programs are marked by irrelevant debates. Unless and until, we do not give this a national priority, there is no chance for improvement and god forbid, we would be heading towards an ignorant and sick nation.

**The Management Accountants have the required professional expertise to help out the industries in bringing down their production costs and improving efficiency. As bridge between academia and the industry, what role you can play to create awareness in business about our profession?**

As this profession is already established in the corporate sector of Pakistan with the bunch of cost management accountants working in different companies, I believe that ICMA has done superb job in promoting its graduates and creating highly positive positioning in the mind of corporate sector. However, if you think that I can add further value so please let me know particularly.

**Would you like to give some message to the members and students of ICMA Pakistan?**

Be clear in your mind as to what value you can add to the manufacturing industry of Pakistan in the area of cost and management accountancy. Moreover, during this turbulent time, if you luckily find a good employer, treat this as a blessing of Almighty Allah and stay there for long time for benefit of organization and for yourself.

The interview ended with a vote of thanks to Senator **Mr. Abdul Haseeb Khan**, President & CEO, Brooks Pharmaceutical Laboratories Ltd.; CEO, KITE Development & Management Company; former Chairmen KATI and Pakistan Pharmaceutical Manufacturers Association, who spared his valuable time and gave his candid views exclusively for this journal. — Editor