

### **US businesses remain optimistic about future economic environment**

The perception survey conducted in 2018/19 gauged the satisfaction of ABC members regarding various economic, regulatory and political factors that affect the performance and growth of businesses operating in Pakistan. 50% of respondents rated the "business climate" as the same as before and 80% of respondents felt that there was no change in the "ease of doing business."

The business climate was rated on a number of factors including growth influencers; impact of undocumented economy; implementation and consistency of trade policies; budgetary measures; internal and external political environment; and law and order. The top areas of concern highlighted by the members included the impact of the undocumented economy followed by implementation and consistency of policies (rated as unsatisfactory by over half of survey participants).

On the other hand, 60% of respondents noticed an improvement in the law and order situation and rated it as "good." Furthermore, the overall positive perception of American investors underscored an expectation of some economic stability demonstrated by the fact that 100% of respondents indicated optimism about Pakistan's economic environment in the longer term. Additionally, 50% of respondents felt that international perceptions about Pakistan had improved substantially with the new Government taking over.

According to the survey, the top four factors impacting business operations and future investment plans included: cost of operations with 89% of respondents feeling that it was the driving factor impacting their bottom line; legislation as highlighted by 70% of respondents with key components being approval and licensing; political uncertainty; and lastly 50% of respondents believed the law and order situation to be one of the key factors for companies considering investing internationally.

Reflecting on the survey findings, Jamal Mir, President of American Business Council of Pakistan said, "Let's start by saying that there is much to be optimistic about. Breaking from the past and a welcome relief is the current government's vision, intent and drive to lead Pakistan towards prosperity; to delve deeper and solve problems in an effort to impact lasting change. But with a country of 200 million, mired in debt with deep-seated and dire economic, political and social issues, change will take time. There is no quick fix! And for this, platforms like ABC and people at large need to band together and support and contribute towards the government's efforts."

ABC is one of the largest investor groups in Pakistan with 65 members and a plethora of companies representing Fortune 500 companies. Operating across various sectors - healthcare, financial services, information technology, chemicals and fertilizers, energy, FMCG, food and beverage, oil and others - ABC members have a cumulative revenue of over Rs 700 billion and contribute a sizable amount to the national exchequer every year in the form of direct and indirect taxes of approximately Rs 150.5 billion. ABC member companies employ over 78,000 people directly who support 350,000 dependents and indirectly employ over a million people which their agents, distributors, suppliers, contractors, etc. And perhaps a more intangible, yet equally significant contribution comes in terms of best practice sharing, the development of human resources and the models of systems and governance that member companies have in place. And coupled with the growth of both optimism and opportunity, these contributions are set to significantly increase in the coming years.-PR