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Meeting with COAS was cordial: industry leaders

KARACHI: A number of business leaders who met Chief of Army Staff (COAS) Gen Qamar Bajwa in Rawalpindi on Wednesday told Dawn that the meeting “was held in a comfortable and cordial atmosphere” and its main purpose was to focus on areas where an economic revival could be brought about, as well as building confidence between the government and the business community.

It all began with a dinner which started at 8pm, and the meeting continued till 1:30am. The meal was described as “bland” and “nothing special, basically mess food” by a couple of participants, during which the assembled delegates sat on a number of tables spread across the room.

After food they moved to the auditorium, where the COAS sat flanked by the government’s economic team, Financial Adviser Abdul Hafeez Shaikh, Federal Board of Revenue Chairman Shabbar Zaidi and Minister Economic Affairs Division Hammad Azhar.

The COAS spoke briefly in the beginning. “He was good humoured, was very well-informed,” one participant tells Dawn. “He had a very strong message that they are on the same page with the government, and asked the attendees to look ahead, not backward, and help sort out the economy.”

Gen Bajwa underlined that govt and army ‘are on same page’

He reminded those present that “years of excess will not change overnight, things will take time to rectify, but business as usual cannot continue,” said one participant, who added that the language is paraphrased from memory and not the exact words of the chief.

After that, it was Shaikh’s turn who reminded the attendees that he had returned to serve Pakistan after leaving lucrative positions in Dubai and New York “because I believe this is a pivotal moment and we have the chance to make a difference,” according to the participants. Then Hammad Azhar spoke, presenting data to back up his message that the economy has stabilised and reminding the audience that “the IMF programme was front loaded, unlike the ones in the past”.

After the government side had spoken, the COAS called upon Mian Mansha to open the discussion from the side of business delegates, according to a couple of people Dawn spoke with. Mansha emphasised the state-owned enterprises and the heavy burden their losses place on the national exchequer and underlined that there is no road forward other than privatisation. Then he turned to the construction sector as a possible site for revival of the economy.

“He emphasised the backward and forward linkages that the construction sector has with other industries,” one participant who was seated close to Mansha says. He spoke of

problems with entities like the Lahore Development Authority and the Karachi Development Authority that create endless red tape in the path of builders, as well as issues of land supply, land acquisition and legal issues facing builders and construction magnates.

All the participants say they hammered the point about the National Accountability Bureau interfering in business activities. “There was a lot of noise about National Accountability Bureau,” one person told Dawn. “There is nobody left that NAB has not taken notice of,” said another, adding that in a subsequent meeting in Islamabad, the prime minister has decided to set up a four-person committee that will decide whether accountability watchdog action is warranted or not.

The textile sector spoke of their problems with refunds, with Bashir Ali Mohammad from Gul Ahmad Group speaking at length on the topic. One proposal they floated was to allow the refund bonds recently issued by FBR to be adjustable against the holders’ income tax liability after maturity. “That will help create a secondary market for them,” one participant said. The participants claimed FBR Chairman Shabbar Zaidi was receptive to the idea, but he himself was unavailable on the phone to confirm this.

Mohammad Ali Tabbba of the Lucky Cement Group, who had made waves recently with a televised interview in which he was uncharacteristically hard hitting on the quality of the government’s economic management, however, sat silently through the whole affair.

“My feeling is these meetings will continue, perhaps with the COAS but certainly with the PM,” one participant told Dawn. “They gave an indication that after December inflation will start to come down, and then perhaps interest rates could also follow suit.”

ISPR press release adds: Sequel to discussions and seminars on ‘Interplay of economy and security’, a concluding session of stake holders hosted by COAS was held at Army Auditorium. Govt economic team and businessmen of the country participated. COAS apprised participants about improved internal security environment of the country which has enabled space for increased economic activity. COAS said that accessibility and responsiveness of govt economic team to business community and displayed understanding between public and private institutions is good sign for intended positive trajectory in economic activity.

COAS said that national security is intimately linked to economy while prosperity is function of balance in security needs and economic growth. COAS said that aim of various discussions and seminars was to bring stake holders at one platform to formulate recommendations for a synergistic way forward.

Businessmen shared their suggestions to further improve environment for ease of doing businesses and assured that they will cooperate in implementation of govt reforms and also play their part by paying taxes and investing in a socially and economically responsible manner.