

## Government and OICCI Collaborate to Drive Foreign Investment

**Karachi, December 7** – Senator Muhammad Aurangzeb, Federal Minister for Finance & Revenue, and Mr. Jameel Ahmed, Governor of the State Bank of Pakistan (SBP), visited the Overseas Investors Chamber of Commerce and Industry (OICCI) and participated in an interactive session with foreign investors and CEOs of leading multinational companies (MNCs) operating in Pakistan.

OICCI President Mr. Yousaf Hussain inaugurated the session, underscoring the Chamber's significant contribution to Pakistan's economy. He stated, "OICCI members have invested \$22.6 billion over the past decade, exceeding the country's total FDI of \$19 billion, and contribute one-third of Pakistan's tax revenue. We commend the Finance Minister's efforts to stabilize the economy, which is vital for creating a favorable investment climate. He also emphasized for a collaborative approach between OICCI and the Government to attract FDI, shape Pakistan's favorable narrative and build up exports" He also highlighted the Chamber's broader impact, including the introduction of cutting-edge technologies, development of human capital, adoption of global best practices, and facilitating Pakistan's integration into international markets and products.

In his address, the Finance Minister highlighted the government's strong commitment to driving economic stability and fostering growth. He stated, "Pakistan is well-positioned to attract increased foreign direct investment, particularly in export-oriented sectors. By working together, the Government of Pakistan and OICCI can showcase the remarkable success stories and expertise of OICCI members, creating a compelling case for new foreign investors to choose Pakistan as their destination."

Governor SBP Mr. Jameel Ahmed highlighted the various ways the SBP has been transparently working with OICCI address the concerns for foreign investors, specially the dividend remittances, to boost investor confidence.

OICCI Secretary General M. Abdul Aleem expressed gratitude to the Finance Minister, stating, "We appreciate the Finance Minister's efforts in resolving key issues, including the disallowance of sales and promotion expenses for royalty-paying entities and the withdrawal of the CFO affidavit requirement for sales tax returns. These steps are crucial for restoring investor confidence and ensuring a fair business environment."

The Finance Minister was apprised of significant challenges to FDI, including policy unpredictability, an escalating tax burden on formal sector, and increasing regulatory complexities. A major concern highlighted was the outstanding tax refunds of OICCI members, exceeding Rs. 100 billion, which are impacting operations. Additionally, the reclassification of petroleum products as tax-exempt was identified as a risk to the Brownfield Refining Policy, potentially jeopardizing \$6 billion in investments. Issues such as delays in FBR approvals and the imposition of a super tax were also underscored as critical obstacles for foreign investors.

To address these concerns, OICCI proposed the establishment of an independent authority, separate from the Federal Board of Revenue (FBR) and reporting directly to the Ministry of Finance. This authority, comprising professionals, private sector experts, and data specialists, would focus on identifying and curbing tax evasion to enhance revenue collection, allowing the FBR to concentrate on implementing policies set by the new body.

*The OICCI is the collective voice of major foreign investors in Pakistan, with over 200 members, from more than 30 countries. OICCI members contribute over one-third of Pakistan's total tax revenue and are involved in 14 sectors of the economy. They facilitate the transfer of technology and skills and provide employment to a significant number of people. About a fourth of OICCI member companies are listed on the Pakistan Stock Exchange, and many are associates of Global Fortune 500 companies. OICCI members also engage in corporate social responsibility activities benefiting 46 million persons from underprivileged communities. For further information, please contact [kashif.shafi@oicci.org](mailto:kashif.shafi@oicci.org) or visit [www.oicci.org](http://www.oicci.org)*