

MINUTES OF EXECUTIVE COMMITTEE MEETING HELD ON FRIDAY, THE 5th MAY, 2017 AT THE REGIONAL OFFICE OF THE FPCCI – 50-A TUFAIL ROAD, LAHORE CANTT

Present:- As per list

The Chairman of Chairman All Pakistan PVC & Plastic Pipe Association Ch. Tanvir Ahmad Dhillon, warmly welcome the Regional Chairman of FPCCI, Mr. Manzoor-Ul-Haq Malik and other participants of the Executive Committee meeting. The meeting started with recitation of Holy Quran. Mr. Humayun Sharif recited verses from the Holy Quran.

Agenda Item: No-1 To offer Dua for the departed souls.

Ch. Tanvir Ahmed Dhillon, Chairman of the APPPMA requested the participants of the meeting to offer DUA for the departed souls.

Agenda Item: No- 2 To confirm minutes of the EC Meeting held on 07.04.2017.

The second item on the Agenda of the meeting related to the confirmation of Minutes of the Executive Committee Meeting held on 7th April, 2017. The copies of the Minutes were circulated amongst the Hon'able House for consideration. Since no objection was raised from any Hon'able Member the minutes approved unanimously.

Agenda Item: No- Discussion on CPEC and Its Impact on Industry.

Ch. Tanvir Ahmed Dhillon, Chairman briefed the house that purpose of today's meeting is to get briefing on CPEC from Mr. Manzoor- Ul- Haq Malik, because he is widely experienced businessman and also has expertise on CPEC. He invited him to enlighten the Hon'able House.

Mr. Manzoor-ul-Haq welcomed the APPPMA Executive Committee and other members of the Association sitting at Lahore, Regional Office and members joined through video link from FPCCI Head office, Karachi.

He told the house that since China announced the China Pakistan Economic Corridor (CPEC), we are consuming more time and energy in finding faults, poking holes and raising doubts based on speculation and conjecture on this project. He questioned the house had this investment been announced in another developing country, the national reaction would be: how do we plan to ensure maximisation of benefits to the economy? What are the weaknesses and deficiencies in the existing set-up we need to overcome? But this type of thinking is not

in our community. We are either in a mood for celebration and self-congratulations or outright condemnation and depiction of exaggerated pitfalls.

He informed the house that there are three types of reservations against CPEC at Provincial level.

First, those who believe that this whole endeavour is designed to benefit the province of Punjab and to neglect three smaller provinces. Fanning parochial and ethnic prejudices, doubts are created about the narrow impact of these projects.

Second, the country would be saddled with costly external loans and outflows forcing Pakistan to go for another bailout. Frightening numbers such as totals of \$110 billion are floating around.

Third, some Baloch youth believe that they would become a minority in their own province. Mistrust and not perceived economic gains underlies such anxiety.

He said that there are some of the fears in the minds of business people in Pakistan, the economy and business dynamics are going to be change drastically due to CPEC. These changes will bring both advantages and disadvantages for local industry.

He highlighted the some of the disadvantages

1. **Manufacturing Sector.** This sector will face a high pressure due to an increase in competition from Chinese manufacturing firms. Several Chinese brands of each product will be floating in the Pakistan market.
2. **Cost Structure.** The economic activity is going to increase in Pakistan and jobs will also be increased. The increase in demand will increase the labour costs in Pakistan. The local production will become costly due to high labour and electricity cost. The exports of Pakistan will become non-competitive in the international market.
3. **Culture Issues.** Over the years, Pakistan culture is rigid to accommodate other cultures. The inflow of Chinese people can create friction among cultures.
4. **Corruption.** Corruption is a big problem in Pakistan whereas in China corruption is punishable by death. How would Chinese companies react to corruption in Pakistan?
5. **Dumping.** There is a fear in Pakistan's production sector that Chinese firms will start to dump excess production in Pakistan.

He also said that CPEC will definitely benefit Pakistan over the long run because it is bringing a lot of infrastructural development to a long stretch of road literally spanning almost the entire country, improving connectivity and decreasing the burden on Karachi, which is so saturated that business actually suffers from the port's inability to handle traffic. It will provide benefits to the people living in the deprived districts of Balochistan and southern KP. The opening up and integration of these districts with the unified national market of goods and services would make their fisheries, mining, livestock, horticulture and other activities economically feasible, creating incomes and jobs and helping lift them out of poverty.

During the meeting members showed its concern that the Chinese companies bringing their own material along with machinery which is also produce locally and available in the market. The members of the view if these types of practices continue it will hamper the local industry and forced it to shut down. It was decided that a letter may be sent to Planning commission of Pakistan.

Agenda Item: No- 7.Any other matter with the permission of the Chair

After the completion of agenda the Chairman has requested the Hon'able members they can speak on any other point if desire. Since there was no other point for discussion, the meeting ended with a vote of thanks to the Chair.
