

Understanding a **BIG** Elephant and its *Small* Chain



How MNCs CEOs look at Pakistan as a market

Pakistan's SWOT Analysis

Based on In-depth Interviews with Top MNCs CEOs

Executive Summary

This study was started with the motivation to understand nuances in Pakistan’s business environment. Subtle interpretations of various aspects of a country as a market as experienced by businesses are not usually measured and so reported in indices such as East of Doing Business Index (EDBI) and Global Competitiveness Index (GCI). Primarily because these indices use structured instruments and reporting frameworks under quantitative research design. This is being done to offer a common base for comparison across the markets/countries. Hence efforts should be made to augment such indices with individual experiences businesses have while operating in different markets.

In Pakistan’s context, efforts were made to fill this gap by doing in-depth interviews with CEOs representing top 22 businesses comprising of 19 Multinational Corporations (MNCs) and 3 National Corporations (NCs) operating in Pakistan. It is believed that SWOT analysis of Pakistan from the perspective of these CEOs will help us to understand some of these business nuances. The respondents represent the following ten industries: information and communication technologies (ICT), finance, energy, pharmaceutical, agrochemicals, chemicals, cement, mechanical engineering, lighting and publishing.

Around 20 hours of audio recording was transcribed into 127512 (one hundred twenty-seven thousand five hundred twelve) number of words. Themes were developed after reading these interviews on more than one times. Table 1 offers the themes representing strengths, weaknesses, opportunities and threats as developed from these in-depth interviews.

Based on these interviews it can be inferred that enduring, flimsy, enormous and manageable could be the four words which could define strength (130), weaknesses (79), opportunities (279) and threats (91) associated with Pakistan. This claim is not only quantitatively substantiated for example, as the number in parenthesis suggest for each measured attribute but also qualitatively.

A careful read of ‘word cloud’ on front page of this report indicates the word ‘opportunities’ as the most talked about by CEOs so most visible among the four words i.e., strengths, weaknesses, opportunities and threats. Qualitatively speaking, for instance, ‘corruption’ word was used 57 times in 127512 total number of words transcribed in this study. This word can be linked to the talk pertaining to ‘this’ phenomenon as ‘directly experienced’ by the respondents only 11 times.

Table 1: Pakistan’s SWOT Analysis – in brief

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. ‘WE’ the People 2. Positively Looked CEOs 3. A Gateway 4. Improved Security Situation 5. Untapped and Underutilized Resources 	<ol style="list-style-type: none"> 1. Pertaining to (Un) governable 2. Age-old Structural Issues 3. Increased Cost of Doing Business 4. Precarious CEOs
Opportunities	Threats
<ol style="list-style-type: none"> 1. Leveraging on Strengths 2. Working on Gaps 	<ol style="list-style-type: none"> 1. Internal 2. External

Some of the recent business publications' reflections on Pakistan echoed with what CEOs reported i.e., an economy having enormous potential but being looked at with trepidation.

As reported by CEOs large, young, industrious, entrepreneurial and competitive population/market which can become the major weaknesses before becoming a quick sand (a threat) if not nurtured in terms of education and opportunities define Pakistan as a market. Increasing religious chauvinism blended with opportunities starved youth is possibly emerging as the biggest threat eager to erode opportunities further.

Bureaucracy's complacent and/or inordinate behavior and its incompetence as reported by various CEOs are interpreted in terms of poor governance including inefficiencies and its inability to create and market Pakistan including opportunities associated with this market define the major weaknesses associated with Pakistan. Nevertheless, as argued in this report bureaucracy's perceived complacent behavior and its perceived incompetence as reported by various CEOs are shaped by age-old fault lines and deficient bureaucratic structure – other major weaknesses.

Bureaucracy's technology laggardness, viz a viz to the businesses it is in the business of regulating, has created a not a level playing field for it. A phenomenon experienced by a large majority of individuals and businesses in this country in different ways and for various reasons. In one way or the other one's effort to make the playing field leveled for oneself could only be possible at the cost of making playing field un-leveled for others. Thus, triggering or contributing into the vicious cycle of making playing field un-leveled for each other but at the end making playing field un-equal actually for itself. Corruption is one of the ways and an outcome of individuals' efforts to make playing field 'leveled' for him/herself.

Harnessing strengths should be the starting point to capitalize opportunities. Technology can help to educate and to uplift the mass young population of this country with respect to skills including technical skills.

More than 2.5 billion people's markets (including India and China) at the gates if not captured could shrink the opportunities in other markets as well. In addition to India and China which are in themselves emerging as big consumer markets, Middle East offers promising opportunities primarily because of the region's efforts to diversify its economy.

Pakistan, nevertheless, can't rely on its strengths only to attract opportunities. Pakistan needs to keep on 'creating' and marketing opportunities. For this Pakistan needs to create structured knowledge as every monopoly, oligopoly and inefficiency offers promising opportunities.

Report in hand starts with the introduction providing the reader background and motivation behind this study. Next section offers extended description of strengths, weaknesses, opportunities and threats as reported by CEOs. Following this, in order to see a bigger picture, I raised following four important questions:

1. How Pakistan can build upon on its strengths as reported by CEOs that can help it to leverage the opportunities?
2. What are some of the weaknesses which can be transformed into opportunities?
3. Can and how some of Pakistan's strengths be used to dilute few of its weaknesses?
4. Can and how threats by shadowing the strengths create vulnerabilities for Pakistan? And how some of Pakistan's strengths can help us to face few of the threats casting their shadow on this country?

The reports ends at offering a way forward for Pakistan as a market and some implications for investors including CEOs and for strategic planners of this country.