

Foreign Investor's Experience

by

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- ▶ **BUSINESS ENVIRONMENT**
- ▶ **GENERAL RISK MANAGEMENT PRACTICES**
- ▶ **OMV EXPERIENCE**

Business Environment

- ▶ **SECURITY**
- ▶ **POLITICAL STABILITY**
- ▶ **ADMINISTRATION**
- ▶ **INVESTMENT / FINANCIAL RISK**
- ▶ **PROSPECTIVITY & MARKET RISK**

Business Environment

Security

▶ EXTERNAL

Afghanistan

India-Pakistan relation (Kashmir)

Fundamentalism

Nuclear Proliferation

Business Environment

SECURITY

▶ INTERNAL



Business Environment

Political Stability

- ▶ Change in Policies with regime change
- ▶ Time lag involved in re-work with new establishment
- ▶ Uncertainty- what is going to happen next

Business Environment

Administration

- ▶ Multiple Window operations
- ▶ Administrative Changes-due to Political Changes
- ▶ Provincial – Federal interface issues
- ▶ Bureaucratic Hurdles

Business Environment

Investment/ Financial Risk

- ▶ Investment Friendliness
- ▶ Investment Realization

Business Environment

Prospectivity & Market Risk

- ▶ Prospectivity (NWFP, Baluchistan)
Engineering & Technical Difficulties
- ▶ Supply vs. Demand
- ▶ Import of Gas

Risk Mitigation

Risk Management Practices

- ▶ Security Arrangements:
 - Government Agencies/Forces
 - Private Service Providers

- ▶ Government Relationing

- ▶ Influentials of the Area

- ▶ NGOs

- ▶ Public Relationing

Risk Mitigation – OMV's Approach

► Calculated Risk in Business Operations

- Networking
- Complete Systems in place
- Multi source - Information
- Readiness to Respond
- Vigilant

Risk Mitigation – OMV's Approach

Did Not Evacuate During:

- ▶ September 11, 2001 Aftermath
- ▶ Afghanistan War - 2002
- ▶ Iraq War - 2003

Foreign Investor's Experience

Risk Mitigation – OMV's Approach

- ▶ Conscious of Corporate & Social Responsibility
- ▶ Public Relations with all Stake Holders
- ▶ Communication at all level
 - Federal Government
 - Provincial Government
 - Local Government
 - Local Community
 - Influentials
 - Mass Communication through Print - Electronic Media

Risk Mitigation – OMV's Approach

- ▶ Sustainable Community Development Programs
- ▶ Transparency
- ▶ Adherence to Ethics & Policies
 - Internally
 - Externally

FUTURE OUTLOOK

- ▶ Consistency in Government Policies
- ▶ Market Growth
- ▶ Competitive Edge
- Our Growth Strategy
- ▶ Improved Harmony Amongst Stake Holders