CASS LAHORE

ASSESSING PAKISTAN'S
ECONOMIC PLAN:
CHALLENGES & OPPORTUNITIES FOR A SUSTAINABLE FUTURE

Post Seminar Report

CENTRE for AEROSPACE & SECURITY STUDIES, LAHORE

ASSESSING PAKISTAN'S ECONOMIC PLAN: CHALLENGES AND OPPORTUNITIES FOR A SUSTAINABLE FUTURE

POST SEMINAR REPORT

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INTRODUCTION

Marred by economic crisis, Pakistan needs to repay approximately $22-30 billion in external debt in the year 2023. The current economic situation, characterised by surging electricity and fuel prices, depreciating exchange rate, soaring debt burden, widening fiscal and current account deficits, and political instability, has created an environment of uncertainty, thus making it difficult for businesses to plan for the future.

To pull back from this precipice permanently, Pakistan needs a paradigm shift in its economic strategy. Numerous frameworks are available to guide the country in overcoming its present economic challenges. Regardless of the specific roadmap or plan chosen, the key to rescuing Pakistan from its current economic crisis lies in addressing the structural issues within its economy. Achieving a comprehensive economic transformation is essential, and this requires a multifaceted approach involving several measures, such as tax reforms, fiscal discipline, policies to ensure debt sustainability, reforming the monetary and foreign exchange system, and ensuring the viability of state-owned enterprises, among others.

The solution must be centred on specific policies and administrative measures to fix the economy in a sustainable and viable way for the future. However, a grounded solution means administering an extremely bitter pill. The abysmal policies of successive governments and their complacency with kicking the can down to the road have brought the state to a dead end. As in the past, peer pressure problems encaptivated political governments from developing a business plan. However, in the present situation, hard choices are now linked with survival.

Considering the vulnerable economic situation, coupled with a scarcity of foreign exchange reserves, Pakistan needs to repay around US$25 billion annually, on average, for the next three years. Under this abysmal situation, the sustainable management of loss-making State-Owned Enterprises (SOEs) without further burdening the already widening fiscal deficit is a significant challenge. Privatisation of such SOEs might be an option, as it serves two purposes: raising foreign exchange and reducing the budgetary burden of supporting poorly performing, loss-making SOEs. However, the privatisation of SOEs comes with severe political repercussions for the government, creating a situation where political representatives must decide whether to wait for Godot or take the silver bullet. Any solution for economic recovery must be based on cold calculations driven by a cost and benefit analysis. The economic recovery plan should focus on the structural issues rather than harbouring the illusion of vast and untapped resources or that Pakistan's friends would keep it afloat.

Keeping these considerations in view, the seminar titled, “Assessing Pakistan’s Economic Plan: Challenges and Opportunities for a Sustainable Future” was held to delve deeply into the convoluted economic landscape of Pakistan to rethink its economic strategy. The overarching objective was to gain insights through interaction with academicians and industry experts to explore pathways for sustainable and resilient economic recovery.

SPEAKERS OF SEMINAR

Dr Bilal Ghazanfar	Introductory Remarks
Dr Hafiz A Pasha	Keynote Address
Dr Mumtaz Anwar Chaudhry	Generating Economic Aptitude among Policymakers
Dr Abiha Zahra	Public Sector Reforms for Economic Resilience & Sustainability
Nadir Salar Qureshi	Managing SOEs without Fiscal Burden
Ms Maheen Rahman	Debt Sustainability in the Future Economy of Pakistan
Mr Nadir Salar Qureshi	Managing SOEs without Fiscal Burden
Air Marshal Asim Suleiman (Retd)	President, CASS Lahore Concluding Remarks

EXECUTIVE SUMMARY

A seminar titled "Assessing Pakistan's Economic Plan: Challenges and Opportunities for a Sustainable Future" was organised by the Centre for Aerospace and Security Studies (CASS), Lahore on 23 November 2023. The discussion commenced with a keynote address by Dr Hafeez A Pasha, Former Federal Minister, and a renowned economist. It was followed by the first session in which insightful presentations were delivered by two eminent academics, Dr Mumtaz Anwar Chaudhry, and Dr Abiha Zahra. In the second session, two experts from the industry, Mr Nadir Salar Qureshi, and Ms Maheen Rahman, shared thought-provoking ideas to address the undertaken issue. An extensive Q&A session and concluding remarks by Air Marshal Asim Suleiman (Retd), President, CASS Lahore, rounded up the seminar.

In his introductory remarks, Dr Bilal Ghazanfar, Associate Senior Researcher at CASS, Lahore, highlighted the precarious situation of Pakistan's economy. He emphasised that the ongoing economic crisis stems from imprudent policies and government inaction over several decades. He added that Pakistan's economic crisis had pushed it further towards dependency on International Monetary Fund's (IMF) plans. However, despite these challenges, Dr Ghazanfar saw exceptional prospects for profound transformation, suggesting a comprehensive restructuring of Pakistan's economic architecture rooted in principles and practices implemented by developed nations. He concluded by reflecting on the immense economic potential of Pakistan, which can be harnessed by delving into multifaceted aspects of the economy.

Dr Pasha, in his comprehensive keynote address, highlighted the convoluted relationship between Pakistan's macroeconomic landscape and the defence sector. Accentuating the dilapidated fiscal health of Pakistan, he expressed apprehension over the federal government's ineptitude to cover interest payments on the national debt, resulting in heavy dependence on borrowing, notably for defence allocations. Through comparative analysis, he argued that the entire defence budget, including pensions, now depends on borrowed funds, a departure from previous self-sufficiency practices in Pakistan.

Considering growing regional asymmetries and the widening gap with a neighbouring country, Dr Pasha emphasised that reducing defence spending relative to GDP will adversely affect the national interest. Furthermore, he stressed the need for aggressive resource mobilisation and expenditure rationalisation for economic recovery. He added that tax concessions to the elite are a major hindrance to the sustainable growth of Pakistan's economy. He proposed a dual strategy to reduce the military's economic footprint and implement direct taxation in key sectors.

The second speaker of the day, Dr Chaudhry shifted focus to theoretical aspects of Pakistan's economic crisis. He said that politically motivated schemes of priorities and lack of policy continuity are factors behind Pakistan's current economic meltdown. He expressed concern over party-centric interests and conflicts of interest at various levels while underscoring the crucial role of government institutions and legislators. Furthermore, he pointed out the influence of international actors in Pakistan’s decision-making process and called for inclusivity and reforms in the bureaucratic structure. Dr Chaudhary stressed the importance of civil society in ensuring accountability, analytical skill development for bureaucrats, and addressing challenges in the policymaking process. He concluded by advocating for homegrown policies and inclusivity of academia and industry within the policy making process.

The third speaker of the day, Dr Zahra, focused on the public sector reforms for economic resilience and sustainability, and established a potent case for the critical role of public sector reforms in maintaining economic resilience. She said that issue-based and situation-based reforms are a general practice in Pakistan, with political factors significantly influencing restructuring decisions. Dr Zahra shed light on the political motivations behind intermittent reforms in Pakistan and reflected upon the broad-term implications of consistent reorganising and restructuring of public organisations. Suggestively, she emphasised empirical mapping of reforms to ensure economic prosperity and underscored the need for a long-term, sustainable approach rather than politically driven short-term measures.

In the second session, the third speaker of the day, Mr Qureshi shared his views regarding the efficient management of SOEs without a fiscal burden. He presented a compelling case for the privatisation of SOEs to address Pakistan's economic crisis. He elucidated further by providing compelling statistics on SOEs' financial burden, making privatisation a panacea for Pakistan's economic woes. He quoted examples of successful implementation of privatisation from India, Egypt, and Saudi Arabia, to elucidate, how privatisation can reduce government burden and improve social outcomes.

Mr Qureshi shared his divergent viewpoint that negates the general perception of privatising valuable assets, particularly in the sectors where SOEs are generating profits. He believed Pakistan could realise macroeconomic outcomes and social uplifts if privatisation undergoes in all sectors. To elucidate, he shared insights on Pakistan's own positive experiences with privatisation, such as the case of MCB, which now contributes significantly in terms of economic growth and contribution to government revenue. Mr Qureshi advocated for a strategic approach to privatisation in Pakistan to unlock economic potential, improve efficiency, and address the current fiscal challenges.

The last speaker of the day, Ms Rahman illuminated the intricate relationship between Pakistan's economy, sustainability, and debt. She said that despite participating in 23 IMF programmes, the nation's debt is rising and reached 90 percent of the GDP. Apropos of this view, she said that whatever cannot be paid back is unsustainable debt. Moreover, she shared a contrasting argument regarding debt reprofiling, she asserted, that the core solution lies in revenue generation, which, at present, is short of meeting the population's needs.

To address the crisis, she proposed five key avenues to increase revenue generation: taxation reform, industrial sector reform & agricultural development, investment-led growth, public-private partnership, and boosting Foreign Direct Investment (FDI). She also stressed the need to put Pakistan's economic house in order for improved debt sustainability and an overall revenue framework overhaul. She highlighted the potential for transformation within two decades by drawing parallels with East Asian economies. Ms Rahman expressed optimism that implementing even a subset of the proposed revenue generation strategies can positively reshape Pakistan's economic outlook within five years.

The Q&A session delved into critical aspects of Pakistan’s economy. The speakers highlighted the pervasive problem of parochial interests and stressed the need for a shared vision and long-term strategies for the state-oriented policies between successive governments. The speakers recognised the unproductive role of elite capture in Pakistan and advocated for academia-industry collaboration to address the underlying problems in Pakistan’s economy. Moreover, during the session, speakers highlighted flaws in the tax system, suggesting the elimination of preferential treatment for non-filers. The panel also emphasised the importance of data-driven policies.

The speakers underscored the need for comprehensive plans with effective implementation. They emphasised the role of academia and industries, which often gets ignored in policymaking, for sustainable economic growth. Privatisation was discussed as a potential panacea, with considerations for addressing governance challenges and rent-seeking behaviour. The session concluded with a call for domestic improvements to mitigate external influences and ensure a resilient economic foundation for Pakistan.

Finally, in his concluding remarks, Air Marshal Asim (Retd) said that there was a dire need for a concerted effort from all stakeholders, including citizens, policymakers, and leaders, to bring about structural transformation in the country’s economy. He called for improving the quality of services, enhancing fiscal management and fostering a more open and dynamic economy.

While citing arguments in favour of privatisation, he said that the matter places political representatives at a crossroads, compelling them to decide whether to continue waiting for elusive solutions or proactively seize the metaphorical "silver bullet" that can potentially transform the country's economic landscape.

Air Marshal Asim (Retd) said that Pakistan possesses all the elements necessary for its evolution. He said that its assets include strategic geographic location, a wealth of mineral resources, an untapped tourism sector and the promising China-Pakistan Economic Corridor (CPEC). He emphasised that achieving a robust recovery demands an ambitious medium-term reform agenda centred on fiscal stability and competitiveness, besides a strong sense of political commitment and ownership.

KEY TAKEAWAYS

1 Rethinking Resource Management

Pakistan's current economic situation requires progressive - aggressive resource mobilisation and rationalisation of expenditures for economic revival.

2 Fiscal Federalism in Pakistan

In Pakistan's economic landscape, structural reforms remain hamstrung due to the overlaps in the functions between federal and provincial governments even after the 18th Amendment. Moreover, provincial governments remain resistant to devolution of power.

3 Declining Defence Spending Ratio

Apart from flawed macroeconomic policies, a 30 percent increase in pensions and salaries led to a decrease in the defence budget by 15 percent. The current defence spending ratio stands at 1:8 against the neighbouring India, which is considerably less than the ratio of 1:3, a level considered adequate for national defence.

4 Dependency on International Loans

The excessive dependence on international loans has created a structural imbalance in Pakistan’s economy. Moreover, the rent seeking behaviour has provided space for international actors to influence economic policies in a negative way.

5 Efficiency of Bureaucracy

Bureaucracy performs a vital role in enforcing accountability and implementation of good governance. However, because of the economic inaptitude and capacity, it lacks the ability to bring a profound transformation in the economic landscape.

6 Strategic Approach to Privatisation

Meticulous and palmary privatisation strategy can unlock the economic potential, reduce the financial burdens, and pave the way for sustainable growth in Pakistan.

7 Public Reforms

To ensure the impact of public reforms beyond the surface level, it is important to undertake empirical mapping of public reforms based on a data-driven and evidence-based approach.

8 Overarching Framework to Drive Revenue Performance

The economic turnaround of Pakistan depends upon its ability to optimize its revenue collection. Fair taxation system, industrial reforms, modernisation of agriculture sectors, investment-led growth, and foreign direct investment can be the key elements of revenue generation strategy.

9 Channeling Youth's Potential

Pakistan's youth bulge has become a double-edged sword. The number of idle youth increases the risk of social unrest which can only be averted by implementing youth-oriented employment programs.

10 Elite Capture

Tax concessions have been granted to the elite, which has further increased the gap between the rich and the poor. Moreover, there is a significant decline in public services due to elite capture.

11 Myopic Policies

In an environment of political unrest, political narratives rather than national interests remain at the top, in the decision-makers' scheme of priorities. This approach hinders the implementation of pro-productive policies in Pakistan.

INTRODUCTORY REMARKS

DR BILAL GHAZANFAR

ASSOCIATE SENIOR RESEARCHER, CASS, LAHORE

Dr Bilal Ghazanfar, Associate Senior Researcher, CASS, Lahore, commenced the seminar by extending warm welcome to distinguished speakers. He initiated his introductory remarks by pointing towards the economic situation of Pakistan which remains precarious as the country struggles to keep up with surging debt, global inflation, increased energy import expenses, dwindling foreign exchange reserves, political unrest, and a consistent decline in GDP growth. He added that the ongoing economic crisis in Pakistan is not a sudden occurrence; instead, it is a result of imprudent policies and the government's inaction spanning several decades.

Considering the intermittent economic crisis, Dr Ghazanfar said that it has transformed into a permanent crisis that has pushed Pakistan to a critical juncture where it cannot even pay for vital imports, such as fuel, medicines, and food, without relying on IMF bailout packages, loans, and assistance from friendly countries. Concerning 23 IMF loan agreements, Dr Ghazanfar noted that the recently agreed $3 billion Stand-By-Arrangement was a critical step to avert potential financial default. He extended his argument further and provided another perspective encompassing a staggering population of 241 million and a remarkable youth bulge. Apropos of this view, he believed that Pakistan's economic future is inseparably linked to its ability to provide jobs, ensure equitable growth, and improve living standards for its citizens. Dr Ghazanfar pointed out that Pakistan has announced several economic roadmaps over the years. However, the effectiveness of such plans has always come under scrutiny because they failed to bring out the required transformative change. Considering these failures, Dr Ghazanfar argued that it is imperative to divorce stopgap measures as they are no longer viable. He suggested a comprehensive restructuring of Pakistan’s economic architecture rooted in principles of competition, fair legal enforcement, and the safeguarding of small and emerging businesses.

Dr Ghazanfar stressed it is essential to conduct a critical analysis of the factors that have pushed Pakistan into its current dire financial situation.

“The path to economic recovery is fraught with substantial challenges. However, within these challenges, there are exceptional prospects for profound transformation.”

He concluded by reflecting upon the immense economic potential of the nation. He said that by delving into multifaceted aspects of the economy, the nation can harness abundant potential to move towards an upward economic trajectory.

KEYNOTE ADDRESS

DR HAFIZ A PASHA

Dr Hafiz A Pasha opened his address with an expression of profound honour and gratitude for the opportunity to speak before a gathering of esteemed colleagues and distinguished speakers, including members of the Pakistan Air Force (PAF). Dr Pasha then steered the conversation towards the intricate relationship between Pakistan's macroeconomic landscape and the defence sector. He stressed the importance of comprehending the macroeconomic factors that directly impact defence.

Defence Budget Reliant on Loans

Dr Pasha painted a concerning picture of Pakistan's fiscal health. While pointing out the distressing decline in public finances, he highlighted a critical issue that after the distribution of revenue with provinces, the federal government's net revenue fell short of covering the interest payments on the national debt. Considering the geopolitical and geostrategic situation, he warned about the dangerous repercussions of the alarming economic situation that has led to a heavy reliance on borrowing to meet essential governmental expenses, including defence allocations.

Delving deeper into the fiscal crisis, Dr Pasha revealed that the entire defence budget, encompassing pensions and expenditures for civil armed forces, is financed through borrowed funds, amounting to roughly Rs2,600 billion. This unprecedented scenario marks a significant shift in Pakistan's economic trajectory from half a decade ago when government revenues were sufficient to cover defence and other public expenses.

Reduction in Defence Spending and Regional Asymmetries

Dr Pasha highlighted the significant reduction in defence spending relative to Pakistan's GDP, exceeding 1.25 percent. He added, that with additional borrowing forecasted under the IMF programme, the international lender's insistence on curbing current expenditures and increasing revenues indirectly highlights the unsustainability of Pakistan's current defence spending trajectory.

"There is a growing disparity in defence spending between Pakistan and its larger neighbouring country, worsening from a ratio of 1:3 in the late 1990s to an alarming 1:8 in 2022."

Reflecting on his tenure as Finance Minister, Dr Pasha recalled maintaining a defence spending ratio of 1:3 against the neighbouring country, a level considered sufficient for national defence at the time. However, the current disproportionate ratio of 1:8 is underlined by the reality that defence expenditures have been reduced from 4.5 percent of the GDP to about 2.5 percent. He pointed out the limited growth allowance for defence spending, which was capped at 15 percent. This starkly contrasted with the over 30 percent increase in pensions and salaries, effectively leading to a real-term percentage decrease in the defence budget of 15 percent.

Tax Concessions and Elite Capture

Regarding economic recovery, Dr Pasha underscored the imperative of aggressive resource mobilisation and substantial relief measures for the poor. He lamented the declining tax-to-GDP ratio, which fell from 11.4 percent to 9.9 percent over the past years. He criticised the extensive tax concessions granted to the elite, especially in agricultural income tax, which amounts to just Rs3 billion compared with the generated income of Rs23,000 billion, and the disproportionate tax burden on essential commodities like sugar, which has disproportionately affected the ordinary citizen through the imposition of taxes amounting to Rs42 billion, even though the top 1 percent of landlords own 22 percent of prime land in Pakistan.

Drawing on the United Nations Human Development Report of 2020, to which he contributed, Dr Pasha pointed out that tax concessions and rebates granted to Pakistan's top 10 percent amounted to 2.5 percent of the GDP. These concessions predominantly benefited a select few, including agricultural landlords and urban property owners, while generating minimal revenue from capital gains, rental income, and property banking tax. He described this as an unsustainable model, especially in the absence of adequate taxes like those on rental income and inheritance, leading to a decline in public services due to elite capture.

The Path to Economic Recovery

Dr Pasha proposed a dual strategy for a robust economic recovery: progressive and aggressive resource mobilisation for additional revenue generation and rationalising expenditures. At least Rs2.5 billion to Rs3,000 billion would be generated by removing all these concessions to improve the health and education sector, considering that Pakistan had fallen to the 161 spot on the Human Development Index (HDI) of the United Nations Development Programme in 2020. Secondly, this approach entails reducing the military's economic footprint, addressing overlaps in functions between the federal and provincial government’s post-18th Amendment, and encouraging provincial governments to decentralise.

This approach would also involve implementing direct taxation in crucial sectors, such as agriculture, property, and trade, which would expand social protection programmes. Dr Pasha went on to highlight the disturbing rise in poverty, with 110 million Pakistanis, nearly 43 percent of the population, living below the poverty line. He stated that existing social support programmes inadequately address the prevailing poverty. The Benazir Income Support Programme (BISP), which has been functioning for more than a decade, is still barely able to cover 1/5 of the poverty gap; Rs450 billion cannot bridge a gap conservatively estimated to be at Rs2,250 billion.

"Pakistan's youth bulge has become a double-edged sword, considering the number of idle youths has doubled to 18 million over the past eight years, increasing the risk of social unrest similar to the Arab Spring."

Conclusion

In conclusion, Dr Pasha reiterated the pressing need for resource mobilisation and expenditure containment, along with ensuring adequate funding for defence. He expressed concern over the IMF's implicit directive to reduce defence spending and highlighted Pakistan's precarious financial position, stressing the imperative for debt reprofiling. His address concluded with a sombre acknowledgement of the grim financial reality that the country is perilously close to default, considering $128 billion of debt and $7.5 billion in reserves, with the annual external finance requirements of $20 billion, signalling how Pakistan is in a deep financial crisis with direct implications on the defence and public services.

GENERATING ECONOMIC APTITUDE AMONG POLICYMAKERS

DR MUMTAZ ANWAR CHAUDHRY

Dr Mumtaz Anwar Chaudhry commended Dr Pasha's comprehensive overview of Pakistan's economic plan. His presentation knuckled down on the theoretical aspects of the deepening economic crisis in Pakistan. Dr Chaudhry concentrated on the issue of Pakistan's economic meltdown while establishing a correlation between the economy, climate change, poverty, and inequality. Furthermore, he sheds light on Pakistan's policy-making process, to explain who is making these policies and how are they making these policies.

Dr Chaudhry said that it is pertinent to see if these policies are working or not and whether they are even being properly formulated or not. It is a general perception that the process of policymaking is done by three actors, government societal and international actors. In the end, he assessed the possible ways in which the country can manage these problems by generating economic aptitude among the policymakers for a sustainable economic future.

Lack of Continuity in Policies

While mentioning the divergent priorities of subsequent governments, Dr Chaudhry noted that there is no continuity in the economic policies in Pakistan. For instance, if one government is bringing infrastructure development, the next one would prioritise social development.

“There is no harm in prioritising one’s agenda, but it should not be at the cost of national interest.”

In this context, he stressed long-term sustainable economic policies to counter financial crisis, terrorism, widespread poverty, and inequality along with multifaceted convoluted economic and social problems.

Capacity Building of Key Players

Considering legislators as the state nucleus to the formulation of economic policies, Dr Chaudhry argued that lawmakers in Pakistan do not possess the economic aptitude to address structural issues. Additionally, he stressed that apart from assessing legislators’ capacity it is vital to discern legislators’ inclinations in the policy-making process to gauge their credibility. Apropos of this view, he questioned legislators’ credibility by saying that their interests and preferences are either party-centric or self-serving.

Dr Chaudhry added that conflicts of interest among legislators exists at all levels, ranging from federal to provincial as well as the local government level. He asserted that there are innumerable examples to substantiate his argument. He raised a pertinent question: why does the coal utilised by the Sahiwal Coal Power Plant need to be delivered from far regions to Sahiwal? Moreover, he questioned the existence and relevance of Independent Power Producers (IPPs) in Pakistan's energy mix. Considering that hydropower is a more economical and environmentally friendly source of energy. He added that the policymakers opted for IPPs which have many problems attached to them, for instance, the capacity payments and the circular debt, which reflects that the policymakers, parliamentarians in particular, are either party-centric or self-centric.

The speaker highlighted the examples of two social security programmes, namely BISP and the Ehsaas Programme, both of which got adversely affected as the governments changed. He iterated these examples to argue that the changing agendas and preferences result in short-term policies, which ultimately fails to bring any change in the economy. To validate his argument, he mentioned the political parties' scheme of priorities to highlight that political parties prefer visible infrastructural development at the cost of structural economic reforms. Such policies' prime objective is optics to influence public perception. However, the speaker questioned if this would ultimately lead to sustainable growth.

Dr Chaudhry quoted the observation of PILDAT, a research institute which educates parliamentarians on effective law making, and said that it is hard to convince parliamentarians to participate in programmes that enhance their legislative skills. He proceeded on to assert that it is challenging to persuade legislators and policymakers to stop functioning as the local government's representative. He consolidated his argument by indicating that Pakistan lacks a local government framework, which is essential for both developing and implementing policies at the grassroots level. According to Dr Chaudhry, local governments have been a part of Pakistani society for several years, yet their structures are either nonexistent or with fundamental flaws that makes their effectiveness and execution inadequate.

Accountability

Extending his argument, Dr Chaudhry emphasised that civil society performs an essential role in ensuring accountability by frequently asking questions about the policy-making process. Suggestively, he added that there should be a structure of accountability established to address this dilemma. To ensure the mechanism for accountability, questions about the motivations behind the policy's development, its methods, and the outcomes it brought about, should be asked.

Rigid Bureaucratic Structure

While discussing the role of bureaucracy in addressing the problems of Pakistan's economic landscape, Dr Chaudhry noted that it is important to scrutinise the role of administrators as they play a vital role in policy formulation and agenda setting. He pointed out the paucity of economic aptitude in the whole bureaucratic system and claimed that Pakistan's bureaucratic system lacks the vision to make effective policies for a profound transformation of the economic landscape. He added that owing to these fundamental defects the space is given to international actors to influence economic policymaking in Pakistan and they further strangulate the country with subsequent conditionalities. Furthermore, he illustrated that these conditionalities to get more loans have turned the policy-making process into a donor driven exercise.

"The absence of home-grown policies results in ineffective policies which are unable to lead the country towards sustainable growth."

Dr Chaudhry provided another perspective that highlighted a fundamental fault in Pakistan's bureaucratic system. He said that the bureaucrats are seasoned in policy-making, however, they are subject to frequent transfers and postings.

Considering this fact, he illustrated with an example, if a finance secretary has spent little time in his post, he definitely would have little expertise on the subject of finance. As a result, when the international donors pushed for policies, they ultimately got implemented without any reconsideration or alteration. He claimed that this practice has made bureaucratic system a firefighting structure rather than an instrument to formulate long-term policies.

Civil Service Reforms and Inclusivity

Dr Chaudhry noted that the bureaucratic structure in Pakistan is rigid and resistant to change. He referred to civil service reform reports and suggested that the bureaucrats should spend a reasonable amount of time at one position to acquire necessary acumen to deal with the subject. Furthermore, he stressed the need to develop the analytical and negotiations skills of the bureaucrats.

Lastly, he accentuated domestic policy and recommended the inclusion of academia and think tanks in the policy-making process. To substantiate his argument, he provided an example of industrial policy where academia was altogether missing from frameworks. Furthermore, he questioned the logic of policy formulation in Pakistan by citing that Pakistan's agricultural policy has never been revisited since 1970. He believed that it was a result of practices in which other stakeholders were deliberately kept out of the policy formulation process. He added that either there are skewed policies or they are altogether absent in Pakistan.

Conclusion

With a commendable focus on the crucial elements of Pakistan's economic strategy, Dr Chaudhry provided valuable insights into the interrelated problems of poverty, inequality, climate change, and the economic crisis. He criticised the inflexible bureaucratic structure, stressed the vital role civil society plays in guaranteeing accountability, and called for changes that would promote diversity and skill development. In the end, he favoured domestic policies involving academics and think tanks, emphasising the necessity for bureaucrats to possess analytical and negotiating abilities to successfully and sustainably reform Pakistan's economy.

PUBLIC SECTOR REFORMS FOR ECONOMIC RESILIENCE & SUSTAINABILITY

DR ABIHA ZAHRA

Dr Zahra stressed the essential role of public sector reforms to enhance Pakistan's economic resilience. She defined the restructuring and reorganising of the state organisations as public sector reforms. According to her, the adjustments in government structures have implications for the public sector, as they ultimately affect the decisions of the executives and the priorities of the government in the coming years.

Dr Zahra pointed out, lamentably, the fact that public reforms only come under consideration whenever there is something amiss. She added that reforming, reorganising, and restructuring only get the required sense of urgency when some things are not functioning smoothly. Furthermore, she argued that public sector reforms confront multifaceted problems which negate the general understanding of a single problem and single solution. Elucidating further, she said that multiple problems originate from the myopic approach of 'one solution solves one problem', and give rise to a cyclic situation.

Dr Zahra also highlighted the practice of situation-oriented public sector reforms in Pakistan as the domestic and international environment, executive priorities, and situations are key variables for policymakers' decisions to carry out reforms. She elucidated this matter by providing an example of Pakistan's current economic meltdown. She said that the trajectory of Pakistan's reform is drastically distinct from what the government might undertake in other situations. She concurred with Dr Mumtaz's opinion regarding donor-driven solutions and added that it adversely affects Pakistan's policy options. She opined that the donor is not coming with a stick in their hands, rather it is the state that is sitting at the table and is incapable of negotiating. She said that it is not the agenda of international actors to bring economic sustainability to Pakistan, but it is the nation's priority.

Implications of Reorganising and Restructuring Public Organisations

Dr Zahra highlighted the adverse effects of consistent restructuring and reorganisation of public institutions. She presented the database of Pakistan's state administration, which was gathered to create a longitudinal data set for federal and provincial organisations that work with specific sectors. While displaying the data of more than 363 units from 1947 to 2018, she pointed out the transitions happening in all those units over the years in terms of creation, dominations, mergers, splits, and reorganising them under different industries. She illustrated that transitions took place when the government decided to create a specific number of units to control them because the expenses were high, or they were not even functional.

She claimed that these measures were taken only to address the immediate problem with a situation-oriented approach. She reiterated that when something is amiss, governments usually have more pressure to reorganise or restructure. For example, in the last regime, when the government confronted a deteriorating economic situation, there were rapid reorganisations, revamping and reshaping of ministries and staff. It is evident from the practice that the portfolio of the Economic Ministry was subject to unsustainable transitions between various teams.

Political Factors and Public Reforms

The speaker claimed that politically motivated agendas undermine the reorganisation and restructuring of public institutes. She validated her claim by highlighting the fact that ministries and positions are created in public sector organisations to provide leadership positions to certain individuals. She added that apart from public perception, better economic conditions or sustainability of the country, there are parochial agendas that determine policymakers' priorities. To substantiate her argument, she showed a graph from 2000-2018, highlighting the frequency of transitions in state organisations of Pakistan.

Moreover, she displayed graphs that detailed the changing frequency in the political landscape of Pakistan. She also shared subsequent graphs based on the years 2010 and 2011, followed by 2017 and 2018.

"It may appear on the surface that state institutions were becoming more decentralised after the 18th Amendment, however, there were not many noticeable changes to the big picture."

Restructuring of Federal Organisations

Dr Zahra reflected upon another picture of restructuring during 2010 and 2011 to shed light on restructuring within the federal organisations. She noted that at the federal level most government organisations lack revamping to such an extent that their hierarchical orders and people in charge remain there for years. Nevertheless, if changes are made, they are hierarchal in nature, she added. Reorganisation merely means changing the ministry's position from one secretariat to the other. She remarked that these kinds of changes are easy and quick, but they do not have much wider economic implications. However, she noted that these changes are made on political grounds and become a trend in Pakistan's decision-making processes.

Furthermore, she added that successive governments followed an approach based on a premise that when the organisations are closer, it is easy to handle them. She substantiated her argument by giving the example of Nawaz Sharif's government. When the PML-N won the election, there was an energy crisis. The election was contested on the promise of providing electricity so when they came in power all the organisations from the Ministry of Water and Power were shifted to the Prime Minister's Secretariat. Similarly, when the PTI formed their government, their agenda was interior and taxation. So they moved all the organisations working under the Interior Ministry to the Prime Minister's Secretariat.

Political Implications of Restructuring

Dr Zahra said that the year before and the year after the elections is the time frame when reorganising and restructuring happen in Pakistan each time. Considering these diametric changes, there is little space for sustainable policy implementation, she said. She remarked that these diametric shifts mean that governments are doing nothing and it is just to show that the government is trying to fix things with every election cycle.

Restructuring on Donor's Demand

The speaker highlighted that restructuring at large is done on donors' recommendations. However, compared to the developed world, Pakistan's restructuring pace is the slowest.

Predominantly, those reforms are implemented that have worked abroad or a sprinkle of those reforms are applied in Pakistan. She recommended empirical mapping of reforms because it would ultimately reflect the changes at the ministerial and organisational level.

"Public reforms driven by empirical mapping will have a positive implication for the economy and the sustainable development of Pakistan."

Conclusion

To sum up Dr Zahra emphasised the critical role of public sector reforms in strengthening Pakistan's economic resilience and stressed the need for state organisations to be restructured. She argued against the narrow-minded approach of solitary remedies that prolongs cyclical problems and pointed out a propensity for changes to be reactive, addressing problems as they emerge.

MANAGING SOEs WITHOUT FISCAL BURDEN
MR NADIR SALAR QURESHI

Mr Nadir Salar Qureshi began by extending his gratitude to Air Marshal Asim (Retd) and CASS, Lahore for the invitation. He candidly expressed the challenge of speaking after distinguished speakers like Dr Pasha. Mr Qureshi focused on resource mobilisation in Pakistan and privatising SOEs. He emphasised the urgency of addressing the country's economic crisis and highlighted the government's reluctance to implement privatisation due to perceived complexities and potential social impacts.

Broader Picture of SOE’s in Pakistan

Mr Qureshi presented compelling statistics, noting that Pakistan owns nearly 260 companies with an annual net loss of Rs150 billion. He added that SOEs, are employing 450,000 people which contribute significantly to Pakistan’s financial burden. He underscored the critical need for solutions, especially privatisation, against a looming $20 billion hole that needed to be filled for the year 2023. He presented an accurate picture of the privatisation and illustrated how it is a classic 80-20 case between profit generating and loss-making SEOs in Pakistan. To corroborate, he elucidated by providing examples of OGDCL, PPL, etc. which generate about $350 million in profit. However, the losses of the rest of the SOEs are Rs500 billion a year. He added that on top of this, contingent liabilities, such as subsidies, to keep them running also cost the Pakistani state another Rs500 billion. Mr Qureshi also said that if all the SOEs are put together, there are about 400,000 employees, and Pakistan's population is now 241 million. He wondered if the entire nation of 241 million was going to be held hostage for the betterment of 400,000 people.

Examples of Successful Privatisation from India, Egypt, and KSA

Drawing on global examples, Mr Qureshi pointed to successful privatisation stories in India, Egypt, and Saudi Arabia. He highlighted the positive outcomes in India, where the privatisation of Air India, within two years, led to raising the aircraft capacity by 27 percent and increasing flights by 30 percent even though it shares a similar structure of entrenched bureaucracy and challenges with Pakistan.

"Privatisation reduces government burden and yields better social outcomes, such as increased tax revenue, productivity, and efficiency when effectively managed."

Citing the example of Egypt, where the military has business interests and is undergoing a wave of privatisation to overcome the balance of payment crisis, Mr Qureshi expressed how the government listed the stocks of Wataniya and Safi on the stock exchange to raise money. Mr Qureshi, through the example of KSA, elucidated how capital-rich countries also opt for privatisation to increase the firms' productivity and efficiency. He told the audience how KSA is privatising its logistics company, which is equivalent to NHA in Pakistan. Furthermore, it is also privatising four of its airports – Abha, Taif, Hail, and Qassim – to raise competitiveness, productivity, and investment in these sectors even though it has billions of economic surpluses.

Benefits of Privatisation of Oil & Gas Sector

Furthermore, Mr Qureshi acknowledged the profitability of some SOEs in this sector and questioned the necessity of their privatisation, noting that there is a prevalent perception in Pakistan that privatising these assets amounts to selling national treasures, particularly during what is perceived as a financially challenging period for the country.

He countered this perception by arguing that the country's oil and gas sector holds significant potential for exploration and development. Drawing attention to the richness of Pakistan's mineral resources, the speaker referred to Schlumberger's assessment, positioning Pakistan as the least explored country globally in oil and gas. The speaker shared insights from a professional contact who spent their career in Schlumberger, emphasising the underexplored nature of

Pakistan's resources compared to other regions worldwide, such as the deep Amazon forest.

He challenged the notion that privatisation is akin to selling valuable assets during a depressed economic time, asserting that the lack of significant investment and exploration in the past two decades indicates policy failures. These policy failures are attributed to short-term political cycles that do not align with the long-term nature of oil and gas exploration and production investments, which typically take seven to eight years to yield returns. The speaker suggests that these failures have contributed to the reluctance of private investors to engage in exploration and production activities in Pakistan.

Mr Qureshi highlighted the significant impact privatisation can have on Pakistan's oil and gas companies, such as OGDCL and PPL, which are still profit-generating SOEs. The speaker then drew a comparative example from Thailand, specifically mentioning the privatisation of PTT, a state-owned oil enterprise, in the early 2000s.

According to Mr Qureshi, after privatisation, Chevron and ExxonMobil made substantial investments in PTT, bringing technology to bear, and engaging in exploration and production activities. The speaker emphasised that post-privatisation, there was a remarkable increase in oil production from 91,000 barrels per week to 468,000 barrels per week – an impressive five-fold growth.

Pakistan’s Own Experience with Privatisation

The speaker shared success stories from the 1990s, focusing on the privatisation of banks. He proceeded to share Pakistan's successful experience with privatisation, highlighting a specific case in the banking sector – MCB (Muslim Commercial Bank). He mentioned Pakistan's shift from nationalisation in the 1990s, primarily due to the issues arising from crony capitalism and the accumulation of bad debt in various banks and industrial companies in the aftermath of nationalisation by Zulfikar Ali Bhutto.

He noted that the government addressed these challenges by making strategic investments, involving an equity injection of Rs46 billion across banks and write-offs amounting to Rs51 billion. He added that this process was aimed at cleaning up the banks' balance sheets before privatisation. Subsequently, approximately 35,000 employees were laid off, and 2,000 branches were closed. MCB, in particular, underwent privatisation in two tranches, with the government divesting 75 percent of its shares in 1991-1992 and the remaining 25 percent in 2001-2002. The privatisation of MCB yielded total proceeds of Rs3.6 billion.

However, Mr Qureshi underscored that the impact extends beyond these proceeds. MCB, post-privatisation, has demonstrated substantial growth, with an increase in employment from 12,000 to over 20,000 and a rise in market capitalisation from Rs4 billion to Rs177 billion. Furthermore, he noted that the bank's contribution to government revenue through taxes stands out – amounting to an impressive Rs233 billion since privatisation, surpassing the initial proceeds by more than 100 times. He claimed that the success story in the banking sector illustrates the tangible benefits of privatisation, and emphasised the creation of efficient private sector enterprises that could contribute significantly to economic growth and public revenue.

Privatisation of K-Electric

Mr Qureshi further enriched his discourse by shedding light on the case of K-Electric, a utility entity that underwent privatisation in 2005. He provided details of the privatisation process related to the origin of foreign investors, particularly from Saudi Arabia. He added that the transformation was marked by reduced transmission and distribution losses. Initially documented at 34.2 percent, these losses were significantly curtailed through an infusion of 4.1 billion dollars in new infrastructure, encompassing generation, transmission, and the network in Karachi. Consequently, he claimed that the current statistics indicate a notable decrease to about 15 percent – more than 50 percent improvement over the privatisation period.

The speaker said that the financial trajectory of K-Electric has been dynamic, showcasing both profitability and challenges. He added that the enterprise experienced a substantial profit of Rs9 billion in the preceding year, however, the recent fiscal year witnessed financial difficulties attributed to reduced generation, high interest, and fuel costs, resulting in a significant loss. He underscored that it is essential that these losses no longer necessitate government funding, as private sector enterprises now bear the burden.

Mr Qureshi illustrated that the ongoing narrative of K-Electric revolves around the complexity of privatisation dynamics, with exchanges in ownership and ongoing financial evaluations. He added that despite the recent setbacks, the transformative impact of the initial $4 billion in investment and the consequential reduction in transmission and distribution losses remains a noteworthy example.

Lessons for Other Energy Sector SOE's

Mr Qureshi expanded the discussion to state-owned national enterprises for gas distribution, specifically SSDC and SNGPL. He referred to the losses as Unaccounted for Gas (UFG), which amount to almost a $1 billion annually. He provided a comparative analysis with the K-Electric privatisation model to stress the potential for substantial savings and efficiency gains. He added that if this privatisation experience were replicated for SSDC and SNGPL, the estimated savings could reach $500 million. His projection assumed that losses would either be eradicated or halved through privatisation, aligning with the financial viability observed in well-managed markets.

Mr Qureshi emphasised the broader implications of such privatisation endeavours, contending that the replication of this model across the three highest loss-making transmission and distribution companies, colloquially termed DISCOs in Pakistan, namely PESCO, QESCO, and HESCO, could yield significant power savings. He claimed that through privatisation, coupled with necessary investments and liability resolutions akin to the banking sector's restructuring, an annual power savings of 5,000 gigawatt-hours is possible. This equates to a substantial Rs150 billion in potential savings at prevailing tariff rates.

The speaker emphasised the significance of successful privatisation in Pakistan by highlighting the country's current economic challenges. He concurred with Dr Pasha's observation regarding Pakistan's government debt being sustained by borrowed funds at all-time high-interest rates. He added that there is a pressing need to free up assets through privatisation as it will alleviate the burden on the government's balance sheet, particularly in the face of mounting defence and developmental expenditures.

Mr Qureshi highlighted the potential benefits of privatisation and emphasised the improvements in productivity, efficiency, and economic returns. He argued that privatisation would enhance overall employment and address unproductive government holdings. He mentioned valuable real estate assets using the example of Pakistan Steel Mills, to suggest that privatisation could unlock substantial value.

He advocated for a strategic approach to privatisation, proposing measures ranging from listing shares of profitable companies to more challenging tasks like privatising entities such as DISCOs, PSX, and PIA. Drawing on global examples and emphasising past successful privatisation experiences in Pakistan and neighbouring countries, he suggested that the potential gains outweigh the challenges.

Conclusion

Mr Qureshi concluded by linking the financial benefits of privatisation to a tangible social impact.

"Substantial savings from privatisation – amounting to Rs1 trillion – could address pressing issues, such as bringing 14 million out-of-school children back into the educational system."

The argument was framed as an investment in the future, underscoring the importance of overcoming potential obstacles to pursue active privatisation.

DEBT SUSTAINABILITY IN THE FUTURE ECONOMY OF PAKISTAN

MS MAHEEN RAHMAN

Ms Maheen Rahman began her discussion by connecting the dots between the economy, sustainability, and debt. She highlighted that Pakistan has been in 23 IMF programmes, yet the debt continues to accumulate. Delving into the idea of unsustainable debt, she emphasised that any debt a country is unable to pay is unsustainable. Analysing the debt situation in Pakistan, she estimated that Pakistan's debt to GDP stands at 89 percent out of which 42 percent is external debt while the remainder is domestic.

Pakistan's Debt-to-GDP Percentage

Comparing Pakistan's debt-to-GDP percentage to other countries, the speaker highlighted the fact that Japan has the largest debt to GDP, standing at 250 percent. The United States, the largest economy in the world, has 150 percent debt to GDP. Moving down the list, the countries that have recently defaulted, such as Ghana, Zambia and Sri Lanka, have around 100 percent debt to GDP. On the contrary, Pakistan had about 50-55 percent debt to GDP between 1994 and 2012, on average. The speaker elaborated that even this 50-60 percent of the debt was unsustainable due to the economic crisis that Pakistan plunged into every 3 to 4 years.

Currently, Pakistan has 90 percent debt to GDP, only 42 percent of which is owed to the external world.

Ms Rahman noted that although policymakers in Pakistan continue to emphasise on debt reprofiling, the IMF insists that if the debt is not a huge percentage of GDP, the problem lies with revenue generation.

"Pakistan's means of revenue generation such as exports, taxation and overall investment, do not meet the needs of its population."

The speaker stressed that with 250 million people, who need to put food on their tables, grow their incomes and live a sustainable life, cutting expenditure and debt reprofiling are not plausible solutions.

Quoting the example of Zambia, Ms Rahman pointed out that Zambia was able to reprofile its debt only because the external debt, in absolute terms, amounted to $15-16 billion while in the case of Pakistan, it is more than a hundred billion dollars. Thus, Pakistan needs to rectify and diversify its sources of revenue generation. She emphasised that this is not only a concern for the government but also for the private sector.

Means of Greater Revenue Generation

Moving forward, Ms Rahman enlisted five ways Pakistan can generate greater revenue.

Taxation: First, is taxation. She highlighted that there are 3 million tax filers in the country whereas Pakistan's labour force alone is 75 million people. She further noted that Pakistan is the only country that awards non-filer status to people who do not pay taxes when the term non-filer should not exist to begin with. There is a very narrow base of Pakistan's corporate sector as well as salary individuals contributing the bulk of direct taxation in this country. The speaker explained that on the other side, there is indirect taxation in the form of GST, withholding taxes, etc. However, she insisted that this was not a healthy mix and there was a need to address the issue of broadening the tax net to include the agricultural, trade, and services sectors, etc. Without addressing this problem, Pakistan would not be able to pay off even the interest on its debt.

Ms Rahman further highlighted that there is a need to identify why people do not pay taxes. According to the speaker, there is an inherent trust deficit between the government and the private sector. She elaborated that due to the complexities and ambiguities in the taxation system like multiple slabs, multiple withholding and super taxes, and a plethora of income taxes, people and businesses do not want to be included in the formal net.

Reforming Industrial Sector: Moving onto the second solution, Ms Rahman emphasised the need to reform Pakistan's industrial sector. She highlighted that 70 percent of the manufacturing inputs are imported, making Pakistan vulnerable to dollar payments. Therefore, when the government imposed a ban on imports to stabilise the current account, Pakistan's industries did not even have the raw materials for manufacturing, leading to the shutting down of several industries.

She stressed that while Pakistan can no longer afford to have import-led manufacturing components, there is a dire need to reform large manufacturing units which are currently only importing and not developing local supply chains. According to Ms Rahman, poor agricultural development, lack of irrigation infrastructure, lack of financing and slow growth in Information Technology (IT) are underlying factors behind Pakistan's poor industrial performance.

She highlighted the grave reality that Pakistan's agricultural sector has not been developed since the 1960s. She noted that seed quality in Pakistan is not suitable for Pakistani soil and the yield of wheat and rice, which are the country's primary agrarian crops, are half of that of its neighbours. Here, the speaker emphasised the need for collaboration and cohesive thought between government and private sector to focus on agricultural development through research on seeds and better irrigation infrastructure development.

Ms Rahman then elaborated on the poor irrigation infrastructure in Pakistan which results in wasting 10 years of water into sea every time Pakistan experiences a flood. The speaker pointed out that there has been a flood in Pakistan every single year since 2011, however, only the devastating ones make it to popular notice due to massive displacements. She highlighted another impediment i.e. the proper mapping of the entire Sindh and Balochistan area was last done in 1847 by the British. Unfortunately, the cohesive maps are too outdated due to changes in the topography of the Sindh and Balochistan Basin, resulting in changes in the soil quality and water's directions.

The speaker highlighted that the problem is less of not having proper irrigation infrastructure and more of not having a drainage system at all. She stressed that with the increasing climate changes, Pakistan needs to keep its agricultural system, irrigation system and infrastructure updated.

Ms Rahman pointed out another reason why Pakistan's industrial sector is unable to develop. According to the speaker, Pakistan is unable to meet the health and safety standards on projects as per the requirements of international donors. Quoting the example of the Hub Canal project, the speaker noted that despite the launch of the project by the Sindh government five years ago, Pakistan has not been able to find financing for the project. Thus, the lack of infrastructure for industrial development remains a pressing problem.

She called attention to another means of increasing exports i.e. technology. She asserted that Pakistan needs to harness its young labour force through education and skills training to develop a flourishing IT sector.

Investment-Led Growth: Moving onto the third solution. Ms Rahman underlined investment-led growth as a viable source of revenue generation. She insisted on the need for growth, equity, and availability of capital in the private sector. Making a regional comparison, the speaker noted that the private sector in Vietnam contributes to 70 percent of the GDP growth. Similarly, in India and Bangladesh, the private sector contributes to 50 percent and 55 percent of the GDP growth, respectively. On the other hand, the private sector's contribution to GDP growth is only 34 percent. She identified the lack of space, capital, and regulation as factors behind the poor growth of Pakistan's private sector.

The speaker further highlighted that there is a heavy reliance on the government sector to promote growth in Pakistan, whereas it should be the private sector leading economic growth. She emphasised that Pakistan's private sector does not lack innovation, capacity, skill, or brainpower; the problem is that the pool of capital sits with the banking sector, investment sector and insurance sector alone. Ms Rahman pointed out that in 2015, Pakistan's private banking sector assets were about Rs18 trillion. Currently, they stand at Rs34 trillion, exhibiting exponential growth in the banking sector.

However, on the other hand, the total private sector lending in the economy has dropped from 25 percent to just 17 percent in the past 40 years. This highlights that the entire banking sector is lending the vast majority of its assets to the government of Pakistan. Stressing the lack of capital for private sector development, Ms Rahman said that in these circumstances, only the top 20-30 industrial groups will be able to grow while the entrepreneurs, small-scale enterprises and mid-sized enterprises will be left behind which Pakistan direly needs for people development.

People Development: Ms Rahman listed people's development as the fourth solution. The speaker shed light on the need to enhance focus on public-private partnership models to avoid the dangers of leaving a young population idol. She asserted that the government should allow the private sector to take responsibility for larger projects in areas of entrepreneurship, mining, infrastructure development, etc.

"The government should play the role of a facilitator between the public and private sectors."

According to the speaker, greater engagement between the public and private sectors will allow risk mitigation concerning lending and pave the way for raising capital to increase the private sector's contribution to GDP growth.

Foreign Direct Investment (FDI): Lastly, Ms Rahman underscored foreign direct investment as a major source of revenue generation. She noted that Pakistan's FDI is negligible, standing at 0.4 percent of GDP currently. The highest FDI Pakistan has received was 4 percent of the GDP in 2007. On the other side, Pakistan's South Asian and Southeast Asian neighbours such as Bangladesh, India, Vietnam, Cambodia, etc. are garnering well over 100 percent of foreign funds into their economy. The speaker then raised a question: how do countries attract FDI? She elaborated that foreign investors only show interest when they see local investments and local businesses thriving, and good policies and taxation principles in place.

Conclusion

The speaker emphasized putting own house in order to not only improve debt sustainability but also revamp the entire revenue framework of Pakistan. She noted that it only takes 20 years to turn the economy around. Ms Rahman called attention to the examples of East Asian economies such as South Korea, Thailand, Malaysia, Indonesia, etc. which experienced a massive economic crisis resulting in balance of payment issues, current account deficit, and sovereign debt issues. She pointed out that only through a couple of IMF programmes, they were able to revamp their economies and Pakistan, facing a similar crisis, can take crucial lessons.

Ending on a positive note, she insisted that Pakistan really is at a crossroads in its history and if it only implements two to three of the suggested ways for revenue generation, it will have a different story to tell five years from now.

CONCLUDING REMARKS

AIR MARSHAL ASIM SULEIMAN (RETD)

PRESIDENT, CASS LAHORE

In his concluding remarks, Air Marshal Asim Suleiman (Retd), President, CASS Lahore, said that Pakistan's economic management has deteriorated steadily to the point where it keeps lurching from one financial crisis to the other. He mentioned that at the heart of the problem lies the poor handling of public finances, mismanagement, improper governance and some deep-seated and unresolved structural issues. The consequences are macroeconomic instability, high inflation, poor public services, criminal neglect of the social sectors, widespread corruption, crippling power outages, growing unemployment, deepening poverty and a deteriorating debt profile, he added.

Major Impediments

Air Marshal Asim (Retd) said that in the continuous struggle for revival, there are many structural challenges that need to be addressed. These include a weak revenue collection mechanism, a challenging business environment, loss-bearing state-owned enterprises and a high circular debt. He said that Pakistan also has mismanagement crises, large fiscal deficits, insufficient exports, an abnormally high currency devaluation and high inflation. This has impacted the country both domestically and regionally, with an HDI ranking of 161 and inflation reaching a 48-year high this year.

External & Public Debts

The President said that the debt crisis is constantly worsening, igniting a depletion of reserves and putting financial sovereignty at stake. The source of these recurring economic woes is fiscal deficit, which has been a source of persistent macroeconomic instability, high inflation and balance of payment crises. Over the past decades, budget deficits and balance of payment crises were managed via dysfunctional economic policies, facilitated by the country's external alignments.

According to Air Marshal Asim (Retd), the pattern, which started in the early years of Pakistan, continues to make its way in the approaches of successive governments, who, dominated by rural and urban elites, find it to be a good alternative to avoid much-needed reforms such as broadening the tax base. This resulted in the illusion of economic growth. Had this illusion not taken over, and the fiscal cushion be used to initiate reforms, Pakistan may not have accumulated a mammoth debt. In recent years, Pakistan has been depending on China and the Gulf States, who offer rollovers on debts and deposits to prevent a liquidity crisis.

"Today, foreign lenders influence economic decisions, which directly impact the common man."

Exports

He said that had Pakistan focused on its exports, things would have been different. Pakistan's share of the global export market has been declining since 2000 when $13 out of every $10,000 worth of goods and services exported worldwide originated from Pakistan. According to the World Bank, this figure went down to $11 in 2020 – a decline generalised across all sectors. Following the economic halt induced by Covid-19, exports have slightly improved, with the Pakistan Bureau of Statistics reporting a 31.27 percent growth between September 2022 and September 2023. In dollar terms, this translates to 1.60 percent.

"Pakistan's presence has been shrinking in the global market while international trade has almost tripled since the turn of the century."

Caution on IMF Programme

Air Marshal Asim (Retd) said that to address foreign exchange issues, Pakistan has been rushing towards international lenders, however, there is no free lunch. According to Dr Arthur B Laffer, one of America's renowned economists, the insistence of international agencies on increasing taxes can further damage weak economies. According to him, all that the IMF has done is make counties less profitable. The economist, therefore, cautioned against losing another generation by implementing the advice of multilateral lenders. Dr Laffer, who advocates low tax rates to increase revenues, claims that high taxation can be bad for the economy and hurt the country's prosperity. He suggests accelerating privatisation, simplifying taxes and strengthening the exchange rate to push the economy forward.

Privatisation

The President said that Turkey, under President Recep Tayyip Erdoğan, privatised the most state-owned enterprises, including Turkish Airlines, which is currently one of the best airlines across the globe. Pakistan pays up to $4 billion to maintain some 134 largely inefficient SOEs. Their privatisation offers a dual benefit. It would not only help raise foreign exchange but also alleviate the budgetary burden placed on the government. Nonetheless, it is crucial to recognise that privatising SOEs is a complex process that carries significant political ramifications for the government. He said that it places political representatives at a crossroads, compelling them to decide whether to continue waiting for elusive solutions or proactively seize the metaphorical "silver bullet" that can potentially transform the country's economic landscape.

Structural Reforms

Air Marshal Asim (Retd) said that according to the World Bank, with the right policies and reforms in place, Pakistan has the potential to attain the status of upper-middle income country by 2047, the centenary of its independence. In June 2023, the National Economic Council (NEC) approved Pakistan's Economic Outlook 2035 with the broader goal of increasing the size of Pakistan's economy to US$1 trillion and reducing poverty to 15 percent. The Annual Plan for 2023-24 was also approved, with a GDP growth objective of 3.5 percent alongside an inflation target of 21 percent.

"There is a dire need for a concerted effort from all stakeholders, including citizens, policymakers, and leaders, to bring about structural transformation."

Intellectual honesty, rational decision-making, and a state-centric approach in the political discourse are needed at this critical juncture.

Important Imperatives for a Reset

The President stressed the desperate need for a reset. He said that firstly, Pakistan must address its poor quality of basic services. It is deeply concerning that 40 percent of children under the age of five suffer from stunted growth. The consequences of stunted growth are majorly irreversible, causing enduring harm to a child's physical and cognitive capabilities. This, in turn, leads to reduced educational attainment, diminished productivity, and lower income-earning potential.

Secondly, he said, there is a dire need to enhance fiscal management. Significant government expenditure, often induced by political goals, has increased the demand for imports, which has contributed to recurring current account deficient and balance of payment crises. Essential fiscal reforms include reducing distortive and regressive subsidies, reducing exemptions and broadening the tax base. This also encompasses equitable taxation on land, assets, and activities that harm the environment.

Thirdly, he suggested, to elevate the standard of living, a more dynamic and open economy must be fostered. The prevailing policies generate distortion in the market, hinder the optimal allocation of resources, and incentivise environmentally harmful modes of production. Overvaluation of exchange rates, protectionist trade measures, cumbersome business regulatory environment, and extensive state involvement in the economy curtail commercial prospects and promote investment in less productive sectors. Moreover, the participation of women in the labour force, which stands at a mere 21.4 percent as per LFS-2021, is of paramount importance. There is an urgent need for reforms in trade policies, streamlining bureaucratic processes, and undertaking decisive measures to enhance the efficiency of SOEs, including strategic divestment when necessary.

Conclusion

The President summed up his remarks by saying that it is important to note that political instability led to interference in policy affairs, overemphasis on security against economic development, over-ambitious external policies, neglect of education, and low national saving rates. Unless concrete steps are taken to correct these flaws and a low-risk and non-adventurist foreign policy is pursued, Pakistan will continue to lurch from crisis to crisis, endangering its prosperity, security and sovereignty. There is no denying that the path to economic recovery is difficult, but Pakistan possesses all the elements necessary for its evolution. Its assets include our strategic geographic location, a wealth of mineral resources, an untapped tourism sector and the promising China-Pakistan Economic Corridor (CPEC). Achieving a robust recovery demands an ambitious medium-term reform agenda centred on fiscal stability and competitiveness, besides a strong sense of political commitment and ownership.

Q/A SESSION

Question 1: What are the real underlying issues of the economy, what needs to be done and what are the obstacles in the way?

Answer: Dr Mumtaz highlighted certain issues plaguing the society. He stated how an individual and state analysis would reveal that individuals at all levels are mostly self-seeking and have not worked for the collective good. Moreover, he pointed towards the need for a long-term vision, strategies, or policies to achieve specific goals. He remarked how these underlying issues would persist until a path is charted to address them.

Question 2: What is elite capture and why it is so difficult to overcome it?

Answer: Mr Qureshi commented that "elite capture" has become a popular buzzword even though it is common in most states, where few families yield enormous influence. However, the problem with the Pakistani elite, he stated, is that it could be more productive, especially in the industrial sector; there is minimal value addition in the country's exports. It is primarily import-led industrialisation. To add to his point, he gave the example of the prevailing elite capture in South Korea. However, he underlined how the industries were still globally competitive compared to Pakistan, where the elite could be more productive.

Question 3: What are the possible economic solutions for improving governance?

Answer: Ms Rehman pointed out the preferential treatment received by non-filers in Pakistan. She compared this to those who pay taxes, and are often overwhelmed by the overlapping layers of taxes. She stated how Pakistan's tax system is punitive and complicated compared to other states like Singapore and Korea, with higher tax-to-GDP ratios where taxes are simplified, such as personal income, which is only 10 percent, so there is less needed to evade tax because the system is easy to understand. However, in Pakistan, she lamented that tax system is convoluted and discriminates against tax filers, whereas non-filers enjoy similar public goods and services. She suggested that the concept of non-filers should be done away with and that consequences should be imposed for non-filers enjoying the same facilities.

Question 4: Given the economic problems in Pakistan, have there been efforts to formulate proper monetary policy?

Answer: Dr Mumtaz, a public and economic policy expert, responded to the question and extrapolated that Pakistan initially had several five-year plans as a guiding manual for comprehensive economic policy. However, these plans have been marred with discontinuity and lacked implementation. He further added that there should be comprehensive plans for agriculture and industry, but implementation needs to be ensured. He substantiated his argument by citing the example of 18th Amendment which devolves powers from centre to the federating units, whose complete implementation was never realised. For instance, 18th Amendment made education a provincial subject. However, all the functioning and funding is still managed by federally controlled Higher Education Commission (HEC), which was supposed to play the role of mere supervisor. Further, HEC has recently issued a directive saying that if universities want to affiliate any college with them, they will have to get a No Objection Certificate (NOC) from them. He noted that all these steps run contrary to the purpose of 18th Amendment.

Dr Zahra extended the argument by stressing the need to use data in making effective policies. She highlighted the importance of data driven policy implementation. She also stressed the need for transparency. Dr Zahra said that the data based on which policies are made should be available to everyone, so that the rationalisation behind policy could be questioned.

Question 5: The HDI has been going downwards and other key indicators have also shown no improvement. Considering the prevalent situation, do you think that the inclusion of academia and industry in the policy-making process can foster long term economic growth?

Answer: Mr Qureshi responded to the question saying that certainly if academia and industries collaborate on policy-making it would help formulate better policy and will positively affect the HDI. Currently, he said, academia lacks a role in policy-making. He elucidated with the example of Engro's collaboration with KSBL, LUMS and Lahore University of Engineering for economic research and development. However, it would be very hard to make a mark on HDI because the nation is of 241 million people and one company or group of companies cannot do much.

Ms Rahman built upon the response of Mr Qureshi by suggesting that academia and industries can cooperate on small pilot project and see if they can be expanded to a higher scale or not. She also noted that most of the times the industries do not take initiative because they are unsure of return on their investment or the outcomes. This is where research is important. Given her vast experience, she highlighted the instances of research institutes where they researched on agriculture and climate to make informed policy decisions. She stressed that a policy without research is likely to fail. She further highlighted the need for collaboration between academia, industries and the government to chalk out the right path.

Question 6: **The crux of the query revolved around the assertion that the primary malaise lies not in the concept of privatisation itself but in the broader issues of governmental inefficiency, inaction, and the absence of structural reforms. How can privatisation address these fundamental governance challenges?**

Answer: In response to the articulated question, the speaker conveyed a nuanced perspective, acknowledging the absence of a panacea for the multifaceted challenges faced. Mr Qureshi Referred to the preceding remarks of Dr Pasha and underscored the imperative of massive resource mobilisation, encompassing a comprehensive tax policy. Privatisation, according to the respondent, assumes a role as a fiscal contributor, offering a means to alleviate government financial distress and fostering a healthier fiscal environment.

He conceded that if one accepts the premise of government inefficiency then it becomes imperative to privatise. He added, in this line of reasoning, inefficiency permeates not only governance but also extends to the operation of industries. Hence, to curtail inefficiency, the respondent argued for the privatisation of sectors where the private domain could manifest superior efficiency. Citing examples such as repeated unsuccessful attempts to restructure PIA and Pakistan Railways, the respondent posited that a protracted track record of inefficiency in certain SOEs substantiates the case for privatisation. The core contention asserted that privatisation aligns with the principles of optimisation, directing resources to sectors where the private sector exhibits enhanced capabilities and incentivised acumen, thereby promoting economic efficacy.

Question 7: What are the potential challenges associated with rent-seeking in the context of privatisation.

Answer: Mr Qureshi elucidated that addressing such concerns requires a comprehensive approach encompassing broader policy implementations. He elucidated by discussing the power sector and its associated policies. He underscored that advocating privatisation does not necessitate a fundamental alteration of existing policies. Rather, the emphasis lies on maintaining continuity in power policies and tariffs. In the scenario of entities like DISCOs, the strategy is to retain the policy framework while inviting competition. This involves potential investors assessing the profitability of ventures within the established national policy framework.

Moreover, Mr Qureshi highlighted the importance of addressing specific issues in different sectors. For instance, in the banking sector, attention may be directed towards balancing sheets, while in the case of entities like PIA, liabilities needed to be eliminated to attract potential buyers and become economically viable, he said.

The nuanced approach to policy-making was stressed, acknowledging that the government retains the prerogative in this domain. Mr Qureshi suggested that within the existing policy framework, there exists substantial scope for privatisation. Despite the sensitivity of the power sector, he proposed a structural solution, exemplified by the potential privatisation of entities like Lahore Electric Supply Company (LESCO). In this model, the government would maintain ownership of the assets, while the private sector assumes the role of the operator. The operator, having control over the operational aspects, can introduce efficiency improvements, thereby transforming a marginal and loss-making entity into a profitable venture.

He advocated for a pragmatic approach to privatisation within the existing policy landscape, emphasising the need for strategic and sector-specific considerations to ensure a successful transition.

Question 8: If the government implements progressive tax, then in the current scenario, what will be the effect of it on the industry? Will Pakistan be able to compete in the international market especially in China?

Answer: Ms Maheen responded that Pakistan's taxation system is progressive as far as the income tax is concerned. However, when it comes to indirect taxation, it is regressive. So actually, this is not a progressive tax system. With progressive taxation, those who are earning more are taxed more. Right now, Pakistan is taxing everybody the same, regardless of what they are earning, which is not equitable. She added that the overall competitive nature of business depends on factors other than just on taxation. It depends on the cost of import, it depends on the exchange rate, it depends on the value addition, and it also depends on the scale of the business. All of these factors combined with operational cost contribute to the underlying cost of the business, she said.

She suggested that the way to make it progressive is to tax those who earn more, regardless of what sector they are in. She stated that taxation is a bottom-line impact. So, if the government is trying to increase competitiveness, it has to see what the cost of input is. Factors like the dollar cost to the input, rupee cost to the input, and cost of financing are also important. She extended her argument by stating that Pakistan's competitor is not China, it is Bangladesh.

She summarised that there are many more things other than taxation. What taxation is doing is effectively, for the taxed people, it is becoming a cost that they have to bear because no one else wants to bear it. As for the untaxed, they are sort of getting away with a lot more in terms of benefit in the country than the taxed.

Question 9: **There is no performance measurement or accountability instruments implemented in Pakistan. In this context, can SIFC ever succeed?**

Answer: Mr Qureshi answered that the first objective of policy making is accountability. Essentially, this is a question of governance, he added. So the only cure for a bad democracy is more democracy. He stated that in Pakistan an evolving period is going on for last 20 years. One government comes, another government comes then there is a martial law, which makes accountability a far-fetched dream, as the people are not able hold the rulers accountable.

Dr Ghazanfar added that democracy and good governance are essentially not same things. There are countries which actually have achieved a lot in terms of democracy, but they have failed in good governance. He added that there are countries like China, which have practiced good governance, but they have not been able to achieve much in terms of democracy or providing freedom of speech. He concluded that accountability would come when there is good governance.

Question 10: The private sector of Pakistan lacks efficiency. There are no small or medium enterprises, only a few of big enterprises in Pakistan which mostly depend on subsidies from the government such as lower gas prices. What are the factors that hinder efficient working of private sector? Keeping in view the current inefficiency, is privatisation a beneficial solution to improve Pakistan’s economy?

Answer: Mr Qureshi, based on his extensive experience in the fertiliser industry, mentioned that there are three big fertiliser companies in Pakistan: Fauji Fertiliser, Engro Corporation and Fatima Fertiliser. All three of these companies run global-scale assets with indigenous workers as Pakistani talent is second to none. Today, urea fertiliser prices in Pakistan are half of international prices.

He affirmed that these companies get gas at less than industrial rates, but the majority quota of gas subsidies goes to farmers. Moving on, he discussed the success of Pakistan's biggest IT company, Systems Ltd, voted to be the best 100-billion-dollar company in Asia at Bloomberg Conference. He said that Systems Ltd is globally competitive and has been exporting services and products in 16 countries in the world, with offices in the US, Canada, Australia, Europe, and Saudi Arabia. This shows how Pakistan's private sector is working quite efficiently.

Mr Qureshi noted that although textile industry in Pakistan does enjoy a number of concessions from the government, a number of textile companies are also operating globally among their Vietnamese and Chinese counterparts. He further emphasised that although energy costs in Pakistan are high, the IPPs are not at fault. The private sector is more competitive and efficient than public sector. Quoting the example of Pakistan Railways, he discussed how India extended its railway to 400,000 km while Pakistan reduced the railway network that the British established. He stressed how this is evidence of better efficiency of private sector as compared to the public sector and why Pakistan needs to adopt privatisation on a bigger scale.

Question 11: Do the international financial institutions impact the economic growth in Pakistan? How do these international economic hitmen function to impede Pakistan's development beyond a certain limit?

Answer: Dr Anwar responded that the question falls under the domain of international political economy. He asserted that Pakistan makes a very interesting case with respect to the international financial models as the country is now in the 23rd agreement with the IMF. Out of 23 IMF programmes, Pakistan has only successfully completed four. According to him, Pakistani economists and policymakers need to look into how Pakistan, despite not fulfilling the conditionalities of programmes, still receives the IMF loan when needed. Thus, these international economic actors have a major influence on Pakistan's growth and development. However, he emphasised that the bigger problem at hand is what Pakistan is doing in terms of economic, social and technological improvements. He said that it is important to put own house in order and think of effective privatisation, taxation and policymaking to ensure that when external actors act in their own interests, Pakistan is not negatively impacted.

POLICY CONSIDERATIONS

1 Equitable Reforms for Equitable Growth

Pakistan needs to act strategically to achieve sustainable, inclusive, and equitable growth moving forward. For such a comprehensive restructuring of Pakistan’s economic architecture, it is pertinent to undertake impoverished-oriented equitable reforms.

2 Forging Shared Economic Vision

To address Pakistan's economic woes, policymakers must manage economic issues with a state-centric approach to undertake broader reforms. A shared vision, long-term strategies, and collaborative efforts are required to address economic fault lines.

3 Self Sufficiency in Defence Budget

Pakistan's reliance on borrowed money to fulfil defence budget indicates fundamental flaws in Pakistan's economic trajectory. Self-sufficiency in the military's budget must remain the top priority, considering the geopolitical imperatives.

4 Technology as an Engine of Growth

To revolutionise the economy, Pakistan must embrace technology in all sectors. Moreover, Pakistan can develop an efficient and integrated strategy through technological integration to ensure good governance.

5 Integration of Fintech Solutions

Pakistan must diversify its economy through the integration of financial technologies. The fintech cosystem could have a multiplier effect on Pakistan's economy.

6 Economic Diversification

To take an independent trajectory in economic decisions, Pakistan needs to formulate an economic strategy focused on the diversification of the economy.

7 Consistency of Policies and Institutional Revamp

To foster Pakistan's economic resilience, policymakers need to transit away from a narrow narrow-minded approach of reactive policies and solitary remedies. Policy ontinuation and institutional reforms with state state-centric approach are vital to achieve the desired oucomes.

8 Economic Diversification

The economic turnaround of Pakistan depends upon its ability to optimize its revenue collection. Fair taxation system, industrial reforms, modernisation of agriculture sectors, investment-led growth, and foreign direct investment can be the key elements of revenue generation strategy.

9 Building Fair Tax System

Pakistan must eradicate the concept of 'non-filer' from the taxation system. Moreover, imposition of taxes must be based on income instead of taxing a similar percentage on all salaried individuals.

10 Managing Unsustainable Debt

Pakistan must diversify its economy through the integration of financial technologies. The fintech cosystem could have a multiplier effect on Pakistan's economy.

11 Diverse and Inclusive Decision-Making

To reduce international actors' influence, Pakistan must enhance diversity and inclusivity by bringing academia and industries into the decision-making process.

12 Fair and Just Fiscal Policies

Fair fiscal policies can reshape Pakistan's economic outlook within five years. However, Pakistan's revenue generation strategy must be composited in a way that it wins the confidence of the people.

PROFILES OF THE SPEAKERS

Dr Bilal Ghazanfar

Associate Senior Researcher, CASS, Lahore

Dr Bilal Ghazanfar is an Associate Senior Researcher at CASS, Lahore. Prior to joining CASS - Lahore he was Research Associate at Punjab University, Lahore - Pakistan. Dr Bilal Ghazanfar also served as a Lecturer at University of Central Punjab and Lahore Leads University. He holds an M.Phil. degree in International Relations from National Defense University, Islamabad. His area of research includes but is not limited to South Asia's security issues, human security, and strategic culture. He remained part of Track II diplomatic Initiatives. He is a certified NATO trainer and have delivered lectures at NATO Center for Excellence in Ankara.

Dr Hafiz A Pasha

Economist / Former Minister / Dean BNU

Dr Hafiz A Pasha is currently serving as the emeritus professor and has been the former Dean of the School of Liberal Arts and Social Sciences at the Beaconhouse National University, Lahore, and Vice Chairman of the Institute of Public Policy, Lahore. From 2001 to 2007, Dr Pasha was UN Assistant Secretary General and Director of the Regional Bureau for Asia and the Pacific of UNDP. Earlier, he served as the Federal Commerce Minister, Federal Minister for Finance and Economic Affairs, Deputy Chairman/Federal Minister of the Planning Commission, and Education Minister in three governments. Dr Pasha has a MA from Cambridge University, UK and PhD from Stanford University, US. He was awarded in 2005 the Congressional Medal of Achievement by the Philippines Congress. In 2012, he received the Engro Lifetime Achievement Award for excellence in the field of social sciences. He has published over 150 books and articles in the fields of governance, public finance, urban and regional economics, poverty and social development, industry,energy economics, etc.

Prof Dr Mumtaz Anwar Chaudhry

Dean FBEA, Punjab University

Dr Mumtaz Anwar Chaudhry is currently serving as the Dean at PU's Faculty of Business, Economics & Administrative Sciences. He did his Postdoc in Public Policy from Harvard University (US) and received a PhD in Economics from University of Hamburg (Germany). His areas of interest include political economy, economic development, governance, and development policy. Dr Chaudhry is a seasoned academic with a diversified research portfolio having extensively published in leading national and international economics journals. Over the years, Dr Chaudhry participated in various international conferences and as a research fellow at Hamburg Institute of International Economics (HWWI), Johnson Shoyama Graduate School of Public Policy (Canada), Harvard University and teaching courses at University of Saskatchewan (Canada). Dr Chaudhry served as Director of Punjab Economic Research Institute (PERI), Planning and Development Department, Government of Punjab.

Dr Abiha Zahra

Assistant Professor, ITU

Dr Abiha Zahra is an Assistant Professor in the Department of Governance and Global Studies, Information Technology University. She has obtained her PhD in Public Administration from KU Leuven, Belgium as an IRO doctoral scholar. Her research revolved around structural reforms and performance management systems in the state organisations of Pakistan. She has also worked in the Department of Political Sciences, University of Oslo, Norway to explore the role of political and administrative state actors in reforms. Prior to joining the Information Technology University, she has served as an Assistant professor at University of Management & Technology and as a Lecturer at University of Central Punjab. She wrote a book on "Adjusting Structures and Procedures" in 2020 and has been the Winner of UNDP, Government of Pakistan and Accountability Lab's Sustainable Development Goal SDG 16 Innovation Challenge (2018) based on the idea for involving youth in policy-making.

Mr Nadir Salar Qureshi

Chief Investment Officer, Engro Corporation

Mr Nadir Salar Qureshi is the Chief Investment Officer of Engro Corporation. He joined Engro Corporation Limited in March 2017 as Chief Strategy Officer and was then appointed as the Chief Executive Officer of Engro Fertilizers in December 2018. He has completed his MBA from Harvard Business School, and his Bachelors and Master's degrees in Nuclear Engineering from MIT. He brings with him expertise in multiple sectors across GCC, Turkey, Australia, India, ASEAN and EU. He is also experienced in consulting, private equity and finance. Mr Qureshi began his career with Engro Chemical Pakistan Limited as a Business Analyst and then moved on to organizations such as Hub Power Company, Bain & Company, Carrier Corporation, Abraaj Capital and Makara Capital in Singapore.

Ms Maheen Rahman

CEO InfraZamin

Ms Maheen Rahman has over twenty years of experience in investment banking, research and asset management. Currently she serves as the Chief Executive Officer of InfraZamin Pakistan, a Private Infrastructure Development Group (UK) company. In her previous appointment, Ms Rahman served as the Chief Executive of Alfalah GHP Investment Management. Prior to that, Ms Rahman was the Chief Executive of IGI Funds, Head of Research at BMA Capital Management, Corporate Finance Associate at ABN AMRO Bank and Investment Banking analyst at Merrill Lynch. She has the experience of working across multiple geographies during her career. Ms Rahman has been featured on Fortune's "40 Under 40's Women to Watch" list, in 2015.

Air Marshal Asim Suleiman (Retd)

President, CASS, Lahore

Air Marshal Asim Suleiman (Retd) graduated from the PAF Academy in 1978 and has flown a wide assortment of fighter aircraft during his career. He has been a part of several operational and training squadrons, including the coveted Combat Commanders' School as an instructor. His command assignments include Command of a Combat Squadron and an Operational Base. His numerous staff appointments include serving as Staff Officer in different capacities to three Chiefs of the Air Staff, Deputy Chief Project Director of the JF-17 Programme, Director-General Air Intelligence, Deputy Chief of Air Staff (Support) and Deputy Chief of the Air Staff (Administration). He served as an Air Adviser at the Pakistan High Commission in India.Air Marshal Asim Suleiman (Retd) holds a master's degree in Defence and Strategic Studies from Quaid-e-Azam University, Islamabad. He is a graduate of the National Defence University (NDU), Islamabad, and Defence Services and Staff College, Dhaka. He attended the National Security Workshop at NDU. He was a visiting faculty member at NDU, Air War College, Faisal, Pakistan Naval War

College, Lahore, and Command and Staff College, Quetta. He also served as the Director-General of the Civil Aviation Authority (CAA) for over two years. He was also nominated as the Chairman of the Pakistan International Airlines (PIA) by the Government of Pakistan. He is an alumnus of the Singapore Aviation Academy and has been a regular speaker at international conferences on the development and safety of the aviation industry. He also represented Pakistan as the head delegate at the ICAO General Assembly and as a speaker.He is a recipient of the Hilal-e-Imtiaz (M) and Sitara-e-Imtiaz (M) for his meritorious services. He was also awarded the Sitara-e-Basalat, and Imtiazi Sanad.

PRESS RELEASE

On 23 November, the Centre for Aerospace and Security Studies (CASS), Lahore, hosted a seminar titled "*Assessing Pakistan's Economic Plan: Challenges and Opportunities for a Sustainable Future*." The event brought together a distinguished panel of experts, comprising eminent personalities with extensive experience in the public, private, development, and corporate sectors, and offered valuable insights and recommendations for shaping the sustainable economic future of Pakistan.

Dr Hafiz A Pasha, a renowned economist, discussed Pakistan's economic plan during his keynote address. He emphasised progressive and aggressive resource mobilisation. Moreover, he proposed equitable reforms for equitable growth to create opportunities for the 18 million idle youth in Pakistan to reduce the debt-to-revenue ratio. He suggested providing relief to the poor population through direct taxation of specific sectors like property, agriculture, retail stores, etc.

Prof Dr Mumtaz Anwar Chaudhry, Dean of the Faculty of Business at Punjab University, pointed out that Pakistan lacks a long-term economic policy because policymaking is more party-centric or individual-centric and less state-centric.

Furthermore, he underlined the crucial need to include industrialists, researchers, and academics in policymaking.

Dr Abiha Zahra, an Assistant Professor at ITU and author of a book on public sector reform, highlighted crucial reforms needed for economic resilience in Pakistan.

Mr Nadir Salar Qureshi, Engro Corporation's CIO suggested that privatisation is an effective way to manage SOEs without burdening the government. He mentioned the success stories of other countries and apprised that Pakistan can also get similar results by privatising the power production, industrial, oil and gas sectors. He added that Privatising SSDC and SNGPL could bring in an estimated $500 million in revenue for Pakistan.

Ms Maheen Rahman, CEO of InfraZamin, emphasised the importance of debt sustainability in shaping Pakistan's future economy. To manage unsustainable debt, she suggested solutions such as taxation, investment-led growth, foreign direct investment, and people development. Ms Maheen suggested that by focusing on small-scale enterprises, Pakistan can effectively reduce its debt-to-GDP ratio.

In his concluding remarks, Air Marshal Asim Suleiman (Retd), President, CASS Lahore, articulated that there is no denying that the path to economic recovery is fraught with substantial challenges. However, within these challenges, there are unparalleled prospects for profound transformation, he added. He further said that a strong sense of political commitment and ownership must underpin this endeavour.

MEDIA COVERAGE

MEDIA TODAY

ASSESSING PAKISTAN'S ECONOMIC PLAN: CHALLENGES AND OPPORTUNITIES FOR SUSTAINABLE FUTURE

25 November,2023

Daily Asia Today

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Daily SOON TIMES

TIMELINE

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The Gulf Observer

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Soon Times Correspondent

Lahore:

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PAKISTAN TODAY

Assessing Pakistan's Economic Plan: Challenges and opportunities for sustainable future

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18 ملین بے روزگار نوجوانوں کو مساویانہ مواقع فراہم کیے جائیں: ڈاکٹر حفیظ پاشا
گلگت بلتستان ایکسپریس

SUMMARY OF HEADLINES

S No	Newspaper	Headline
1.	Daily Soon Times	CASS hosted seminar titles 'Assessing Pakistan's Economic Plan: Challenges and Opportunities forSustainable Future'
2.	Pakistan Today	Assessing Pakistan's Economic Plan: Challenges and Opportunities for Sustainable Future
3.	Daily Asia Today	Assessing Pakistan's Economic Plan: Challenges and Opportunities for Sustainable Future
4.	Daily Iqtida	CASS Seminar: 'Assessing Pakistan's Economic Plan: Challenges and Opportunities for Sustainable Future'
5.	Media Today	Assessing Pakistan's Economic Plan: Challenges and Opportunities for Sustainable Future
6.	Timeline News	Assessing Pakistan's Economic Plan: Challenges and Opportunities for Sustainable Future
7.	The Gulf Observer	Assessing Pakistan's Economic Plan

سیریل	اخبار	ہیڈلاین
1.	دوراہا	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
2.	دیہات	پاکستان کےاقتصادی منصوبے کا جائزہ بارے سیمینارکاانعقاد
3.	گلگت بلتستان ایکسپریس	ملین بے روزگارنوجَوانوں مساویانہ یا موقع فراہم کۓ جائیں-ڈاکٹر حفیظ پاشا 18
4.	بکر نیوز	پائیدارمستقبل لاءچیلنجزموقعاجي عُنوان سان سیمینار
5.	مسلمان	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
6.	کشمیرٹائمز	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
7.	طاقَت بلوچستان نیوز	سینٹر فور ایروسپیس اینڈ سیکوریٹی سٹڈیزسیمینارکاانعقاد
8.	آئین پشاور	سی پے ایس ایس کےزیرِ اہتمام پاکستان کےاقتصادی منصوبے کے جائزہ بارے سیمینار
9.	سن نیوز	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع

سیریل	اخبار	ہیڈلائن
10.	جہان نیوز	سینٹر فور ایروسپیس اینڈ سیکوریٹی سٹڈیز کےزیرِ اہتمام سیمینار
11.	پیام نیوز	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
12.	نیوزپارک، اسلام آباد	سی اے ایس ایس کےزیرِ اہتمام سیمینارکا انعقاد
13.	سیاست	سینٹر فور ایروسپیس اینڈ سیکوریٹی سٹڈیز کےزیرِ اہتمام سیمینار پاکستان کےاقتصادی منصوبے کا جائزہ
14.	رپورٹ، اسلام آباد	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
15.	پس پردہ	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
16.	خبردار،کوئٹہ	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
17.	بادِ شِمال	لاہور، ملکی معاشی ترقی کے حوالے سے سیمینار کے شرکا کا گروپ فوٹو
18.	عظمت ،لاہور	سینٹر فور ایروسپیس اینڈ سیکوریٹی سٹڈیز لاہور کےزیرِ اہتمام سیمینار

سیریل	اخبار	ہیڈلاین
19.	شہید، اسلام آباد	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
20.	انکشاف	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
21.	برکا، کراچی	سینٹر فور ایروسپیس اینڈ سیکوریٹی سٹڈیز لاہورپاران سیمینار منعقد
22.	الاخبار، اسلام آباد	سینٹر فور ایروسپیس اینڈ سیکوریٹی سٹڈیز لاہور کےزیرِ اہتمام سیمینارسیمینارکاانعقاد
23.	حال، کوئٹہ	سینٹر فور ایروسپیس اینڈ سیکوریٹی سٹڈیزکےزیرِ اہتمام سیمینار
24.	صہافت، کوئٹہ	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
25.	صداۓ اولس	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
26.	تجارت، لاہور	لاہور، سینٹر فور ایروسپیس اینڈ سیکوریٹی سٹڈیز کےزیرِ اہتمام سیمینارکا انعقاد
27.	مناقب، اسلام آباد	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع

سیریل	اخبار	ہیڈلاین
28.	چولستان ٹائمز	پاکستان کےاقتصادی منصوبے کا جائزہ لینے کے حوالے سے سیمینار
29.	مہم، پشاور	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
30.	چناب ٹائمز	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
31.	نوائۓ بروج	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
32.	عوامی للکار،راولپنڈی	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
33.	نوائۓ اسلام آباد	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
34.	صدائۓ وقت	سیاست اورتزویراتی توازن کی تشکیل نو کے عنوان سے ایک فکر انگیز سیمینار کا انعقاد
35.	تجارت، لاہور	پاکستان کےاقتصادی منصوبے کا جائزہ: پائیدارمستقبل کے لیےچیلنجزاورموقع
36.	مناقب، اسلام آباد	سی اے ایس ایس کےزیرِ اہتمام پاکستان کےاقتصادی منصوبے کا جائزہ کے عنوان سے سیمینار
37.	عکس سندھ	سینٹر فور ایروسپیس اینڈ سیکوریٹی سٹڈیز لاہور سیمینار

GALLERY


Former Minister /
Economist / Dean BNU
PROF. DR. MUMTAZ
ANWAR CHAUDHRY
Dean, Faculty of Business,
Economics and Administrative
Sciences, PU
DR. ABIHA ZAHRA
Assistant Professor
ASSESSING PAKISTAN'S
ECONOMIC PLAN
CASS
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Engro Corporation


Keynote Speaker:
DR. HAFIZ A. PASHA
Former Minsler / Economist / Dean BNU
SESSION – I: Mapping the Economic Future of Pakistan
PROF. DR. MUMTAZ ANWAR CHAUDHRY
Dean, Faculty of Business, Economics and Administrative Sciences, PU
DR. ABIHA ZAHRA
Assistant Professor, ITU
ASSESSING PAKISTAN'S ECONOMIC PLAN
CHALLENGES AND OPPORTUNITIES FOR SUSTAINABLE FUTURE
SESSION – II: Managing State-Owned Enterprises & Debt Sustainability
MR. NADIR SALAR QURESHI
Chief Investment Officer, Engro Corporation
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ASSESSING PAKISTAN'S ECONOMIC PLAN:

CHALLENGES & OPPORTUNITIES FOR SUSTAINABLE FUTURE

"There is a growing disparity in defence spending between Pakistan and its larger neighbouring country, worsening from a ratio of 1:3 in the late 1990s to an alarming 1:8 in 2022."
–Dr Hafiz A Pasha

"The absence of home-grown policies results in ineffective policies which are unable to lead the country towards sustainable growth."
– Dr Mumtaz Anwar Chaudhry

"Public reforms driven by empirical mapping will have a positive implication for the economy and the sustainable development of Pakistan."
– Dr Abiha Zahra

"Privatisation reduces government burden and yields better social outcomes, such as increased tax revenue, productivity, and efficiency when effectively managed."
– Nadir Salar Qureshi

"Pakistan's means of revenue generation such as exports, taxation and overall investment, do not meet the needs of its population."
– Maheen Rehman

"There is a dire need for a concerted effort from all stakeholders, including citizens, policymakers, and leaders, to bring about structural transformation."
– Air Marshal Asim Suleiman (Retd), President, CASS Lahore

"The path to economic recovery is fraught with substantial challenges. However, within these challenges, there are exceptional prospects for profound transformation."
– Dr Bilal Ghazanfar

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