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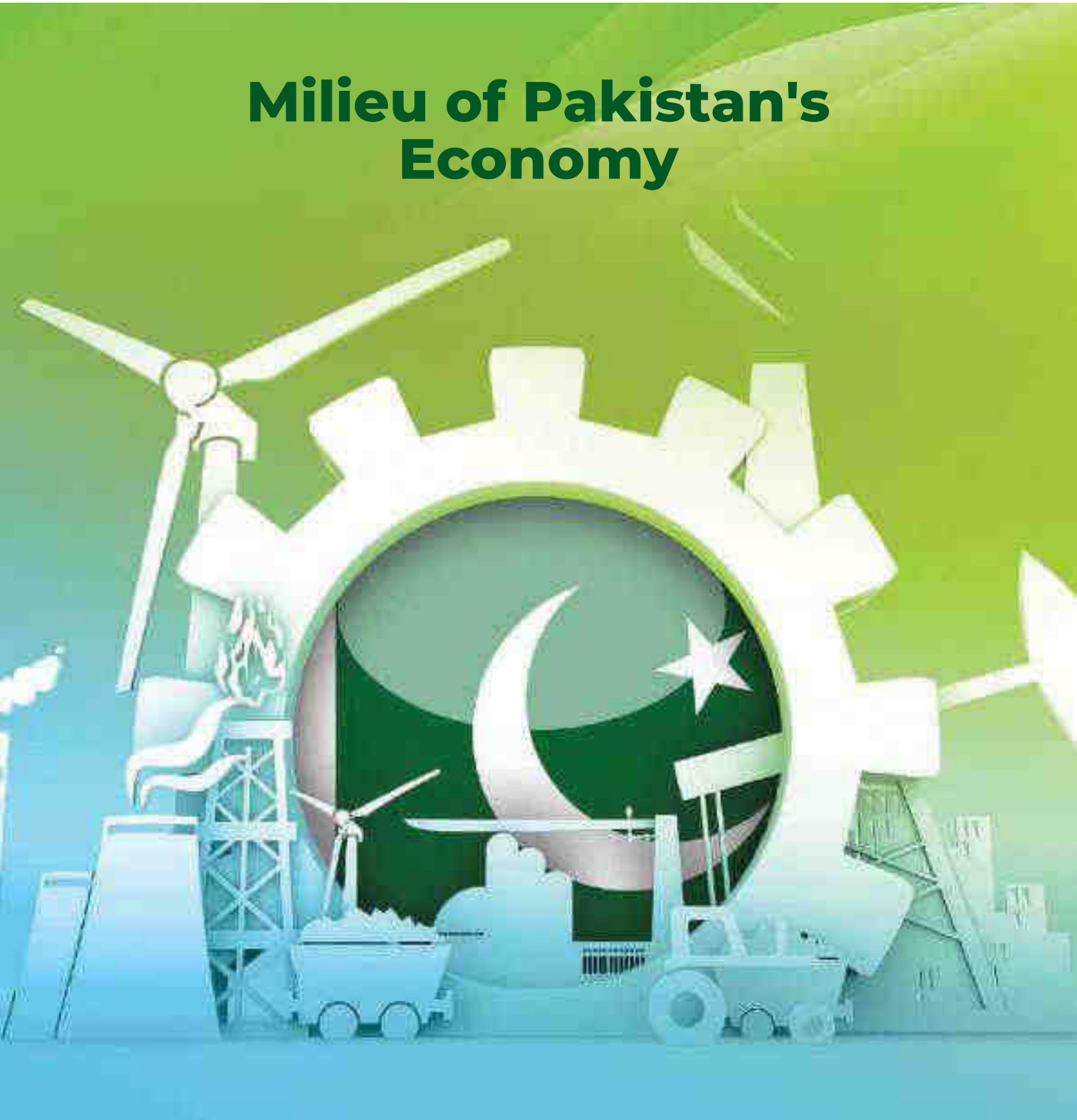
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Milieu of Pakistan's Economy



کسان دوست



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EDITORIAL

Pakistan's Economic Woes

Pakistan, a country in South Asia, is facing an economic crunch that has been exacerbated by various factors, including political instability, high levels of poverty, terrorism, and corruption. The economic situation in the country is causing hardship for ordinary Pakistanis who are struggling to make ends meet.

The cost of living has risen sharply, and many Pakistanis are finding it increasingly difficult to afford basic necessities such as food, healthcare, and education. The unemployment rate is high, and many young people are struggling to find employment. The country's economic woes are also affecting the business community, which is facing a challenging business environment.

Pakistan's economy has been struggling to perform in recent years. The country has been experiencing low economic growth, high inflation, and a widening current account deficit. The current account deficit, which measures the difference between the value of exports and imports, has been increasing rapidly in recent years, leading to a depletion of the country's foreign exchange reserves.

The country's exports have been declining, while imports have been increasing. The decline in exports is attributed to a lack of competitiveness, a low level of industrialization, and a lack of investment in the export sector. The increase in imports is due to a growing demand for energy and raw materials, which the country is unable to produce locally.

The depreciation of the Pakistani rupee has also been a significant contributor to the economic crisis. The depreciation has led to an increase in the cost of imports, which has further exacerbated the current account deficit. The depreciating rupee has also increased inflation, making it more difficult for ordinary Pakistanis to afford basic necessities.

The economic conditions in Pakistan have had a significant impact on ordinary Pakistanis. The cost of living has risen, and many people are struggling to afford basic necessities such as food, healthcare, and education. The unemployment rate is high, and many young people are struggling to find employment.

The increasing inflation rate has made it more difficult for ordinary Pakistanis to afford basic necessities. The cost of food has risen significantly, making it difficult for many Pakistanis to feed their families adequately. Healthcare costs have also risen, making it more challenging for people to access medical care when they need it.

The economic conditions are also affecting education. Many families are struggling to pay for their children's education, and many children are forced to drop out of school because their families cannot afford to pay the fees.

Pakistan's economic situation is challenging, and there is a need for urgent action to address the challenges facing the country. A Charter of Economy can provide a framework for economic policies that can help create a conducive environment for investment and economic growth.

Pakistan's economic situation calls for a concerted effort by all stakeholders to address the challenges facing the country. One way to

achieve this is through the adoption of a Charter of Economy. A Charter of Economy is an agreement between political parties to work together to achieve economic growth and stability.

The Charter can provide a platform for political parties to agree on economic policies and implement them, irrespective of which party is in power. This can help ensure continuity and stability in economic policies. The Charter can also provide a framework for economic policies that can help create a conducive environment for investment and economic growth.

Moreover, the Charter can provide a mechanism for encouraging foreign investment, which is crucial for economic growth. The Charter can provide a framework for economic policies that can help create a conducive environment for foreign investment. This can help in creating jobs, increasing exports, and boosting the economy.

A Charter of Economy can also help ensure accountability and transparency in the economic decision-making process. This can help in reducing corruption and ensuring that economic policies are formulated in the best interests of the country.

However, the adoption of a Charter of Economy alone will not be sufficient to solve Pakistan's economic problems. It must be complemented by concrete policy measures and structural reforms.

One of the most pressing issues that Pakistan must address is its energy crisis. The country is facing severe power shortages, which are having a detrimental effect on businesses and households. The government must take urgent action to address this issue by investing in new power generation capacity and improving the efficiency of the existing power plants.

Another area that requires attention is the country's tax system. Pakistan's tax system is outdated and inefficient, and it is not generating enough revenue to fund the government's spending needs. The government must reform the tax system to make it more efficient and effective, and to ensure that everyone pays their fair share of taxes.

Pakistan also needs to address its low level of industrialization. The country is heavily dependent on imports, which are contributing to the current account deficit. To reduce this dependence, the government must create a conducive environment for investment in the manufacturing sector. This will require improving the ease of doing business, investing in infrastructure, and providing incentives for investors.

Pakistan has the potential to become a prosperous and thriving country. However, to achieve this, the government must take urgent action to address the economic challenges facing the country. A Charter of Economy can provide a framework for economic policies that can help create a conducive environment for investment and economic growth. However, it must be complemented by concrete policy measures and structural reforms. With the right policies and actions, Pakistan can overcome its economic woes and emerge as a prosperous and thriving country.

- Editor



NATIONAL FERTILIZER MARKETING LIMITED, INVITES TENDERS FOR SUPPLY OF TWPP BAGS WITH PE LINERS

National Fertilizer Marketing Limited (NFML) invites "Single Stage-One Envelope procedure" Tenders from all TWPP Bags manufacturers registered with income tax and sales tax department for procurement of 3.12 Million TWPP Bags duly inserted with PE Liners for packing of Imported Urea against refundable Bid Security amount equal to 5% of the total bid value quoted as given at clause-25 of PPRA rules-2004, which shall have to be deposited by each contractor in the form of Demand Draft/Pay Order in the name of NFML, payable at Lahore. The 10% Performance Guarantee shall also have to be deposited by the successful bidder in the form of Demand Draft/Pay Order, in the name of NFML, Lahore, before signing of agreement. Previous bid money, security/performance guarantee and the pending payments of bidders if any, shall not be entertained in this fresh tender. The details are as under:-

Sr.#	Tender Documents available at	Time, Date and place for Opening of bids
01	NFML Head Office NFML-53-Jail Road, Lahore.	At 11:30 A.M. Tuesday 4 th April, 2023 at NFML Head Office NFML-53-Jail Road, Lahore.

The TWPP bags duly inserted with PE liners are to be supplied at Gwadar Port, Karachi Port Trust & Bin Qasim Port as per schedule which shall be provided at the time of placement of purchase order. Tender documents containing Delivery Time/Completion Schedule, TWPP Bags Specification, Qualification Criteria, Evaluation Criteria and terms/conditions of contracts which can be collected against Demand Draft/Pay Order of **Rupees Three Thousand Only (Rs.3,000/- Non Refundable)** in the name of NFML during Office hours from NFML Head Office located at 53-Jail Road, Lahore, any day during office hours till **Monday, 3rd April 2023 by 02:00 PM**.

All Tenders can be submitted in sealed envelope at NFML Head Office, Lahore latest by **Tuesday the 4th April, 2023 by 11:00 A.M** which shall be opened by the designated committee at **11:30 A.M** the same day, in the presence of the contractors/teps, who wish to remain present.

National Fertilizer Marketing Limited may reject all bids or proposals at any time prior to the acceptance of a bid or proposal in accordance to clause 33(1) of PPRA Rules-2004.

For further information/query, contact can be made with the undersigned at address given below. National Fertilizer Marketing Limited reserves the right to reject all or any document at any time, as covered under PPRA Rules 2004.

This tender is also available on PPRA and NFML websites.



Ministry of Industries &
Production,
Government of Pakistan

Assistant Manager (Commercial)
National Fertilizer Marketing Limited
53-Jail Road, Lahore.
Telephone No: 042-99205674
Website: nfml.com.pk



Milieu of Pakistan's Economy

The government-led development program, including PSDP at the Federal level and ADP at the provincial level, is the main contributor to growth episodes

M. Ali Kemal

Since its inception, Pakistan has experienced several cycles of growth, with stability requiring consistent policies. The country has seen consecutive years of over 5% growth rates, but the irregular percentage segments of growth are often associated with policies that rely on modern capital, resulting in a balance of payments deficit and inflation.

The country's economy is highly dependent on imports, but exports remain stagnant, leading to an increase in the trade deficit, which has been financed by remittances for the past decade and a half. The government-led development program, including PSDP at the Federal level and

ADP at the provincial level, is the main contributor to growth episodes, with funding coming from various sources, including international financial institutions, government loans, and recently, public-private partnerships.

Pakistan had face numerous episodes of drought, floods, earthquakes and other calamities. Due to these natural disasters overall economy suffers a lot. Since 1990 we have faced more than 8 times devastated floods. These floods not just negatively affect the crops, livestock but also put a significant dent on the ongoing development programs. Development funds, thus are diverted for at least 1-2 years towards the reconstruction.

Increase in rains in certain areas and lack of rain in some, melting glaciers than normal are among the major effects of climatic changes. Our greenhouse emissions are lower than the world target of one percent of GDP. This implies that climatic issues are not due to the Pakistan's bad climate, nevertheless, Pakistan is the sixth most vulnerable country facing damages due to climate change. Growth suffers significantly though managed adaptation and mitigation, which is not enough. Pakistan must get the compensation of ecological debt created by the west.

Growth of the economy did suffer due to the natural calamities, however, it was never negative besides 1952-53. During COVID -19 that shutdown the entire world. Industrial as well as services sector faced the maximum hit. Growth rate due to lockdown in the last quarter was negative one percent in 2019-20. Social distancing was critical role in closing down the shops and asking everyone to stop going into the markets. Airlines business were shut down, cargo services were stopped, transport and communication and other services were stopped due to lockdown in implementing social distances.

Several employees were laid



off especially those who were contractually employed and whose income was totally dependent on the transactions, i.e., informal workers and informal sector workers. The negative effects of COVID were worrisome, supported by Social Protection Cash Transfer, smart lockdowns and supported by the provision of vaccines and testing kits. Soon after the pandemic diminished, we have faced high freight prices, surging oil prices and rising

On top of that problems of balance of payments deficit, reserves depletion, external debt payments, exchange rate management as well as fiscal deficit requires quick fixtures.

inflation due to extra money holdings during COVID.

Ukraine – Russia War put another dent in the economy. Oil prices went up to \$100 per barrel. Being an oil dependent economy, oil import bill has increased thus balance of

payments started deteriorating. To maintain exchange rate, reserves started depleting and ultimately IMF tranche was required as a last resort.

While we were coping with these issues, we had another episode of floods in 2022. Floods, this time, destroyed most of the bridges, agriculture fields, demolish houses and killed livestock. Approx. one-third of the country was under water, 33 million people were affected, and nearly 8 million people reportedly displaced.

Growth creates employment opportunities. Global evidence show that it ranges between one third to one half. In Pakistan evidence show that it is less than one third. Few researchers also call it jobless growth. Unemployment is associated with levels of growth. Higher growth may not create more job.

Our production units are not working on full capacity and



COVID-19 recovery process confirms that growth is more important than inflation. Simply stating, employed person may cope with the inflation but unemployed cannot.

The triple crisis (covid, floods and higher inflation) that affects the overall economic situation. On top of that problems of balance of payments deficit,

while running on full capacity they may not need more employees but the existent work for extra hours. Similarly, in agriculture sector increase or decrease in production may have several factors including the temperature, rain, support price, last year price etc. But it does not affect the employment in the agriculture sector.

Due to higher population growth addition 1.4 million people are adding in the labour force. We were unable to reduce population growth significantly. The inability is due to design flaws that needs to be corrected. Numerous demographers believe that it

should be done by change in behaviors than procurement and distribution of contraceptives. Thus we have huge number of young population which can create demographic dividend. Inflation in the recent month is among the biggest issue Pakistan is facing. Inflation along with growth/unemployment are the core macroeconomic variable which all policymakers want to address as a first priority. The trade-off among these especially in the short run is the key and macro management plays critical role in adjusting it. Global episodes especially after the 2007-8 global financial crisis and

reserves depletion, external debt payments, exchange rate management as well as fiscal deficit requires quick fixtures. The IMF conditions include reduction expenditures especially the untargeted subsidies, increase tax burden especially on the luxury items including increase in sin tax on cigarettes etc reduce the fiscal deficit.

Nonetheless, increase in interest rate to cope supply side inflation is debatable. All of these policies are adopted because the economy was over heated that requires structural change in the short to medium run. However,

Inflation along with growth/unemployment are the core macroeconomic variable which all policymakers want to address as a first priority.



higher inflation and lower growth are the two main outcomes of these policies. This also shows that IMF conditions impact the overheating economy to cool down but at the cost of lower growth.

Following this scenario, increase in petrol prices has been pass on along with implementation of Development Levy and Sales Tax that has increased the prices to Rs. 272 per liter, i.e., approx. Rs. 122 in a year, partly due to depreciation in exchange rate. Thus prices of all the commodities linked with oil/petrol has increased. As a result our inflation rate is as high as 32 percent per year, which is the second highest after 1973 and it is expected to increase few percentage points more in the next few

unemployment more than inflation. It is alarming that numerous researchers believe that the persistence in inflation to increase will continue for the next 6 months to 2 years. However, it may not be the case. It is possible that inflation remain in the double digit but start decreasing by June 2023.

Keeping in view the persistent problems discussed as well as the disasters we have faced in the last three decades, especially it is very critical to have



capabilities without which sustainable higher growth is not possible. In addition, charter of climatic action must be integrated with the other two charters that provides the resilience to the economy.

In short, to create opportunity from the existing crisis, an overall skills and vocational trainings must be started in all possible fields with certification. Everyone who is unemployed, looking for job must enhance his/her skills. As a result, he/she may start his/her own work, get employment,

which may be linked to industries or go abroad.



months. Food inflation is higher than the general inflation.

We may argue that due to increase in inflation, poverty may increase but it may not be the case. Poverty is linked to

charter of economy and plan for the next 10 years (medium) and the vision for the next 25 years, i.e., 2047, when Pakistan will be 100 years old. It must be complemented with the charter of social sector, that provides human capital social capital and innovation



The writer is Economic Policy Advisor at the Ministry of Planning Development & Reform

Pakistan: A Scorecard at Seventy-Six

Ambassador Naghmana A. Hashmi

Founded on ideological basis and seen as a leader of the Muslim world, Pakistan came into existence on August 14, 1947, which coincided with the 27th of Ramzan. Pakistan is blessed with an ideal location, a large educated and industrious population, vast natural resources, fertile agriculture with the largest canal network in the world, a fast-growing middle class, good

speed of industrialization and capable and strong armed forces.

Quaid-e-Azam Muhammad Ali Jinnah, the founding father of Pakistan, had clear expectations for the development of the country, as stated in the Pakistan Resolution passed in Lahore on March 23, 1940.

Despite the promising start, Pakistan's economic progress was hindered by the Soviet invasion of Afghanistan in 1979. The resulting geopolitical and geo-economic instability still persists today.

However, Pakistan has made significant strides in various fields, including education, health, and technology. The country has produced world-class scholars, scientists, and entrepreneurs, and continues to play a vital role in regional and international affairs.

As Pakistan celebrates its 76th anniversary, it is essential to acknowledge its achievements and successes at the national and international level. However, it is equally important to recognize the challenges that the country faces and work towards overcoming them. Pakistan has immense potential, and with hard work and determination, it can realize its founding father's vision of a prosperous and inclusive nation.

It is imperative that we reflect on why, despite the clear roadmap, vision, and instructions of the founder of Pakistan, we have failed to achieve the dream of a united, prosperous, and peaceful country. We must examine the factors that have detracted us, where we have violated the roadmap and the original vision, where we diverted from the golden path enshrined in our motto "Unity Faith and Discipline", where we lost our nationalism, and why we



abandoned moderation.

The first decade of Pakistan saw a quick change of leadership and uncertain and confused political developments. In 1954, the word "Republic" was added to the name "Pakistan", and then the first Constitution of 1956 changed the name to "The Islamic Republic of Pakistan", thus altering the very ideological orientation from secular to religious.

This laid the foundation for religious differences that have become a cancer affecting the whole body. In 1962, we reverted back to the original name which is simply Pakistan only to once again become "The Islamic Republic of Pakistan" in the 1973 Constitution when Zulfikar Ali Bhutto succumbed to the pressure of Islamist political parties.

The next to suffer was the founder's clear conviction that

the political orientation of the state would be democratic. Failed attempts to agree on a governance and development model and a workable constitution led to military takeovers early in the formative years, which continued at regular intervals, not allowing democracy to mature and take roots or for the people to learn the attributes, rights, and duties of

The first decade of Pakistan saw a quick change of leadership and uncertain and confused political developments.

citizenship, and the value of participatory or accountable democracy.

On the development and economic front as well, we see a bleak picture. Today, Pakistan finds itself burdened by huge external debt with low growth rate, stagnation of economic growth, macroeconomic imbalances, and is faced with political and



economic instability. Foreign exchange reserves have fallen sharply, necessitating financial planners to take harsh and difficult decisions to qualify for availing of further loan facilities from international sources. Today we have reached this unfortunate state despite the fact that Pakistan had maintained a sustained and fairly steady annual growth rate for a considerably long period.

There is no single reason or a regime that can be held responsible for this pathetic

Today, Pakistan finds itself burdened by huge external debt with low growth rate, stagnation of economic growth, macroeconomic imbalances, and is faced with political and economic instability.

state of affairs. Long-term structural problems, repeatedly poor economic decision-making, poor governance, and the hold of the country's financial and political power concentrated in a select elite since the 1950s

have all contributed to this catastrophe.

Perhaps we are all, as a nation, responsible for this collective failure to ensure that Pakistan was securely put on the path of sustainable socio-economic development and secure the future of our coming generations.

Among other factors, there are six pivotal mistakes that Pakistan has made. Poor economic planning, behavior of economic, military, and political elite, huge loan facilities from the IMF, a huge gap in tax to GDP ratio at around 10% due to poor tax collection, which is even less than the average for developing countries.

It also leaves very significant chunks of the economy, including agriculture income and urban land, untaxed completely; this also has caused a recurring budget deficit, lack of foreign direct investment (FDI), and political instability.

All these factors are interconnected, and Pakistan relies heavily on foreign exchange from exports and remittances, both of those sources of revenue became unreliable in the case of global developments both political and economic and as most recently experienced by unforeseen pandemics and other disasters.

The fall of Dhaka, the pathetic state of national unity, the disastrous state of the economy, shrinking socio-economic development, rising poverty, weak institutions, and the current abhorrent political circus in the country all demand a serious introspection and larger national consensus on the future political orientation and economic development if we are to survive the shenanigans we have subjected our beloved Pakistan to.

Retrospection is essential for course correction, but it is also crucial to acknowledge Pakistan's numerous assets and achievements. Despite the challenges that the country faces, many politicians, industrialists, businessmen, traders, bankers, academicians, writers, intellectuals, artists, doctors, engineers, sportsmen, lawyers, bureaucrats, diplomats, law enforcement agencies, armed forces, and others have contributed to Pakistan's growth and development.



The writer is former ambassador to China & Brussels



Pakistan Charter of Economy

Pakistan's tax system has been faced with several challenges including low tax-to-GDP ratios, a narrow tax base, and high rates of tax evasion.

Syed Ali Ehsan

Pakistan's tax-to-GDP ratio was only 10.4% in 2020, which is significantly lower than the average of 15.3% for countries in the South Asian region (World Bank). Economists and policymakers have proposed that a low rate, flat, broad-based, and predictable tax regime can help Pakistan overcome these challenges and achieve greater economic growth and development. The proposals are reflected in the Pakistan Charter of Economy.

Low Rates

Several reasons support the implementation of a simplified tax system with a low tax rate. First, low tax rates encourage taxpayers to comply with their tax obligations. High tax rates can discourage people from working, investing, or saving, as the cost of these activities may be too high compared to their after-tax returns. Conversely, low tax rates provide individuals and businesses with more financial resources to engage in productive economic activities, which

leads to increased economic growth and development.

Furthermore, a one-percentage-point reduction in tax rates can lead to a 0.3% increase in GDP in the short run and a 0.6% increase in the long run, according to a study by the International Monetary Fund (IMF). Tax evasion in Pakistan amounts to about 70% of the total tax revenue (Pakistan Institute of Development Economics).

Lower Administrative Costs and Compliance

A simplified tax system can lead to lower administrative costs, resulting in significant cost savings for the government. According to a World Bank report, Pakistan spends approximately 1.7% of its GDP on tax administration, which is higher than the average for countries in the South Asian region. Streamlining the tax collection process and reducing the need for expensive technology and personnel could lower administrative costs.



evasion, leading to higher tax revenues for the government. According to the Pakistan Institute of Development Economics, tax evasion in Pakistan amounts to approximately 70% of the total tax revenue. A simplified tax system with lower tax rates and reduced complexity could reduce opportunities for corruption and increase tax compliance, resulting in higher tax revenues for the government.

The current tax system in Pakistan is characterized by a multitude of tax rates, exemptions, and deductions, making it complex and difficult for taxpayers to understand and comply with. A flat tax rate would simplify the system, reduce the need for tax planning, and promote greater transparency and accountability. A World Bank study found that a flat tax rate could increase compliance by up to 7%, as taxpayers would be less likely to engage in tax evasion or avoidance.

A Broader Base

A broad-based tax system is desirable because it ensures that all individuals and businesses contribute to the tax base. Pakistan's tax base is narrow, with only a small proportion of the population paying income tax. A broad-based tax system would ensure that all individuals and businesses, regardless of their income or status, contribute to the tax base. This would increase the revenue raised from taxes and promote greater fairness and equality in the tax system.

Broadening the tax base by just

1% could lead to an additional Rs. 50 billion in revenue, according to a study by the Pakistan Institute of Development Economics. Dr. Ikramul Haq in 2019 estimated that a flat tax rate of 15% could result in a tax revenue increase of up to 0.9% of GDP in Pakistan

Predictability and Certainty over the Long Run

A predictable tax system is desirable because it promotes certainty and stability for taxpayers. The current tax system in Pakistan is characterized by frequent changes in tax laws and regulations, leading to uncertainty and instability for taxpayers. A predictable tax system would provide taxpayers with greater certainty and stability, allowing them to plan their finances and investments more effectively. Countries with more stable tax systems tend to have higher rates of economic growth and development, according to a study by the Tax Justice Network.

Limiting Corruption

A simplified tax system can reduce corruption and tax

Economic Efficiency

Simplified tax regimes can allocate resource more efficiently, as individuals and businesses are not deterred from engaging in economic activity due to high taxes or a complex tax system. According to a study by the International Monetary Fund, a simpler tax system can lead to higher investment, greater innovation, and higher levels of economic growth. This is because a simpler tax system reduces the time and resources required to comply with tax regulations, which can be a significant barrier to economic activity.

Low rate, flat, broad-based, and predictable tax regime can bring significant benefits to Pakistan's economy. Such a tax regime would incentivize taxpayers to comply with their tax obligations, simplify the tax system, broaden the tax base, and promote certainty and stability for taxpayers.



The writer is a program director at PRIME Institute, Islamabad.

Pakistan-Germany Ties

Moving from Strength to Strength

The relationship between the countries is on an upward trend, which it is expected to further strengthen and deepen in the years to come.

Dr Mohammad Faisal

Pakistan and Germany enjoy extremely cordial relations since the 1950s. The year 2021 marked the 70 years of establishment of bilateral relations with Germany with a number of commemorative activities, including issuance of a special stamp and coin, undertaken by both sides. The relationship has been moving from strength to strength.

Pakistan and Germany remain actively engaged in the areas of politics, economy, defence and education and culture, that further strengthen the bilateral relationship. Pakistan-Germany bilateral relations are governed by the strategic dialogue – signed and launched by the Foreign Ministers of the two countries in September 2012 in Berlin. It has regularly been held since then. The next round is expected to be held in Islamabad soon.

The bilateral relations between Pakistan and Germany are on an upward trajectory. Lately, there have been frequent high-level exchanges between the two countries. German Federal Chancellor, Mr. Olaf Scholz met Prime Minister Mian Muhammad Shehbaz Sharif, on the side-lines of 27th United Nations Climate Change Conference (COP-27) in Sharm El-Sheikh on 8 November, 2022.

Foreign Minister, Mr. Bilawal Bhutto Zardari attended the 59th Munich Security Conference (MSC) in Munich, Germany, from 17-19 February 2023. He was accompanied by the Minister of State for Foreign Affairs, Ms. Hina Rabbani Khar. During the three days event, the Foreign Minister attended various important meetings related to climate change, global security issues and



(Pharmaceutical), Metro Cash and Carry (Wholesale), and Siemens (Conglomerate). In addition, the German Development Organization GIZ has extended its cooperation to complete several development projects in various sectors of Pakistan.

Pakistani companies have been regularly participating in trade

Afghanistan. This was his second visit to Germany in a short span of six months.

Germany and Pakistan have been engaged in development cooperation since 1961, when the Federal Ministry for Economic Development and Cooperation (BMZ) was founded. Since then, German Government has pledged some 3.8 billion euros in project support. This development cooperation focuses on the support for renewables and climate protection, business (including vocational training) and good governance (including healthcare).

Pakistan's main exports to Germany are textiles, leather goods, sports goods, footwear and medical instruments and its main imports from Germany are machinery, chemical and electrical goods, motor vehicles and iron goods. Germany's development cooperation with Pakistan mainly focuses on governance, energy, and sustainable economic development.

Germany is an important

trading partner of Pakistan. Despite a slight fall in the percentage share of total exports, Pakistan has maintained a trade surplus with Germany. Germany, of course, is a huge market and has a lot of potential for Pakistan, which needs to be exploited.

More than 40 German companies are present in Pakistani market. Some of the well-known German companies based in Pakistan include BASF (Chemicals), BMW (Automobile), Daimler AG (Automotive), DHL (Courier), Lufthansa Cargo (Cargo airline) (Not currently flying to Pakistan), Merck Group

fairs/exhibitions in Germany, which are some of the biggest and oldest in the world. Only last week, Pakistan participated

Pakistan and Germany remain actively engaged in the areas of politics, economy, defence and education and culture, that further strengthen the bilateral relationship.



at the largest international Tourism Exhibition, ITB Berlin 2023. Pakistan pavilion housed 13 private exhibitors or tour operators, with provincial tourism departments showcasing their offers and services to attract global visitors to Pakistan.

Pakistan and Germany remain engaged in the areas of education, health and climate change. Pakistan experienced extraordinary rainfalls during monsoon 2022, because of climatic changes at the global level. This climate-induced natural disaster caused Pakistan to suffer US\$ 30.1 billion loss and damage. Germany has been extending all possible help to Pakistan to overcome the challenges being faced by the flood affectees. Germany has pledged euros 84 million in International Conference on Climate Resilient Pakistan on 9 January 2023, bringing their total flood relief assistance to more than euros 184 million.

There are around 7000 Pakistani students currently studying in various German universities, including postgraduate studies. There has been a progressive increase in the number of Pakistani

Germany and Pakistan have been engaged in development cooperation since 1961, when the Federal Ministry for Economic Development and Cooperation (BMZ) was founded.

as a very effective tool and is fast producing substantive results.



students during the past ten year i.e. from 2300 students in 2013 to around 7000 students in 2022/2023.

Germany is Europe's most industrialized and populous country. It has an area of 357,027 sq km and an estimated population of 84.1 million in 2022. It is bordered by Austria, Belgium, Switzerland, the Czech Republic, Denmark, France, Luxembourg, Netherlands and Poland. Germany is the fourth largest economy in the world after the United States, China and Japan and the largest economy in Europe. It is the third largest export nation globally: with 70% of the services sector contributing as the largest part of the country's GDP.

The relationship is on an upward trend and it is expected to further strengthen and deepen in the years to come. The use of economic diplomacy from both sides towards betterment of trade and economic relations between the two countries has been used



The writer is a seasoned diplomat & Pakistan's Ambassador to Germany



Economic Travails

Pakistan stands nowhere on the global indexing of productivity, unless we double the productivity in one year through efficiency and effectiveness.

Ghulam Murtaza

The 23rd March is the day when the seed of Pakistan was cultivated by adopting a resolution in 1940 for a separate country for the Muslims of this part. The founder of Pakistan visioned a thriving and independent new state free from corruption and bigotry, where the rule of law would prevail.

But Unfortunately, we got directionless right from the beginning, and resultantly condensed shadows of insolvency overtook us like dodder plants. This is not only financial bankruptcy, but we have also been in moral bankruptcy, which is more than all. Should a country with countless natural resources, a big chunk of youth, and a matchless strategic location deserve these humiliating circumstances?

I think, No! Then why? We must ask this question to get the answer, not to any economist but to ourselves. We need to change ourselves, and the seed of the change is realization and resolution, the similar resolution we did 83 years ago.

It's still not impossible to retrieve, but this needs a strong will and mindset to do only the right things to the best of our conscious. Some thoughts come to me as convalescing steps listed below.

Pakistan stands at an unprecedented grinding halt in every dimension a country might have. Our ethical standards and sense of un-realization are the zeniths of our great fall.

The terms and conditions are humiliating and very hard against which IMF agreed to help us to forward the default to the next episode. Default is still hovering over our heads as six months are not so far off when we have to re-knock the door of IMF. Imagining the conditions of the next episode of IMF sets my body shivering.

The dollar has been uncapped on the demand of the IMF and Rs. 170 billion taxes have been imposed on the existing taxpayers. It's been the tradition of the Government to axe the existing

handful of tax-payers instead of expanding the tax net.

In Pakistan, the single-digit GDP tax ratio is a mockery. In a population of 240 million, only 2.154 million are tax-payers, not

economic collapse. We can immediately need to consider the following steps to avoid falling into the black hole.

Panicky situation aggravates the conditions, and everyone hoards invests in a commodity which creates artificial demands and inflation, or transfers the foreign currency to safe heavens. Expatriate stop

that state-owned business enterprises have a worth of \$119 billion. What is the harm if we pay off our debts by selling all the sick units? The benefit is we can save the debit servicing amount to 36% of the total national budget; low input will enhance the regional industrial competitiveness and the size of our export basket.

Expatriates should be given a market rate against their remittances which will discourage the hundi hawala. At least a 10b dollars effect may be experienced.

Housing societies have not only grabbed our green land bringing us on the verge of food insecurity but also dumped trillions. Had they invested in the industry, provided jobs to

We need proper legislation to cap the size of the houses for the Government officers and ministers.

even 1 percent of the total population; the genuineness of the declared amount is another big question every one of us knows. Out of a total of 2.4 million retailers, only 25000 are tax-payers that too in three big cities.

remittances. Concrete measures need to be taken to eliminate panic as a rudimentary step.

For a long period, we have been feeding our sick units by extracting the blood of the masses to meet the loss of those

Poor governance and irrationalities are countless. Illustratively, comprising 352 acres of Islamabad club worth more than Rs. 1000 billion rupees, just paying Rs. 27000 to the government, more or less the same loot is going on for other state holdings. The panicky situation has furthered the smuggling, hoarding, and stoppage of remittances by expatriates under the fear they might be frozen, like in the early 90s.



Alarm Bells Ring

Unfortunately, we are still not sensitized about the situation we are going to face after six months. We have given a lot of national assets and partial sovereignty as collateral to the creditors. Only a miracle can save us from the looming

white elephants. These assets have become liabilities that need to be privatized as early as possible. Only 44 SOEs can transform the economic landscape of the country. The total loss of these enterprises is said to be about 10% of the GDP.

And if these assets give 10% profit, its compound effect would be 20% of GDP (60 billion) dollars. It may be noted

millions, and scaled up the GDP. The prices of plots would also be in the affordable range of a common person. This investment could easily add about 20b effect to the national economy.

Gwadar and CPEC are the most immediate projects for FDI, but they, too, have become uncertain and politicized. Just

give confidence and mental security to the investors. We have to do nothing but make the existing investors our marketers and see the results.

Amnesty scheme may be announced for the black dollars.

Allow the private sector to generate electricity by constructing mini dams. India overcame this by extroverts and getting the private sector on board.

Cuts in non-developmental expenditure and austerity is the utmost. The United Kingdom has only 45 state vehicles, and we have 150000. The non-combat defense budget may be reviewed without compromising the combat portion.

Circumstances demand a complete ban on luxuries and non-essentials. Another big spending on imports is our online shopping and spending while we are abroad.

Localization and technology transfer must be ensured while granting licenses for

Localization and technology transfer must be ensured while granting licenses for manufacturing to foreign entities like India.

manufacturing to foreign entities like India. Had the foreign companies promoted indigenization, today they were not suffering from important issues. There is no check on the price and transfer in Pakistan.

Smuggling should be eliminated with iron hands. No mercy



should be for the smugglers damaging the industry, national exchequer, and sovereignty.

Expansion of the tax net is a must if we wish to avert the default. At least 20 million new payers should be brought into the tax net instead of extracting the existing tax-payers over and over. It must be coupled with ease of doing business, minimizing departmental cognizance.

After land, gold is the commodity wherein we have dumped the money. The time has come to introduce the 16-carat gold in Pakistan. Both gold and real estate need solid and revised policies.

Ban functions of more than 50 people is a win-win situation for all. The money can be given to our daughters or sons despite lavish spending to show off. Govt must ensure in their true letter and spirit to cap the spending on marriages.

Likewise, dowry must be declared a criminal offense

against the groom and his father. This is not an economic issue but also a social evil that has forced millions of daughters of the nation to turn their hair grey.

Pakistan stands nowhere on the global indexing of productivity. We have to double the productivity in one year through efficiency and effectiveness.

We need to come out of the pressure not to buy cheap oil from Iran and Russia. Our total import bill of petroleum is 23.4 b; a 15% discount means a saving of 3.5b.

We need proper legislation to cap the size of the houses for the Government officers and ministers. Dwelling in homes of acres is a mockery to this poor nation, the majority of which lives under the poverty line.

These are the measures we can derive immediate economic relief and can avert the default for sure. Only a strong will is needed to execute them.



The author is a freelance writer and Secretary General PAAPAM.



Economic Potential of Ports

Seaports are crucial in providing opportunities for economic growth, enhancing regional development and contributing to Pakistan's GDP.

Dr. Anjum Sarfraz

Seaports are a vital component of a country's economy as they serve as gateways for international trade and commerce. They play a critical role in facilitating the movement of goods and commodities across borders and connecting countries to the global market. Seaports provide an essential infrastructure for the transportation and handling of raw materials, finished goods, and other products.

Countries that have developed seaports equipped with advanced equipment and technology can efficiently handle cargo, thereby providing a competitive edge in global trade. These ports also act as a source of employment, generating jobs for the local population and attracting investors to establish industries in their vicinity. Seaports

are crucial in providing opportunities for economic growth, enhancing regional development and contributing to the national GDP.

Pakistan, with its long coastline of over 1001 km, has significant potential to develop its seaports to bolster its economy. Karachi port, operated by Karachi Port Trust (KPT) since 1887, is one of the busiest and most important seaports in the region. The port serves as a hub for trade between Pakistan and other countries, including China, the United States, and the United Kingdom. Additionally, the port of Bin Qasim and the newly built Gwadar port offer enormous opportunities for growth and development.

Seaports play a crucial role in the economic development of Pakistan, given the country's vast coastline of over 1001 km. With the right investments and strategic planning, seaports can be a significant driver of growth and development in Pakistan. Here are some ways seaports can contribute to Pakistan's economic development:



Firstly, seaports can help boost Pakistan's international trade by providing an efficient gateway to the global market. By upgrading the existing ports and building new ones, Pakistan can significantly increase its import and export trade volume, providing a much-needed boost to its economy.

Secondly, seaports can create numerous employment opportunities for the local population. The development of seaports can lead to the creation of jobs in areas such as port operations, logistics, shipping, and related services, thereby improving the livelihoods of the local population.

Thirdly, seaports can attract foreign investments and stimulate industrial growth. The presence of well-developed ports can encourage foreign investors to set up industries in the vicinity, which can leverage the port's infrastructure for importing raw materials and exporting finished products.

Fourthly, seaports can contribute to the development of other sectors such as tourism, hospitality, and transportation.

The presence of modern and efficient ports can attract tourists and boost the hospitality industry, while also improving the transportation network and connectivity. It has two wharves, West and East, which have 33 berths including 3 oil piers. Ships up to 13.0m draft can be berthed. Out of these five on West and six on East wharves have been given

The presence of modern and efficient ports can attract tourists and boost the hospitality industry, while also improving the transportation network and connectivity.

on lease to Terminal Operators, Karachi International Container Terminal (KICT) and Pakistan International Container terminal (PICT) following Land Lord Port Strategy.

The recently built extension of Karachi port at South Wharf has

quay wall of 1500 m which can dock mostly container ships up to 16m draft. It is operated by South Asia Pakistan Container Terminal (SAPT) equipped with state of the art cranes and is completely computerized to handle containers.

Cargo handling capacity of KPT is 125 million tons for all types of cargo, including 4.1 million containers. Last fiscal year, it handled 52 million tons. It has much more capacity to handle cargo. Railway share to lift cargo is only 5% which needs to be increased. As the port is located at the center of the city, it is causing traffic congestion in Karachi especially in the vicinity of port area because of movement of cargo.

It is also hampering the operation of the port. In the past three years it has handled, 229,205 containers as transit cargo for Afghanistan, 139 for CAR states and nil for China. It has handled very less volume of transshipment cargo although South wharf has 16m draft and state of the art facilities. It is mainly because of its location away from the main shipping routes. The railway is actively considering the Dedicated Freight Corridor (DFC) to

increase the lifting of cargo from KPT.

A feasibility study is being carried out to establish rail links of Karachi port terminals with Pipri on Public Private Partnership (PPP) to take cargo on rail to Pipri. From there, the cargo can be taken upcountry on trucks and rail. It will increase the efficiency of the port & railway share and also considerably reduce the traffic congestion in Karachi.

Port Bin Qasim is also located in Karachi which is functioning since 1980. It has 18 berths, 16 are operated by the terminal operators. Maximum permissible draft is 13.0 m. It has cargo handling capacity 83 m tons where as it has handled 55.0m in fiscal year 2022.

It can handle all types of cargo including LPG, LNG and coal. It has taken the shape of energy hub of Pakistan. This port in the past three years has handled 23,360 containers for Afghanistan, 51 for CAR states, and none for China as a transit cargo, while the transshipment cargo was only 6415 containers which is nominal for such a big

port. Since this port is also not on the main shipping routes, therefore it has not been able to attract transshipment cargo. The volume of transit trade handled is also not impressive.

The Gwadar port has strategic location at the mouth of the Persian Gulf, just outside the Strait of Hormuz, in the proximity of main shipping routes. Its location is considered most suitable to operate as a transshipment hub. It is functional since January 2007.

The primary objective is to act as an alternate port of Pakistan, handle transit and transshipment trade of China, Afghanistan, and CAR state, along with facilitating the supply of cargo to the hinterland of Pakistan and the development



of Balochistan province, especially the Gwadar region. Its main features include quay wall of 602 meters (3 multipurpose berths including RO-RO), 100 m service berth, design depth 13.8 meters and alongside berth of 14.5 m.

However, the present average depth is 11.5 m. The backup area is 383,000 square meters, sufficient to stack the cargo for transit, transshipment, and other purposes. The Port of Singapore Authority (PSA) was the first Concession Holder to operate the port from Feb 2007 to Feb 2013.

It handled only 162 ships in 6 years. The second Concession Holder for port operations from Feb 2013 till to date is China Overseas Port Holding Company (COPHC). It has handled 223 ships in 9 years till June 2021. Total transit cargo handled for Afghanistan in the years 2020 and 2021 is 110355 tons and nil for China and Car states. This port has not yet started handling Transshipment cargo.

The sea ports in Karachi have hinterland connectivity by





eastern route by motor way / express way to Burhan interchange. From here for Khunjerab pass there is motor way/ express way up to Mansehra. Here on ward up to Khunjerab Pass via Gilgit, either it is a two-lane road or a two-way dual carriageway. In short from Karachi up to Khunjerab Pass 22 wheeler trucks can utilize the road connectivity.

Similarly, from Karachi up to Khyber Pass the road network is

road with the neighbouring countries through western route via Quetta, DI Khan and Burhan interchange to Khunjerab and Khyber passes.

However, volume of transit trade handled by the three ports is very less as already stated. Our government needs to actively pursue the governments of China, Afghanistan, and CAR states for the handling of their trade through Pakistani ports.

The route is much shorter and our ports are well equipped and have the capacity to handle their trade.

Moreover, the security conditions in Afghanistan have much improved.

available for the 22 wheeler tucks up to Khyber Pass via Burhan interchange. These ports have rail connectivity up to Havelian and Peshawar from here the cargo can be transported by trucks to Khunjerab and Khyber passes. Gwadar port has connection by

Gwadar port has right location to operate as a transshipment hub. Containers shipped from the Far East, Red Sea, and African countries on the bigger ships destined for the Gulf countries and other regional ports can be unloaded here and shipped on feeders to these ports and vice versa.

However, to make Gwadar port functional for transshipment, the channel depth is required to be increased to the designed depth 14.0 m. Functioning of the Special Industrial Zone at Gwadar may be done on priority. State-of-the-art cranes and associated equipment need to be installed by the concession holder.

Moreover, the telecom network, especially Wi-Fi needs improvement in the Gwadar area. The ports in the vicinity of Gwadar, like Salah, Sohar, Duqm of Oman, and Jebel Ali of UAE are likely to give tough competition, which can be overcome by offering ease of business and competitive rates.

Ports in Karachi and Gwadar have capacity, are sufficiently equipped, and connectivity with China, Afghanistan, and CAR states to handle their cargo. The government needs to actively negotiate with these governments to handle their trade. Gwadar port has right location in the proximity of shipping routes to operate as a transshipment hub.

However, dredging of the channel by Gwadar Port Authority, and to install state of the art equipment by the Concession Holder, COSCO needs to be done on priority. The increased operations of ports will certainly enhance the economy of Pakistan in addition to creation of jobs which are also a dire need in the present economic conditions.

By upgrading the existing ports and building new ones, Pakistan can significantly increase its import and export trade volume, providing a much-needed boost to its economy.



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The Blue Solution

There are broadly six sectors in Blue Economy valued at \$24 trillion while it is credited for generating one out of ten jobs in the world. Unfortunately, Pakistan has not been truly focusing on its maritime possessions

Reema Shaukat

The government of Pakistan has been striving to strike a deal with the IMF, seek loan from friends and put economy on the track. As yet, all the paths seem to be embedded with hurdles but the government is hedging its bet against default. It seems we have missed many boats and one of them is taking advantage of our marine resource abundantly available in our south.

Pakistan is blessed with an over 1000 km long coastline, 240,000 sqkm Exclusive Economic Zone (EEZ), 50,000 sqkm Continental Shelf (CS), and a vibrant coastal community. The geographical location of Pakistan is also a significant aspect of our strategic paradigm, which offers the shortest route to the Indian Ocean for Central Asian Republics, Afghanistan,

and western parts of China through Karachi and Gwadar ports, presenting great potential for development at national and regional levels.

Human existence is inherently linked with oceans and seas. The growing world population and increasing food and energy demands coupled with diminishing land resources have persistently compelled the human race to explore alternate measures for our sustenance and economic development. Oceans are a vital resource of our planet Earth, containing countless marine species and vast sea bed possessions. Reliance on oceans has led to diverse economic interactions which are termed as the blue economy, covering commerce activities focused on prudent exploitation of ocean-based resources.



Besides being the cheapest medium for the transportation of goods, oceans contribute to the world's economy through tourism, fishing, renewable energy production, aquaculture, and seabed resources. The concept of blue economy is increasingly adopted by developed nations for sustainable growth. There are broadly six sectors in Blue Economy valued at \$24 trillion while it is credited for generating one out of ten jobs in the world. In 2010, the Blue Economy was globally valued at approximately \$1.5 trillion which is expected to surpass \$3 trillion mark by year 2030.

Unfortunately, Pakistan has not been truly focusing on its maritime possessions. According to National Institute of Oceanography (NIO), over 16,650 million barrels of oil equivalent gas resources exist within Pakistan's maritime area. International Seabed Authority (ISA) evaluation indicates that Pakistan's continental shelf is in possession of approximately \$14,000M worth of untapped oil and gas reserves. Similarly,

according to another study by ISA, approximately 4.4M tons of deep-sea mineral deposits potentially exist in country's Continental Shelf. While enjoying sovereign rights over the resources within EEZ, we have remained oblivious of their potential.

Karachi, Bin Qasim and Gwadar are the three ports of Pakistan. Karachi and Bin Qasim ports are capable of berthing vessels up to 75,000 Deadweight Tonnage (DWT). Currently, Gwadar port can house vessels up to 50,000 DWT. Located in the vicinity of strategically important chokepoint of Strait of Hormuz, it can become the hub of national economic development and efficient route for world markets via transit and trans-shipment trade.

The port has a potential of 88 berths and a capacity to anchor

ships up to 200,000 DWT. Gwadar serves as sea component of CPEC and the projects conceived under CPEC around Gwadar are expected to yield tremendous benefits to our maritime industry. Likewise, the success of CPEC rests upon successful operation of Gwadar port.

Over 95% of Pakistan's trade is via the sea. The country has just

In 2010, the Blue Economy was globally valued at approximately \$1.5 trillion which is expected to surpass \$3 trillion mark by year 2030.

14 merchant vessels as national flag carriers. Consequently, we pay approximately \$5 billion per annum in the form of freight charges to the foreign flag carriers. Pakistan's contribution in shipbuilding and repairing is solely limited to Karachi Shipyard and Engineering Works

(KS&EW) with its capacity limited to 26,000 DWT which is considered far less as compared to other shipyards in the region.

Due to immediate proximity to Gulf SLOCs, approximately 21 million barrels of oil pass through EEZ of Pakistan on daily basis with annual traffic of

lagged behind in its capacity owing to negligence. As of year 2020, 630 ocean-going commercial vessels were sold to scrap yards. Out of these, 446 (90% of total gross tonnage dismantled) vessels of different categories were broken down on three beaches in South Asia; 203 in Alang, India, 144 ships in

Given our fragile economic health, pragmatic solution to our economic challenges is the need of hour. Perhaps answer lies in diversifying the economy and exploring new avenues for sustainable economic development. There is a dire need to understand the significance of Blue Economy.

Coastal tourism is also one of the fields that can be developed and exploited by Pakistan. We have two distinct coasts in the south astride Karachi.



23000 ships sailing close to our coast. This offers an opportunity to offer repair and maintenance facilities to these freighters. Pakistan has announced a plan to build a new shipyard in Gwadar primarily to extend repair and maintenance facilities to the vessels plying along these SLOCs.

Pakistan had one of the leading shipbreaking yards in the region at Gaddani. It has gradually

Chittagong, Bangladesh and only 99 at Gaddani.

Coastal tourism is also one of the fields that can be developed and exploited by Pakistan. We have two distinct coasts in the south astride Karachi. Sindh coast on the east is replete with mangroves and creeks forming a unique terrain feature not very abundantly found in the world. On our west coast some of the most exquisite beaches and

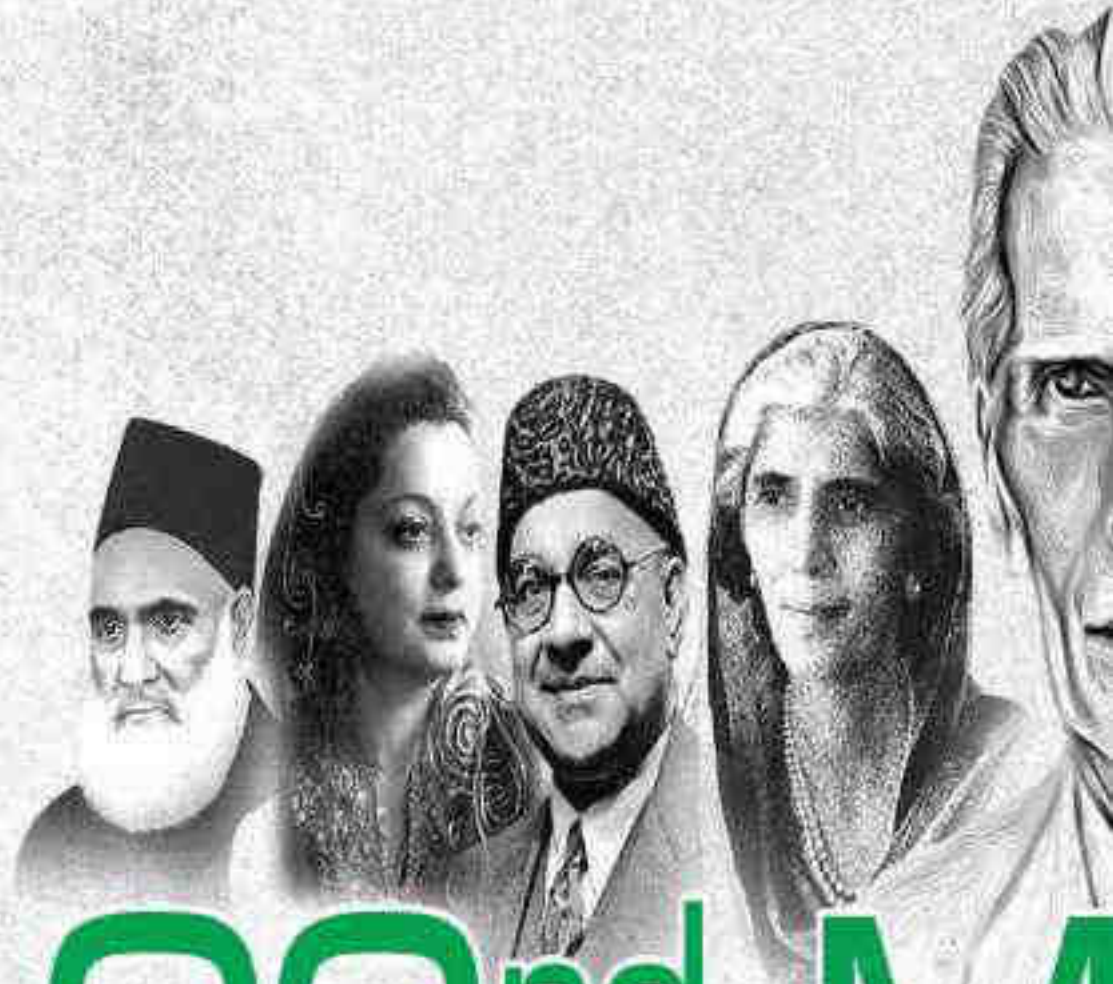
islands are still lying virgin. We can make use of them for generating revenue if the visitors are duly incentivised and encouraged.

First and the foremost requirement is to identify ends, ways and means for accruing speedy tangible benefits out of this vast resource.

A joint effort to grasp the essentials as well as dividends of the Blue Economy involving academia, non-governmental organizations, think tanks, entrepreneurs, educational institutions and above all public is but mandatory. The task is however not that humble as it requires massive efforts and resources. It needs a firm resolve across the board while the government has the lead role in this but others are to serve as the propellants.



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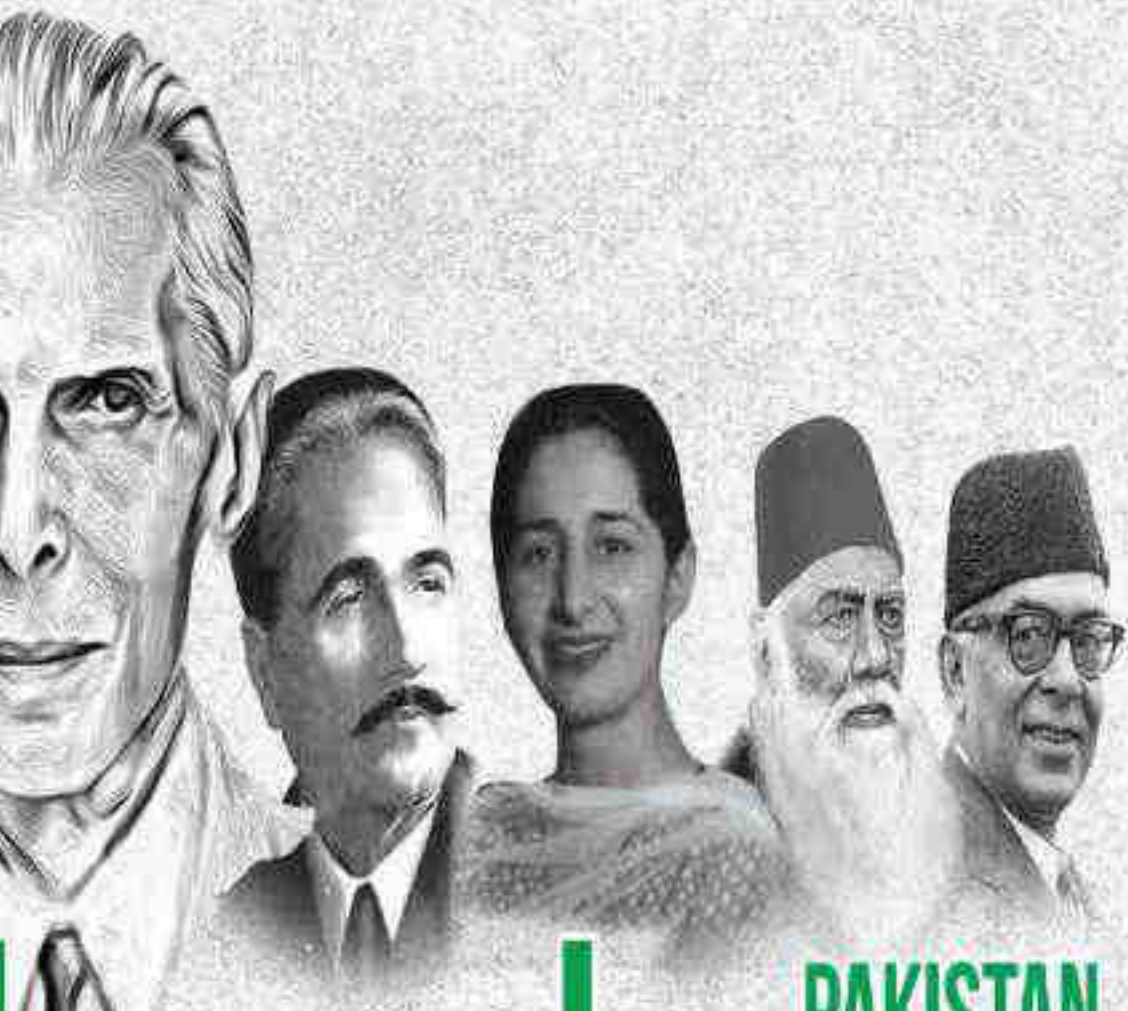
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"Organise the people economically and politically, and I am sure they will be accepted"

Quaid e Azam, 2

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...nically, socially, educationally,
...e that you will be a power that
...ed by everybody. "

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China: A Catalyst for Pakistan's Economy

China's relations with Pakistan have been characterized by sincerity, mutual trust, and a shared commitment to promoting regional peace and stability

Prof. Engr. Zamir Ahmed Awan

It is true that Pakistan's economy was among the fastest-growing in the region during the 1950s, 1960s, and 1970s. The country was seen as a model of development for many countries in the region, and its economic gains were admired and inspired other countries to learn from its success. It is also true that the focus on the Afghan war in the 1980s and beyond, as well as poor governance, lack of vision, planning, and sincerity, have contributed to the economic decay that has led to the current state of Pakistan's economy.

The Afghanistan crisis has had a significant impact on Pakistan's economy, with the country

bearing the brunt of the war's fallout. The unrest and war-like environment in the region have created instability and insecurity, making it difficult for Pakistan to attract foreign investment and conduct business. Additionally, poor governance and corruption have created a challenging business environment, discouraging both local and foreign investors.

Despite these challenges, there are reasons for optimism. Pakistan has a young and growing population, with a large pool of talented and educated workers. The country also has a strategic location, which makes it a vital hub for

trade and commerce. The government has also launched various initiatives to boost economic growth, such as the China-Pakistan Economic Corridor (CPEC) and the Digital Pakistan program.

China-Pakistan Economic Corridor - CPEC

China has been a key partner in Pakistan's development through the Belt and Road Initiative (BRI) and the China-Pakistan Economic Corridor (CPEC), which has already brought many benefits to Pakistan, including the creation of new jobs, the reduction of electricity shortages, and the improvement of transportation infrastructure.

Since its launch in 2015, China has invested around \$30 billion in CPEC and pledged around 72 billion. Several projects have already been completed successfully, while others are under execution satisfactorily. Many projects are still in the pipeline or planning stages, and it is expected that after the

connectivity and economic ties with other countries in the region. For Pakistan, CPEC is a way to improve its infrastructure and increase its economic activity, which could ultimately help reduce poverty and improve the standard of living for its people.

Indeed, the Chinese investment in Pakistan through the CPEC is primarily focused on commercial projects and infrastructure development. These projects have been designed to address the critical needs of Pakistan,



such as the shortage of electricity, inadequate transportation infrastructure, and limited internet

connectivity. The construction of power plants and the improvement of the electricity grid has had a significant impact on reducing load

shedding, which has been a significant challenge for Pakistan's economy and society for many years. Similarly, the development of highways, railways, and other transportation infrastructure has

boosted economic activity by reducing transportation costs, facilitating trade, and promoting tourism.

Special Economic Zones (SEZs) and industrialization are indeed a top priority for Pakistan under the China-Pakistan Economic Corridor (CPEC) initiative. The development of SEZs is aimed at attracting foreign investment and boosting economic growth by providing a business-friendly environment with tax breaks, streamlined regulations, and improved infrastructure.

The CPEC project also includes a focus on industrialization, which aims to establish a robust manufacturing sector in Pakistan. This is expected to create jobs, increase exports, and enhance economic productivity. The CPEC initiative also includes the development of infrastructure, such as roads, ports, and energy projects, which will support the growth of industry in Pakistan.

Regarding the Mainline-1 (ML-1) project, it is a crucial component of the CPEC initiative, as it involves upgrading and modernizing the railway infrastructure in Pakistan. The

The Afghanistan crisis has had a significant impact on Pakistan's economy, with the country bearing the brunt of the war's fallout.

completion of these projects, Pakistan's economy will see a significant improvement and be ready for take-off.

CPEC is a crucial part of China's broader strategy to increase its

ML-1 project is expected to improve transportation efficiency, reduce transportation costs, and facilitate trade between China and Pakistan. The project is also expected to create employment opportunities and contribute to the economic development of Pakistan.

Cooperation in Agriculture Sector

Basically, Pakistan is a traditional agriculture nation and around 60 percent of its population is living in rural areas, depending on directly or indirectly on agriculture. Agriculture contribute almost 70 of Pakistan's exports. Chinese assistance, technically and investment in Agriculture means prosperity of 60 percent of population of Pakistan. Furthermore. The impact of agriculture is instant and visible within a short span of time.

There has been a visible increase in agricultural products in Pakistan due to Chinese assistance and its export has also been witnessed enhancement.

The contract farming project between China Machinery Engineering Corporation and Sichuan Litong Food Group in collaboration with locals in Multan for the cultivation of Chinese chili varieties is a positive step towards promoting agriculture and increasing exports from Pakistan to China.

By increasing the yield and resistance to diseases of Chinese chili, Pakistan not only can increase its own agricultural productivity but also meet the demands of the Chinese market. This will not only help in earning

foreign exchange but also strengthen the economic ties between the two countries.

Pakistan is implementing a plan to reduce its dependence on imported edible oil by cultivating a new hybrid canola provided by China's Wuhan Qingfa Hesheng Seed Company. The hybrid variety, called HC-021C, has several advantages over other canola plants, such as higher yields, more branches, a shorter fertility period, and lower heights, making it less

susceptible to wind damage.

Currently, the hybrid canola is planted on 80,000 hectares of land in Punjab and Sindh, and a bumper harvest is expected, which will translate into tens of thousands of tons of edible oil. The company aims to produce 130,000 tons of canola seeds in the next year, which will generate 49,000 tons of edible oil worth \$80 million.

This is part of a larger plan to develop the canola industrial chain through make-to-order partnerships with local refineries and farmers and by introducing China's advanced harvesting

and pressing technologies. Pakistan currently imports around \$3.6 billion worth of edible oil, accounting for 89% of the nation's total supply. By cultivating the new hybrid canola and developing the canola industrial chain, Pakistan aims to gradually increase its cultivation area and achieve self-sufficiency within a few years,



which will save billions of precious foreign exchange.

China has provided assistance to

As a friend and neighbour of both Iran and Saudi Arabia, Pakistan stands to benefit from the normalization of relations between the two countries.

Pakistan in various aspects of agriculture, including improving the quality of seeds and developing new varieties, pre- and post-harvest technologies, modern farming techniques, treatment, storing and packaging technologies.

This assistance has helped to improve Pakistan's agricultural productivity and strengthen its food security. Additionally, China and Pakistan have also established joint ventures in the agriculture sector, such as in the production of hybrid rice, which have further contributed to the development of Pakistan's agricultural sector.

IT Sector

Furthermore, the laying of optical fiber linkages has created new opportunities for Pakistan's IT sector to expand and become more competitive. This, in turn, has enabled the country to enhance its exports and increase its foreign exchange earnings. All of these projects have a direct and

international financial institutions.

Livestock treatment

China has assisted Pakistan in establishing a laboratory for Foot-and-Mouth Disease (FMD) and that it has helped Pakistan to gain a foothold in the international meat market. FMD is a highly contagious viral disease that affects livestock, and having a laboratory to diagnose and control the disease is essential for any country that wants to export meat.

Pakistan has a large population of livestock and is known for its animal husbandry, but the lack of facilities to meet export standards has been a hindrance

leading to further economic growth and development.

Higher education destination

China and Pakistan share a strong bond of friendship and cooperation, which is based on the principles of equality, mutual benefit, and mutual respect. China's commitment to these principles has been a cornerstone of its foreign policy, and it has been demonstrated through its consistent efforts to deepen its relations with other countries around the world.

China has become a popular destination for Pakistani youth seeking higher education opportunities, and many

For Pakistan, CPEC is a way to improve its infrastructure and increase its economic activity, which could ultimately help reduce poverty and improve the standard of living for its people.



positive impact on the lives of the people of Pakistan, creating jobs and increasing their access to basic services and infrastructure.

The objective of the Chinese investment in Pakistan is to promote economic development and create wealth for both countries. The CPEC project has been designed to serve as a catalyst for Pakistan's economic growth and to help reduce its dependence on borrowing from

to its ability to export meat. With the establishment of the FMD laboratory, Pakistan can now ensure that its meat meets international standards and is safe for export.

Exporting meat can bring in significant foreign exchange for a country, and it's great to see Pakistan benefiting from this development. I hope that this will encourage other countries to invest in Pakistan's agriculture and livestock sector,

Pakistani students are currently studying in China in various fields. It is also true that China and Pakistan have maintained a close relationship, which has been characterized by mutual cooperation and support.

Global peacemaker

It is known fact that China has never imposed sanctions on Pakistan or interfered with its internal affairs, it is important to note that the relationship



between the two countries is not without its challenges.

China's relations with Pakistan have been characterized by sincerity, mutual trust, and a shared commitment to promoting regional peace and stability. This has been reflected in China's consistent support for Pakistan's economic and social development, as well as its efforts to promote peace and stability in the region. In return, Pakistan has shown immense goodwill towards China, which is reflected in the results of the Pew survey.

Pakistan has played an important role in bridging relations between China and the Muslim world. The invitation of the Chinese Foreign Minister to attend the meeting of Foreign Ministers of OIC in Islamabad and the visit of Chinese President Xi to Saudi Arabia and the Middle East are examples of Pakistan's efforts to strengthen ties between China and the Muslim world.

The peace deal between Saudi Arabia and Iran, brokered by China, is a positive development that can have a significant impact on the stability, peace, and economic development of

the entire region. Both Saudi Arabia and Iran are rich in natural resources, especially energy, and have the potential for economic development.

As a friend and neighbor of both Iran and Saudi Arabia, Pakistan stands to benefit from the normalization of relations between the two countries. This could lead to increased trade and investment opportunities for Pakistan, as well as greater regional stability and security. Pakistan must continue to play a constructive role in promoting dialogue and cooperation among all parties in the region.

It is utmost desired that policymakers need to be smart, visionary, and open-minded in order to make informed decisions that benefit the country and its people. It is also important for policies to be regularly reviewed and updated to reflect changing geopolitical circumstances.

With regards to China, it is important to note that while it is

a major economic power, technically well-advanced, sincere, and politically well-aligned with Pakistan. It is up to the policymakers of Pakistan to weigh the benefits and risks of a closer relationship with China and make decisions that best serve their country's interests.

Finally, it is important for policymakers to be aware of the potential impacts of their

With regards to China, it is important to note that while it is a major economic power, technically well-advanced, sincere, and politically well-aligned with Pakistan.

decisions on the wider geopolitical landscape and to work towards creating a stable and peaceful global order, enabling the revival of Pakistan economy.



The writer is the Founding Chair GSRRA, Sinologist (ex-Diplomat), Editor, Analyst, and, Non-Resident Fellow of Centre for China and Globalization.



Washington: Pakistan's ambassador Masood Khan hoists the flag on Pakistan Day.



Paris: Ambassador of Pakistan & Permanent Delegate to UNESCO H.E Asim Iftikhar Ahmad



Tokyo: Pakistan's Ambassador Raza Bashir Tarar on National Day reception



Beijing: Ambassador Moin ul Haque celebrates the Pakistan Day.



Vienna: H.E. Aftab Ahmad Khokher, Ambassador, Permanent Representative celebrates National Day of Pakistan.



Ottawa: The High Commissioner of Pakistan H.E. Zaheer Aslam Janjua on Pakistan Day



A delegation of top french business School, Rennes School of Business, visiting Pakistan



Prague: Ambassador Muhammad Khalid Jamali hoists the flag on National Day



Singapore: High Commissioner Ms. Rukhsana Afzaal hoists the flag on Pakistan Day.

28 شعبان المعظم
21 مارچ 2023
سے باقاعدہ آغاز



وزیراعظم رمضان ریلیف 2023

بڑا فائدہ
کھری

بنیادی اشیائے ضروریہ
کی قیمتوں میں
خصوصی کمی

19

سہولت

اصل قیمتوں پر بنیاداً کسی کارڈ دیکھ کر
فی خاندان رعایت ملی جائے گا۔

شفافیت

خریداری کے بعد الیکٹرانک
ریسیڈ لینا پھولیں۔

صعیار

تمام اشیاء پر PESCA
کی قیمت صعیار کی تصدیق

اس کے علاوہ
سینکڑوں دیگر اشیاء
پر خصوصی رعایت

دیگر صارفین کیلئے

گھی 490

چینی 91

آٹا 648

دودھ 30

چائے 100

دالیں 20

کونکد آٹا 25

جاوے 20

پنسلن 50

کھجور 50

مشروبات 30

مصالحہ خورد 10

BISP رجسٹرڈ صارفین کیلئے

گھی 300

چینی 70

آٹا 400

جاوے 20

پنسلن 50

کھجور 50

مشروبات 30

مصالحہ خورد 10