



Press Release—Day I

Two-Day National Conference

Roadmap for Economic Growth of Pakistan

October 22-23, 2014

Speakers call for macro-economic measures to achieve economic growth and human development

Scholars at a national conference on “*Roadmap for Economic Growth of Pakistan*” that was organized by the Islamabad Policy Research Institute (IPRI) in collaboration with Hanns Seidel Foundation (HSF), Germany, at Marriott, Islamabad on Wednesday emphasized the need and a comprehensive strategy to face the challenges to the economy of Pakistan. The objective of the conference was to generate a healthy discussion on the subject and evolve practical recommendations to overcome the challenges which economy of Pakistan was facing and to get benefit of emerging opportunities in region and global level.

In his welcome address, Ambassador Sohail Amin, President IPRI, after welcoming the distinguished guests, remarked that the timing of this Conference was also very appropriate since all Pakistanis remained focused on the measures being taken by the government for economic development of Pakistan. Ambassador Amin further said that Pakistan was an important South Asian country with a vibrant society of 180 million people. To become an internally strong democratic welfare state and play an important role for peace and development in the region, Pakistan needs a well progressing economy.

Mr. Kristof Duwaerts, Resident Representative Hanns Seidel Foundation (HSF), Germany, applauded by saying that Pakistan’s economy had always been resilient but at the same time concerted efforts were needed in terms of inclusive approaches by incorporating all components of the society into economy.

Dr. Asad Zaman, Vice Chancellor PIDE, the chief guest of the conference said: the term “economic growth” does not necessarily mean bringing poverty down rather it has to focus and

invest on overall human development. He maintained that if poverty had to be tackled, the poor needed information about health, education and priorities etc. Dr. Zaman suggested community based development for a country like Pakistan.

Dr. Imran Sharif Chaudhry, Department of Economics, Bahauddin Zakariya University, Multan, talked about “economic performance in recent past”. He deplored that Pakistan stood 146th on Human Development Index (HDI) in 2014 coupled with miserable Foreign Direct Investment (FDI) over the years. At the same time he appreciated Pakistan’s economy as it did not get affected by recent global recession. In terms of remittances, Pakistan stands second in South Asia.

Dr. Vaqar Ahmed, Deputy Executive Director, Sustainable Development Policy Institute (SDPI), Islamabad read his paper on “fiscal challenges and response”. He identified issues with tax regime that harmed Pakistan. Likewise, Pakistan kept on exempting some sectors under SROs which did not serve the country. Sheer lack of statistics complicated fiscal management in Pakistan. He suggested agro-tax by taxing big farmers in the country.

Dr. Naheed Zia Khan, Dean Faculty of Arts and Social Sciences, Fatima Jinnah University, Rawalpindi talked about “problems and prospects of foreign direct investment”. She opined that despite lot of leverage to foreign investors available in Pakistan, FDI could not be attracted in the country.

Dr. Rehana Siddiqui, former Joint Director, PIDE, Islamabad spoke on “meeting the energy requirements”. Dr. Ashfaq Hasan Khan, Principal and Dean, School of Social Sciences and Humanities, NUST, Islamabad, spoke on “what ails Pakistan’s public finances”. He said that targeting revenue had become an irrelevant budgetary exercise due to the faulty budgetary making exercise. He suggested enhancing the current tax authority which lacked technical capabilities at present. Also, the existing practice of treating revenue as residual must be reversed.

Dr. M Arshad, Dean Faculty of Agriculture, University of Agriculture, Faisalabad, gave his presentation on “strategies for enhancing agricultural growth and food security”. He opined that probably agriculture was the only sector which had contributed in the economic growth. It also provided the food to ever increasing huge population in the country. He warned that the rapid climate degradation/changes would have severe impacts on the production of agriculture in Pakistan. Dr. Arshad also deplored that the seed production was the most ignored sector in Pakistan.

Press Release—Day 2

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Scholars emphasize on human capital and industrial growth

Ambassador Sohail Amin, President, IPRI, in his vote of thanks stated that the two days of conference were full of sharing, inspiration and renewal of commitment to proactively working for contributing towards fast tracking development of Pakistan's economy.

Prof. Dr. Eatzaz Ahmad, Acting Vice Chancellor, Quaid-i-Azan University, Islamabad, graced the occasion as chief guest in the concluding session of the conference. He said that despite being under-developed, the standards of living of people have improved. He suggested that for economic growth and development, more coordination is needed in management of goods and financial institutions.

Dr. Bashir Ahmed Khilji, Head of Economics Department, Preston University, Islamabad, presented his paper titled, "Undertaking Structural Reforms and Reform of Public Sector Enterprises." He emphasized that keeping in view the popular concept that state intervention and public enterprises were misappropriation of resources of the economy, like other countries of the world, public enterprises were also privatized in Pakistan. Since late 1970's up till now all the governments tried their best for privatization of PES in all their five years and annual development plans.

Prof. Dr. Allah Bakhsh Noon, Dean Faculty of Agri. Engineering and Technology and Director, Water Management Research Centre, University of Agriculture, Faisalabad presented his paper on "Impact of Water Management and Climate Change on Economic Growth." He said that Pakistan was the state most vulnerable to climate change facing glacier retreats, floods, droughts and rise in temperature of 2 degree Celsius by 2050. Moreover, climate change could reduce rice yields from 8 to 30 percent and wheat yields from 6 to 19 percent, increasing poverty by 6 percent by 2050, which stipulates adaptation of farming packages including new crop varieties.

Associate Prof. Dr. Bushra Yasmin, Chairperson, Department of Economics, Fatima Jinnah Women University, Rawalpindi, shed light on the subject of "Tapping the Human Capital." Tracing the history of human capital, Dr. Yasmin, said that the treatment of human capital as endogenous factor had long been introduced by growth theorists; Romer (1986) and Lucas (1988) as human capital embodies scientific knowledge and skills entailing endogenously

determined persistent economic growth. She recommended that tapping the human capital in Pakistan by stimulating investment in human capital was the dire need of time. The budgetary allocation on the education as percentage of Gross National Product (GNP) had remained very nominal, i.e., around 2 percent only in the current decade.

Dr. Usman Mustafa, Head, Department of Business Studies & Chief, Training and Project Evaluation Division, Pakistan Institute of Development Economics (PIDE), Quaid-i-Azam University Campus, Islamabad, presented his paper on “Appropriate Development Strategy and Role of Private Sector.” He stated that economic planning was, basically, the responsibility of the government but the private sector also had to contribute through informed policy inputs and implementation strategies. Private sector played pivotal role in the growth process of an economy.

Prof. Dr. Ather Maqsood Ahmed, Head, Department of Economics, NUST Business School, Islamabad, made his presentation on “Tapping Potential Sectors of Growth.” He stated that after a dormant period of nearly 30 years since the appearance of the Swan-Solow Model in 1956, the growth literature had resurrected with a bang. He recommended that the agriculture sector had the potential to grow, provided there was investment in human capital and appropriate technology was acquired and used.

Prof. Dr. Abdul Saboor, Chairman Department of Economics & Agricultural Economics, Arid Agriculture University, Rawalpindi, presented his paper on “Significance of Trade and Regional Economic Integration.” His presentation highlighted significance of trade and regional economic integration with special reference to Pakistan and South Asia. He said that the literature on regional economic integration identified several economic benefits including high growth rate for the countries involved in regional economic cooperation. But trade and financial flows through illegal channels from neighboring countries posed serious challenges for Pakistan’s economy.