

Ways to industrialise

Thus refers to the news story, 'FPCCI demands 'industrial amnesty' for export-oriented sectors' (June 27). The government needs to go back to the drawing board and revisit the eras of the 1950s and 1960s. The erstwhile PIDC was set up to spearhead industrialization at the time as the private sector was shy of investing in manufacturing activity owing to the risk factor – large investment and longer gestation period. Not only did the PIDC establish manufacturing units, later on it divested and handed over to the private sector after a couple of years of successful operation. It also served as a confidence-building measure for the private sector to come forward and set up manufacturing facilities on their own. The divestment funds were ploughed back by the PIDC into investment in new units. In the pursuit, the former IDBP (Industrial Development Bank of Pakistan) played a pivotal role in offering long-term soft financing. There has been deindustrialisation in the country during the past five decades due to a number of factors. Entrepreneurs have preferred trading and real-estate to manufacturing owing to less investment and quicker generation of profits.

This is the time to regain trust and provide an enabling environment to entrepreneurs for faster industrialisation. But the government will have to play a dominant role in the initial years to jumpstart manufacturing activity, especially the setting up of heavy/capital goods industries or those requiring sophisticated technology. It is silly to leave everything to the private sector and expect it will deliver what is required. Let's replicate what the PIDC and IDBP did during the earlier years and the private sector will follow suit.

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