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KCFR holds webinar on 'Stabilizing the Economy through Realistic Reforms'

KARACHI: A webinar titled 'Stabilizing the Economy through Realistic Reforms' was held on 20th Aug by the Karachi Council on Foreign Relations (KCFR).

KCFR chairman Ikram Sehgal introduced the guests Dr Abdul Hafeez Shaikh, Finance Adviser to the Prime Minister as the plenary speaker and Dr Rashid Amjad, Director of Graduate Pakistan Institute of Development Economics, who shared his views on Pakistan's economy.

Dr Abdul Hafeez Shaikh said when this government took over, there were bad signs bordering on crisis. With both external and domestic front difficulties and Pakistan was unable to merge with the international economy. To avoid complete default bold decisions were taken. Government expenditures were cut down, i.e. salary of cabinet members, other senior officials, etc. This started having good results, the tax side was moving at about 7 percent per year, so we were headed for a 4.5 - 4.7 trillion revenue collections.

Hafeez said in the two years we paid Rs 5 trillion on loans that were borrowed earlier. Because of our policy of curtailing imports and increase exports the current account deficit came down from 20bn to only 3bn. IMF lauded us for our success and WB listed us among top 10 performers for reducing cost of doing business. He said Rs 1241 billion stimulus package was started and more than 16 million families were given Rs 12000 support each which helped sustain them through this period.

The adviser said 1.3 million jobs were safeguarded from shutdown. Small entrepreneurial programme was started in construction industry that gave massive concessions, etc. All this was done to generate economic activity.

This government trying to help people and many initiatives were taken. Cement sales increased 33 percent, petrol and diesel consumption 10 to 15 percent increased by 55 percent, fertilizer sales by about 22 percent, tractor sales have also risen, remittances were \$2.8 billion, highest in history while FBR collected Rs300 billion in July which is 23 percent higher than their internal target. But we have to build on this, Hafeez added.

Dr Rasheed Amjad said from 1950 to 1980, Pakistan was among the ten fastest growing economies, but during last 30 years macroeconomic stability was not achieved. Economies like Bangladesh have a higher per capita GP in dollar terms as also in purchasing power parity, similar India has almost double that compared to us.

Amjad said he did not want to blame past govts, there was no other way out but the IMF. He said the economy has now started to show positive signs of stabilizing. He said it is good that the govt and establishment are on the same page and this is a good omen.

Concluding, Ikram Sehgal thanked the Hafeez Shaikh and Dr Majeed Amjad. Unshackle the economy is the central thing. One thing there is lack of intention in KE and something must be done about it drastically.

If Karachi works then Pakistan will work. Things that are required for the people of Pakistan are held up, these must be brought to the notice of the Prime Minister.