

Regulating new industries for a better economic outlook

Since our nation's existence, Pakistanis have been in a constant 'state of demand' with the governments for the very basic rights, i.e., proper transportation system, quality education, uninterrupted supply of electricity, clean drinking water, proper healthcare, etc. Unfortunately, our governments have consistently failed to provide us with these basic rights.

This time, when a fresh government took charge, generally people from all walks of life had reasons to rejoice or at the very least take a sigh of relief. Urbanites were especially excited in their belief that a clean, performance-oriented and progressive government would create a better environment for foreign direct investment (FDI) to flow in and revive an ailing economy.

FDI is just one part of the grand revival; overall an ecosystem with competitive players willing to provide an environment where even our local entrepreneurs are encouraged, trained and facilitated so they can make a positive impact upon society and themselves.

The recent case regarding Sindh Minister of Transport's talk on banning ride-hailing services quickly grown into the talk of the town. How could a government calling for an open economy and ease of doing business be so harsh towards a disruptive technology which has provided convenience to thousands and livelihoods to many? Thankfully, sanity prevailed after a tirade of abuse from social media users, talks began between the Sindh government and ride-hailing companies for a more regulated industry.

But in waiting for an agreement between the two, news has come out that the federal government and the district administration in Islamabad has just passed an interim licensing framework for the ride-hailing service providers.

The conditions of the devised framework are pleasantly very business-friendly and even progressive. It is indeed a big achievement for both the stakeholders as they have managed to add a new ambit to the existing list of regularized industries in the country. This framework will hopefully help both the sides; the government will be able to duly regulate the industry and it will also promote the investors in the sector to operate with confidence.

It is expected that this solution, currently valid for the capital only, after the process of compliance will be tabled in the Parliament to become a nationwide law as part of the Motor Vehicle Ordinance (MVO) in Pakistan for its continued application.

This interim framework has the following rules, for which the ride-hailing companies have been given six months to comply with:

- * Vehicles will continue to remain private (no alteration to licence plate/registration book)
- * Permits will be issued in drivers or vehicle owners name (multiple partners can use the same car)
- * No restriction on the number of permits that can be issued
- * Vehicles are not required to display any identification marks
- * Drivers will have to get their vehicles physically certified by the Islamabad Transport Authority and pay an affordable fee for the (route) permit

The resulting permit will be valid for a period of up to 3 years once issued.

Users of these services and the industry alike hope to see this framework being replicated by other provinces as well rather than just directionless statements. Also, in the federal government's recognition of this new industry, let's hope the government regains the trust of these foreign companies which deemed Pakistan a viable market for their businesses.

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