

## **Ease of Doing Business Index: Pakistan goes down to 147th rank**

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Pakistan's ranking in the Ease of Doing Business Index has consistently gone down from 105th in 2012 to 128th in 2015 and stands at 147th in 2018 among 190 countries. The government has put into implementation a countrywide Ease of Doing Business Reform Strategy 2016 with time bound measures to strengthen the business climate and foster private investments. However, Board of Investment (BOI) with leading role could not implement the strategy properly.

A two-member World Bank team on Ease of Doing Business was briefed in April 2018 by BOI that 85 percent of the reform actions planned for improving business climate were been met.

The meeting of BOI Board - the top decision-making forum responsible for taking major business-related decisions chaired by prime minister - has not convened a single meeting of the board during the last five years. The foreign direct investment (FDI) remained low during the last five years and this can mainly be attributed to lack of interest by previous prime ministers who did not call a single meeting of BOI board in five years except undertaking foreign trips along with BOI chairman.

According to an official of BOI, Pakistan is now targeting a position among the top 50 countries in the Ease of Doing Index. Recently, the caretaker government tasked the BOI to coordinate with the provincial governments for improving ease of doing business in the country. The scope of current work is limited to two provinces - Punjab and Sindh - but it is expected to be expanded to Khyber Pakhtunkhwa and Balochistan as well.

Sindh's performance is very important as it has a 65 percent weightage in the total results towards the ranking, while Punjab accounts for 35 percent. Improving Pakistan's business climate was one of the four core pillars of the International Monetary Fund's three-year Extended Fund Facility. In all its reports, the IMF highlighted the need for strengthening the business climate. Pakistani authorities were suggested for further business climate reforms.

According to website of Board of Investment, only one Bilateral Investment Treaty (BIT) was signed with Bahrain in 2014 in five years of PML-N government. A total of 48 BITs have so far been signed with various countries. Insignificance investment came in from Bahrain, an official of BOI said.

The 10 indicators being worked on for Pakistan currently are: starting a business; dealing with construction permits; getting electricity; registering property; getting credit; protecting minority investors; paying taxes; trading across borders; enforcing contracts; and resolving insolvency.

There are about 27 different interdependent agencies/departments, 7 at the federal level and 20 at the provincial level, which are relevant in the context of the 10 business indicators against which 190 countries in the world are evaluated. There was a dire need to have coordinated efforts to achieve the desired objectives. There was no single agency dealing with ease of doing business initiatives.