

### **How does PM look at economy?**

It is good to note that Prime Minister Imran Khan is quite familiar with the state of the economy. Addressing the members of All Pakistan Textile Mills Association (APTMA) in Lahore on 22nd December, 2018, he said that the government is committed to providing the industry an enabling environment for wealth creation for progress, reducing the current account deficit (CAD), alleviating poverty and adding to respect of the country in the comity of nations. In the past, somehow, Pakistan had developed a mindset that all wealth creation was bad and this perception still persists in the bureaucratic and political circles, hindering growth. We tend to confuse profit-making and profiteering. While the former is legitimate, the latter is bad. The two big leaders - Mahathir Muhammad of Malaysia and Sheikh Muhammad of the UAE - have told the PM the same thing. The Chinese have also praised the virtues of wealth creation. The government would also ensure that "the industry stays competitive in the world. If industry in other countries gets subsidised gas and electricity, so would the industry in Pakistan. If it is facing rebates and refunds issues, that would be solved. The government is currently facing some fiscal crunch and may not be able to solve all these issues in one go". Imran Khan also added that foreign countries see Pakistan and its potential differently. They see 220 million people as wealth and also know that once Pakistan is able to improve its governance system, it has immense potential. Foreign financial help could only be a one-time activity because it could fringe upon our sovereignty. Luckily, there are no strings attached to the money the country has received from friendly countries.

It is quite obvious that the Prime Minister was not supposed to cover all the aspects of the economy in detail due to time constraint but what he said in his interaction with the business community is quite relevant to the situation and makes greater economic sense. His main message was that the government would be prepared to provide all kinds of facilities to industrialists to make money and create wealth through legal means. In fact, Imran Khan has promised that the government will stand by the industry and expected the industrialists to help alleviate poverty, generate employment and spur economic. Such a commitment, in our growth rate is necessary due to the bitter experience of large-scale nationalisation of the 1970s and this belief still prevails in political and bureaucratic circles that accumulation of money is somewhat evil. Since PTI has come to power for the first time, such a clear commitment is necessary to assure the business community that the government would further facilitate their industrial activities and nationalisation of industry is out of question during its tenure. Since such an assurance has come from the top level of the government, this would give the needed confidence to investors to plan on a long-term basis. The Prime Minister also hinted at current account deficit (CAD) and the current budget deficit briefly so that the business community is aware of the constraints of the government in giving more concessions to the industry. It is also good to see that no strings are attached to the financial assistance/loans provided by Saudi Arabia, the UAE and China. Such an assurance is necessary in view of the rumours that there is no free lunch and Pakistan may have consented to some kind of conditions to get the direly needed money.

However, the Prime Minister seems to be very much impressed by the economic policies of Mahathir Muhammad of Malaysia and Sheikh Muhammad of the UAE and is probably prepared to follow their models of development. It may be pointed out in this connection that the policies of other countries cannot be replicated exactly owing to a variety of reasons. Imran Khan also sees 220 million people of Pakistan as an asset and a source of creating wealth, forgetting the fact that such an asset could also be a huge liability if most of the population of the country is not well-educated and properly trained, which is the case in Pakistan.