



H A B I B P U B L I C S C H O O L A L U M N I A S S O C I A T I O N

SUGGESTIONS FOR INCREASING ECONOMIC ACTIVITY IN PAKISTAN

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Pakistan is now at an important juncture in history.

With signing of peace treaty between Taliban and USA, events in the region are bound to improve in terms of socio-economic perspective.

The time is now to increase efforts in Pakistan for improving economic conditions quickly and without delay.

Before we delve into the heart of this article, a quick history lesson foretells that in Pakistan good laws were made to eradicate all unscrupulous activities, were available provide justice on all occasions but lost its credence in implementing the same.

So the key word on which depends our entire thesis is IMPLEMENTATION. If implementation objectives are met forth with many other concepts beside the one enumerated in this article can help bring Pakistan out of the quandary it finds itself in, at least economically.

Structured commerce and trade activities assist in implementing major economic development. Laws and procedures governing economic, trade, industry, investment and export must always be simple and their implementation quick. They must uphold importance and focus, over all other issues. However, to begin with, strong intervention is needed in following areas:

- i) Poverty alleviation through economic intercession
- ii) No-body is above law – Providing quick & economic justice to all especially common person/small businessman
- iii) Making basic education mandatory ensuring to develop national character

While concepts placed at serial no: 2 & 3 are very important, but here I am providing concepts to increase prospects at serial no: 1 which are elaborated in detail below.

Economic diplomacy must take lead in all major endeavours to be undertaken by Government. As a policy all other factors must follow economic dexterity for attaining success. This is the only solution to the existing mega issues confronting Pakistan today. Once economy starts its successive transition upwards, all other smaller issues will start to fall in place.

As a policy decision, emphasis should be made to restructure laws, rules, organizations and other major economic entities to ensure quick commercial gains. This would mean review, re-visit, re-name, merge major ministries, organizations and departments under the control of Government of Pakistan which play active role in economic development.

Simultaneously close down such entities which are pulling down progress or found to impact negativity in their working over a period of time.

Establishing linkages/bonds are also advised to be strengthened between all economic, finance Ministries so that quick decisions as well as immediate action is taken to bring relief in all economic sectors. All such ministries/ Departments/organizations need to prioritize their working under strict compliance of economic policy in vogue.

Economic uplift in all fields should be placed on top priority in all working agenda's within public/private sector functioning.

Some proposals which can prove to be a game changer in this endeavour are summarised below for convenience and better understanding:

Establishing Halal Zones in Pakistan: -

Total trade of Halal products today has surpassed US \$ 2.1 trillion. If we can achieve only 1% in the beginning it amounts to US \$ 21 (billion). 2% of this is 42 (billion) & 3% of this figure is 63 (billion). This is achievable, almost in 4 years. Nothing new is needed. Paraphernalia to begin this program already exists. We just need the will to start.

Once implemented, the Halal Zone in Pakistan will generate and enhance the following main activities:

- **Industrial**
- **Commercial**
- **Service oriented**

Pakistan's geographical proximity from countries like China, Russia, India, and Central Asian Countries is one of the reasons for this business proposition to succeed. It can link leading markets/countries with Pakistan thereby increasing business prospects and improving economic benefits.

The zone will provide the following main facilities to investors:

- i. Facilitation for acquisition of land, construction of factories, and all other necessary support needed for new industry to start.
- ii. Promoting Services sector. A big chunk of banks, Insurance companies etc. will be brought under the fold of Halal sector. This will be done under well thought out marketing strategy.
- iii. The first focus of the Halal Zone will be to attract manufacturing business from around the world under a planned approach by creating enabling environment/opportunities.
- iv. Lab/ Accreditation Certification facilities. This will be done as per approved methodology acceptable to all by inducting Council of Islamic scholars belonging to various Schools of Islamic Ideology (Hanafi, Shafai, Humbli & Malaki etc). This has possibilities of guaranteed success in Pakistan only.
- v. Methodology to support Research & Development on all aspect of production, supply chain, Packaging etc. will be ensued for compliance under Halal arrangement.
- vi. Advertisement/promotion of Halal products & services around the world.
- vii. Provide state of the art infrastructure as part of the services to be offered to all investors.
- viii. Financial /marketing support/opportunities to attract foreign investment for Halal industry on easy terms will be provided under strict financial discipline.

Once established, Halal Zone can add on to a complete range of products being offered in most of the supermarkets on similar pattern as that of kosher products. Demand for Halal products around the world has helped create Halal value chain, with entirely new sectors relating to **Halal cosmetics, Halal pharmaceuticals, Halal food & beverages, Halal services, Halal industrial development, Halal Tourism** etc

Developing Micro Small Medium Enterprises (MSME)

MSME constitutes almost 90% of business in Pakistan. It employs almost 80% of the non-agricultural labour working force. Annual share in GDP is 40% approximately. Developing MSMEs is a workable solution. If 90% of business start to give 10% of result, rest of the arithmetic is easy. The perception entails advancing business possibilities for stakeholders of MSME. Main concept meets following purpose for its members:

- Advance from Micro to Small businesses
- From Small business to Medium size Enterprises
- From Medium to Large Scale Manufacturing concerns

Poverty alleviation through Export Marketing Company

It is envisaged that an export marketing company should be established with Public/Private sector collaboration. The role of this marketing company should be to provide business opportunities to the people in the villages. This can easily be done by identifying and developing traditional products having potential to sell in the local markets as well as abroad. The program incorporates passing on real time sizeable benefits to the actual producers.

Assist in uplifting production standards of people in rural areas through designing, marketing and export of their products by promoting handmade crafts from Pakistan. The idea adds value through commercial transactions in their home town. Following benefits provides effectual action to this proposal:

- i. Earning in Dollars and spending in Rupees.
- ii. Direct benefit to women/poor people
- iii. Cutting out the middleman

Enhancing exports from Pakistan to OIC

To meet our next export target, dedicated and sustainable efforts are needed to diversify our traditional/non-traditional products to OIC markets. ICCI (Islamic Chamber of Commerce & Industries) with its proper usage provides a pragmatic opportunity for this purpose.

So far, Pakistan's total trade with the OIC countries stands around 40%. A major portion of which goes in importing oil.

Not with holding the present export promotion measures and Pakistan's efforts to increase its trade specially exports, the idea to improve trade prospects by enhancing our exports within the fold of Islamic countries is not only worth considering but contains a bright future for marketing Pakistan's exportable products in some of the untapped Islamic countries inviting, thereby, good prospects of increasing exports thus improving our negative balance of payment.

Pakistan has the capacity to double its exports in next 4 years. This can work out through bilateral and multi-lateral trading system which can be incorporated by 56 OIC Islamic countries. Export target can be doubled enhanced to US \$ 50 (b) by diversifying traditional/non-traditional products to OIC markets.

Working to establish Islamic Trade Bloc

Religion, history & culture strongly link present way of life between Islamic countries. Future cooperation in economic/trade development can easily be a binding factor. Emerging Muslim Religious/political sentiments can be hoped to pave way for this endeavour.

What is really needed is to float this idea amongst all Muslim States, informing them of the benefits to be accrued by forming a union for economic development.

We need to pool in our resources. Today, economic strength is one of the major factors that determines positive image. International scenario demands collective efforts to meet this challenge. Success rate of ASEAN, EU and host of other trading blocs bear good example of their accomplishment. We need to establish Islamic Trade Bloc which will also prove beneficial in negotiations with developed countries, WTO etc.

A National POLICY is needed to cover every aspect of the above proposals on what to develop, how to develop, its importance, with defined objectives, trade & commercial needs, benefits to be accrued, operational/working needs, administrative setup, benefits to be accrued. We also need to place a strong implementation strategy in place on all industries, Investment to be made.

How can the above ideas see the light of the day? A suggestive parameter is built below to carve out an implementation proposal accordingly:

- I. Create awareness both in Public/Private sectors.
- II. Action oriented strategy with best implementation plan is needed.
- III. Develop practical guidelines for uplifting domestic commerce/industries ensuring them for being export oriented in given time period.
- IV. Develop pragmatic strategies to overcome basic issues including supply chain, production, packaging, marketing etc.
- V. To research, develop & implement Industrial, Investment & Economic Development for clearing way ahead for each business sector
- VI. Where ever necessary, develop Institutes to meet practical/scholastic needs of the Industry
- VII. Eventually focus on exports inclusive of all endeavours in a planned manner keeping international requirements well in grip.