

**OVERSEAS CHAMBERS OF  
COMMERCE AND INDUSTRY  
SEMINAR ON PAKISTAN:  
CHALLENGES AND ASPIRATIONS  
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The objective of the Seminar was to take stock and prepare policy recommendations. This seminar was divided into three segments: Segment 1 covered the external environment highlighting the relationship of Pakistan with its immediate neighbours, United States and NATO. Former Ambassadors Mr. Jamsheed Marker and Najamuddin Shaikh spoke at length about Pakistan's fragile and strained relationship with the U.S and its repercussions on other relationships. Dr Akmal Hussain, quantified the financial impact on Pakistan's economy in the event Pakistan fails to comply with America's demands with regard to its war on terror.

The second segment aimed to solicit focused views on issues such as health, education and energy. Prominent speakers Dr. Shams Kassim Lakha, Mrs. Nasreen Mehmood Kasuri, Mr. Hussain Dawood, Mr. Farooq Rahmatullah and Mr. Aziz Bilgrami made presentations on the above subjects. Mr. Hussain Dawood spoke on CNG/LNG supply, demand and the pricing structure. He recommended that CNG prices should be brought in line with petrol prices which would not only correct the market imbalances but also pave way for the import of LNG at market prices. Mr. Farooq Rahmatullah and Mr. Aziz Bilgrami made a joint presentation covering the oil and gas sector. They showed the current energy mix and the forecasted rise in the cost of oil imports in 2025 at \$200/barrel to be a whopping \$125 billion from the current level of \$9 billion. They proposed a drastic change in the energy mix by including other sources such as coal/wind and

altering the ratios of the existing sources of energy. The proposed changes as claimed will reduce the import bill and produce a favourable impact on the economy. Speakers also said that the up gradation of the existing plants will add about 25,000 mega watts to the energy starved nation.

The third segment was on the economy of Pakistan. Dr Ishrat Hussain, said that the present revenue stands at Rs. 1500 billion with a gap of about Rs. 700 billion. He suggested some short term measures to improve upon the economy. Dr. Akmal Hussain proposed major structural changes in order to correct the imbalances and direction of the Pakistan economy. His first suggestion was to utilize the 2.5 million hectre cultivable land with the government presently unutilized by distributing it in 5 acre plots on ownership basis among those farmers who do not have any land of their own. He also suggested the formation of an agricultural corporation to provide one window operation to the farmers. Secondly, he wanted that SMEs be linked to big corporations by a government corporation created for this purpose so the output of SMEs can be used as input by the big corporations. He wanted the poor and the middle class to be included in the rebuilding process and gave example of Amul India, the largest dairy farm products firm in the world owned by 700,000 peasants and managed by professionals and Grameen telecom, a service provider owned by women stockholders and managed by professionals. Mr. Yusuf Abdullah, Ex- Chairman FBR, apprised the audience that in the year 2000, major projects to improve FBR operations were initiated. Notable among those were electronic e filing, concept of data warehouse etc. Mr Shabbar Zaidi presented a workable plan to collect the shortfall in revenue of Rs.700 billion. He proposed to bring into the network untaxed segments; aarhteets (brokers) in mandis, doctors etc. He was critical of academia for the lack of research by provoking questions such as what do we know about Jodia Bazaar? How do they work? He emphasized the need to have carefully researched facts about the segment before FBR consider bringing it to the tax net. He also talked about revaluation of properties and asserted that all of us are involved in converting our well earned money into black by under invoicing the sale /purchase proceeds. He claimed to have given the proposal of advanced wealth tax. In short, all

the proposals were practical but required political will for implementation.

**Mr Paul Ross**, Resident Representative of IMF explained the working of IMF to the audience. He did not comment on Pakistan's relationship with IMF (which was his supposed topic). According to him, IMF performed three types of basic functions; Global surveillance, Regional surveillance and Institution building. **Mr. Gareth Aicken** spoke on issues in bilateral aid. He was section head for Pakistan in DFID — a UK government agency.