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Editorial

Dear Readers,

Assallamo allieku; Every Member of the Muslim Ummah world over holds the sanctity and affections towards the Beloved Prophet Muhammad (SAW) as the core of their faith. In this context, the Senate, the National Assembly and Provincial Assembly of Sindh of Pakistan through unanimous resolutions condemned the blasphemous statements against the Holy Prophet (SAW) by two representatives of India's ruling party - Bharati Janata Party (BJP). The continued state oppression and tyranny by India against people of different faiths is staring in the eyes of world conscience demanding a meaningful action by the international community against this blatant violation of basic human rights.

As per its tradition since 2012-13, the team Pakistan Institute for Parliamentary Services, (PIPS) continues its research support to Members through anticipated research services of PIPS Economy and Budget Desk by sharing economic indicators and analysis with over 300 MPs immediately after the presentation of Budget on June 10, 2022. The Institute also held a Workshop for reporters on budget and a Meet on Population Challenge, on June 8, 2022, respectively while an absorbing two-day Roundtable on Women Empowerment and Human Rights with cross party Women Parliamentary Caucus of Khyber Pakhtunkhwa Assembly was held on June 9-10, 2022. The National Assembly of Pakistan, Pakistan Institute for Parliamentary Services and the *Mustekham Parliament* EU-GIZ-PIPS project also held a budget Orientation for Honourable MNAs and parliamentary researchers on June 13, 2022. Throughout this month, PIPS continues budget orientations with MPs at federal and provincial legislatures.

This Issue of the PIPS Parliamentary Research Digest being BUDGET SPECIAL includes statistical information in shape of Economic Indicators, GDP and Public Debt in addition to an absorbing analytical article on **State of Pakistan Economy: Issues, Challenges and Way Forward**. We welcome feedback of our invaluable readers. Please send your feedback or contact for any of our technical services at research@pips.gov.pk

Muhammad Rashid Mafzool Zaka
Director General (Research)



Honourable Speaker of National Assembly/President PIPS BoG Raja Pervaiz Ashraf in Orientation Course on Budget for Parliamentary Reporters at PIPS, June 08, 2022



Parliamentary Roundtable on Gender Mainstreaming: a case study of inheritance and trafficking laws, June 09-10, 2022



Parliamentary Seminar on State of Economy and Pakistan's Debt Trap for Honourable Members of the National Assembly on Monday, June 13, 2022

PARLIAMENTARY BUSINESS

The Senate of Pakistan Condemns highly derogatory and sacrilegious remarks of the spokesperson of India's ruling party BJP and their other leaders against the Holy Prophet (Peace Be Upon Him)



RESOLUTION NO. 525

"The House expresses strong condemnation of the highly derogatory and sacrilegious remarks made by two senior official of Indian ruling Bharitya Jantha Party (BJP) against the Holy Prophet Muhammad (PBUH). These derogatory remarks reflect the fascist face of Indian Government which deeply hurts the sentiments of the people of Pakistan, Muslims and respectful people across the world.

The Senate of Pakistan is deeply concerned at the rising communal violence and hatred against Muslims in India. Muslims are being systematically stigmatized, marginalized and subjected to a well-orchestrated sponsored physical, economic, social and religious assault from radical mentality in India.

The Senate of Pakistan expresses its strong commitments towards defending Namoos-e-Risaalat of the Last Prophet Hazarat Muhammad (PBUH) at national, regional and international fora. The House reaffirms its Resolution No.523 passed in the House on 30th May, 2022 against the spreading Islamophobia in Sweden and across the world.

The House unanimously demands the Government to take the following actions:

- (i) summon an emergency OIC Conference for recording strong condemnation and protest against the state sponsored anti-Islam and sacrilegious acts in India and call upon all Muslim states to carry out diplomatic, economic and political boycott of India;
- (ii) Record strong condemnation and protest at United Nations Organization against the spreading Islamophobia, anti-Muslim, anti-Islam, and fascist state sponsored policies in India and other states;
- (iii) Mobilize all sources of internal and external publicity for protection of Namoos-e-Risaalat (PBUH) in Pakistan and across the world;
- (iv) Carry out immediate trade boycott of India by banning all Indian products in Pakistani Markets."

Moved by Senator Saleem Mandviwalla on his behalf and on behalf of Senators Dr. Shahzad Waseem (Leader of the Opposition), Danesh Kumar, Mian Raza Rabbani, Kamran Michael, Syed Yousaf Raza Gillani and Mushtaq Ahmed unanimously passed by the Senate of Pakistan Monday, the 6th June, 2022.

The National Assembly of Pakistan condemns the blasphemous comments of the spokesperson of India's ruling party BJP and their other leaders insulting the Holy Prophet (Peace Be Upon Him)

قرارداد

06-06-2022

”یہ معزز ایوان بھارت کی حکمران جماعت بی جے پی کے ترجمان اور دیگر رہنماؤں کی شان رسالت میں ہرزہ سرائی اور توہین آمیز الفاظ استعمال کرنے پر شدید مذمت کرتا ہے اور پاکستان میں بسنے والے ایک ایک باشندے اور ذمی نفس میں غم و غصہ پایا جاتا ہے۔ یہ کہ عالم اسلام اور تمام دنیا بھر میں بسنے والے مسلمان حضرت محمد رسول اللہ خاتم النبیین صلی اللہ علیہ وسلم کے لیے محبت کے ایسے جذبات رکھتے ہیں جس کا حکم قرآن میں ان الفاظ کے ساتھ آیا ہے کہ مومنوں کے لیے حضرت محمد رسول اللہ خاتم النبیین صلی اللہ علیہ وسلم کی محبت ان کے بچوں اور ماں باپ سے بھی اولین حیثیت رکھتی ہے۔“

ان توہین آمیز الفاظ نے پاکستان کے ہر باشندے میں جن میں ہر مذہب اور ہر فرقے کے لوگ شامل ہیں کے دلوں کو شدید ٹھیس پہنچائی ہے۔ بھارت میں حکومت ایسے توہین آمیز الفاظ سے انڈیا کے مسلمانوں کو ہراساں کر رہی ہے جو کہ بی جے پی کے پر تشدد انداز اور مسلم دشمنی والے عدم رواداری کے خیالات کا عین ثبوت ہے۔ لہذا یہ ایوان بی جے پی کے رہنماؤں کے اس قبیح فعل کی شدید مذمت کرتا ہے اور اس بات کا مطالبہ کرتا ہے کہ ان افراد کے خلاف سخت کارروائی کی جائے اور حکومت ہندوستان اس بات کو یقینی بنائے کہ ایسے واقعات آئندہ نہ ہوں اور عالمی دنیا کو بھی اس حوالے سے بھارت کی جو مذہبی جوہیت ہے اور جو اقلیتیں ہیں ان کو جو دیوار سے لگایا جا رہا ہے، جن کے خلاف پالیسی بنائی جا رہی ہے اس کا بھی نوٹس لینے کا مطالبہ کرتے ہیں۔“

دستخط:-

ڈاکٹر خالد مقبول صدیقی

خواجہ محمد آصف، وزیر برائے دفاع

خورشید احمد شاہ، وزیر برائے آب و سائل

سردار ایاز صادق، وزیر برائے معاشی امور

نوابزادہ شازین گکشی، وزیر برائے انسداد منشیات

رانا ثناء اللہ خان، وزیر برائے داخلہ امور

محمد ہاشم نوترکی، وزیر مملکت برائے بجلی

زاہد اکرم درانی، ڈپٹی اسپیکر

انجینئر صابر حسین قائم خانی

نور عالم خان

(۲)

احمد حسین ڈیبر
 مولانا عبدالاکبر چترالی
 ڈاکٹر میمن ساروانگوانی
 پیر سید فضل علی شاہ جیلانی
 محسن داوڑ
 سید محمود شاہ
 چوہدری محمود بشیر ورک
 شہناز نصیر بلوچ
 غوث بخش خان مہر
 سائرہ بانو
 کیسمل کھیل داس
 ذوالفقار علی بھٹو
 محمد اسلم بھوٹانی
 محمد جمشید الدین
 نواب شیر
 روینہ خورشید عالم
 شیرازی فاطمہ خواجہ
 شاکستہ پریز
 اراکین، قومی اسمبلی۔

The Provincial Assembly of Sindh Condemns highly derogatory and sacrilegious remarks of the spokesperson of India's ruling party BJP and their other leaders against the Holy Prophet (Peace Be Upon Him)

RESOLUTION

I am to state that the Provincial Assembly of Sindh in its sitting held on Monday, the 13th June, 2022, has passed unanimously the following Resolution moved by Ms. Sadia Javed, MPA, Mr. Khurran Sher Zaman, MPA, Mr. Muhammad Hussain Khan, MPA, Ms. Nusrat Bano Sehar Abbasi, MPA, Syed Abdul Rasheed, MPA, Mr. Sharjeel Inam, MPA/ Minister for Transport & Mass Transit and Information, Sindh, Mir Shabbir Ali Bijarani, MPA/ Minister for Mines & Minerals Development, Sindh, Mr. Mukesh Kumar Chawla, MPA/ Minister for Excise, Taxation, Narcotics Control & Food and Parliamentary Affairs, Sindh, Ms. Azra Fazal Pechuho, MPA/ Minister for Health & Population Welfare, Sindh, Mr. Muhammad Ismail Rahu, MPA/ Minister for Universities & Boards, Sindh, Syeda Shehla Raza, MPA/ Minister for Women Development, Sindh, Mr. Ghulam Qadir Chandio, MPA/ Chairman, Public Accounts Committee, Provincial Assembly of Sindh, Syed Farukh Ahmed Shah, MPA, Mr. Ghanwer Ali Khan Isran, MPA, Ms. Nida Khuhro, MPA and Ms. Sharmila Sahebah Farooqi, MPA:

RESOLUTION MOVED BY MS. SADIA JAVED, MPA:

The House condemns the recent derogatory remarks against the Holy Prophet Muhammad (S.A.W) and Islam by the two senior officials of ruling BJP. The blasphemous statements were a deliberate attempt to provoke a communal agitation and offend the Muslims of India and beyond to millions of Muslims around the world, the sanctity of the beloved Prophet (PBUH) precedes all and any attempt to willfully breach this sanctity will invite sharp response from Muslims across the world. This clearly indicates the anti-Muslim and anti-Islam policy of BJP-RSS. The rampant violence on Muslims of India by Indian extremists, the constitutional amendments to marginalize Muslims and repeated verbal attacks aimed at the noble Prophet (PBUH) and Islam substantiate the very fact that Islamophobia is alarmingly rise in India.

The House demands the Provincial Government to approach Federal Government for lodging a strong protest with High Commission of India in Islamabad against the demeaning remarks against Holy Prophet (PBUH) by BJP members and press the Indian Government to take stringent legal action against those members to prevent recurrent of such incidents where the religious sentiments of Millions of Muslims are trampled in the name of so-called freedom of speech.

The House further demands that Provincial Government to approach the Federal Government to urge the OIC members states to take cognizance of the matter and take it up jointly in General Assembly and other appropriate forums to condemn the India's disregard to religious minorities.

RESOLUTION MOVED BY MR. KHURRAM SHER ZAMAN, MPA:

This House strongly expresses its condemnation of the insulting remarks made about our Holy Prophet Muhammad (S.A.W.W) by spokesperson of the Bharatiya Janata Party (BJP) by Nupur Sharma of India. These insulting and demeaning remarks that hurt the religious sentiments of all Muslims around the world have no place in any country's politics. This House reminds the ruling party of India the BJP that the United Nations has recently passed a Resolution designating 15th March as International Day to combat Islamophobia. This Assembly recommends that the Government of Pakistan alongwith Organization of Islamic Cooperation prepare a joint strategy to combat Islamophobia.

RESOLUTION MOVED BY MR. MUHAMMAD HUSSAIN KHAN, MPA:

سندھ اسمبلی کا یہ معزز ایوان ہندوستان میں BJP اور RSS کے انتہا پسندوں کی جانب سے ہمارے پیارے نبی صلی اللہ علیہ وآلہ وسلم خاتم النبیین کی شان میں کی جانے والی گستاخی کی مذمت کرتا ہے۔ ہندوستان میں حضور صلی اللہ علیہ وآلہ وسلم خاتم النبیین کی شان میں گستاخی کے علاوہ وہاں کے مسلمانوں کے خلاف انتہا پسندانہ اقدامات کئے جارہے ہیں اور اس قسم کے واقعات کی سرپرستی مودی سرکار، BJP اور RSS کر رہی ہے یہ معزز ایوان مندرجہ بالا ان اقدامات کی بھی شدید مذمت کرتا ہے اور وفاقی حکومت سے مطالبہ کرتا ہے کہ وفاقی حکومت انڈیا کے سفارت خانہ کو بند کرنے اور تمام سفارتکاروں کو بیدخل کرنے کا فی الفور اعلان کرے کیوں کہ دنیا کے تمام مسلمانوں کے ساتھ ساتھ تمام پاکستانیوں کے جذبات مجروح ہونے لگے ہیں اور عوام میں شدید غم و غصہ پایا جاتا ہے۔


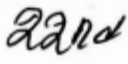
RESOLUTION MOVED BY MS. NUSRAT BANO SEHAR ABBASI, MPA:

یہ ایوان بھارت کی حکمران انتہا پسند جماعت بھارتیہ جنتا پارٹی BJP کی سابق ترجمان ملعونہ نوپور شرما کی طرف سے خاتم النبیین پیغمبر حضرت محمد مصطفیٰ صلی اللہ علیہ وآلہ وسلم کے خلاف ایک ٹی وی مباحثے کے دوران دیئے گئے گستاخ آمیز متنازع بیان کی شدید مذمت کرتا ہے۔ یہ پہلا موقع نہیں ہے اس سے پہلے بھی بھارت کی طرف سے مسلمانوں اور دین اسلام کے خلاف وقت بہ وقت شرارتیں اور سازشیں ہوتی رہی ہیں مگر اب ہندوستان کا اسلام دشمن چہرا کھل کر سامنے آیا ہے حالیہ بھارتی اقدام سے پوری دنیا کے مسلمانوں کے جذبات مجروح ہونے لگے ہیں بھارتی عزائم عالمی امن اور سلامتی کے لیے خطرات ہیں۔

اس ایوان کی توسط سے ہم وفاقی حکومت سے مطالبہ کرتے ہیں کہ بھارت سے ہر قسم کے سیاسی، معاشی اور سفارتی تعلقات منقطع کیے جائیں اور اس معاملے کو اقوام متحدہ اور مسلمانوں کی عالمی تنظیم OIC میں اس معاملے کو بھرپور طریقے سے اٹھایا جائے تاکہ آئندہ کوئی بھی شخص یا کوئی ملک خاتم النبیین حضرت محمد مصطفیٰ صلی اللہ علیہ وآلہ وسلم کی شان میں گستاخی نہ کر سکے۔

RESOLUTION MOVED BY SYED ABDUL RASHEED, MPA:

سندھ اسمبلی کا یہ ایوان بھارتیہ جنتا پارٹی کی رکن نوپور شرما کی جانب سے نبی آخر الزمان حضرت محمد مصطفیٰ صلی اللہ علیہ وآلہ وسلم کی شان میں گستاخی پر سراپا احتجاج ہے اور بھرپور مذمت کرتا ہے ایوان مطالبہ کرتا ہے کہ وفاقی اور صوبائی حکومتیں سرکاری سطح پر بھارت کے اس شرمناک اقدام کی مذمت اور احتجاج رکارڈ کروائیں اور وفاقی حکومت بھارتی سفیر کو پاکستان سے واپس بھیجنے کا فیصلہ کرے۔ عوام بھی اس پورے عمل میں مذمت کرتے ہوئے بھارتی مصنوعات اور اس کے انٹرٹینمنٹ میڈیا کا مکمل بائیکاٹ کرے بھارت میں مسلمانوں کو کسی صورت تنہا نہ سمجھا جائے۔


 (G.M.UMAR FAROOQ)
 Secretary
 Provincial Assembly of Sindh
 KARACHI, THE JUNE, 2022


ANALYSIS

State of Pakistan's Economy: Issues, challenges and way forward**Dr. Pervez Tahir***

President, Council of Social Sciences, Pakistan

The economy of Pakistan today is in a critical state. The crisis is as serious, if not more, as at the time of the separation of Bangladesh in the fiscal years (FY) 71 and 72. It is an existential crisis. There is difference, however. Then it was a crisis of growth. Agricultural growth was negative in FY71 and industrial growth was negative in FY72, with the result that GDP growth was 1.2 per cent and 2.3 per cent respectively. Now it is a balance of payments crisis. There was a respectable GDP growth of above 5 per cent in FY21 and FY22. But the current account deficit has shot up from \$2.8 billion in FY21 to \$13.8 billion in the ten months of FY22. The rigid structure of the economy is unable to support and sustain high growth. This paper pinpoints the issues in Section I, highlights the challenges in Section II and suggests a way forward in Section III.

I. Issues

In the past three years, the economy of Pakistan has witnessed bottoming out and revival. As Table 1 indicates, the economy registered a GDP growth of 5.97 per cent in FY22 against the growth rate of 5.74 in the previous years. The numbers are slightly higher because of change of base from 2005-06 to 2015-16. This is an impressive revival after the negative growth of 0.94 per cent in FY20. It could be said that the high growth in FY21 was technical due the negative base in FY20, but the number in FY22 shows the return of real growth. Traditionally, growth is expected from commodity sectors of agriculture and industry. These sectors attract the maximum attention of policy makers. Within these sectors, the subsectors of Important Crops and Large Scale Manufacturing receive the bulk of fiscal support and monetary concessions. In FY22, these subsectors posted, respectively, growth rates of 7.24 and 10.48 per cent. Together, the share of these two subsectors in GDP is just 13.65 per cent. With this size, even a very high growth in these subsectors cannot take the economy much forward.

In the process of development, the share of manufacturing increases and that of agriculture decreases. In Pakistan, both shares have been decreasing. Pioneering development economists viewed modern manufacturing as the leading sector of growth.¹ Baumol et al.² show how sectoral composition affects growth. Deindustrialization has become a major issue.³ Pakistan is also experiencing this phenomenon. In the national accounts base of 2005-06, the share of Large Scale Manufacturing was 11.7 per cent. By the time of the estimation of 2015-16 base, the share of Large Scale Manufacturing had declined to 9.3 per cent. In FY21, it was 8.86 per cent and 9.24 per cent in FY22. The Wholesale & Retail Trade moves with agriculture and industry. Growth in this subsector was in double digit at 10 per cent.

* The writer, a former Chief Economist of the Planning Commission, is now President, Council of Social Sciences (COSS), Pakistan.

¹ W.W. Rostow, *The Stages of Economic Growth* (Cambridge: Cambridge University Press, 1971); Simon Kuznets, *Economic Growth of Nation: Total Output and Productive Structure* (Cambridge, Massachusetts: Harvard University Press, 1971); Hollis B. Chenery, and Moises Syrquin, *Patterns of Development 1950-70* (Oxford: Oxford University Press, 1975).

² William J. Baumol et. al., *Productivity and American Leadership* (Cambridge, Massachusetts: MIT Press, 1989).

³ Robert Rowthorn and Ramana Ramaswamy, "Deindustrialization - Its Causes and Implications," *IMF Working Paper*, (1997).

Table 1: GDP Growth, Per Capita and Sectoral Shares

	2020-21		2021-22	
	Growth (%)	Share in GDP (%)	Growth (%)	Share in GDP (%)
Agriculture	3.48	23.02	4.40	22.68
-Important Crops	5.83	4.36	7.24	4.41
-Livestock	2.38	14.41	3.26	14.04
Industry	7.81	18.90	7.19	19.11
-Large Scale Manufacturing	11.49	8.86	10.48	9.24
Services	6.00	58.08	6.19	58.20
-Wholesale & Retail Trade	10.58	18.14	10.04	18.83
-Transport & Storage	5.06	10.44	5.42	10.38
-Information & Communication	7.50	2.55	11.90	2.70
-Financial and Insurance	5.94	1.88	4.93	1.86
-Other Private Services	4.98	8.50	3.76	8.32
GDP	5.74	100.00	5.97	100.00
GNI Per Capita (Constant Rs)	190,340	-	195,781	-
GNI Per Per Capita Per Month				
-Constant Prices	15,862		16,315	
-Current Prices	22,352	-	26,196	-

Source: Government of Pakistan, Pakistan Bureau of Statistics, 2022.

A characteristic feature of developed economies is that the Services Sector contributes the largest share of GDP.⁴ For instance in 2020, the United States, the United Kingdom and Singapore had above 70 per cent of GDP coming from Services.⁵ An issue in Pakistan is that despite being a less developed economy, Services Sector contributes over 58 per cent of GDP. In the GDP growth of 5.97 per cent in FY22, 3.59 percentage points comes from the Services Sector. The most dynamic subsector in Services is Information and Communication. Pakistan did not have it as a separate subsector until 2014-15. In FY22, the share is as low as 2.7 per cent, despite a high growth of 11.9 per cent. An IT giant like India has a smaller Services Sector (48.9 per cent of GDP) than Pakistan.

Industrialisation itself requires a high rate of capital formation. It will be seen in Table 2 that the countries with the high rate of investment are also high growing countries. Pakistan has the lowest and

⁴ Pervez Tahir, "The Service Element in National Accounts: A Preliminary Basis for an Alternative Formulation," *The Pakistan Development Review* 17, no. 3 (1978): 302-315; OECD, *The Service Economy* (Paris: OECD, 2000).

⁵ C. M. Jayadevan, "A Canonical Correlation Analysis of Sectoral Composition of GDP and Development in Asia," *Modern Economy* 9, no.2 (2018).

a declining rate of investment since the 1980s. It is also the lowest growing economy compared to China, India and Bangladesh. Low investment undermines the long term and sustained growth, besides disabling the employment of a rapidly growing work force.

Table 2: Growth and Investment

	Bangladesh	China	India	Pakistan
	GDP Growth (%)			
1980s	3.5	9.7	5.7	6.9
1990s	4.7	10.0	5.8	4.0
2000s	5.6	10.4	6.3	4.5
2010s	6.8	7.7	6.7	4.0
	Investment as %age of GDP			
1980s	16.1	35.6	22.4	18.6
1990s	19.4	37.3	26.7	18.7
2000s	25.3	39.5	34.3	17.7
2010s	29.1	44.8	34.2	15.5

Source: World Bank, *World Development indicators*, 2021.

To understand the reasons for low investment, one has to look at its structure and financing. Investment by the public sector is entirely debt-financed, particularly the inflows from abroad. A low rate of domestic saving constrains the private sector and, despite efforts to improve the standing on the Ease of Doing Business Index, foreign direct investment is pitifully low for the size of the economy of Pakistan. When foreign inflows dry up, growth collapses. The structure is antithetical to sustaining growth. This lies behind Pakistan's story of booms and busts. Most of these booms were consumption-led. Demand outpaces local supply, as the capacity is limited and quality is low. It leads to high current account deficit. As exports also depend significantly on imported inputs, a spurt in exports drives up imports that in turn, fuel the current account deficit further. Table 3 shows the vulnerability of the growth achieved recently.

Table 3: Contribution of Consumption and Investment to Growth

(GDP at current market prices)

	Growth Rate (%)		Point Contribution	
	2020-21	2021-22	2020-21	2021-22
Consumption	18.6	22.5	17.4	21.2
-Public Consumption	8.9	11.3		
Investment	16.0	24.1	2.4	3.5
-Public Investment	23.4	37.9		
Net Exports	29.1	52.9	(2.4)	(4.7)
GDP (MP)	17.4	20.0	17.4	20.0

Source: *Pakistan Economic Survey 2020-21*.

In FY22, GDP at current market prices increased by 20 per cent. According to the *Pakistan Economic Survey 2021-22*, investment contributed a mere 3.5 percentage points. Consumption was the main contributor to growth. Household consumption expenditure keeps on increasing, regardless of extremely high interest rates and a rapidly depreciating rupee against the US\$. Ever increasing interest payments, the largest budgetary expenditure of the federal government, keeps public consumption expenditure high.

FY22 was expected to be a year of consolidation. Growth had revived in FY21 after the disaster of Covid-19. That is why a lower growth target of 4.8 per cent was fixed in constant prices. Fiscal restraint, tight monetary policy and a depreciating exchange rate were expected to consolidate the gains of FY21. But the growth target was exceeded by a wide margin. The outcome made the IMF programme look irrelevant. Exports in ten months increased by 28 per cent, but imports rose sharply by 39 per cent. High and rising oil prices do not fully explain the jump in imports. Inputs required for exports, consumer durables and food items also increased aggregate demand. No wonder, inflation during July-May 2021-22 was 11.3 per cent. Overall, the current account deficit stood at the height of 3.5 per cent of GDP. Negative net exports and high consumption were the drivers of this growth, raising big questions on its sustainability.

2. Challenges

In the 1960s and the seventies, despite the 1965 war, the Bangladesh crisis and the first and the second oil price hike by the OPEC, the economy of Pakistan seemed to be on the road to take off into self-sustained growth. In the 1980s, while growth was still high, the rate of investment could not be raised to the desired level. Growth continued to be led by consumption. Towards the end of the decade, Pakistan's boom and bust cycle had started. The country had to sign an agreement with the IMF. Twenty two such agreements on, the cycle continues. The repeated failure to face up to it has become the major challenge for the policy makers.

The linkage of the high growth decades with generous inflows of foreign assistance suggests that domestic supply is always short of aggregate demand. This excess demand is satisfied through imports financed by foreign inflows. With the changing world order, disruption of these inflows became a rule rather than an exception. The country never defaulted, but it fell into the conventional debt trap – borrowing to service past debts. These inflows from abroad were predominantly official or market bonds. Foreign direct investment was never allowed the role it assumed in the development of the Asian Tigers. It was the nature of seeking markets, not efficiency and productivity. According to a State Bank report,

“while existing firms have responded to growing population and income levels in the economy by investing in capacity expansions, the focus on innovation, product diversification and economies of scale has been rather limited. With large enterprises preferring to hold their earnings in cash and, instead of leveraging, using the same to finance their capex needs, the growth in small firms was compromised by limited capital as well as weaknesses in regulatory environment and businesses' structure and management practices. Similarly, even when investible resources were available, these were diverted to less productive sectors of the economy, such as the real estate, due to negligible regulatory oversight and substantial returns.”⁶

It will be seen in Table 4 that due to the ongoing political uncertainty, the medium term budgetary framework prepared by the Ministry of Finance and the macroeconomic framework projected by the Planning Commission reflect, in effect, a one year entry and exit plan. The next year's growth target of 5 per cent and the budgetary measures announced do not signal a consolidation phase in which the IMF conditionality will be fully met. Raise in pays and pensions, announcements of new projects, allocation for legislators and half a trillion rupees of subsidies relieve fiscal policy of the burden of controlling inflation. Inflation is to be contained by a tight monetary policy. With global commodity

⁶ State Bank of Pakistan, *Annual Report 2018-19* (Karachi: State Bank of Pakistan, 2019).

price outlook of further rises, the target to bring down inflation from 11.7 to 11.5 per cent in FY 23 and further down to 7.4 per cent by FY 25 is unrealistic. The FBR targets show a strange trajectory. From the unrealised budget target of budget target of 10.7 per cent of GDP for FY22, the projections for the next three years aim for far less. These tax targets are unlikely to achieve the target of fiscal deficit from the revised figure of 7.1 per cent of GDP in FY22 to 2.8 per cent in FY25. In the same years, converting the primary deficit - fiscal deficit minus debt servicing - from minus 2.4 per cent of GDP into a surplus of 1.8 per cent seems like a far cry.

A low rate of investment is persistently causing the boom and bust cycle. Table 4 reveals a cavalier attitude towards chronic ailment. In FY22, a GDP growth rate target of 5 per cent was to be achieved through an investment rate of 16.1 per cent. The same level of growth is now to be achieved in FY23 with much lower rate of investment of 14.7 per cent. It is hard to expect a surge in competitiveness, productivity and innovation in such a short period.

Table 4: Medium Term Macroeconomic Framework

	2021-22		2022-23	2023-24	2024-25
	Budget	Revised	Budget	Projections	
Growth Rate (%)	5.0	5.97	5.0	5.8	6.2
Rate of Investment (% of GDP)	16.1	15.1	14.7	-	-
Inflation (%)	8.2	11.7	11.5	8.6	7.4
FBR Taxes (% of GDP)	10.7	8.96	9.0	9.4	10.0
Overall Deficit (% of GDP)	-6.3	-7.1	-4.9	-4.0	-2.8
Overall Primary Balance (% of GDP)	-0.7	-2.4	0.2	0.9	1.8

Sources: Government of Pakistan, Finance Division, *Annual Budget Statement 2022-23*; Government of Pakistan, Planning Commission, *Annual Plan 2022-23*.

3. Way Forward

The economy of Pakistan faced a serious economic collapse when the governments were changing hands in FY19. The boom in the wake of 6.1 per cent growth of GDP in FY18 fell to 3.1 per cent and then entered the negative territory (-0.94%) due to the spread of Covid-19. Growth recovered in FY21 on a negative base. In FY22, instead of fully following the stabilisation agreement with the IMF, the economy was allowed to overheat through petroleum subsidies, tax amnesty for the real estate sector and incentives for the textiles sector. In March 22 alone, the quantum indices of Large Scale Manufacturing Industries rose by 26.9 per cent, inflation by 12.7 per cent and exports by 17.7 per cent. In addition to high inflation, imports rose around twice the rate of exports at 31.4 per cent. Rupee depreciation played havoc and foreign exchange reserves depleted to well below the desired level of three months' imports. These were clear signals about the overheating and the need to hold back, stabilise and reform.

The government changed again in April 22. In the early days, the new government appeared to continue with an expansionary stance. There is an immediate challenge to finance the external deficit arising from a high current account deficit and servicing of foreign debt. The standard past recipe of arranging quick inflows or rolling over existing deposits from friendly countries and access to IMF's funding to unlock the inflows from the multilateral institutions is not working, or not yet at least. The

hope that the IMF will soften its attitude to allow time for the government to settle down. When and how the present government will have the political capital to stay on for a reasonable length of time is a question no one has the answer to. This political uncertainty is delaying economic stability.

The new government has identified four priority areas: agriculture, vertical urban development, exports and export processing zones. Energy efficiency and alternative and renewable energy is being incentivised. This is a focused package, but delivery will depend on successful conclusion of the seventh review of Pakistan's reform programme.

The government must also start 'implementing the much delayed fiscal reform in the forthcoming budget. There is need to follow the 18th Constitutional Amendment in letter and spirit. The overdue NFC award must not be delayed any further. Tax exemptions to the privileged have to go. Log rolling and pork barrel spending has to end. Development spending should be productive and not wasted on monuments to development. Let this be the last IMF programme. The weaknesses of a political alliance cannot be the excuse. It was a minority government in India that implemented India's first IMF programme in the early 1990s. It was also the last, as finance minister Manmohan Singh put in place the required structural reform to avert the recurrence of unsustainable fiscal and current account deficits. From the brink of default to a budget that transformed India was a matter of months, not years.⁷

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⁷ Pervez Tahir, "Buying Time or Wasting it," *The Express Tribune*, May 27, 2022.

INFORMATION

GDP and Public Debt

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PIPS Budget and Economy Desk

Growth and Debt in detail (FY 2014 to FY 2022)

Table 1: Growth Rate Trends (2013-22)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Agriculture	2.50	2.13	0.15	2.07	3.81	0.6	3.9	3.5	4.4
Industrial Sector	4.53	5.18	5.69	5.43	5.80	(1.6)	(5.7)	7.8	7.2
Services Sector	4.46	4.36	5.72	6.46	6.43	3.8	(1.2)	6.0	6.2
Overall GDP	4.05	4.06	4.56	5.37	5.79	2.1	(0.94)	5.74	5.97

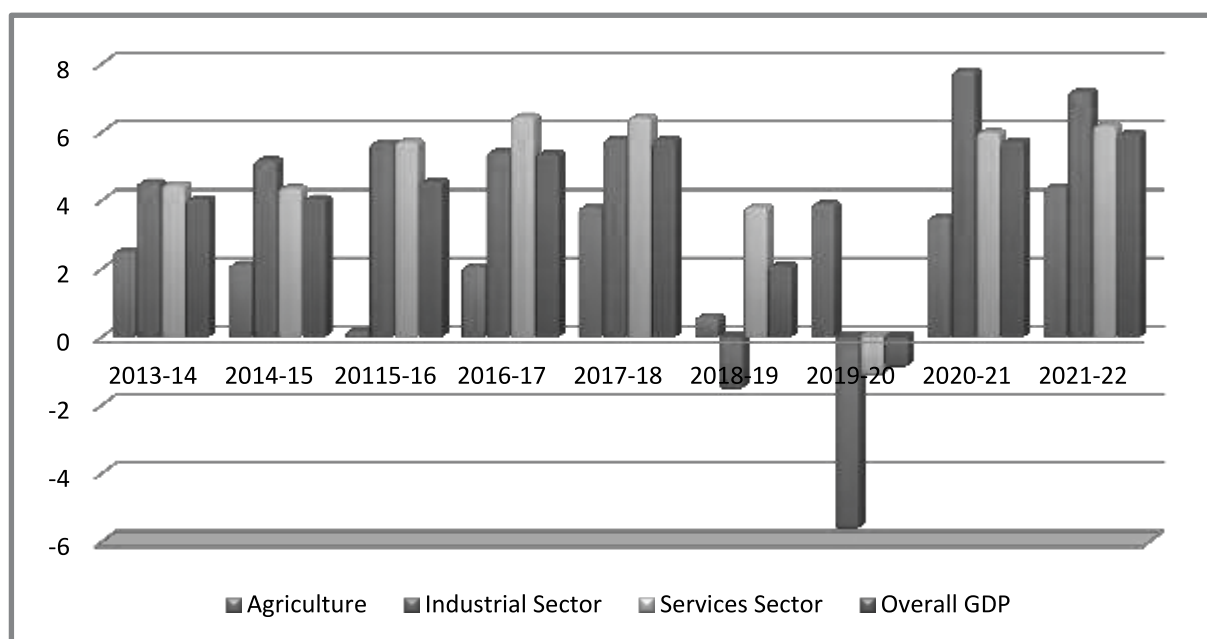
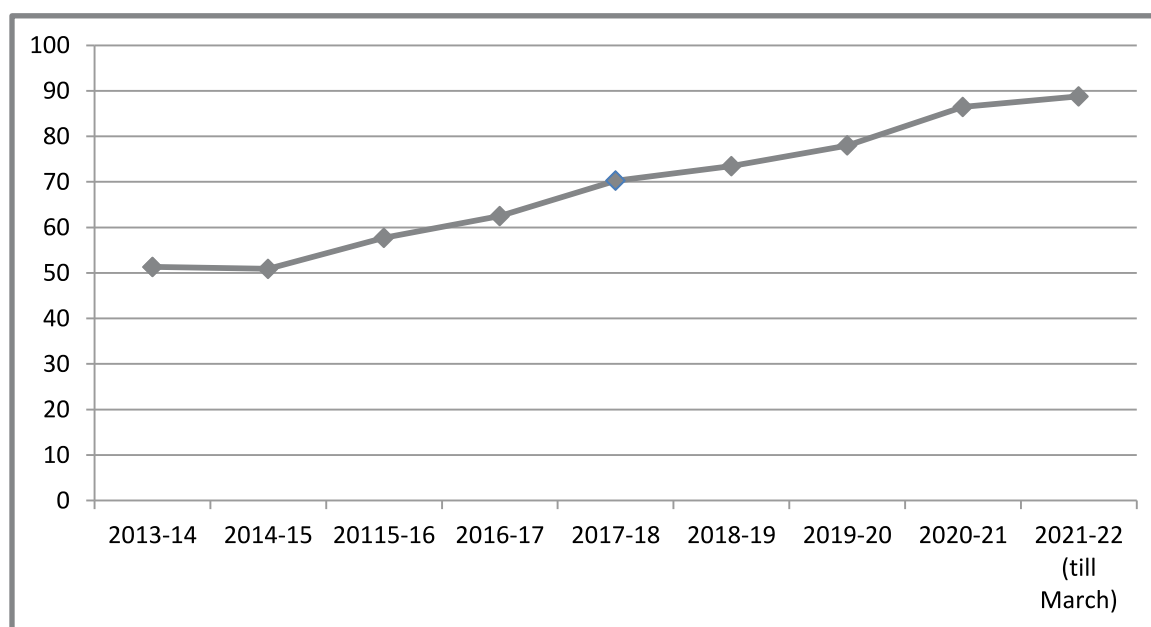


Figure 1: Sectoral and GDP Growth

Table 2: Public Debt

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (till March)
External Public Debt (USD in billion)	51.3	50.9	57.7	62.5	70,237	73,449	77,994	86,457	88,765
Domestic Debt (Rs in billion)	10,920.0	12,198.9	13,626.9	14,855.0	16,416	20,732	23,283	26,265	28,076
Total Public Debt (Rs in billion)	15,991.5	17,380.7	19,678.1	21,407.1	23,024	29,521	33,235	35,669	44,366
Total Public Debt (As percentage of GDP)	63.5	63.3	67.7	67.0	66.3	74.7	76.6	71.5	

**Figure 2: External Public Debt (USD in billion)**

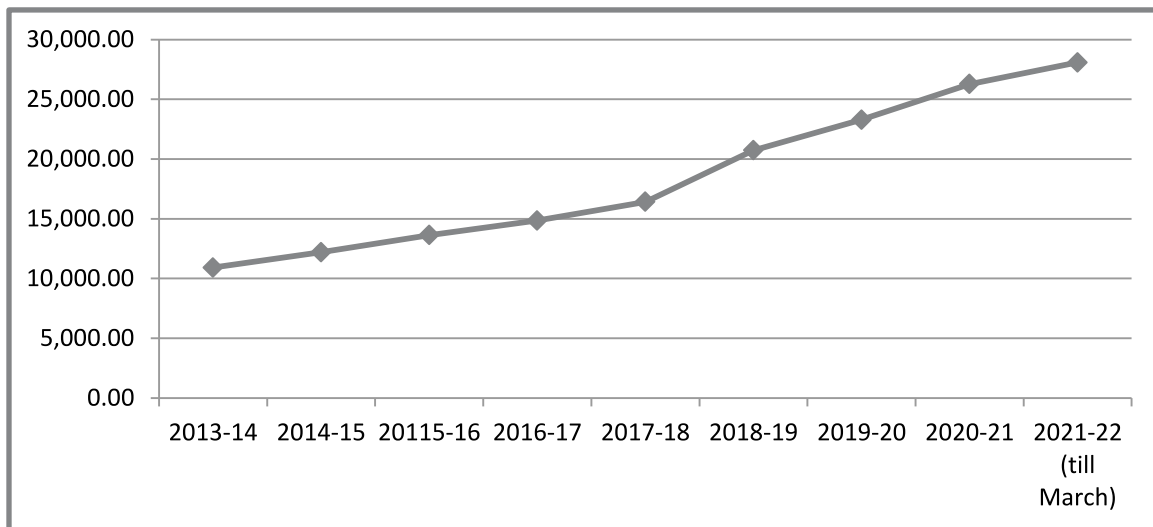


Figure 3: Domestic Debt (Rs in billion)

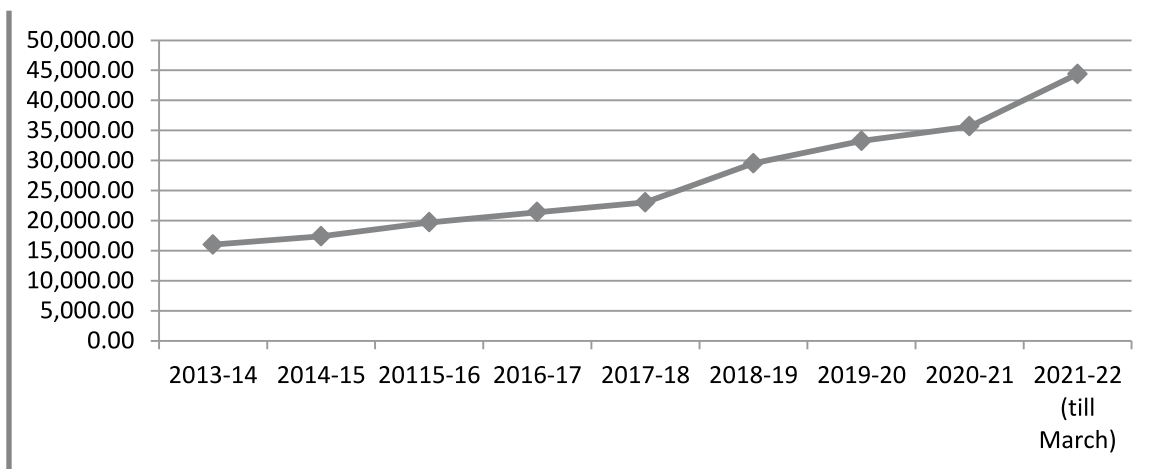


Figure 4: Total Public Debt (Rs in billion)

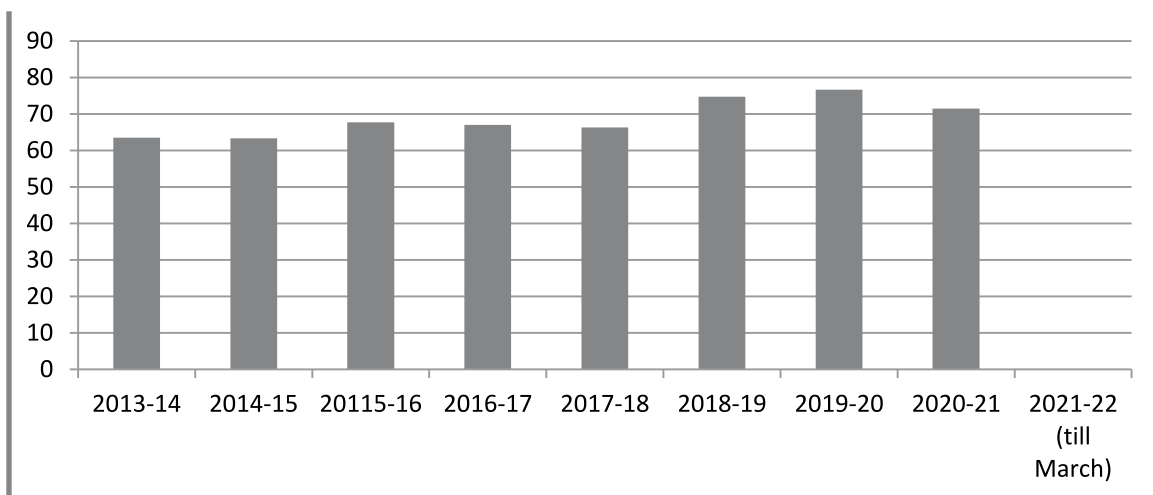


Figure 5: Total Public Debt (As percentage of GDP)

INFORMATION

Economic Indicators of Pakistan- Key terms and statistics

Compiled by
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1. **Economic Policy:** A government policy for maintaining economic growth and tax revenues. It covers the systems for setting levels of taxation, government budgets, the money supply and interest rates as well as the labor market, national ownership, and many other areas of government interventions into the economy.
2. **Gross Domestic Product (GDP) (nominal and real):** The value at current market prices, of the total final output produced inside a country during a given year is Nominal GDP. Whereas Real GDP is nominal GDP corrected for inflation i.e. $\text{real GDP} = \text{nominal GDP} \div \text{GDP deflator}$.

Billion Rs.

Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
GDP at Current Factor	17,108	19,437	22,909	25,402	27,384	29,598	31,862	34,396	38,559	41,727	47,709

Source: State Bank of Pakistan (Annual Report FY11 to FY21)

3. **Gross National Product (GNP) (nominal and real):** The value at current market prices, of all final goods and services produced during a year by the factors owned by a nation is Nominal GNP. Whereas Real GNP is nominal GNP corrected for inflation i.e. $\text{real GNP} = \text{nominal GNP} \div \text{GNP deflator}$

Billion Rs.

Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
GNI at Current Factor	19,105	21,127	24,011	26,777	29,601	31,467	33,634	36,214	41,072	44,691	52,223

Source: State Bank of Pakistan (Annual Report FY13 to FY21)

4. **Inflation (or Inflation rate):** The inflation rate is the percentage of annual increase in general price level.

Year	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	Apr FY22
Core Inflation (excluding Food, Electricity, Gas, Kerosene Oil and Motor Fuel)	9.7	10.6	9.60	8.30	6.54	4.17	5.17	5.83	7.92	7.52 (Urban) 8.67 (Rural)	5.99 (Urban) 7.60 (Rural)	7.00 (Urban) 7.70 (Rural)

Source: State Bank of Pakistan (Annual Report FY11 to FY21)

5. **Consumer Price Index (CPI):** A price index that measures the cost of a fixed basket of consumer goods in which the weight assigned to each commodity is the share of expenditures on that commodity in a base year.
6. **Sensitive Price Indicator:** The Sensitive Price Indicator (SPI) is computed on weekly basis to assess the price movements of essential commodities at short intervals so as to review the price situation in the country.
7. **Wholesale Price Index:** Wholesale Price Index (WPI) is designed to measure the directional movements of prices for a set of selected items in the primary and wholesale markets. Items covered in the series are those, which could be precisely defined and are offered in lots by producers/manufacturers. Prices used are generally those, which conform to the primary sellers realization at ex-mandi (market), ex-factory or at an organized wholesale level.

Year (Base 2007-08=100)	Jun 11	Jun 12	Jun 13	Jun 14	Jun 15	Jun 16	Jun 17	Jun 18	Jun 19	Year (Base 2015-16=100)	Jun 19	Jun 20	Jun 21	Mar 22	May 22
Consumer Price Index	152.78	169.99	179.94	194.74	200.89	207.30	215.45	226.68	246.82	Consumer Price Index	121.63	132.08	144.82	161.88	165.23
Sensitive Price Index	168.09	188.14	196.75	212.40	214.29	216.58	220.68	228.00	257.34	Sensitive Price Index	117.50	128.46	148.21	170.63	173.38
Whole sale Price Index	177.98	189.37	199.21	214.60	210.37	210.88	217.77	234.40	264.15	Whole sale Price Index	134.55	135.80	164.12	201.43	210.79

Source: Pakistan Bureau of Statistics Monthly Review on Price Indices June 2011 to May 2021

8. **Labour Force:** As per Article 11(3) no one under the age of 14 shall be engaged in labour, therefore, group of people of 14 years of age and older who are either employed or unemployed fall under labour force.
9. **Unemployment:** In economic terms, involuntary unemployment occurs if there are qualified workers who would be willing to work to prevailing wages but cannot find jobs.
10. **Employment:** The total number of people gainfully employed or working.¹
11. **Employed:** To hire or engage the services of (a person or persons); provide employment for; have or keep in one's service.²

Civilian Labour Force, Employed and Unemployed in Pakistan (in millions)

Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Labour Force	58.1	59.3	60.3	60.1	61.04	-	-	65.5	68.75	-	71.76
Employed	54.7	55.8	56.6	56.5	57.4	-	-	61.7	64.03	-	67.25
Unemployed	3.5	3.5	3.8	3.6	3.62	-	-	3.8	4.71	-	4.51

Source: Pakistan Labour Force Survey 2017-18, 2018-19, 2020-21 (Annual Report; Pakistan Economic Survey 2020-21)

¹ Dictionary.com, s.v. "employment," <http://dictionary.reference.com/browse/employment>

² Dictionary.com, s.v. "employed," <http://dictionary.reference.com/browse/employed>

12. **Domestic Debt:** Domestic Debt refers to the debt owed to creditors resident in the same country as the debtor. It can be of sovereign nature, i.e., borrowed by a government or non-sovereign, i.e., borrowed by the corporate.
13. **External Debt:** External Debt, at any given time, is the outstanding amount of those liabilities that require payment(s) of principal and interest by the debtor at some point(s) in the future and that are owed to nonresidents by the residents of an economy.

Billion Rs.

Debt & Liabilities/ Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY 21 ^P
Domestic	6,823	8,357	10,303	11,765	13,215	14,830	16,358	18,304	22,882	25,587	28,606
External	5,707	6,196	6,036	6,459	6,631	7,747	8,751	11,575	17,341	19,005	19,223
Total	12,530	14,553	16,339	18,224	19,846	22,577	25,109	29,879	40,223	44,592	47,829

Source: State Bank of Pakistan (Annual Report FY11 to FY21)

14. **Monetary Policy:** The objectives of central bank (State Bank of Pakistan) in exercising its control over money, interest rates and credit conditions. The instruments of monetary policy are primarily open-market operations, reserve requirements, and the discount rate.
15. **Discount Rate:** The interest rate charged by State Bank of Pakistan (the central bank) on a loan that it makes to commercial bank. It is also referred as the rate used to calculate the present value of some asset.

Year	16-Sep-13	18-Nov-13	17-Nov-14	26-Jan-15	24-Mar-15	25-May-15	14-Sep-15	23-May-16	29-Jan-18	28-May-18	16-Jul-18	1-Oct-18	3-Dec-18	1-Feb-19
Discount Rate (%)	9.50	10.00	9.50	8.50	8.00	7.00	6.50	6.25	6.50	7.00	8.00	9.00	10.50	10.75

Year	1-Apr-19	21-May-19	17-Jul-19	18-Mar-20	25-Mar-20	17-Apr-20	18-May-20	26-Jun-20	21-Sep-21	22-Nov-21	15-Dec-21	08-Apr-22	24-May-22
Discount Rate (%)	11.25	12.75	13.75	13.50	12.00	10.00	9.00	8.00	8.25	9.75	10.75	13.25	14.75

Source: State Bank of Pakistan: Structure of Interest Rates

16. **Interest Rate:** The price paid for borrowing money for a period of time, usually expressed as a percentage of the principal per year. Thus, if the interest rate is 10 percent per year, then Rs.100 would be paid for loan of Rs.1,000 for 1 year.
17. **Balance of Payment:** Balance of Payments The balance of payments (BOP) is a statistical statement that systematically summarizes, for a specific time period, the economic transactions of an economy with the rest of the world.

Million US Dollars

Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Balance of Payment	214	(4,658)	(2,496)	(3,130)	(2,795)	(4,867)	(12,621)	(19,897)	(13,434)	(4,449)	(1,916)

Source: State Bank of Pakistan (Annual Reports FY11 to FY21)

18. **Balance of Trade:** The balance of trade is the difference between the monetary value of exports and imports for an economy over a certain period of time.

19. **Trade Deficit:** An economic measure of a negative balance of trade in which a country's imports exceeds its exports. A trade deficit represents an outflow of domestic currency to foreign markets.

Million US Dollars

Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Balance of Trade	(12,456)	(18,957)	(16,919)	(19,240)	(20,237)	(22,689)	(31,019)	(37,892)	(32,582)	(24,425)	(30,145)

Source: State Bank of Pakistan (Annual Reports FY11 to FY21)

20. **Exports:** Goods and Services that are produced in the home country and sold to another country. These include merchandise trade (like cars), services (like transportation), and interest on loans and investments.

Million US Dollars

Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Export of Goods & Services	31,124	29,731	31,526	30,423	29,968	27,431	27,558	30,056	30,223	27,973	31,512

Source: State Bank of Pakistan (Annual Reports FY11 to FY21)

21. **Imports:** It is opposite of exports i.e. Goods and services brought into home country from another country.

Million US Dollars

Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Import of Goods & Services	43,580	48,688	48,445	49,663	50,205	50,120	58,577	67,948	62,805	52,398	61,657

Source: State Bank of Pakistan (Annual Reports FY11 to FY21)

22. **Current Account Deficit:** A measurement of a country's trade in which the value of goods and services it imports exceeds the value of goods and services it exports. The current account also includes net income, such as interest and dividends, as well as transfers, such as foreign aid, though these components tend to make up a smaller percentage of the current account than exports and imports. The current account is a calculation of a country's foreign transactions, and along with the capital account is a component of a country's balance of payment.

Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Current Account	214	(4,658)	(2,496)	(3,130)	(2,795)	(4,867)	(12,621)	(19,897)	(13,434)	(4,449)	(1,916)

Source: State Bank of Pakistan (Annual Reports FY11 to FY21)

23. **Foreign Exchange Reserves (Reserve Assets):** Foreign-exchange reserves are called Reserve Assets are those external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to affect the

currency exchange rate, and for other related purposes (such as maintaining confidence in the currency and the economy, and serving as a basis for foreign borrowing).

Million US Dollars

Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 ^P
SBP Liquid Reserves	17,824	13,182	8,362	11,682	18,683	23,539	21,861	15,402	13,580	18,886	24,398

Source: State Bank of Pakistan (Annual Reports FY11 to FY21)

24. Foreign Exchange Rate: The rate, or price at which one country's currency is exchanged for the currency of another country.

Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Exchange Rate (Yearly Average, Rs. per US Dollar)	85.50 17	89.235 9	96.727 2	102.85 91	101.29 47	104.23 51	104.69 71	109.84 44	136.09 01	158.02 53	160.02 19

Source: State Bank of Pakistan (Annual Reports FY11 to FY21)

25. Workers' Remittances: Workers' remittances are current transfers for family maintenance by migrants who are employed and residents in new economies. (A resident is a person who stays, or is expected to stay for a year or more in an economy).

Million US Dollars

Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Workers' Remittances	11,200. 90	13,186. 58	13,920. 16	15,832. 25	18,454. 04	19,914. 60	19,303. .58	19,622. 65	21,840. 20	23,132. 30	29,370. 90

Source: State Bank of Pakistan (Annual Reports FY11 to FY21)

26. Market Index Investor: An aggregate value produced by combining several stocks or other investment vehicles together and expressing their total values against a base value from a specific date. Market indexes are intended to represent an entire stock market and thus track the market's changes over time.

27. Index Number: Stock market index is a used for measuring changes in the prices of stock market securities in respect of the base year prices. The index is used as an indicator of the overall performance of the economy.

Index Name/ Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
KSE 100 Index	12,496.03	13,801.41	21,005.69	29,652.53	34,398.86	37,783.54	46,565.3	41,910.9	33,901.6	34,421.9	47,356.0
KSE All Shares Index	8,663.10	9,708.31	14,987.53	21,973.16	24,036.72	25,313.12	32,494.3	30,582.9	24,986.1	24,660.3	32,479.8

Source: State Bank of Pakistan (Annual Reports FY11 to FY21)

28. Fiscal Policy: A government's program with respect to (1) the purchase of goods and services and spending on transfer payments, and (2) the amount and type of taxes.

29. **Fiscal Balance:** When a government's total expenditures exceed the revenue that it generates (excluding money from borrowings). Deficit differs from debt, which is an accumulation of yearly deficits.
30. **Revenue:** In the case of government, revenue is the money received from taxation, fees, fines, inter-governmental grants or transfers, securities sales, mineral rights and resource rights, as well as any sales that are made.
31. **Expenditure:** This includes current and development expenditure on Revenue Account and current and development expenditure on Capital Account. The term 'Expenditure' as used in Annual Budget Statement and related documents usually covers *Budget Estimates, Revised Estimates and Actual Expenditure*.

Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 ^P
Total Revenue	2,252.9	2,566.5	2,982.4	3,637.3	3,931.0	4,447.0	4,936.7	5,228.0	4,900.7	6,272.2	6,903.4
Total Expenditure	3,447.3	3,936.2	4,816.3	5,026.0	5,387.8	5,796.3	6,800.5	7,488.4	8,345.6	9,648.5	10,306.7
Deficit	(1,194.4)	(1,369.7)	(1,833.9)	(1,388.7)	(1,456.7)	(1,349.3)	(1,863.8)	(2,260.4)	(3,444.9)	(3,376.3)	(3,403.3)

Source: State Bank of Pakistan (Annual Reports FY14 to FY21); P= Provisional

32. **Direct Taxes:** Those levied directly on individuals or firms, including taxes on income, labour earnings and profits.

Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Direct Taxes (Net)	602.5	738.8	739.7	884.1	1,033.7	1,191.6	1,344.2	1,536.6	1,445.5	1,523.1	1,726.0

Source: Federal Board of Revenue (Year Books FY11 to FY21)

33. **Indirect Taxes:** These are contrast to Direct Taxes, which those levied on goods and services and thus only indirectly on people, and which include sales taxes and taxes and taxes on property, imports and oil.

Year	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Sales Tax (Net)	633.4	804.8	841.3	1002.1	1,087.8	1,323.7	1,329.0	1,491.3	1,459.2	1,596.8	1,981.4
Excise Duty (Net)	137.4	122.5	119.4	139.1	162.2	190.5	197.9	205.9	238.2	250.4	279.6
Customs (Net)	184.9	216.9	239.0	241.0	306.2	406.2	496.8	608.3	685.6	626.4	747.3
Total Indirect Tax	955.7	1,144.2	1,199.7	1,382.2	1,556.2	1,920.4	2,023.7	2,305.5	2,383.0	2,473.6	3,008.3

Source: Federal Board of Revenue (Year Books FY11 to FY21)

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PIPS PARLIAMENTARY ROUNDTABLE

Gender Mainstreaming: A case study of inheritance and trafficking laws for WPC, Khyber Pakhtunkhwa Assembly

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 PIPS SDGs Desk

Islamabad: June (9-10, 2022): The Pakistan Institute for Parliamentary Services (PIPS), in collaboration with the European Union-GIZ ‘Mustehkam Parlamaan’ Project, organized a two day “Parliamentary Roundtable on Women Inheritance Rights and Cross Border Women Trafficking **Gender Mainstreaming: A case study of inheritance and trafficking laws**. Honourable Deputy Speaker Mr. Mehmood Jan, Provincial Assembly of Khyber Pakhtunkhwa, chaired the Roundtable, attended by around 25 participants comprising Honourable Members of the Women Parliamentary Caucus of the Provincial Assembly of Khyber Pakhtunkhwa, representatives from GIZ, senior officers of the secretariat of the Provincial Assembly of Khyber Pakhtunkhwa, representatives from the Provincial Government of Khyber Pakhtunkhwa, FIA, Law Ministry, Council of Islamic Ideology as well as members of civil society and media. The proceedings began with recitation of verses of the Holy Quran by Qari Muhammad Anees., Dr. Pervaiz Abass, Deputy Team Lead Mustehkam Parlamaan, presented welcome note. Mr. Muhammad Rashid Mafzool Zaka, Director General (Research), PIPS welcomed the participants on behalf of the Executive Director PIPS. The Honourable Speaker of the Provincial Assembly of Khyber Pakhtunkhwa Mr. Mehmood Jan inaugurated the event as the Patron of WPC at the KP Assembly. Ms. Nadia Batool, Senior Adviser Legislative Affairs Mustehkam Parlamaan, presented agenda setting and norms.

Roundtable objectives:

1. Review WPC Khyber Pakhtunkhwa progress to date while sharing learnings and implementation challenges WBC in national and provincial parliamentary business viz a viz women empowerment in Khyber Pakhtunkhwa
2. Revisit gender rights mainstreaming (oversight, policy, budget, representations) to strengthen parliamentary capacity
3. Identify challenges and legislative gaps in order to address issues related to countering women trafficking and inheritance rights in Khyber Pakhtunkhwa
4. Bill consensus and commitment-based action plan for effective WBC Khyber Pakhtunkhwa functioning on issues related to women empowerment

Key take away for action planning:

1. **Legislative Reforms** (Revisit existing laws, regulations and implementation mechanisms)
2. **Sensitization and Awareness** of issues, challenges and existing legal framework women’s Right of Inheritance.
3. **Scrutiny / Oversight by Women Parliamentary Caucus and relevant standing committees** by inviting presentations by implementation committees viz a viz women trafficking.

Women Empowerment and gender mainstreaming is essential for national development: Women rights are connected to the development of Pakistan that should be a considered while developing, reforming and implementing any laws, regulations and legislations. Therefore, national ownership of gender mainstreaming is essential that requires pragmatic, regular and focused networking of all the relevant institutes and department, such as the Members of Parliament, local representatives, WPC, CSOs,

Police, NADRA, Land Revenue Dept. , Education Dept. Media, lawyers, judiciary, Ombudsmen, PIPS and researchers community. Process oriented action is required to understand the actual issues related to sensitization, capacity building and revisiting the gaps and implementation.

Day One – 9th, June, 2022: PIPS DG (Research) Mr Zaka conducted an interactive two hour session Mr. Zaka on the Human Rights Framework of Pakistan – Role of Members of Parliament in legislative scrutiny. Mr. Mufti Ghulam Majid (Senior Research Officer, Council of Islamic Ideology), educated the participants on the inheritance rights of women under Islamic Law. Dr. Riffat Sardar (Chairperson, Khyber Pakhtunkhwa Commission on the Status of Women), briefed the participants on the prevailing issues in Pakistan that affect Women's right of inheritance. Mr. Muhammad Hanif Khan, Deputy Director (Research), presented on the current national and provincial Inheritance laws of Khyber Pakhtunkhwa.

Recommendations with respect to women inheritance rights:

1. **Identification of the Big Cultural Question:** Participants agreed that the fundamental challenge remains overcoming cultural issues, as most women face fraud, cheating, and forgery by their own relatives (male or female counterparts in the family) while claiming the right to inheritance. In many cases, the situation worsens to the point of death.
2. **Three Key Factors to claim women inheritance:** Money, time and support were identified by the women folk as three factors women needs from society (especially men) to claim the inheritance law; Laws need to be enacted and regulations and systems must envisage easier process in this regard.
3. **Codified Law of Inheritance:** There is a need to revisit the inheritance act 2012 and analyze if the act is in favor of women. It is an involuntary devolution of property of a deceased person to legal heirs and is operational on the death of a person and applies to both moveable and immovable properties of the deceased. Right of women to a specified share of inheritance, self-entitlement and possession of property are unequivocally enshrined in the Holy Quran. Therefore, it was important to have a codified Law of Inheritance in the country defining all the inheritance rights of legal heirs including women and children. We do not have an inheritance law in Pakistan, except for the **Muslim Family Law Ordinance 1962**, which states in Section 4 that the grandchildren of a predeceased son or daughter can inherit the share of the grandfather's property that their parent would have received had they been alive.
4. Courts in Pakistan are obligated to rule their decisions based on **Muslim Personal Law (Shariat) Application Act, 1962**, hence the courts either seek for fatwas on any inheritance matter keeping in view the differing circumstances or the courts seek guidance from patwaris or it relies on a book named Muhammadan Law authored by DF Mulla, who himself is of the Parsi religion. Some of the issues raised in this book were also challenged in the Federal Shariat Court, which was then referred to the Council of Islamic Ideology, which prepared a detailed report titled Islamic Law of Inheritance.
5. **Appropriate Penalty for offence: Section 498A of Pakistan Penal Code 1860 ("PPC")** that makes it unlawful to deprive any women, "by deceitful or illegal means", "from inheriting any moveable or immovable property at the time of opening of succession" and such an offence is punishable with imprisonment for a minimum term of 5 year, extendable up to 10 years or 1 million fine or both. Section 498B and 498 C of PPC which renders forced marriages and marriage with the Holy Quran, or giving up her inheritance and marriage right in this context, unlawful. However, the Punishment prescribed under this section is imprisonment between 3 years to 7 years and fine of thousand rupees. The Council of Islamic Ideology CII presentation in the Roundtable viewed that the offences mentioned in section 498B and 498C, are much graver than the offence under Section 498A, therefore

the Council prescribed that the punishment under section 498B and 498C, either be increased or brought similar to the punishment given under section 498A. Referring to the **Khyber Pakhtunkhwa Enforcement of Women's Property Rights Act, 2020** the Council of Islamic Ideology showed admiration towards the quality and effort of this law by the KP Assembly, for protecting women inheritance rights.

6. **Inheritance as Fundamental Right:** The recent Amendment Bill of the Constitution through Article 24A, women inheritance right will be inserted as a fundamental right into the Constitution. The Council of Islamic Ideology has also endorsed and encouraged this amendment bill.
7. **Raising awareness of women on their property and inheritance rights** and sharing with them the applicable laws on inheritance is imperative as there is lack of awareness among women living around different parts of Khyber Pakhtunkhwa on their rights of inheritance.
8. **Capacity Building and Sensitization of patwaris and land revenue dept.:** It is critical to strengthen patwaris capacity in order for them to treat women as right holders. It is critical to advocate for increased recruitment of female patwaris. So far, 5 female patwaris have been recruited in the province of Khyber Pakhtunkhwa.
9. **Role of Ulema and Clergy:** Raising awareness in communities about Islamic injunctions of women inheritance through mosques and ulema can also help overcome patriarchal culture.
10. **Need to develop data base on ownership of property connected to the NADRA:** This way the land revenue department will know ahead about the potential owners of property including women. Therefore, Land Revenue Department of the Khyber Pakhtunkhwa Province and NADRA must coordinate to develop the system to implement Inheritance to women. Digitization of land record, (i) to fill in the gaps of fraudulent mutations especially by the male family with the collusion of patwari, (2) to ensure secure, reliable and accountable transaction, (3) easy identification of land of the deceased, saving women from approaching different *patwar-khana* etc.
11. **Role of CSOs for developing database, legal aid and access to Ombudsman:** Proper database is needed and Provincial Ombudsmen's institution must enhance the capacity to do the same. It is important to create awareness, utilize, and engage, legal aid cell and ensure its liaison with social support bodies or non-profit organizations at the district level regarding women's right to inheritance and ease of access to courts or an ombudsman under the prevailing laws.
12. **Technical Assistance in Legislative and Legal Reforms:** It is important to increase advocacy efforts between government's technical units for legal reform (including Ministry of Law, Justice, and Human Rights) and research institutions such as the Pakistan Institute for Parliamentary Services (PIPS) to accelerate favourable legalities' reforms with respect to women inheritance rights.
13. **Role of WPC:** Women Parliamentary Caucus (WPC) at the National Assembly of Pakistan and the Provincial Assemblies can engage themselves in parliamentary and cross party initiatives including women inheritance rights. PIPS has been facilitating the engagement in the past and continues to provide essential technical assistance in this regard.
14. **WPC Coordination with Education Dept.:** WPC at provincial level can help bring change in the discriminatory and customary attitudes with regards to women inheritance through coordinating with education dept. to ask them introduce the same in education curriculum.
15. **Women Leaders:** Women representation is very important in every inquiry committee (committees are still not notified) in addition to leadership roles such as Minister and Committee Chairs.

Day Two – 10th June, 2022: The second day of the roundtable featured a detailed and conducive discussion of the challenges faced in cross-border women trafficking, as well as deliberations on how to eliminate such

threats in our society. Ms Tehseen Khalid Director (Research), PIPS moderated the day long deliberations. Ms. Hina Maqsood (Project Manager, ICMPD), presented the prevailing data and status of women trafficking in Pakistan. Jam Aslam (Deputy Draftsman, Ministry of Law) provided information on the legislative gap assessment of national and KP laws pertaining to women trafficking in Pakistan. Mr. Zaheer Ahmed (Director, Anti Human Smuggling Unit, FIA) provided a detailed briefing on the role of law enforcement agencies in combating cross-border trafficking, particularly of women and children.

Recommendations with regard to human trafficking:

16. Pakistan's reporting is not good because bureaucrats representing the country do not put in the effort to present a comprehensive picture and data at international forums such as the UN, which keeps the country in a low ranking. This should be improved. National ownership is required to ensure the implementation of strategies developed.
17. **Recognize Prohibition of Trafficking in persons as a Fundamental Right:** In many countries, such as India, trafficking in human beings or persons is prohibited by the Constitution. The Constitution of Pakistan can be amended to recognize the prohibition of human trafficking, a fundamental right. Women trafficking as given in the Article 6 of the UN Covenant on Elimination of All Forms of Discrimination Against Women (CEDAW) calls that States Parties shall take all appropriate measures, including legislation, to suppress all forms of traffic in women and exploitation of prostitution of women. Once new legislation is being envisaged it is essential that finance department of the province must include and see budget needed so that implementation of laws is possible and to ensure the timeframe for every action.
18. **Law to establish National Anti-Trafficking Bureau:** NATB may be established through a national level law that works under the Secretary Interior and other key ministries such as overseas Pakistanis, Law and Health as members. Similarly, it may also establish provincial anti-trafficking committees working under Chief Secretary. The Provincial and the District Anti-Trafficking Committees can undertake all measures and recommend strategies as well as plans to protect and prevent vulnerable persons from being trafficked.
19. **Role of Provincial Assemblies in Combating Trafficking in Persons:** The Provincial governments can propose and recommend to the federal government to amend/improve the Prevention of Trafficking in Persons Act where they believe it is necessary. MPs can provide regular advice to federal governments on national action plans, which can be reviewed to improve coordination among departments and key stakeholders.
20. **Provincial Trafficking in Persons (TIP) Committees:** Provincial governments have notified Provincial TIP committees. These committees include representatives from the police, FIA, social welfare, child bureaus, the law department, the labour department, and civil society. Honorable WPC members can work to gain permanent membership on this important committee. Honorable Members of relevant Standing Committees / Women Parliamentary Caucus can also monitor the performance of government departments / Provincial TIP Committees through regular meetings with the committee.
21. **Coordinated Data Collection:** The government should increase efforts to collect and accurately report anti-trafficking data. Fact-based policies necessitate a solid evidence base in the country. This information can be further segregated by age, gender, religion, ethnicity, and so on.
22. **Trafficking Victim Relief and Rehabilitation:** Provincial governments should develop trafficking victim's relief and rehabilitation services, with a particular emphasis on the quality and availability of trafficking-specific services. The government may also establish a rehabilitation fund for victims of human trafficking.
23. **Improved inter-agency coordination:** Coordination between federal and provincial anti-human trafficking agencies, as well as inter-provincial coordination among relevant agencies, needs to be

improved. The FIA is mandated to implement trafficking laws in relation to cross-border trafficking, but its administration still needs to be mainstreamed. It is therefore critical to develop an effective and efficient coordination mechanism through which the FIA can interact with police officers and the judiciary to ensure that rules are enforced in letter and spirit. The same holds true for police officers dealing with inter-provincial human trafficking. All ministries and government departments must work together to combat human trafficking, and their roles and responsibilities must be clearly defined. Once their roles are defined, the implementation of laws will significantly improve.

24. **Public Awareness Seminars:** The WPC, CSOs, media and the government must engage various stakeholders in spreading awareness, particularly in areas where human trafficking and migrant smuggling are on the rise. Print, electronic, and social media can all be used to raise public awareness. Government can also engage local partners to develop separate public messaging/programming for domestic workers' rights under the various provincial laws.
25. **Training/ Capacity Building of Officials:** Capacity building of police is imperative viz a viz implementation of inter-province and intra-province trafficking. The government must focus on building the capacity of officials from relevant departments involved in the enforcement of anti-trafficking laws. The officials must be trained on the Prevention of Trafficking in Persons Act's implementation rules.
26. **Special Courts/Judges/Prosecutors for Trafficking Victims:** The government can make efforts to establish or designate special courts/judges/prosecutors to hear trafficking cases.
27. **Support Processing of Victims:** The government can make efforts to establish new facilities at ports and airports dedicated to processing human trafficking victims returning from abroad.
28. **Access to Information about Safe Migration and Decent Work Opportunities Abroad:** The government should prioritize the availability of information about safe migration and decent work opportunities abroad, particularly for women, so that they can identify appropriate employment opportunities individually or through third parties, reducing the likelihood of becoming a victim of trafficking.



Pakistan's Population Challenge advocacy meeting with Honorable Members of Parliament,
Wednesday, June 08, 2022



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