Inception Meeting of Stakeholder Network for Economic Analysis and Reforms
SDPI’s Mandate

- Research
- Advocacy & outreach
- Capacity Development

Diagram showing the integration of research, advocacy, and capacity development.
Objectives

- To promote a better understanding of where Pakistan’s economy stands today?

- To understand the barriers to structural reforms at national and sub-national level

- To offer possible scenarios on the way forward and what costs and adjustments these options may entail

- To advocate the reform ideas for inclusion in national and sub-national strategies.
Federal Priorities
Provincial Priorities
(will vary across provinces)

100 Days Agenda - Initiatives

Revive Agriculture Sector and Conserve Water:
- Adopt policy for improving productivity of agriculture and livestock sectors
- Enhance private sector market participation through legal reforms
- Development of markets expansion plans
- Incentivize establishment of SMEs for agro / food processing
- Adopt plan for achieving self-sufficiency in milk and milk based products and to expand meat production
- Adopt Punjab Water Policy and Groundwater Act
- Develop and implement Provincial Water master Plan. Real time water flow monitoring pilot system launched

Revolutionize Social Services
- Adopt new Education Policy for Punjab
- Finalize and launch new Provincial Health Strategy
- Launch initiatives for provision of Clean Drinking Water
- Launch Women Empowerment Package 2018
- Clean & Green Punjab Campaign launched

Transform Governance
- Strengthens the Federation

Revitalize Economic Growth
- Uplift Agriculture and Conserve Water
- Revolutionize Social Services
- Ensure Pakistan's National Security
Basic Methodology

- Identify as a group which growth and reform aspects to work on through both research and outreach lens

- Prioritize reforms for national and sub-national governments

- Through a structured public private dialogue engage with all governments for inclusion of these reforms in plans, policies and budgets

- Based on the above mentioned, support briefings to the parliamentarians and their committees.
• Inclusion of key reforms in federal annual plans, budgets and provincial annual development plans

• Policy engagement during pre-budget meetings at federal and provincial level through this network

• Inputs for Strategic Trade Policy Framework

• Inputs for Provincial Growth Strategies, investment and sectoral policies.
Channels to ensure regular follow-up

• Work with select standing committees of parliament (and parliament’s own think tanks)

• Work with print, electronic and social media platforms

• Call-on to cabinet members near to output dates

• Aim to expand this network of local think tanks, business associations and entrepreneurs.
Working with the Parliament

- To strengthen a community of democracies

- To provide elected parliamentarians a platform to engage at an interactive and less formal level and deliberate on key economic reforms

- To promote democratic economic development across country in particular areas lagging in development

- To produce timely output which can inform the function of the state.
Examples

- Political leaders forum on development → Belgium
- Parliamentary forum on sustainable development → Indonesia
- Parliamentary forum on economy and environment → Uganda
Some common achievements

- Setting a clear vision to promote a prosperous economic, climate change and environment agenda locally and in the region.

- Realistic goal that ensures effectiveness in policies and actions for harmonized and coordinated approaches towards sustainable development.
Some common achievements - II

- Planned interventions
- Supporting national and sub-national policies
- Influencing debate on economic priorities
- Providing pre-budget inputs
- Providing inputs for trade and tariff policy
- Regional approach to poverty reduction and peace
- Environmental commitments & compliance
Institutional Arrangements

• Multi-partisan network of parliamentarians

• Secretariat supported by policy think tank

• Secretariat has formal linkages with the parliament

• Team of researchers to provide timely inputs

• Orientation services for new parliamentarians.
Where will future economic growth come from?

What could be the growth levers for Pakistan’s economy?
• Which of these growth sectors will generate maximum jobs?

• We of course wish to see decent, productive and sustainable jobs.
Planning Exercise-III

• If private sector has to be the engine of growth;

• What reforms are required to bring down the cost of doing business?
• How can (you or) your organization contribute towards policy engagement for structural reforms?
• How can (we or) our organizations help strengthen this network?

• Who else may be part of this network?
Why are exports struggling?

- Primary survey of 254 enterprises

- Split across sectors:
  - Manufacturing 61%
  - Services 26%
  - Agro processing 10%
  - Agriculture 3%

- Export profile
  - 35 percent were current exporters
  - 23 percent were past exporters
  - 22 percent were from the services sector exporters
  - 20 percent were potential exporters

- 72 percent of our participants represented SMEs, while 28 percent were from larger entities.
1. Cost of energy still the largest budget item
2. Tax compliance costs have increased
3. Complex structure of customs duties
4. Financial intermediation not inclusive
5. Uncertain exchange rate regime
6. Missing transportation, warehousing & distribution policy
7. Fiscal support not reaching new & potential exporters
8. Layers of regulatory burden at subnational-level
9. Role of FTAs in enhancing competitiveness not clear
10. Gaps in skilled and semi-skilled labour market
Province-wise priorities

**Sindh**
- Taxation
- Labour
- Tariffs
- Lack of land route trade
- Weak engagement with federal

**Balochistan**
- Trade facilitation
- Exchange rate
- Delays in receipt of uplift package
- Lack of information regarding export incentives
- Large informal economy

**Punjab**
- Regulatory burden
- Labour
- Taxation
- Delays in receipt of fiscal support
- Trade facilitation

**Khyber Pakhtunkhwa**
- Energy
- Taxation
- Certification
- Credit
- Exploring other sectors e.g. minerals
We have a thriving startup culture in Pakistan.

Are the enterprises graduating beyond startup phase?

Are Pakistani enterprises integrating in value chains abroad?

Are Pakistani enterprises becoming exporters?
• How inclusive is the entrepreneurship culture?

• Are the micro women-led enterprises comfortable with incorporation, registration and borrowing processes?

• Are women-led enterprises growing? Are they becoming exporters?
Comparing Endowments with CPEC Commitments

Rashakai Economic Zone (Nowshera)

- Existing sectors:
  - Marble
  - Cement
  - Flour mills
  - Barytes
  - Dolomite
  - Granite

- Planned sectors:
  - Food processing
    - Fruits value added
    - Packaging industry
  - Textile stitching
    - Knitting
Developing consensus across party lines