

Ease of Doing Business: Pakistan goes into high gear

The BOI launched an accelerated Doing Business 100 Days Sprint plan to establish a DB reform secretariat, charged with the responsibility to implement remaining reforms and improve the country's DB ranking by 2019

By Naeem Y. Zamindar

ACCORDING to a recent perception and investment survey released by the Overseas Investors Chamber of Commerce and Industry (OICCI), nearly 75 per cent of respondents consider Pakistan a potential market for fresh investment.

This shift in perception is a welcome one from the earlier wariness of international investors at the prospects of investing capital in Pakistan.

Significant improvements in energy supply and the security condition were highlighted as the major drivers of this fresh wave of optimism. Enhanced regional cooperation with China, Turkey and the Central Asian States should also spur interest in the country's economy.

Being home to an overwhelmingly large labour force and an ever-growing population, the country has focused on the revival of its domestic economy, thereby creating more jobs for both its skilled and unskilled labour.

It is also important to note that since the fiscal year 2014 real GDP growth has witnessed a consistently upward trend. The GDP growth rate over the past three to four years has hobbled in the four to five per cent range; it presently stations at an impressive 5.28pc — the highest in 10 years.

The country's monetary and fiscal strategies have also played a stabilising role through substantially reducing tax loopholes and exemptions, thereby broadening the tax base and discouraging tax evasion.

The government has been implementing an action plan to ease the business environment, in the expectation of delivering not only financial stability but also alleviating severe poverty concerns.

This plan, developed in October 2014, was jointly spearheaded by the Board of Investment (BOI) and the Economic Reforms Unit of the Ministry of Finance with the assistance of the World Bank Group (WB).

The WB's Doing Business initiative is widely perceived by governments globally as an important mea-

sure of the effectiveness of a country's business regulation framework. The goal is to promote investment-friendly business regulations and strive for an economy where business rules are more transparent and predictable.

As per the plan, Pakistan is expected to implement a spate of business regulatory reforms, all of which contribute towards a set of 10 measurable indicators. According to the Doing Business 2018 report, Pakistan currently ranks at 147 out of a total of 190 global economies, a three notch slip from a rank of 144 reported last year.

The country's Distance to Frontier score that measures the gap between the regulations of low-income profile economies and the high-income OECD countries, however, stands at an encouraging 51.65 — an improvement of 0.71 over the last year.

This statistic nevertheless paints a bleak outlook when compared to other major South Asian economies, as it trails behind India, Bhutan, Nepal, Bangladesh and Sri Lanka.

In a bid to fast track its implementation, the BOI has also launched an accelerated DB 100 Days Sprint plan with an enduring goal to establish a DB reform secretariat, charged with the responsibility to implement the remaining reforms and improve the country's DB ranking by 2019.

To achieve this goal, a high powered steering committee chaired by Prime Minister Shahid Khaqan Abbasi has been formed. The committee plans to convene in March to review the progress of the various stakeholders involved and ensure that Pakistan meets its reform obligations.

The intention is to send a positive message to the international community, thereby cementing the country's reputation as an attractive destination for new business ventures. ■

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