

Improved Transparency, Governance To Attract Investments From Expats

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Comment

LAHORE: Motivating expat Pakistanis to invest in their home country has been the aim and desire of all rulers of Pakistan, and the present regime is no different, but none have bothered to remove their concerns in this regard.

Expats from all nations that moved out for better earnings aspire to go back to their soil once they accumulate enough wealth to live the rest of their life comfortably in their home country. Many of them establish high-tech industries that create better jobs for their fellow citizens.

They are welcomed and facilitated by their governments. More than 50 percent of the foreign investment in China has been made by the Chinese immigrants living in industrialised countries.

In the same way, expat Indians are one of the major foreign investors in their country. Mexicans living in United States have turned their home country into a vibrant manufacturing hub.

This unfortunately has not happened in Pakistan. The expat Pakistanis do not have confidence that their capital would be safe in their own country.

They are not afraid of terrorism, but like all other investors and that include fellow Pakistanis and foreigners they are wary of the painfully slow judicial system.

They are afraid of languishing for years in case minor complaints are taken for resolution to a courtroom.

They are afraid of the stay orders issued by judiciary on applications by other parties that drag on for a long time and ultimately get decided in their favour. This may relate to acquisition of land or transfer of property.

While living in developed economies, they develop traits of obedience to law and pay their due taxes. They however refuse to pay bribes.

This, in Pakistan is considered a sin by the bribe takers. The tax returns of the expats are disputed and higher than the actual taxes are assessed.

Again this constitutes a lengthy process, and appeals can be prolonged for years till the one is acquitted.

The respect of intellectual property rights in Pakistan is scant. The software of most computers even in government offices is pirated.

You can buy third-rate shirts and shoes bearing labels of Adidas, Nike and all other brands. This is the reason that the foreign investors avoid the Pakistani market.

The expat Pakistanis cannot afford to risk their hard-earned money from foreign countries under these circumstances.

The ordeal does not end here as the Pakistani origin businessmen operating in developed economy are constantly in touch with their Pakistani counterparts.

They are informed that the taxation and duty system in Pakistan is such that despite installing the best technology they cannot compete with similar imported products.

The expats are surprised because each product that is produced in Pakistan is protected by some import duty.

Pakistanis then explain that the advantage of duty is nullified as the products are under-invoiced.

The Pakistani products become expensive because the 17 percent sales tax is levied equally.

The sales tax on under-invoiced imported products is much lower than that on Pakistani product.

The expats are also afraid of rampant smuggling. They cannot afford to see their investments melt away as the hands of smugglers.

They have great desire to come back to their country. They do visit the revered soil once or twice a year.

They are also fascinated by the culture of their homeland that is not visible in their host country.

They are respected here, while in many foreign countries they get looked down at by some racists.

But permanent residence in their home country is only possible if governance is upgraded, and the system is fair and transparent.

In fact, many expat Pakistanis are of the opinion that their homeland's financial potential is hostage to bad governance and nepotism.