

Experts seek economic plan

Call for policies and incentives for informal sector and businesses

● OUR CORRESPONDENT
LAHORE

Even before the pandemic, Pakistan had about 60 million people unemployed and the coronavirus outbreak has added an estimated 20 million more, said former finance minister Sartaj Aziz.

Speaking during an online conference, organised by the Institute for Policy Reforms, he said that there should be a comprehensive corona revival plan. He emphasised that the agriculture sector needed special attention because it is the backbone of the economy.

"The textile sector was dependent on cotton. And we must have policies and in-

centives to move to higher-end farm products," he maintained.

"As yet, the government has not announced support for the informal sector, small vendors, and traders. They have a large share in GDP and must get support."

Former federal minister Humayun Akhtar Khan said, "We have pursued stability for decades with no success. We should now think in terms of growth and exports."

It is no surprise that economic reforms move one step forward and two steps back, he added.

Also speaking on the occasion, Pakistan Business Council CEO Ehsan Malik said that Covid-19 is an opportunity to revisit economic policymaking and develop a national economic plan with broad consensus.

"The government must prioritise the welfare of the common man with food and basic supplies and services," he stated. Former commerce minister Dr Zubair Khan highlighted that the economy was already performing inadequately, even before the pandemic. He said that the fiscal deficit was high, and the high interest and exchange rates had no economic logic. The macroeconomic issues largely stayed unattended, with no fiscal adjustment, he added.

Commenting on the policy reforms at a micro-level, LUMS Professor Dr Bari said, "Reforms are needed at the micro-level, whereas the policy space focuses on the macro. We must rethink the role of government so that they have a greater role in education and health service

to the people."

Meanwhile, talking about the upcoming budget for FY21, Khan said that the budget is important if it is part of a larger strategy of growth. "Fifty years of focus on stability and austerity has left us with no strategy for growth."

He urged that the upcoming budget must put people and health workers first and it should support businesses.

The PBC CEO recommended that to revive the industry, taxes must come down and firms must receive incentives. "At a time when world demand has shrunk, we must focus on the domestic market," he added.

Zubair Khan was of the view that the budget should have a new approach, and should not have new taxes. "Let the private sector breathe," he added.