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## *Special Report Launch*

# **“Economic Security of Pakistan: Challenges and Way Forward”**

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The Centre for Strategic Perspectives (CSP) at the Institute of Strategic Studies Islamabad (ISSI) held a launch of its Special Report titled, “**Economic Security of Pakistan: Challenges and Way Forward,**” on August 22, 2022. The Chief Guest of the event was Dr Aisha Ghaus Pasha, Minister of State for Finance and Revenue. Other panellists included: Dr Abid Q. Suleri, Executive Director, SDPI; Ambassador Seema Ilahi Baloch; Mr. Zafar ul Hasan, Joint Chief Economist, Ministry of Planning, Development and Reforms; and Mr. Amir Zafar Durrani, President, Reenergia.

Dr Neelum Nigar, Director CSP, gave a presentation on the report and the discussion was moderated by Director General ISSI, Ambassador Aizaz Ahmad Chaudhry. The salient features are given below as discussed by each speaker.

### **Key points highlighted by the Chief Guest, Dr. Aisha Pasha**

- In today's world, a nation cannot ensure national security until and unless it ensures human security; the nexus between national security, social security, and economic security feeds into one another, one ensures the other and this is a virtuous cycle.
- In order to achieve economic and human security, it is important to have external financial viability.
- Although Pakistan's foreign exchange reserves is not in a very comfortable position but it not at a risk of default as the country has its financing needs ensured for the coming year.
- Pakistan has been able to reduce its import bill, but the bigger challenge is to increase the volume of exports.
- The economy of Pakistan needs structural reforms in the long run to avoid the boom and bust cycles and avoid going back to the IMF again to meet its external financial needs.
- Also domestic side reforms are required as the country is unable to generate enough resources from taxes to finance its expenditure needs.
- Good governance is required from all departments of the state to ensure that the policies are implemented fully without any delays.

- There are no short-term fixes, painful decisions need to be taken now to ensure economic stability of the country through structural reforms with consensus from all stakeholders.

**Key challenges highlighted by other panellists are as follow:**

- The world is now challenged by triple 'C' crisis: Covid-19, conflict, and climate change which has impacted Pakistan along with the political instability existing inside the country.
- In the decision making circles, instead of rational economic decisions, populist decisions are given more weightage. The politicisation of economic decisions is hurting the country significantly.
- Population control is an important issue, but often overlooked area, which has a direct bearing on Pakistan's economic, food, energy, and water security.
- Pakistan decision making is elite centric and is controlled by elite families who are eager to maintain the status quo leading to disenfranchisement.
- Pakistan internal debt is a far bigger liability than its external debt coupled with the extremely dysfunctional tax regime. It is a recipe for disaster which we continue to see.

**Way Forward:**

- Pakistan needs to improve the quality of its economic growth by focusing on human security and climate adaptability policies to ensure sustainable growth.
- There is a need for an Economic Security Council comprising of all the stakeholders which can make informed decisions on economic policy without any constraints
- Pakistan has a challenge of sustaining economic growth and for that all areas of the economy needs to be looked at to make them sustainable in the long run and avoid the boom-and-bust cycles of growth.

- Pakistan's agriculture productivity is lowest in the region and this sector needs lot of focus to generate economic growth as Pakistan is an agrarian country.
- There are various structural institutional issues and social cultural barriers that impede the role of women in Pakistan's economic development, and it is important to both identify these barriers and to address them in a way that is productive in terms of the involvement and economic development.

**PICTURES OF THE EVENT**

