

Five-point agenda for revival of economy floated

HASSAN ABBAS

LAHORE: Floating a five-point agenda for the revival of economy, Dr Rashid Amjad, Director, Graduate Institute of Development Economics, Lahore School of Economics (LSE) has asked the government to take steps for renewal of confidence of investors, ensuring prudent macroeconomic management, shifting from consumption driven growth to export and investment led growth and moving away from grand visions and frameworks to hardnosed pragmatic plans to overcome the energy and water crisis.

He was speaking at the 10th annual conference on "Management of the Pakistan Economy" organised by Lahore School of Economics with the theme of "Pakistan in the Global Economy - Opportunities and Challenges."

Dr Rashid Amjad also called for documentation of the economy at least in national income accounts apart from focussing on regional trade especially good trade ties with India.

Other speakers at the moot discussed key macroeconomic issues confronted to Pakistan including macroeconomic management under constrained balance of payments, exchange rate, imports and the world trading order.

Senior Fellow in the Rafik Herani Centre for the Middle East at the Atlantic Council Mohsin Khan in his addresses focuses on the relationship between monetary policy and inflation and then on inflation and economic growth. In his presentation he argued that that State Bank of Pakistan has often found itself facing the classic dilemma of operating an independent monetary policy in the context of an open capital account, an exchange rate target, and an economic growth objective. Adopting an inflation targeting regime would be a more appropriate way to conduct monetary policy, as other countries have found, and keeping inflation low would have beneficial effects on long run economic growth.

Senior State Bank officials Dr. Mushtaq Khan and Asma Khalid talked on Pakistan's parallel foreign exchange market.

Regional Trade Advisor for the

USAID Pakistan Trade Project Dr. Manzoor Ahmad said that regional trade has been an important factor in the economic success of many countries. Within most trading blocs, intra-regional trade composes 40 percent or more of these countries' individual trade; however, for the regional arrangements of which Pakistan is a member, intra-regional trade composes less than 5 percent. Pakistan's strategic location is its greatest asset, but it has not leveraged this to its advantage. Until the 1960's, Pakistan was a rather forward looking country. Our manufactured exports were higher than the manufactured exports of the Philippines, Thailand, Malaysia and Indonesia combined. Since the mid 1960's, our policies have not been favourable to promoting trade and economic development. In 1965 we stopped trading with our Eastern neighbour India.

In the early 1970's, Pakistan nationalized all major industrial and services establishments, leading inefficient industries to begin demanding higher protection. As a result, exports stagnated. There are still 65 State Owned Enterprises and their yearly losses are estimated at Rs. 500 billion. While other competing countries have espoused liberal trade regimes since the 1980's, resorting to protectionism only on a selective basis, Pakistan turned inward and started to rely on import substitution policies. Pakistan should revisit its regional and global trade policies. Our country needs to fully embrace trade with India and Central Asia by opening up more routes and acceding to the TIR convention, Pakistan's ports can provide Central Asia with the shortest land route to sea, and there is tremendous export potential among the Central Asian markets. With regard to global trade, we must restructure our taxation policies and look for ways to integrate our comparative advantages within global supply chains. Pakistan has to reassess the current protectionism and state-ownership of key sectors that is stifling our economy and undermining our ability to compete on the global market.

Former World Bank official Sikander Rahim said that devaluation of a currency in terms of



LAHORE: Dr. Shahid Amjad Chaudhry, Rector Lahore School of Economics (LSE), Mushtaq Khan and Asma Khalid from State Bank of Pakistan speaking at 10th Annual Conference on the Management of the Pakistan Economy.—Recorder photo

foreign currencies or metallic standards was for long considered to be undesirable and, if unavoidable, a sign of failure. Attitudes have since changed and devaluation is thought to bring advantages, especially by making economies more competitive exporters. In his paper Sikander intends to show that it has disadvantages that outweigh any supposed advantages, notably its effects on inflation, income distribution, service on foreign debt and incentives. It does so by describing in concrete terms the relations between foreign and domestic prices and the costs of untradable goods and services that are components of the price of any good in any domestic price index. He also discusses official and unofficial motives that have prompted the monetary authorities of Pakistan to make a practice of regular depreciation of the rupee and to question their justification.

Dean Faculty of Economics and Business Studies Pakistan Institute of Development Economics (PIDE) Dr. Ejaz Ghani said that Pakistan needs to import a variety of products to accomplish the increasing demands resulting from its industrial and consumer requirements. Major imports include items namely Machinery, Petroleum Products, Chemicals, Transport Equipment, Edible Oil, Iron, Steel, Fertilizer and Tea which together constitute around 70 percent of total imports. To strengthen trade ties especially with neighbouring countries, Pakistan has undergone various regional and bilateral trade agreements which encompass various

trade policies ranging from imports substitution to exports promotion. Ghani said that this paper will critically analyze the import structure and policy of Pakistan over the last three decades. It will also conduct an empirical analysis to find the determinants of imports especially after adjusting the role of regional or bilateral trading arrangements. The paper will also highlight potential areas where Pakistan can enhance its trade.

Dr Syed Kumail Rizvi, Assistant Professor Finance, Lahore School of Economics, carried on the discussion further by analyzing the exchange rate dilemma confronted by the State Bank of Pakistan. He proposed an optimal exchange rate regime to the monetary authorities of Pakistan (SBP) based on a historical study of the outcomes and performance of different monetary stances taken during the last forty years.

Rashid S. Kaukab, Director, CUTS International Geneva, Switzerland presenting a comprehensive overview of Regional Trade Agreements (RTAs) and Preferential Trade Agreements (PTAs) around the world. He proposed that countries like Pakistan should focus on negotiating RTAs with selected countries to build the required capacity for such negotiations and aggressively seek and defending non-reciprocal market access under PTAs. Earlier, Dr Shahid Amjad Chaudhry, Rector, Lahore School of Economics, inaugurated the Conference by welcoming all the speakers and guests.

Pakistan should reassess protectionist policies: experts

The News
March 27, 2014
Page # 17

By Our Correspondent

LAHORE: Pakistan should focus on regional trade agreements (RTAs) and preferential trade agreements (PTAs) with selected countries and open up new routes between the East and West, said speakers at an annual conference organized by Lahore School of Economics (LSE).

Speakers at the event titled 'Pakistan in the Global Economy - Opportunities and Challenges' discussed key macro-economic issues confronted by Pakistan, including macroeconomic management under constrained balance of payments, exchange rate, imports and world trading order.

CUTS International Geneva Director Rashid S Kaukab presented a comprehensive overview of RTAs and PTAs around the world. He proposed that countries like Pakistan should focus on negotiating RTAs with selected countries to build the required capacity for such negotiations and aggressively seek and defend non-reciprocal market access under PTAs.

In a similar vein, Dr Manzoor Ahmad, Regional Trade Advisor, USAID Pakistan Trade Project, stressed that Pakistan needs to fully embrace trade with India and Central Asia by opening up more routes and accession to

the TIR convention.

"Pakistan should reassess protectionist policies and state-ownership of key sectors as it is stifling the economy and undermining its ability to compete in the global market," said Ahmad.

Mohammad Saeed, Senior Technical Adviser, United Nations Conference on Trade and Development, took the discussion further by analysing the status quo and opportunities for Pakistan under the new trade facilitation agreement (TFA).

Dr Rashid Amjad, Director, Graduate Institute of Development Economics, LSE focused on the historical perspective on growth spurts and reversals in the Pakistani economy. He asserted that in the short run, the binding constraints on economic growth in Pakistan are external shocks and poor macroeconomic management.

However, in the medium run, the lack of exports and Pakistan's inability to take advantage of globalisation is the key reason for poor economic growth.

He suggested a five-point agenda that the present government should follow to revive the economy which included, renew confidence at the national, regional and global level; prudent macroeconomic management; shift from consumption driven growth to export and investment led growth;

move away from grand visions and frameworks to hardnosed pragmatic plans to overcome the energy and water crisis; and document the economy at least in national income accounts.

Mohsin Khan from the Rafiq Hariri Center for the Middle East, Atlantic Council, Washington DC examined the design and operation developments that have been incorporated into Pakistan's monetary policy framework. He argued that the State Bank of Pakistan has often found itself facing the classic dilemma of operating an independent monetary policy in the context of an open capital account, an exchange rate target, and an economic growth objective. "Therefore, adopting an inflation targeting regime would be a more appropriate way to conduct monetary policy," he said.

The second session of the conference focused on the exchange rate as a policy instrument. Dr Shakil Faruqi, Professor, LSE presented a long term comparative view of the foreign liquidity crisis and the economy of Pakistan.

Dr Faruqi asserted that breaking the 'begging bowl' would require structural transformation which Pakistan embarked upon rather halfheartedly two decades ago, but never pursued it through its fruition as other countries did. "This trans-



LAHORE: Mohsin Khan, Atlantic Council, addressing the 10th annual conference on 'management of the Pakistan economy' held at the Lahore School of Economics. —The News photo

formation will be more difficult in current times than it would have been in previous decades," he added.

Dr Syed Kumail Rizvi, Assistant Professor Finance, Lahore School of Economics, proposed an optimal exchange rate regime to SBP based on a historical study of the outcomes and performance of different monetary stances taken during the last forty years.

Meanwhile, economist

Sikander Rahim argued that devaluation of the exchange rate has disadvantages that outweigh any supposed advantages, notably its effects on inflation, income distribution, service on foreign debt and incentives.

The last session of the conference highlighted Pakistan's strong import dependency with Dr Ejaz Ghani, Dean, Faculty of Economics and Business Studies, Pakistan Institute of Devel-

opment Economics (PIDE), examining the import structure of Pakistan over the last four decades, with particular emphasis on regional economic integration.

"If Pakistan is to grow at 7-8 per cent per annum as envisaged in the development plans, then it will continue to experience strong import growth," Dr Ghani said. Earlier, Rector LSE Dr Shahid Amjad Chaudhry inaugurated the conference.

Press Clipping

JWT

The Nation
 March 27, 2014
 Page # 08

Energy, exports growth a must for economic revival

OUR STAFF REPORTER
 LAHORE

The speakers at a seminar have called for prudent macroeconomic management, practical and solid steps to overcome energy crisis and enhancement in exports for the revival of economy in Pakistan.

They were addressing the Tenth Annual Conference on Management of the Pakistan Economy organized by the Lahore School of Economics and attended by the distinguished economists, academicians and policymakers from both the national and international platform. The theme of the Conference was "Pakistan in the Global Economy - Opportunities and Challenges". The first day of the Conference witnessed an interesting discussion on some key macroeconomic issues.

Dr Shahid Amjad Chaudhry, Rector, Lahore School of Economics, inaugurated the Conference by welcoming all the speakers and guests.

Addressing the conference, Dr Rashid Amjad, Director, Graduate Institute of Development Economics, Lahore School of Economics, asserted that in the short run, the binding constraints on economic growth in Pakistan are the external shocks and the poor macroeconomic management to deal with it. However, in the medium run, the lack of exports and Pakistan's inability to take advantage of globalization is the key reason for poor economic growth.

The first session of the Conference sparked off the discussion on macroeconomic management under constrained balance of payments and an open capital account, with Mohsin Khan from the Rafiq Hariri Center for the Middle East, Atlantic Council, Washington, DC examining the design and operation developments that have been incorporated into Pakistan's monetary policy frame-



LAHORE: Dr Mohsin Khan addressing the seminar.—Staff photo

work. He argued that the State Bank of Pakistan has often found itself facing the classic dilemma of operating an independent monetary policy in the context of an open capital account, an exchange rate target, and an economic growth objective. Therefore, adopting an inflation targeting regime would be a more appropriate way to conduct monetary policy.

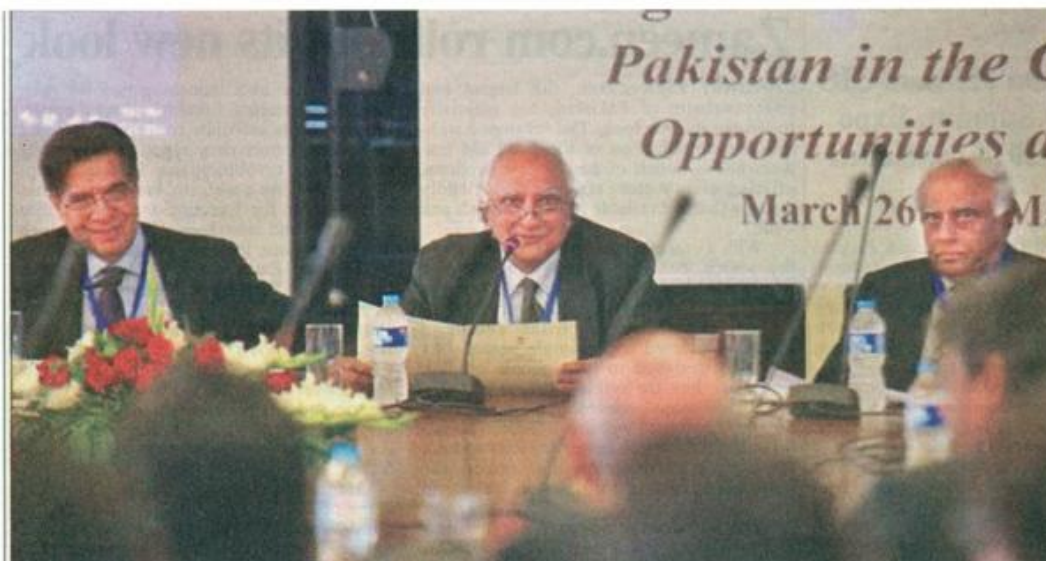
The second session of the Conference shifted the focus to the exchange rate as a policy instrument with Dr Shakil Faruqi, Professor, Lahore School of Economics presenting a long term comparative view of the foreign liquidity crisis and the economy of Pakistan. Dr Faruqi asserted that breaking the 'begging' bowl would require structural transformation which Pakistan embarked upon rather half heartedly two decades ago, but never pursued it through its fruition as other countries did. Dr Syed Kumail Rizvi carried on the discussion further by analyzing the exchange rate

dilemma confronted by the State Bank of Pakistan. Another stance on the exchange rate issues of Pakistan was taken by Mr Sikander Rahim, Former Economist, World Bank, who argued that devaluation of the exchange rate has disadvantages that outweigh any supposed advantages, notably its effects on inflation, income distribution, service on foreign debt and incentives.

The next session was devoted to discussions on Pakistan and the world trading order, with Mr Rashid S. Kaukab, Director, CUTS International Geneva, Switzerland presenting a comprehensive overview of Regional Trade Agreements (RTAs) and Preferential Trade Agreements (PTAs) around the world. In a similar vein, Dr. Manzoor Ahmad, Regional Trade Advisor, US-AID Pakistan Trade Project, stressed that Pakistan needs to fully embrace trade with India and Central Asia by opening up more routes and acceding to the TIR convention.

Press Clipping

Daily Times
March 27, 2014
Page # B7



Atlantic Council's Mohsin Khan, Lahore School of Economics Rector Dr Shahid Amjad Chaudhry and Director GIDS Lahore School Dr Rashid Amjad pictured at the 10th Annual Conference on the Management of the Pakistan economy, at the Lahore School of Economics. PR

Policy advice

Conference on managing the economy held at LSE



LAHORE

The Lahore School of Economics on Wednesday hosted its 10th annual conference on management of Pakistan's economy at its Main Burki campus.

The theme of the conference was Pakistan in the Global Economy - Opportunities and Challenges. The first day of the Conference witnessed discussion on macroeconomic management under constrained balance of payments, exchange rate, imports and the world trading order. Lahore School of Economics Rector Shahid Amjad Chaudhry inaugurated the Conference. Rashid Amjad, the Graduate Institute of Development Economics director, delivered a keynote address focusing on the historical perspective on growth spurts and reversals in the Pakistan economy.

He suggested a five-point

reform agenda to revive the economy.

It included: renewed confidence at the national, regional and global level; prudent macroeconomic management; shift from consumption-driven growth to export and investment-led growth; move away from grand visions and frameworks to hard-nosed pragmatic plans to overcome the energy and water crisis; and documenting the economy at least in national income accounts.

Mohsin Khan from the Rafik Hariri Centre for the Middle East, Mushtaq A Khan and Asma Khalid from the State Bank of Pakistan, Prof Shakil Faruqi, Assistant Prof Syed Kumail Rizvi, Sikander Rahim, Rashid S Kaukab, Manzoor Ahmad, Muhammad Saeed, Ejaz Ghani, Resham Naveed and Ms Zunia Tirmizee, also spoke on the occasion. PRESS RELEASE



ڈاکٹر شاہد امجد، ریگنٹ لائبریری، لاہور اسکول آف اکنامکس، ممتاز ق خان، ماسٹر خالد، شامل فاروقی، دوسرے سالانہ کانفرنس مینجمنٹ آف پاکستان اکنامی کوڈریشن مسائل کے موضوع پر خطاب کر رہے ہیں

لاہور اسکول آف اکنامکس زیر اہتمام سولہ سالہ کانفرنس مینجمنٹ کی شرکت

پاکستان کی اقتصادی ترقی میں مختصر مدت کی رکاوٹ کا سبب ایکسٹرنل شاکس اور حباب میکر و اکنومک مینجمنٹ ہے، ڈاکٹر راشد امجد

پیسپورٹس میں کمی اور گلوبلائزیشن سے فائدہ اٹھانے کی اہلیت نہ ہونے کی بنیادی وجوہات ہیں تقریب سے خطاب

لاہور (واقعہ نگار) لاہور اسکول آف اکنامکس کی دسویں سالانہ کانفرنس کا انعقاد ممتاز ق خان اور قومی سمیٹتہ داؤن ماہرین تعلیم اور پالیسی سازوں کی زیر صدارت مرکزی پری کیمپس میں ہوا۔ جس کا مقصد "عالمی سمیٹتہ میں پاکستان کیلئے مواقع اور چیلنجز" کے موضوع پر تبادلہ خیال کرنا تھا۔ کانفرنس کے پہلے دن میکر و اکنامک مینجمنٹ، ایکسیٹنٹ ریسٹ، اسپورٹس اور ورلڈ ٹریڈنگ آرڈر جیسے بنیادی میکر و اکنامک اینڈوژ کو ڈیبر بحث لایا گیا جن کا اس وقت پاکستان کو سامنا ہے۔

لاہور اسکول آف اکنامکس کے ڈائریکٹر ڈاکٹر شاہد امجد جو بدی نے تمام مہمانوں اور مقررین کو خوش آمدید کہتے ہوئے کانفرنس کا آغاز کیا۔ جبکہ لاہور اسکول آف اکنامکس کے گریجویٹ اعلیٰ ٹیٹنٹ آف ڈیپٹمنٹ اکنامکس کے ڈائریکٹر ڈاکٹر راشد امجد نے کانفرنس سے افتتاحی خطاب کرتے ہوئے حاضرین کو پاکستانی سمیٹتہ کے تاریخی پس منظر کے بارے میں بتایا۔



تقریب میں شریک خواجہ امین دلچسپی سے مقررین کو سن رہی ہیں

City 42
 March 27, 2014
 Page # 08

لاہور سکول آف اکنامکس میں اکانومی کانفرنس کا آغاز

رشید امجد، مشتاق خان، محسن خان، کمیل رضوی، منظور احمد، عرفان الحق و دیگر کی شرکت

برکی روڈ (سی 42) پر لاہور سکول آف اکنامکس میں دو روزہ دوسرے سالانہ سیمینار آف پاکستان اکانومی کانفرنس کا آغاز ہو گیا۔ برکی روڈ پر واقع لاہور سکول آف اکنامکس میں سالانہ سیمینار آف پاکستان اکانومی کانفرنس کا انعقاد کیا گیا۔ کانفرنس میں عالمی سطح پر ملک کو پیش معاشی مسائل اور ان کے حل کے حوالے سے ماہرین اقتصادیات نے اپنی تجاویز پیش کیں۔ اس موقع پر ماہرین اقتصادیات رشید امجد، مشتاق خان، محسن خان، کمیل رضوی، منظور احمد، عرفان الحق اور نائل ہاشمی نے مختلف موضوعات پر پریزنٹیشن دی اور اپنے ریسرچ پیپرز پیش کئے۔ ماہرین اکانومی کانفرنس کا مقصد ملک کو پیش معاشی مسائل کا کوہنہ تھا کہ کانفرنس کا مقصد ملک کو پیش معاشی مسائل پر بروقت بحث کو فروغ دینا ہے تاکہ معاشی معاملات پر بروقت توجہ دیا جاسکے۔



لاہور سکول آف اکنامکس میں اکانومی کانفرنس میں ماہرین اکہار خیال کر رہے ہیں

Press Clipping

Daily Dunya
 March 27, 2014
 Page # 03

لاہور سکول آف انٹرنیشنل اسٹڈیز کی
10 ویں سالانہ کانفرنس

لاہور (سٹاف رپورٹر) لاہور سکول آف انٹرنیشنل اسٹڈیز کی دسویں سالانہ کانفرنس کا انعقاد برکی کیپٹن میں ہوا۔ جس کا مقصد 'وفاقی معیشت میں پاکستان کیلئے مواقع اور چیلنجز' کے موضوع پر تبادلہ خیال کرنا تھا۔ کانفرنس کے پہلے دن میکرہ انٹرنیشنل ٹیبلٹ، ایچ ایچ آر سی، ایچ ایچ آر سی اور ورلڈ

ٹریڈنگ آرڈر جیسے بنیادی میکرہ انٹرنیشنل اسٹڈیز کو زیر بحث لایا گیا جن کا اس وقت پاکستان کو سامنا ہے۔ لاہور سکول آف انٹرنیشنل اسٹڈیز ڈاکٹر شاہد احمد چوہدری نے کانفرنس کا آغاز کیا۔ ڈاکٹر راشد احمد نے حاضرین کو پاکستانی معیشت کے تاریخی پس منظر کے بارے میں بتایا۔ کانفرنس سے محسن خان، ڈاکٹر مشتاق اسے خان، ماسٹر خالد، ڈاکٹر گلگلی قادری، ڈاکٹر سید گل روضی، سکندر رحیم، راشد انس کاکب، ڈاکٹر منگور احمد، محمد سعید، ڈاکٹر اچھا گیلانی اور شمیم نوید اور زینت زیدی نے بھی خطاب کیا۔

Press Clipping

Jehan Pakistan
 March 27, 2014
 Page # 14



Press Clipping

Daily Jinnah
March 27, 2014
Page # 02 & 08



Press Clipping

Mashriq Lahore
 March 27, 2014
 Page # 08



لاہور سکول آف اکنامکس میں بینکنگ آف وی پاکستان کا نومی کے حوالے سے دوویں سالانہ کانفرنس میں ڈاکٹر محسن نمان خطاب کر رہے ہیں۔ مشتاق خان، ڈاکٹر شاہد، امجد چوہدری اور س عاصمہ خالد بھی موجود ہیں

Nawa-e-waqt
March 27, 2014
Page # 09



لاہور سکول آف اکنامکس میں منجست آف۔ ڈی پاکستان اکاؤنٹی کے ۱۲ سالے سے دسویں سالانہ کانفرنس میں مشتاق خان خطاب کر رہے ہیں ان کے ساتھ ڈاکٹر محسن خان ڈاکٹر شاہد امجد چوہدری عامر خانہ بیٹھے ہیں

لاہور سکول آف اکنامکس کی

10 ویں سالانہ کانفرنس

لاہور (پ۔ر) لاہور سکول آف اکنامکس کی دسویں سالانہ کانفرنس کا انعقاد ممتاز ملکی و بین الاقوامی مصیبت دانوں، ماہرین تعلیم اور پالیسی سازوں کی زیر صدارت مرکزی ریکی کیمپس میں ہوا جس کا مقصد "عالمی مصیبت میں پاکستان کیلئے مواقع اور چیلنجز" کے موضوع پر تبادلہ خیال کرنا تھا۔ کانفرنس کے پہلے دن سیکر و اکنامک منجسٹ، ایچ بی سی ریسٹ، ایپورٹس اور ورلڈ ٹریڈنگ آرڈر جیسے بنیادی سیکر و اکنامک انشورڈ گزیر بحث لایا گیا۔

Press Clipping

Daily Pakistan
March 27, 2014
Page # 16

