

MEDIA COVERAGE

Webinar on “Reform Programs under Policy Loans in the Power Sector and Tax Administration”



October 16, 2025

Business Recorder

<https://www.brecorder.com/news/40387619/33pc-of-taxpayers-contribute-90pc-of-total-it-revenue-experts>

Daily Times

<https://dailytimes.com.pk/1384457/experts-review-policy-loan-reforms-in-power-tax-sectors/>

Islamabad Post

<https://islamabadpost.com.pk/pide-seminar-critically-reviews-policy-loan-reforms-in-pakistans-power-and-tax-sectors/>

APP Pakistan

<https://www.app.com.pk/business/experts-critically-review-policy-loan-reforms-in-power-tax-sectors/>

Lead Pakistan

<https://leadpakistan.com.pk/news/pide-seminar-critically-reviews-policy-loan-reforms-in-pakistans-power-and-tax-sectors/>

Urdu Point

<https://www.urdupoint.com/en/business/experts-critically-review-policy-loan-reforms-2063975.html>

October 16, 2025

Experts review policy loan reforms in power, tax sectors

The Pakistan Institute of Development Economics (PIDE), in collaboration with RASTA (PIDE & Planning Commission Competitive Research Grants), here on Wednesday held a webinar titled "Reform Programs under Policy Loans in the Power Sector and Tax Administration."

The event featured Dr Mahmood Khalid, Senior Research Economist at PIDE, and Afia Malik, Senior Research Economist at PIDE, while Dr Ali Salman, CEO of the Policy Research Institute of Market Economy (PRIME), moderated the session, a news release said.

Opening the discussion, Dr Ali Salman emphasized the importance of evaluating Pakistan's reform programs implemented under policy loans from multilateral development partners. He noted that while such loans have shaped the country's fiscal and energy reform agenda for decades, their effectiveness and long-term sustainability require careful reassessment through local research and evidence-based dialogue. Presenting his findings on "Policy Loans for Revenue Mobilization," Dr Mahmood Khalid stated that Pakistan's tax-to-GDP ratio declined from 10.1% in 2023 to 9.6% in 2024, compared to an OECD average of 34%, while interest payments now consume over 75% of total tax revenues.

He reviewed major donor-funded initiatives such as TARP (2004-2010), TAGR (2015-2019), and the Pakistan Raises Revenue Project (PRR, 2019-ongoing), observing that despite substantial funding, their outcomes have been limited and often short-lived. Dr Khalid highlighted that only 2.4% of the population files tax returns, 55% of filers are nil-filers, and 3.3% of taxpayers contribute 90% of total income tax revenue, reflecting a system dependent on a narrow base.

He emphasized that digitization efforts like Asaan Tax, Maloomat TaxRay, and Track & Trace have improved accessibility but not compliance, and that true reform requires institutional autonomy, enforcement incentives, and coherent fiscal policy rather than technology upgrades alone.

In her presentation on "Policy Loans and Reforms in the Power Sector," Afia Malik analyzed four completed loan programs since 1994 aimed at restructuring and improving efficiency in Pakistan's power sector.

She explained that while these loans targeted governance enhancement, financial viability, and private sector participation, their implementation failed to achieve commercial independence or efficiency. Privatization efforts, such as those of KAPCO and K-Electric, delivered mixed results, with improvements in corporate governance offset by persistent inefficiencies and tariff distortions. Malik noted that circular debt emerged after 2006—a problem that was nonexistent before these reforms—and continues to grow despite repeated debt management plans.

She also pointed out that the policy loans encouraged the introduction of RLNG-based power plants, increasing the country's reliance on imported fuels and raising production costs. While renewable projects were financed, many remain underutilized due to the lack of transmission infrastructure.

The unbundling of WAPDA and creation of multiple entities, instead of improving coordination, led to greater fragmentation, higher administrative costs, and weak regulatory oversight. Malik emphasized that tariff design remains outdated, uniform across regions, and detached from real costs, undermining sector sustainability.

"Despite decades of reforms and billions in financing, the power sector is now more fragmented, inefficient, and costly, with consumers bearing the brunt through higher tariffs and unreliable supply," she concluded. Summing up the discussion, Dr Ali Salman highlighted that Pakistan's repeated reform cycles under donor guidance point to a deeper governance and ownership challenge.

He called for reforms that are homegrown, context-specific, and institutionally anchored, emphasizing that sustainable progress requires aligning incentives, strengthening accountability, and building domestic policy capacity rather than relying on externally designed frameworks. **APP**

3.3pc of taxpayers contribute 90pc of total IT revenue: experts

ABDUL RASHEED AZAD
ISLAMABAD: Experts at a webinar highlighting Pakistan's taxation-related challenges have said that only 2.4 percent of the population files tax returns, 55 percent of filers are nil-filers, and 3.3 percent of taxpayers contribute 90 percent of total income tax revenue, reflecting a system that depends on a narrow base.

Speaking at a webinar titled "Reform Programs under Policy Loans in the Power Sector and Tax Administration" organized by the Pakistan Institute of Development Economics (PIDE) here on Wednesday, experts emphasized that digitization efforts like Asaan Tax, MaloomatTaxRay, and Track and Trace have improved accessibility but not compliance, and that true reform requires institutional autonomy, enforcement incentives, and coherent fiscal policy rather than technol-

ogy upgrades alone.

The event featured Dr. Mahmood Khalid, Senior Research Economist at the PIDE, and Afia Malik, Senior Research Economist at PIDE, while Dr. Ali Salman, CEO of the Policy Research Institute of Market Economy (PRIME), moderated the session.

Opening the discussion, Dr. Ali Salman emphasized the importance of evaluating Pakistan's reform programs implemented under policy loans from multilateral development partners. He noted that while such loans have shaped the country's fiscal and energy reform agenda for decades, their effectiveness and long-term sustainability require careful reassessment through local research and evidence-based dialogue.

Presenting his findings on "Policy Loans for Revenue Mobilization," Dr. Mahmood Khalid stated that Pakistan's tax-to-GDP ratio declined

from 10.1 percent in 2023 to 9.6 percent in 2024, compared to an OECD average of 34 percent, while interest payments now consume over 75 percent of total tax revenues. He reviewed major donor-funded initiatives such as TARP (2004-2010), TAGR (2015-2019), and the Pakistan Raises Revenue Project (PRR, 2019-ongoing), observing that despite substantial funding, their outcomes have been limited and often short-lived.

In her presentation on "Policy Loans and Reforms in the Power Sector," Afia Malik analyzed four completed loan programs since 1994 aimed at restructuring and improving efficiency in Pakistan's power sector. She explained that while these loans targeted governance enhancement, financial viability, and private sector participation, their implementation failed to achieve commercial independence or

efficiency. Privatization efforts, such as those of KAPCO and K-Electric, delivered mixed results, with improvements in corporate governance offset by persistent inefficiencies and tariff distortions. Ms. Malik noted that circular debt emerged after 2006—a problem that was nonexistent before these reforms—and continues to grow despite repeated debt management plans.

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ulatory oversight. Ms. Malik emphasized that tariff design remains outdated, uniform across regions, and detached from real costs, undermining sector sustainability. "Despite decades of reforms and billions in financing, the power sector is now more fragmented, inefficient, and costly, with consumers bearing the brunt through higher tariffs and unreliable supply," she concluded.

Summing up the discussion, Dr. Ali Salman highlighted that Pakistan's repeated reform cycles under donor guidance point to a deeper governance and ownership challenge. He called for reforms that are home grown, context-specific, and institutionally anchored, emphasizing that sustainable progress requires aligning incentives, strengthening accountability, and building domestic policy capacity rather than relying on externally designed frameworks.

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PIDE seminar critically reviews policy loan reforms in Pakistan's power and tax sectors

■ ONLINE
ISLAMABAD

The Pakistan Institute of Development Economics (PIDE), in collaboration with RASTA (PIDE & Planning Commission Competitive Research Grants), organized a webinar titled "Reform Programs under Policy Loans in the Power Sector and Tax Administration."

The session featured Dr. Mahmood Khalid and Ms. Afia Malik, Senior Research Economists at PIDE, and was moderated by Dr. Ali Salman, CEO of the Policy Research Institute of Market Economy (PRIME).

Opening the discussion, Dr. Salman stressed the importance of evaluating Pakistan's reform programs implemented under policy loans from multilateral development partners.

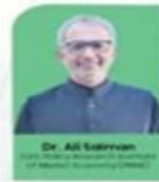
PIDE Seminar Critically Reviews Policy Loan Reforms in Pakistan's Power and Tax Sectors



Ms. Afia Malik
Senior Research Economist, PIDE



Dr. Mahmood Khalid
Senior Research Economist, PIDE



Dr. Ali Salman
CEO, Policy Research Institute of Market Economy (PRIME)

Commerce Desk

ISLAMABAD: The Pakistan Institute of Development Economics (PIDE), in collaboration with RASTA (PIDE & Planning Commission Competitive Research Grants), hosted a webinar titled "Reform Programs under Policy Loans in the Power Sector and Tax Administration" at PIDE. The event featured Dr. Mahmood Khalid, Senior Research Economist at PIDE, and Ms. Afia Malik, Senior Research Economist at PIDE, while Dr. Ali Salman, CEO of the Policy Research Institute of Market Economy (PRIME), moderated the session.

Opening the discussion, Dr. Ali Salman emphasized the importance of evaluating Pakistan's reform programs implemented under policy loans from multilateral development partners. He noted that while such loans have shaped the country's fiscal and energy reform agenda for decades, their effectiveness and long-term sustainability require careful reassessment through local research and evidence-based dialogue.

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