

MEDIA COVERAGE



WORLD BANK GROUP



Pakistan Institute of Development Economics

PIDE & World Bank Debate

REFORM PRIORITIES FOR PAKISTAN

Fiscal & Governance Reforms

FRIDAY **03**

MAY 2024

9:30 AM



Serena Hotel, Islamabad

WEB Coverage

The News International

<https://www.thenews.com.pk/print/1185212-wb-wants-income-tax-slabs-rationalised>

Business Recorder

<https://www.brecorder.com/news/40301701/youth-employment-pide-seminar-urges-need-of-over-8pc-sustainable-gdp-growth>

BOL News

<https://www.bolnews.com/pakistan/2024/05/reform-priorities-for-pakistan-world-bank-and-pide-set-to-debate-fiscal-and-governance-reforms-for-sustainable-growth/>

<https://www.bolnews.com/urdu/pakistan/2024/05/134490/>

Daily Times

<https://dailytimes.com.pk/1191677/wb-sees-brighter-future-for-pakistan/>

Pakistan Observer

<https://epaper.pakobserver.net/popup.php?newssrc=issues/2024/2024-05-04/7725/5.jpg>

Islamabad Post

<https://islamabadpost.com.pk/world-bank-pide-set-to-debate-fiscal-and-governance-reforms/>

Lead Pakistan

<https://leadpakistan.com.pk/news/world-bank-and-pide-set-to-debate-fiscal-and-governance-reforms-for-sustainable-growth/>

Daily Jang

<https://jang.com.pk/news/1346773>

WE News

<https://wenews.pk/news/162011/>

Independent News Pakistan

<https://inp.net.pk/news-detail/pakistan/pide-set-to-debate-fiscal-and-governance-reforms>

<https://www.inp.net.pk/ur/news-detail/%D9%BE%D8%A7%DA%A9%D8%B3%D8%AA%D8%A7%D9%86/pakistan-ki-maaisht-ko-dobar-faaal-bnan-k-li-ori-bink-aor-paei-n-anlabi-aslahat-k-aaghaz-k-le-mlkr-koshshi-krn-ka-aaaad-krdia>

CNN Urdu

<https://cnnurdu.org/8690/>

Khyber News

<https://khybernews.tv/world-bank-urges-pakistan-for-tax-and-regulatory-reforms/>

Express News

<https://www.express.pk/story/2636733/6/>

Daily Dunya

<https://urdu.dunyanews.tv/index.php/ur/Business/809277>

Daily Pakistan

<https://dailypakistan.com.pk/04-May-2024/1707749>

Daily Khabrain

<https://dailykhabrain.com.pk/2024/05/04/383483/>

Urdu Point

<https://www.urdupoint.com/en/business/wb-sees-brighter-future-for-pakistan-1821148.html>

The Destination Urdu

<https://urdu.dailythdestination.com/?tag=%D9%BE%D8%A7%DA%A9%D8%B3%D8%AA%D8%A7%D9%86-%DA%A9%DB%8C-%D9%85%D8%B9%DB%8C%D8%B4%D8%AA-%DA%A9%D9%88-%D8%AF%D9%88%D8%A8%D8%A7%D8%B1%DB%81-%D9%81%D8%B9%D8%A7%D9%84-%D8%A8%D9%86%D8%A7%D9%86%DB%92-%D8%A7>

Lahore News

<https://lahorenews.tv/index.php/news/88204/>

The Asian Telegraph

<https://theasiantelegraph.global/?p=11640>

Voice of Melange

<https://voiceofmelange.global/?p=11491>

CenterLine

<https://centrelines.com.pk/2024/05/03/world-bank-pide-set-to-debate-fiscal-and-governance-reforms/>

Roznama Dunya

https://dunya.com.pk/index.php/dunya-headline/HeadLineRoznama/809277_1

Khabarwalay

<https://khabarwalay.com/2024/05/03/world-bank-and-pide-set-to-debate-fiscal-and-governance-reforms-for-sustainable-growth/>

INTERNATIONAL
THE NEWS

Front Page - May 04, 2024

WB wants income tax slabs rationalised

Calls for removal of
GST distortions and
bringing tobacco under
single premium rate of
excise taxation

By our correspondent

ISLAMABAD: The World Bank (WB) has asked Pakistan to rationalize slabs of Personal Income Tax (PIT) for the salaried and non-salaried class, remove distortions in the GST regime and bring tobacco under a single premium rate of excise taxation.

The bank also recommends establishing a supra body for bringing all kinds of

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WB wants

Continued from page 1

regulators under one centralized fold to improve coordination among the Center and provinces instead of dealing with it through a "piecemeal" approach.

According to the WB estimates shared with the participants of a conference titled "Immediate Reform Agenda - IMF and Beyond" organized by the WB and PIDE on Friday, the contribution of GST to the percentage of GDP stands at 2.7 percent and if all kinds of reduced tax rates, exemptions, and incentives are abolished, then the potential of GST as percentage of GDP could go up to 6.53 percent. If it translates into absolute tax collection of GST, it could be more than double.

The WB also recommended introducing a single premium rate of Federal Excise Duty (FED) on tobacco jacking it up from 0.19 percent of GDP to 1.00 percent of GDP clearly indicating that the tax collection could exceed Rs1000 billion.

Asked about the increased share of illicit tobacco, the WB's economist said Indonesia's model could be reviewed to replicate it in Pakistan and how they took measures to increase taxation.

On rationalization of taxation on Personal Income Tax (PIT), the banks asks for bringing changes apparently recommending reduction in the number of slabs for the salaried class from seven to four. However, when asked question, the WB high-ups did not give any answer.

The WB identified flaws in the existing fiscal arrangement

under the NFC Award but when one of the participants asked whether the bank recommended bringing changes to it, there was no clear answer and the economist contended only as saying that it was the constitutional arrangement and they just raised the red flag to highlight that the existing fiscal arrangement was unsustainable.

Dr. Nadeem ul Haque, Vice Chancellor of the Pakistan Institute of Development Economics (PIDE), said the reform agenda must not focus only on tax, tax and only tax. He said Pakistanis were not tax cheaters.

He said colonial institutions were perpetuating their illegitimate rule through strange laws which basically did not allow the markets to function smoothly.

Dr. Haque's comprehensive reform agenda addresses crucial sectors including regulatory modernization, tax reform, market liberalization, energy efficiency, and enhancements in agriculture and banking.

A key feature of reforms is the introduction of a 'Regulatory Guillotine' aimed at eliminating burdensome regulations that hinder business growth and innovation.

Speaking on "Reforms for a Brighter Future: Time to Decide," Mathew Verghis, Regional Director of the World Bank Group (South Asia), said Pakistan's economic model was unsustainable due to its reliance on borrowing to finance its fiscal and current account deficits, leading to a growing debt level, which had reached 80% of GDP.

He added that Pakistan's spending exceeded its revenue, and it imported more than exports, resulting in increased

domestic and external borrowing. However, he also noted that Pakistan had the potential for a brighter future, leveraging its youth, natural resources, and strategic location to achieve 7-8% annual GDP growth, and emphasized the need to prioritize reforms addressing the current economic crisis.

Dr. Durre Nayab, Joint Director PIDE, talked about "Public Administration for the 21st Century".

She addressed critical inefficiencies in Pakistan's governance system, proposing comprehensive reforms across various sectors including the cabinet, civil bureaucracy, judiciary, and local government.

The reforms aim to professionalize and streamline public administration by eliminating outdated practices, introducing competitive hiring processes, digitalizing operations, and enabling greater autonomy at the local government level.

Derek H.C. Chen, Senior Economist at the World Bank, outlined a comprehensive review of Pakistan's federal tax system, aiming to enable a modern and efficient tax structure. It discusses the need for substantial reform due to Pakistan's low revenue collection compared to the international standards and the complexities within the current tax system marked by numerous special provisions and concessional rates. Key recommendations include rationalizing concessions, enhancing tax policy and administration, and leveraging potential revenue from provincial sources. The chapter emphasizes the critical role of systematic and phased reforms to increase tax collection efficiency, support fiscal sustainability, and ensure equitable economic growth.

Reform priorities for Pakistan

World Bank and PIDE set to debate fiscal and governance reforms for sustainable growth

■ STAFF REPORTER
ISLAMABAD

A collaborative event between The World Bank Group (Pakistan) and the Pakistan Institute of Development Economics (PIDE) concluded successfully, bringing together an array of stakeholders committed to shaping Pakistan's economic endeavours.

This pivotal gathering, designed to support the nation's new economic development agenda over the next five years, was marked by rich discussions and a shared commitment to actionable reforms.

Dr. Nadeem ul Haque, Vice Chancellor of the Pakistan Institute of Development Economics (PIDE), spearheaded a pivotal economic reform initiative titled "ISLAH: Immediate Reform Agenda-IMF and Beyond," beginning with his opening remarks at this significant event.

This strategy emerges in response to Pakistan's pressing need for substantial external financing, highlighted by an IMF

report which necessitates over USD 120 billion in the next five years.

Dr. Haque's comprehensive reform agenda addresses crucial sectors including regulatory modernization, tax reform, market liberalization, energy efficiency, and enhancements in agriculture and banking.

A key feature of the reforms is the introduction of a 'Regulatory Guillotine' aimed at eliminating burdensome regulations that hinder business growth and innovation.

These reforms are designed to rejuvenate Pakistan's economic landscape, facilitating a more business-friendly environment, optimizing export strategies, improving import regulations, and enhancing overall sectoral efficiencies.

The goal is to catalyze investment, create jobs, and promote higher GDP growth, thus steering Pakistan towards long-term economic stability and prosperity.

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Future: Time to Decide," Mathew Verghis, Regional Director of the World Bank Group (South Asia) stated that Pakistan's economic model is unsustainable due to its reliance on borrowing to finance its fiscal and current account deficits, leading to a growing debt level, which has reached 80% of GDP.

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forms across various sectors including the cabinet, civil bureaucracy, judiciary, and local government.

It highlights the necessity to reduce the size of the federal cabinet, limit political appointments, and emphasize expertise and performance in governance roles.

The reforms aim to professionalize and streamline public administration by eliminating outdated practices, introducing competitive hiring processes, digitalizing operations, and enabling greater autonomy at the local government level.

Additionally, the presentation calls for the restructuring of ministries and autonomous agencies to enhance transparency, accountability, and effectiveness in public service delivery, thereby aligning with modern governance standards and promoting a more responsive and efficient administrative framework.

Mr. Derek H.C. Chen, Senior Economist at the World Bank, outlines a comprehensive review of Pakistan's federal tax

system, aiming to enable a modern and efficient tax structure.

It discusses the need for substantial reform due to Pakistan's low revenue collection compared to international standards and the complexities within the current tax system marked by numerous special provisions and concessional rates.

The review provides detailed analyses of specific taxes such as sales tax, personal income tax, and corporate income tax, revealing inefficiencies and the potential for broadening the tax base.

Key recommendations include rationalizing concessions, enhancing tax policy and administration, and leveraging potential revenue from provincial sources. The chapter emphasizes the critical role of systematic and phased reforms to increase tax collection efficiency, support fiscal sustainability, and ensure equitable economic growth.

Dr. Ahmad Waqar Qasim, Senior Research Economist, PIDE extensively cri-

tiques the existing regulatory framework in Pakistan, highlighting it as a significant impediment to economic activity due to its complexity and the burdensome nature of obtaining permissions.

It identifies the pervasive regulatory burden as an "invisible tax" that stifles economic initiatives across all sectors. The review underscores the necessity of a "Regulatory Guillotine" approach, which has been successful in various countries, to streamline regulations by eliminating unnecessary permissions and simplifying the process through digital governance.

This approach is advocated as essential for fostering investment, enabling efficient markets, and reducing the bureaucratic inclination towards excessive control. The presentation also calls for the implementation of regular Regulatory Impact Analyses (RIA) to ensure new regulations are justified by clear cost-benefit analyses, thereby promoting transparency and accountability in regulatory practices.

Reform Priorities for Pakistan

World Bank, PIDE set to debate fiscal, governance reforms

SAIFULLAH ANSAR

ISLAMABAD: A collaborative event between The World Bank Group (Pakistan) and the Pakistan Institute of Development Economics (PIDE) concluded successfully, bringing together an array of stakeholders committed to shaping Pakistan's economic endeavours. This pivotal gathering, designed to support the nation's new economic development agenda over the next five years, was marked by rich discussions and a shared commitment to actionable reforms. Dr. Nadeem ul Haque, Vice Chancellor of the Pakistan Institute of Development Economics (PIDE), spearheaded a pivotal economic reform initiative titled "ISLAAB: Immediate Reform Agenda - IMP and Beyond," beginning with his opening remarks at this significant event. This strategy emerges in response to Pakistan's pressing need for substantial external financing, highlighted by an IMF report which necessitates over USD 120 billion in the next five years. Dr. Haque's comprehensive reform agenda addresses crucial sectors including regulatory modernization, tax reform, market liberalization, energy efficiency, and enhancements in agriculture and banking. A key feature of the reforms is the introduction of a 'Regulatory Guideline' aimed at eliminating burdensome regulations that hinder business growth and innovation. These reforms are designed to



rejuvenate Pakistan's economic landscape, facilitating a more business-friendly environment, optimizing export strategies, improving import regulations, and enhancing overall sectoral efficiencies. The goal is to catalyze investment, create jobs, and promote higher GDP growth, thus steering Pakistan towards long-term economic stability and prosperity. While talking on "Reforms for a Brighter Future: Time to Decide," Mathew

Verghis, Regional Director of the World Bank Group (South Asia) stated that Pakistan's economic model is unsustainable due to its reliance on borrowing to finance its fiscal and current account deficits, leading to a growing debt level, which has reached 80% of GDP. He further added that Pakistan's spending exceeds its revenue, and it imports more than it exports, resulting in increased domestic and external borrowing. However, he also not-

ed that Pakistan has the potential for a brighter future, leveraging its youth, natural resources, and strategic location to achieve 7-8% annual GDP growth, and emphasized the need to prioritize reforms addressing the current economic crisis. Dr. Durre Nayab, Joint Director, PIDE talked about "Public Administration for the 21st Century". She addresses critical inefficiencies in Pakistan's governance system, proposing

comprehensive reforms across various sectors including the cabinet, civil bureaucracy, judiciary, and local government. It highlights the necessity to reduce the size of the federal cabinet, limit political appointments, and emphasize expertise and performance in governance roles. The reforms aim to professionalize and streamline public administration by eliminating outdated practices, introducing competitive hiring processes, digitalizing operations,

and enabling greater autonomy at the local government level. Additionally, the presentation calls for the restructuring of ministries and autonomous agencies to enhance transparency, accountability, and effectiveness in public service delivery, thereby aligning with modern governance standards and promoting a more responsive and efficient administrative framework. Mr. Derek H.C. Chen, Senior Economist at the World Bank, outlines a comprehensive review of Pakistan's federal tax system, aiming to enable a modern and efficient tax structure. It discusses the need for substantial reform due to Pakistan's low revenue collection compared to international standards and the complexities within the current tax system marked by numerous special provisions and concessional rates. The review provides detailed analyses of specific taxes such as sales tax, personal income tax, and corporate income tax, revealing inefficiencies and the potential for broadening the tax base. Key recommendations include rationalizing concessions, enhancing tax policy and administration, and leveraging potential revenue from provincial sources. The chapter emphasizes the critical role of systematic and phased reforms to increase tax collection efficiency, support fiscal sustainability, and ensure equitable economic growth. Dr. Ahmad Waqar Qasim, Senior Research Economist, PIDE extensively critiques the existing regulatory framework in Pakistan.

WB sees brighter future for Pakistan

The World Bank Group (South Asia) Regional Director, Mathew Verghis noted here Friday that Pakistan has the potential for a brighter future, leveraging its youth, natural resources, and strategic location to achieve 7-8% annual GDP growth.

Speaking at PIDE and World Bank Debate on Fiscal and Governance Reforms, Mathew emphasized the need to prioritize reforms addressing the current economic crisis.

The WB Regional Director said Pakistan's existing economic model was unsustainable due to its reliance on borrowing to finance its fiscal and current account deficits, leading to a growing debt level, which has reached 80% of GDP.

He further added that Pakistan's spending exceeds its revenue, and it imports more than it exports, resulting in increased domestic and external borrowing.

On the occasion, the Vice Chancellor of Pakistan Institute of Development Economics (PIDE), Dr. Nadeem ul Haque spearheaded a pivotal economic reform initiative titled "ISLAAH: Immediate Reform Agenda - IMF and Beyond,

beginning with his opening remarks at this significant event.

This strategy emerges in response to Pakistan's pressing need for substantial external financing, highlighted by an IMF report which necessitates over USD 120 billion in the next five years. Dr. Haque's comprehensive reform agenda addresses crucial sectors including regulatory modernization, tax reform, market liberalization, energy efficiency, and enhancements in agriculture and banking.

A key feature of the reforms is the introduction of a 'Regulatory Guillotine' aimed at eliminating burdensome regulations that hinder business growth and innovation. These reforms are designed to rejuvenate Pakistan's economic landscape, facilitating a more business-friendly environment, optimizing export strategies, improving import regulations, and enhancing overall sectoral efficiencies. The goal is to catalyze investment, create jobs, and promote higher GDP growth, thus steering Pakistan towards long-term economic stability and prosperity.

On the occasion, Joint Director PIDE Dr. Durre Nayab talked about Public

Administration for the 21st Century. She addresses critical inefficiencies in Pakistan's governance system, proposing comprehensive reforms across various sectors including the cabinet, civil bureaucracy, judiciary, and local government.

She highlighted the necessity to reduce the size of the federal cabinet, limit political appointments, and emphasize expertise and performance in governance roles. The reforms aim to professionalize and streamline public administration by eliminating outdated practices, introducing competitive hiring processes, digitalizing operations, and enabling greater autonomy at the local government level.

Senior Economist at the World Bank, Derek H.C. Chen outlined a comprehensive review of Pakistan's federal tax system, aiming to enable a modern and efficient tax structure.

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Senior Research Economist, PIDE, Dr. Ahmad Waqar Qasim extensively critiqued the existing regulatory framework in Pakistan, highlighting it as a significant impediment to economic activity due to its complexity and the burdensome nature of obtaining permissions. He identified the pervasive regulatory burden as an "invisible tax" that stifles economic initiatives across all sectors.

Education Specialist at the World Bank, Ms. Maliha Haider highlighted significant strides made in Pakistan's educational system, including expanding access to free and compulsory education and introducing innovative reforms such as merit-based teacher recruitment and public-private partnerships.

Despite these efforts, Pakistan still faces substantial challenges, underscored by its low education spending relative to South Asia, which contributes to high dropout rates and learning poverty. **APP**

May 04, 2024

Reform priorities for Pakistan

WB and PIDE set to debate fiscal, governance reforms

The Muslim Report

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comprehensive reform agenda addresses crucial sectors including regulatory modernization, tax reform, market liberalization, energy efficiency, and enhancements in agriculture and banking.

A key feature of the reforms is the introduction of a 'Regulatory Guillotine' aimed at eliminating burdensome regulations that hinder business growth and innovation. While talking on "Reforms for a Brighter Future: Time to Decide," Mathew Verghis, Regional Director of the World Bank Group (South Asia) stated that Pakistan's economic model is unsustainable due to its reliance on borrowing to finance its fiscal and current account deficits, leading to a growing debt level, which has reached 80% of GDP.

Dr. Durre Nayab, Joint Director, PIDE talked about "Public Administration for the 21st Century". She addresses critical inefficiencies in Pakistan's governance system, proposing comprehensive reforms across various sectors including the cabinet, civil bureaucracy, judiciary, and local government. It highlights the necessity to reduce the size of the federal cabinet,

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Reform Priorities for Pakistan

World Bank and PIDE set to debate fiscal and governance reforms for sustainable growth

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WB, PIDE to debate fiscal, governance reforms for sustainable growth

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Peshawar May 04, 2024

Reform Priorities for Pakistan: WB and PIDE set to debate Fiscal and Governance Reforms for Sustainable Growth

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Reform Priorities for Pakistan: WB and PIDE set to debate Fiscal and Governance Reforms for Sustainable Growth

MT REPORT

ISLAMABAD: A collaborative event between The World Bank Group (Pakistan) and the Pakistan Institute of Development Economics (PIDE) concluded successfully, bringing together an array of stakeholders committed to shaping Pakistan's economic endeavours. This pivotal gathering, designed to support the nation's new economic development agenda over the next five years, was marked by rich discussions and a shared commitment to actionable reforms, said in a statement here on Friday. Dr. Nadeem ul Haque, Vice Chancellor of the Pakistan Institute of Development Economics (PIDE), spearheaded a pivotal economic reform initiative titled "ISLAAH: Immediate Reform Agenda - IMF and Beyond," beginning with his opening remarks at this significant event. This strategy emerges in response to Pakistan's pressing need for substantial external financing, highlighted by an IMF report which necessitates over USD 120 billion in the next five years. Dr. Haque's comprehensive reform agenda addresses crucial sectors including regulatory modernization, tax



reform, market liberalization, energy efficiency, and enhancements in agriculture and banking. A key feature of the reforms is the introduction of a 'Regulatory Guillotine' aimed at eliminating burdensome regulations that hinder business growth and innovation. While talking on "Reforms for a Brighter Future: Time to Decide," Mathew Verghis, Regional Director of the World Bank Group (South Asia) stated

that Pakistan's economic model is unsustainable due to its reliance on borrowing to finance its fiscal and current account deficits, leading to a growing debt level, which has reached 80% of GDP. Dr. Durre Nayab, Joint Director, PIDE talked about "Public Administration for the 21st Century". She addresses critical inefficiencies in Pakistan's governance system, proposing comprehensive reforms across various sectors including the cabinet, civil bureaucracy, judiciary, and local government. It highlights the necessity to reduce the size of the federal cabinet, limit political appointments, and emphasize expertise and performance in governance roles.

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