Media Coverage

The State of Commerce in Pakistan International and Domestic

Web Editions

Dawn

https://www.dawn.com/news/1799563/regulators-blamed-for-economic-misery

Business Recorder

https://www.brecorder.com/news/40279756

APP Pakistan

https://www.app.com.pk/business/pide-to-launch-report-state-of-commerce-in-pakistan-on-dec-20/ https://www.app.com.pk/business/pide-report-highlights-challenges-opportunities-in-commerce-sector/

Frontier Post

https://thefrontierpost.com/report-on-state-of-commerce-in-pakistan-international-domestic-launched/

Urdu Point

https://www.urdupoint.com/en/business/pide-to-launch-report-state-of-commerce-in-1778384.html
https://www.urdupoint.com/en/business/pide-report-highlights-challenges-opportunit1778971.html

Independent News Pakistan

https://inp.net.pk/news-detail/pak-china/pide-launched-the-report-on-the-state-of-commerce-in-pakistan-international-and-domestic

Islamabad Post

 $\underline{https://islamabadpost.com.pk/pide-launched-the-report-on-the-state-of-commerce-in-pakistan-international-and-domestic/}$

Lead Pakistan

 $\frac{https://leadpakistan.com.pk/news/pide-launched-the-report-on-the-state-of-commerce-in-pakistan-international-and-domestic/$

Print Editions

DAWN

December 21, 2023

Regulators blamed for economic misery

PIDE report explores challenges, opportunities shaping landscape of commerce sector

By Mubarak Zeb Khan

ISLAMABAD: The regulatory agencies in the country have become a burgeoning industry negatively affecting more than half of the national economy, says a new report by the Pakistan Institute of Development Economics (PIDE).

"The cost of regulation, estimated at over 60 per cent of GDP, particularly affects segments larger than 50pc of the GDP, turning regulation agencies into a burgeoning industry in Pakistan," according to the report, titled "The State of Commerce in Pakistan — International and Domestic", released here on Wednesday.

The current strategy involves market fragmentation and deliberate distancing from the global value chain. This approach, however, may need to be reevaluated to ensure sustainable economic growth, says the report.

PIDE has presented proposals to the government for deregulation, specifically targeting markets, such as real estate and improvements in tax documentation to foster the creation of large multinational businesses. However, the government's preoccupation with borrowing and reliance on lenders to decide policy remains a significant challenge.

The report explores the challenges and opportunities shaping the landscape of the commerce sector. It sheds light on the current state of commerce in the country.

Addressing the launching ceremony of the report at the Planning Commission, PIDE Vice Chancellor Dr Nadeemul Haque said the institute had prepared this report for the Ministry of Commerce and Industries to explore all facets of internal and external trade in Pakistan.

The primary objective was to gain a profound understanding of markets, growth and international and domestic trade, he emphasised, adding that despite being vibrant, the sector faces challenges stemming from governments' indifference, regulatory problems and various other problems.

Dr Haque highlighted the growth potential of several entities within sectors such as construction, retail, chain stores, food, franchises and transport. He said PIDE's research shows that the government's footprint on the economy is at over 70pc, with heavy-handed involvement in trade and markets, stifling market development and growth.

More specifically, the report recommends a broader discussion on an immediate cessation of absolute policies on import substitute and export promotion could be discontinued. "Our commerce and industry must develop as part of the global value chain."

According to the report, there is a systemic failure to diversify across manufacturing, exports and domestic markets. Notably, the import substitution policy, exemplified by the Mobile Phone Manufacturing Policy 2020, has fallen short of its targets. Despite the significant contribution of domestic commerce to formal and informal employment and GDP, this sector has been historically overlooked in policymaking, with the first domestic commerce policy formulated only in 2021, it says.

On the international trade front, the report highlights obstacles such as high tariff cascading, minimal progress in moving up the export product value chain, and limited destination diversification.

Back Page December 21, 2023

Report shines light on issues plaguing manufacturing, export sectors

By Mehtab Haider

Wednesday.

Pakistan lags behind in was formulated in 2021. high-tech, value-adding and policy has failed.

ISLAMABAD: Pakistan lags tution policy is the Mobile businessmen are characterbehind in adopting high- Phone Manufacturing Policy ized by the "Seth" mentality. tech, value-adding and cap- 2020. All targets set in the pol- Most of the businesses are ital goods production and icy have not been achieved, family-owned because the exports mainly because of a The development of domes- owners want to keep a stranvariety of reasons including tic commerce and domestic glehold on the management. Seth mentality. It was the markets has been neglected Even those companies listed crux of a report titled "The in policymaking even though on the stock exchange are State of Commerce in Paki- it is a significant source of for- controlled by the owners stan" launched by the Paki- mal and informal employment directly by keeping the bulk stan Institute of Development and contributes substantially of shares. Pakistan's stock Economics (PIDE) here on to the GDP. The first-ever market is dominated by 31 domestic commerce policy families.

capital goods production and zoning regulations and city ence. There are at least two exports. There is an across- planning have adversely reasons for that. First, Pakithe-board failure to diversify affected businesses. There is stani businesses focus on be it manufacturing, exports, a disproportionate focus on traditional items and have or domestic markets. Paki- real estate and construction no brand equity. Second, stan continues to follow for housing, a lack of mixed- Pakistani businesses mainly the Haq/HAG model of the used buildings and limited invest in those sectors that 1950s, which emphasizes space for commercial activi- offer incentives in different import substitution and man-ties. As a result, commercial forms, such as subsidies and ufacturing for exports. How- areas are small, and busi- protection in the form of ever, the import substitution nesses, especially domestic commerce, find it hard to find

A recent example of the suitable commercial areas at failure of the import substi- reasonable rents. Pakistani

Pakistani businesses In Pakistan, urban design, have very little global pres-

Continued on page 9

Exports sectors

of rent-seeking. The Pakistan Insti-country. In his address, Dr Mohamtute of Development Economics mad Jehanzeb Khan, deputy chair-Continued from page 12 (PIDE) launched its latest research man of the Planning Commission, report, which sheds light on the underscored the paramount role high tariffs on imports. It is a form current state of commerce in the undertaken by the PIDE.



PIDE launched the report on 'The State of Commerce in Pakistan International and Domestic'

PPA

ISLAMABAD: The Pakistan Institute of Development Economics (PIDE) launched its latest research report, "The State of Commerce in Pakistan - International and Domestic" at the P-Block Auditorium, Pakistan Secretariat, The report explores the challenges and opportunities shaping the landscape of Pakistan's commerce sector. It sheds light on the current state of commerce in the country. As a premier institution dedicated to fostering economic development, PIDE's report serves as an invaluable source of information and statistics on the state of commerce in Pakistan.

In his opening remarks, Dr.

PIDE, has developed this report that the government's footprint for the Ministry of Commerce on the economy is at over 70% of & Industries to fill the comprehensive report, and explore into government involvement in trade all facets of internal and external trade in Pakistan. The primary objective is to gain a profound understanding of markets, growth and international and domestic trade. He emphasised that despite GDP, turning regulation agenthe sector being vibrant it faces cies into a burgeoning industry in challenges stemming from the various governments' indifference, to fragment out the markets and regulatory problems, and various other problems.

He highlighted the growth potential of several entities within sectors such as construction. retail, chain stores, food, fran-

the economy, with heavy-handed and markets, stifling market development and growth. The cost of regulation, estimated at over 60% segments larger than 50% of the Pakistan. Our current approach is segment ourselves from the global value chain.

to the government for deregula- Development Economics (PIDE). tion, specifically targeting markets He lauded PIDE for spearheading at e revenue but also to ensure for the betterment of our society cies supporting the external trade such as real estate, and improve-cutting-edge research crucial for its judicious utilization through and fostering sustained economic sector and domestic commerce.

Nadeem ul Haque, Vice Chan- chises, and transport. Dr Haque ments in tax documentation to cellor of the Pakistan Institute of said that PIDE's research shows foster the creation of large multinational businesses. However, the government's preoccupation with borrowing and reliance on lenders to decide policy remains a significant challenge.

The chief guest on the occasion was Dr. Mohammad Jehanzeb of the GDP, particularly affects Khan, Deputy Chairman of the Planning Commission, Government of Pakistan, while Ms Sarah Saeed, Special Secretary of the Ministry of Commerce attended the event as a special guest.

In his address, Dr. Khan underscored the paramount role under-PIDE has presented proposals taken by the Pakistan Institute of

the nation's immediate require- enhanced public expendiments. He further said that a ture. Emphasizing the need for fundamental tenet of effective improvement in public expendgovernance is the government's iture, we are committed to optiresponsibility to not only gener- mizing the impact of public funds

advancement.

In her remarks, Ms Sarah Saeed commended PIDE's efforts in highlighting the importance of domestic commerce in Pakistan. She further stated that the Ministry of Commerce acknowledges the significance of domestic commerce in Pakistan, as rightly emphasized and consistently advocated by PIDE. Consequently, the ministry has established a separate domestic commerce department. While domestic commerce has become a provincial subject after the 18th amendment, coordination and collaboration among the federal and provincial governments are essential to set the direction of poli-





PIDE launches report on "The State of Commerce in Pakistan International and Domestic"

MT REPORT

PESHAWAR: The Pakistan Institute of Development Economics (PIDE) launched its latest research report, "The State of Commerce in Pakistan International and Domestic". The report explores the challenges and opportunities shaping the land-As a premier instituserves as an invaluable gain source of information understanding state of commerce in international Pakistan, said in a press release issued emphasised his opening remarks, Dr. Nadeem ul Haque, Pakistan Institute of ernments' indiffer market development recommends a broader 2021.



commerce sector. It Ministry of Commerce other sheds light on the cur- & Industries to fill the highlighted tion dedicated to fos- nal and external trade struction, being vibrant it faces ed Vice Chancellor of the from the various gov-

PIDE, has developed ence, regulatory probscape of Pakistan's this report for the lems, and various value chain. PIDE has and domestic marrent state of com- comprehensive growth potential of deregulation, specifi- policy, exemplified by merce in the country, report, and explore several entities within cally targeting mar- the Mobile Phone into all facets of inter- sectors such as con- kets such as real Manufacturing Policy tering economic devel- in Pakistan. The pri- chain stores, food, ments in tax docu- of its targets. Despite opment, PIDE's report mary objective is to franchises, and trans- mentation to foster the significant contria profound port. Dr Haque said the creation of large bution of domestic of that PIDE's research multinational busi- commerce to formal and statistics on the markets, growth and shows that the gov-nesses. However, the and informal employand ernment's footprint government's preoccu- ment and GDP, this domestic trade. He on the economy is at pation with borrowing sector has been histhat over 70% of the econo- and here on Wednesday.In despite the sector my, with heavy-hand- lenders to decide poli- in challenges stemming involvement in trade cant challenge. More tic commerce policy and markets, stifling specifically the report formulated only in

reliance

and growth. The cost discussion on an of regulation, esti-immediate cessation mated at over 60% of of our absolute policies the GDP, particularly on import substitute affects segments larg- and export promotion er than 50% of the could be discontinued. GDP, turning regula- Our Commerce and tion agencies into a Industry must develop burgeoning industry as part of the global in Pakistan. Our cur- value chain. According rent approach is to to the report, there is fragment out the mar- a systemic failure to kets and segment our- diversify across manselves from the global ufacturing, exports, problems. He presented proposals to kets. Notably, the the the government for import substitution retail, estate, and improve- 2020, has fallen short on torically overlooked policymaking. government cy remains a signifi- with the first domes-



PIDE launched the report on "The State of Commerce in Pakistan International and Domestic"

■ NEWS DESK BLAMABAD

The Pakistan Institute of tory problems, and various other Development Economics (PIDE) problems. launched its latest research report, He highlighted the growth po-Secretariat.

The report explores the challenges and opportunities shaping search shows that the government's the landscape of Pakistan's com- footprint on the economy is at over merce sector. It sheds light on the 70% of the economy, with heavycurrent state of commerce in the handed government involvement in country. As a premier institution trade and markets, stifling market dedicated to fostering economic development and growth. development, PIDE's report serves The cost of regulation, estimated as an invaluable source of informa- at over 60% of the GDP, particularly tion and statistics on the state of affects segments larger than 50% commerce in Pakistan.

In his opening remarks, Dr. cies into a burgeoning industry in Ministry of Commerce & Industries value chain. to fill the comprehensive report. and explore into all facets of inter- the government for deregulation, remains a significant challenge.

kets, growth and international and creation of large multinational absolute policies on import substi-tic markets. domestic trade.

He emphasised that despite the However, the government's preoc-discontinued.

lenges stemming from the various governments' indifference, regula-

"The State of Commerce in Pakistan tential of several entities within International and Domestic" at sectors such as construction, retail. the P-Block Auditorium, Pakistan chain stores, food, franchises, and transport.

Dr Haque said that PIDE's re-

of the GDP turning regulation agen-

businesses.

sector being vibrant it faces chal- cupation with borrowing and reli- Our Commerce and Industry must Phone Manufacturing Policy 2020,



Nadeem ul Haque, Vice Chancellor Palcistan. Our current approach is ISLAMABAD: Dr. Mohammad Jehanzeb Khan, Deputy Chairman of the Planning Commission, and Viceof the Pakistan Institute of PIDE. to fragment out the markets and Chancellor of PIDE. Dr. Nadeem ul Haque, are addressing the book launch of "The State of Commerce in has developed this report for the segment ourselves from the global Pakistan - International and Domestic" at P Block Auditorium, Pak Secretariat, Islamabad.

PIDE has presented proposals to ance on lenders to decide policy develop as part of the global value has fallen short of its targets.

tute and export promotion could be

The primary objective is to gain as real estate, and improvements ommends a broader discussion systemic failure to diversify across mal and informal employment and a profound understanding of mar- in tax documentation to foster the on an immediate cessation of our manufacturing exports, and domes-

policy, exemplified by the Mobile policy formulated only in 2021.

Despite the significant contribunal and external trade in Pakistan. specifically targeting markets such More specifically the report reccally overlooked in policymaking, Notably, the import substitution with the first domestic commerce Development Economics (PIDE). direction of policies supporting the

the report highlights obstacles such nation's immediate requirements. as high tariff cascading, minimal progress in moving up the export tal tenet of effective governance is product value chain, and limited the government's responsibility destination diversification.

businesses in Pakistan, particularly in domestic commerce.

The prevalence of the "Seth" culture, characterized by familyowned businesses dominating the impact of public funds for the betstock market, raises concerns about terment of our society and fostering market efficiency.

Furthermore, the challenges faced sectors are highlighted, with a domcial real estate negatively impacting domestic commerce.

The chief guest on the occasion was Dr. Mohammad Jehanzeb Pakistan, as rightly emphasized and Khan, Deputy Chairman of the consistently advocated by PIDE. Planning Commission, Government of Pakistan, while Ms Sarah Saeed, Special Secretary of the Ministry of merce department. While domestic Commerce attended the event as a commerce has become a provincial special guest.

scored the paramount role under- among the federal and provincial taken by the Pakistan Institute of governments are essential to set the

On the international trade front, cutting-edge research crucial for the commerce.

He further said that a fundamento not only generate revenue but Urban design, zoning regulations, also to ensure its judicious utiliand city planning negatively impact zation through enhanced public expenditure.

Emphasizing the need for improvement in public expenditure. we are committed to optimizing the sustained economic advancement.

In her remarks, Ms Sarah Saeed by the real estate and construction commended PIDE's efforts in highlighting the importance of doinance of plots and limited commer- mestic commerce in Pakistan. She further stated that the Ministry of Commerce acknowledges the significance of domestic commerce in

Consequently, the ministry has established a separate domestic comsubject after the 18th amendment, In his address, Dr. Khan under- coordination and collaboration He lauded PIDE for spearheading external trade sector and domestic



PIDE launched the report on "The State of Commerce in Pak International and Domestic"

DNA

ISLAMABAD: The Pakistan Institute of Development Economics (PIDE) launched its latest research report, "The State of Commerce in Pakistan - International and Domestic" at the P-Block Auditorium. Pakistan Secretariat. The report explores the challenges and opportunities shaping the landscape of Pakistan's commerce sector. It sheds light on the current state of commerce in the country. As a premier institution dedicated to fostering economic development, PIDE's report serves as an invaluable source of information and statistics on the state of commerce in Pakistan.

In his opening remarks, Dr. Nadeem ul Haque, Vice Chancellor of the Pakistan Institute of PIDE, has developed this report for the Ministry of Commerce & Industries to fill the comprehensive report, and explore into all facets of internal and external trade in Pakistan. The primary objective is to gain a profound understanding of markets, growth and international and domestic trade. He emphasised that despite the sector being vibrant it faces challenges stemming from the various governments' indifference, regulatory problems,

and various other problems. He highlighted the growth potential of several entities within sectors such as construction, retail, chain stores, food, franchises, and transport. Dr Haque said that PIDE's research shows that the government's footprint on the economy is at over 70% of the economy, with heavy-handed government involve-

ment in trade and markets, stifling market development and growth. The cost of regulation, estimated at over 60% of the GDP, particularly affects segments larger than 50% of the GDP, turning regulation agencies into a burgeoning industry in Pakistan. Our current approach is to fragment out the markets and segment ourselves from the global

value chain. PIDE has presented proposals to the government for deregulation, specifically targeting markets such as real estate, and improvements in tax documentation to foster the creation of large multinational businesses. However, the government's preoccupation with borrowing and reliance on lenders to decide policy remains a significant challenge. More specifically the report recommends a broader discussion on an immediate cessation of our absolute policies on import substitute and export promotion could be discontinued. Our Commerce and Industry must develop as part of the global value chain. According to the report, there is a systemic failure to diversify across manufacturing, exports, and domestic markets. Notably, the import substitution policy, exemplified by the Mobile Phone Manufacturing Policy 2020, has fallen short of its targets.





PIDE launches report on 'The State of Commerce in Pakistan International and Domestic'



FRONTIER NEW

PESHAWAR: The Pakistan Institute of Development Economics (PIDE) launched its latest research report, "The State of Commerce in Pakistan - International and Domestic".

The report explores the challenges and opportunities shaping the land-scape of Pakistan's com-merce sector. It sheds light on the current state of commerce in the country. As a premier institution dedicated to fostering economic development, PIDE's report serves as an invaluable source of information and statistics on the state of commerce in Pakistan, said in a press release issued here.

In his opening remarks, Dr. Nadeem ul Haque, Vice Chancellor of the Pakistan Institute of PIDE, has developed this report for the Ministry of Commerce & Industries to fill the comprehensive report, and explore into all facets of internal and

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The Frontier Post

December 21, 2023

Report on 'State of Commerce in Pakistan Int'l, Domestic' launched



F.P. Report

PESHAWAR, Dec20: The Pakistan Institute of Deve-Iopment Economics (PIDE) launched its latest research report, "The State of Commerce in Pakistan - International and Domestic".

challenges and opportunities shaping the landscape of Pakistan's commerce current state of commerce release issued here on handed Wednesday.

explore into all facets of georing industry in import substitution policy, domestic internal and external trade Pakistan. Our current exemplified by the Mobile Pakistan.

in Pakistan. The primary approach is to fragment out objective is to gain a profound understanding of ourselves from the global markets, growth and inter-national and domestic PIDE has trade. He emphasised that despite the sector being vibrant it faces challenges stemming from the various regulatory problems, and various other problems.

sector. It sheds light on the growth potential of several erament's preoccupation entities within sectors such with borrowing in the country. As a premier as construction, retail, reliance on lenders to institution dedicated to fos- chain stores, food, franchistering economic develop- es, and transport. Dr Haque nificant challenge. ment, PIDE's report serves said that PIDE's research as an invaluable source of shows that the govern-report recommends a broad- event as a special guest. information and statistics ment's footprint on the er-discussion on an immedi-Pakistan, said in a press the economy, with heavy-In his opening remarks, markets, stifling market Commerce and Industry Dr. Nadeem al Haque, Vice development and growth, must develop as part of the Chancellor of the Pakistan The cost of regulation, esti-Institute of PIDE, has mated at over 60% of the developed this report for GDP, particularly affects there is a systemic failure to the Ministry of Commerce segments larger than 50% diversify across manufac-& Industries to fill the com- of the GDP, turning regula- turing, exports, and domesprehensive report, and tion agencies into a bur- tic markets. Notably, the ing the importance of

the markets and segment

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The chief goest on the occasion was Dr. Moharomad Jehanzeb Khan, Deputy Chairman of the Planning Commission, Govt of Pakistan, while Ms Sarah Succel, Secretary of the Ministry of More specifically the Commerce attended the

In his address, Dr. Khun in the state of commerce in occonomy is at over 70% of late cessation of our absolute landerscored the paramount role undertaken by the Pakistan Institute of Deveinvolvement in trade and could be discontinued. Our Iopment Economics. He lauded PIDE for spearheading cutting-edge research crecial for the nation's

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PIDE launches report on "The State of Commerce in Pakistan International and Domestic"

TIMES REPORT

PESHAWAR: Pakistan Institute of Dr. Nadeem ul Haque, Development Vice Chancellor of the Economics launched its latest PIDE, has developed research report, "The this report for the State of Commerce in Ministry of Commerce International and comprehensive Domestic". The report report, and explore explores the chal- into all facets of interlenges and opportuni- nal and external trade ties shaping the land- in Pakistan. The priscape of Pakistan's mary objective is to commerce sector, It gain a profound sheds light on the cur- understanding of marrent state of com- kets, growth and other problems. He shows that the gov- of regulation, estimatmerce in the country, international As a premier institu- domestic trade. He tion dedicated to fos- emphasised tering economic devel- despite the sector opment, PIDE's report being vibrant it faces serves as an invaluable challenges stemming struction,

press release issued here on Wednesday,In The his opening remarks, (PIDE) Pakistan Institute of & Industries to fill the



highlighted retail, ed

the ernment's footprint ed at over 60% of the growth potential of on the economy is at GDP, particularly several entities within over 70% of the econo- affects segments largsectors such as con- my, with heavy-hand- er than 50% of the government GDP, turning regula- immediate cessation policymaking, with Sarah Saeed, Special source of information from the various gov. chain stores, food, involvement in trade tion agencies into a of our absolute poli- the first domestic Secretary of the and statistics on the ernments' indiffer- franchises, and trans- and markets, stifling burgeoning industry cies on import substi- commerce policy for- Ministry of Commerce state of commerce in ence, regulatory prob- port. Dr Haque said market development in Pakistan. Our cur- tute and export pro- mulated only in attended the event as Pakistan, said in a lems, and various that PIDE's research and growth. The cost rent approach is to motion could be dis- 2021. On the interna- a special guest,

fragment out the mar- continued. kets and segment our- Commerce ing and reliance on the significant contri- Dr. lenders to decide poli- bution of domestic Jehanzeb cant challenge. More and informal employ- the recommends a broad- sector has been histor- Covernment

Our tional trade front, the and report highlights selves from the global Industry must develop obstacles such as high value chain, PIDE has as part of the global tariff cascading, minipresented proposals to value chain. According mal progress in movthe government for to the report, there is ing up the export deregulation, specifi- a systemic failure to product value chain, cally targeting mar- diversify across manu- and limited destinakets such as real facturing, exports, tion diversification, estate, and improve- and domestic mar- Urban design, zoning ments in tax docu- kets. Notably, the regulations, and city mentation to foster import substitution planning negatively the creation of large policy, exemplified by impact businesses in multinational busi- the Mobile Phone Pakistan, particularly nesses, However, the Manufacturing Policy in domestic comgovernment's preoc- 2020, has fallen short merce. The chief guest cupation with borrow- of its targets, Despite on the occasion was cy remains a signifi- commerce to formal Deputy Chairman of specifically the report ment and GDP, this Commission, er discussion on an ically overlooked in Pakistan, while Ms



Govt's 'overwhelming' involvement in economy major reason behind stagnant growth: PIDE study

ISLAMABAD: A study fus revealed that the governoverwhelming involvement in the national economy is one of the major reasons behind the stagment growth of the national econsmy, further recommending a Chancellor (VC) of PIDE with the first domestic contbroader discussion on an immediate consition of absolute policies on import substitution and export prorisotion.

The study carried out by the Pakistan Institute Development Economics (PIDE), "The State of Commerce in Pakistan -International and Domestic" released here on Wednesday said that Pakistan's commerce and industry must develop as part of the global value chain. While highlighting the government's involvement in economic activities, it said that it was active in over 70 percent economy-erlated activities from trade and markets, stifling market developmore and growth.

The report further said that the cost of regulation, estimutments larger than 50 percent of the GDP, turning regula- challenge. tion agencies into a burgeoning inchestry in Pokistan.

and opportunities shaping the has fallen short of its targets. landscape of Pakistan's com- Despite the significant contrimerce sector while shedding. bution of domestic commerce. cial for the nation's immedilight on the current state of to formal and informal commerce in the country.

In his opening remarks, Dr Nadecesul Haque, Vice overlooked in policymaking, said that the institute has developed this report for the Ministry of Commerce and Industries, and to explore all facets of internal and external trade in Pakistan. The primary of objective is to gain a profound understanding of markets, growth and international and domestic trade. He emphaaised that despite the sector being vibrant it faces challenges stemming from the various governments' indif- domestic commerce, ference, regulatory problems, and various other problems.

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According to the report, there is a systemic failure to The report said that diversify across manufactur-Pakistan's current approach is ing, exports, and domestic Commerce Sarah Saced parto fragment out the markets markets. Notably, the import ticipated as a special guest. and segment ourselves from substitution policy, exemplithe global value chain. The fied by the Mobile Phone underscored the paramount domestic commerce.

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On the international trade front, the report highlights obstacles such as high tariff cascading, minimal progress its moving up the export product value chain, and limited destination diversification. Lirban dosign, zoning regulations, and city planning negatively impact businesses in Pakistan, particularly in

The prevalence of the 'seth" culture, characterized The PIDE has presented by family-owned businesses dominating the steck market, raises concerns about market efficiency. Furthermore, the estate, and improvements in challenges faced by the real tax documentation to foster estate and construction sectors are highlighted, with a domitional businesses. However, nance of plots and limited commercial real estate negaed at over 60 percent of the tion with borrowing and tively impacting domestic GDP, particularly affects seg-reliance on lenders to decide commerce. Deputy Chairman of the Planning Commission Dr Mohammad Jehanzeh Khan attended the event as the chief guest, while Special Secretary of the Ministry of

Manufacturing Policy, 2020, role undertakes by PEDE and appreciated it for spearheading cutting-edge research cruate requirements.

He said a fundamental tenet of effective governance was the government's responsibility to generate revenue and ensure its judicious utilisation through enhanced public expenditure. Emphasizing the need for improvement in pulslic expenditure, he said, "We are committed to optimizing the impact of public funds for the betterment of our society and fostering sustained economic advancement."

In her remarks, Sarah Saced commended PIDE's efforts in highlighting the importance of domestic commerce in Pakistan. She said the Ministry of Commerce acknowledged the significance of domestic commerce in Pakistan, as rightly emphasized and consistently advocuted by PIDE.

Consequently, she said the ministry had established a separate domestic commerce department. While domestic commerce has become a provincial subject after the 18th Constitutional amendment, she said, adding coordination and collaboration among the federal and provincial governments were essential to set the direction of policies supporting the In his address, Dr Khun external trade sector and



PIDE report highlights challenges, opportunities in commerce sector



ISLAMABAD, Dec 20 (APP):The Pakistan Institute of Development Economics (PIDE) here on Wednesday launched its latest research report titled "The State of Commerce in Pakistan – International and Domestic," highlighting challenges and opportunities shaping the landscape of the country's commerce sector.

"As a premier institution dedicated to fostering economic development, PIDE's report serves as an invaluable source of information and statistics on the state of commerce in Pakistan," a news release said.

In his opening remarks, PIDE Vice-Chancellor Dr Nadeem ul Haque said his institution had compiled the report for the Ministry of Commerce and industries so that it could explore all facets of internal and external trade in Pakistan. "The primary objective is to gain a profound understanding of markets, growth and international and domestic trade."

He emphasized that despite the vibrant sector, it faced challenges stemming from the various governments' indifference, regulatory problems, and various other problems.

The PIDE VC highlighted the growth potential of several entities within sectors such as construction, retail, chain stores, food, franchises, and transport.

Dr Haque said PIDE's research showed that the government's footprint on the economy was at over 70 percent of the economy, with its involvement in trade and markets, stifling market development and growth.

The cost of regulation, estimated at over 60 percent of the Gross Domestic Product (GOP), particularly affected segments larger than 50 percent of the GDP, turning regulation agencies into a burgeoning industry in Pakistan."Our current approach is to fragment out the markets and segment ourselves from the global value chain."

PIDE has presented proposals to the government for deregulation, specifically targeting markets such as real estate, and improvements in tax documentation to foster the creation of large multinational businesses.

More specifically the report recommended a broader discussion on an immediate cessation of absolute policies on import substitute and export promotion could be discontinued. "Our Commerce and Industry must develop as part of the global value chain."

The report suggested diversifying across manufacturing, exports, and domestic markets.

Despite the significant contribution of domestic commerce to formal and informal employment and GDP, this sector has been historically overlooked in policymaking, with the first domestic commerce policy formulated only in 2021, it added.

On the international trade front, the report highlighted obstacles such as high tariff cascading, minimal progress in moving up the export product value chain, and limited destination diversification.

It said urban design, zoning regulations, and city planning negatively impacted businesses in Pakistan, particularly in domestic commerce.

The prevalence of the "Seth" culture, characterized by family-owned businesses dominating the stock market, raises concerns about market efficiency.

Deputy Chairman of the Planning Commission Dr Mohammad Jehanzeb Khan attended the event as the chief guest, while Special Secretary of the Ministry of Commerce Sarah Saeed participated as a

In his address, Dr Khan underscored the paramount role undertaken by PIDE and appreciated it for spearheading cutting-edge research crucial for the nation's immediate requirements.

He said a fundamental tenet of effective governance was the government's responsibility to generate revenue and ensure its judicious utilization through enhanced public expenditure.

Emphasizing the need for improvement in public expenditure, he said "We are committed to optimizing the impact of public funds for the betterment of our society and fostering sustained economic advancement."

In her remarks, Sarah Saeed commended PIDE's efforts in highlighting the importance of domestic commerce in Pakistan.

She said the Ministry of Commerce acknowledged the significance of domestic commerce in Pakistan, as rightly emphasized and consistently advocated by PIDE.

Consequently, she said the Ministry had established a separate domestic commerce department.

While domestic commerce has become a provincial subject after the 18th Constitutional amendment, she said coordination and collaboration among the federal and provincial governments were essential to set the direction of policies supporting the external trade sector and domestic commerce.



PIDE launches report on 'the state of commerce in Pakistan int'l and domestic'

T.M. Report

latest research report, "The State mestic trade. He emphasised that value chain. of Commerce in Pakistan - despite the sector being vibrant it PIDE has presented proposals opportunities shaping the landscape of Pakistan's commerce sector. It sheds light on the current As a premier institution dedicated tential of several entities within multinational to fostering economic development, PIDE's report serves as an invaluable source of information and transport. Dr Haque said that liunce on lenders to decide policy and statistics on the state of com- PIDE's research shows that the remains a significant challenge. merce in Pakistan, said in a press government's footprint on the More specifically the report refease issued here on Wednesday, economy is at over 70% of the recommends a broader discussion

plore into all facets of internal and GDP, turning regulation agencies various other problems.

In his opening remarks. Dr. economy, with heavy-handed gov- on an immediate cessation of our Nadeem ul Haque, Vice emment involvement in trade and absolute policies on import substi-Chancellor of the Pakistan markets, stifling market develop- tute and export promotion could Institute of PIDE, has developed ment and growth. The cost of reg- be discontinued. Our Commerce this report for the Ministry of ulation, estimated at over 60% of and Industry must develop as part Commerce & Industries to fill the the GDP, particularly affects seg- of the global value chain. comprehensive report, and ex-ments larger than 50% of the According to the report, there

external trade in Pakistan. The pri- into a burgeoning industry in PESHAWAR: The Pakistan mary objective is to gain a pro- Pakistan. Our current approach is Institute of Development found understanding of markets, to fragment out the markets and Economics (PIDE) launched its growth and international and do-segment ourselves from the global

International and Domestic". The faces challenges stemming from to the government for deregulareport explores the challenges and the various governments' indiffer-tion, specifically targeting marence, regulatory problems, and kets such as real estate, and improvements in tax documentation He highlighted the growth po- to foster the creation of large sectors such as construction, re- However, the government's prooctail, chain stores, food, franchises, capation with borrowing and re-

is a systemic failure to diversify front, the report highlights obsta- Ms Sarah Saeed, Specia across manufacturing, exports, cles such as high tariff cascading. Secretary of the Ministry of and domestic markets. Notably, minimal progress in moving up. Commerce attended the event r the import substitution policy, ex- the export product value chain, special guest. In his address emplified by the Mobile Phone and limited destination diversifi- Khan underscored the purar Manufacturing Policy 2020, has cation. Urban design, zoning reg-role undertaken by the Pa fallen short of its targets. Despite ulutions, and city planning nega- Institute of Develo the significant contribution of do-tively impact businesses in Economics (PIDE). He mestic commerce to formal and Pakistan, particularly in domestic. PIDE for spearheading of informal employment and GDP, commerce. this sector has been historically overlooked in policymaking, with was Dr. Mohammad Jehanzeb her remarks, Ms Sarah the first domestic commerce poli- Khan, Deputy Chairman of the commended PIDE's effe cy formulated only in 2021.

Planning On the international trade Government of Pakistan, while mestic commerce in Pakista

edge research crucial for t The chief guest on the occasion tion's immediate requireme Commission, highlighting the importance

