



# Losing the Steam

## PML-N Economic Agenda

2<sup>nd</sup> Tracking Report: January-March 2014

Policy Research Institute of Market Economy (PRIME)



With support from: Center for International Private Enterprise

PRIME is a public policy think tank working for an open, free and prosperous Pakistan by creating and expanding a constituency for protective function of the state and freedom of the market.

This report is the result of a project, "PML-N Economic Agenda: Tracking Report" which aims at initiating and informing policy dialogue and public debate on the implementation of the economic agenda of PMLN central government that sworn into the power at federal level in Pakistan in May 2013. The project is being supported by Center for International Private Enterprise (CIPE).

Published by: Policy Research Institute of Market Economy (PRIME)  
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Recommended Citation: PRIME Institute (2014): Losing the Steam: PML-N Economic Agenda 2<sup>nd</sup> Tracking Report (Jan-Mar 2014), Islamabad

Published in: April 2014

For inquiries:  
PRIME Institute  
Suite No. 714, Silver Oaks Apartments  
F-10 Markaz, 44000 Islamabad - Pakistan  
Tel: 00 92 (51) 8 31 43 37 - 38 Fax: 00 92 (51) 8 31 43 39  
[www.primeinstitute.org](http://www.primeinstitute.org)  
Email: [info@primeinstitute.org](mailto:info@primeinstitute.org)

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Authors:

Dr. Khalil Ahmad & Ali Salman

Research Support: Wajeaha Riaz

Available at:

[www.govpolicyscorecard.com.pk](http://www.govpolicyscorecard.com.pk)



# PML-N Economic Agenda

## 2<sup>nd</sup> Tracking Report: January-March 2014

### Introduction

PML-N Economic Agenda: Tracking Report reviews Pakistan's economic performance by tracking the progress made on the implementation of economic manifesto announced by the party in power in Islamabad, Pakistan Muslim League-Nawaz (PML-N). The purpose is to initiate and inform policy dialogue and public debate on the progress made on the economic agenda of PML-N. This tracking directly serves the basic principle of a functioning democracy: accountability.

#### Structure

The report picks three distinct sections of the PML-N manifesto: Economic Revival, Energy Security and Social Protection, which it terms as “economic agenda”. These three “Areas” are then divided into “Components” and “Sub-components”. In most cases, these are based on a simple reproduction of text of the manifesto, and in some cases, some editing has been carried out for the purpose of clarification and structure, but without altering the meaning of the authors of the manifesto. Under the area of Economic Revival, 10 components and 55 sub-components have been identified. Under the area of Energy Security, 15 components and 21 sub-components have been identified whereas under the area of Social Protection, three components have been identified.

In all, the report identifies 91 measurable “indicators” and allocates scores on all of them, subject to information availability, on the basis of three distinct parameters: policy and legislative developments, institutional reforms, and implementation. Policy and Legislative Development indicate the presence, or absence, of a supportive legal environment; Institutional Reforms indicate the quality of governance structure and Implementation shows the actual progress made on the policy.

#### Scoring

The scorecard quantifies the status of implementation on announced goals in the PML-N economic agenda. For each of the target area, the score is assigned from 0 to 10 with 10 being the highest. The score is sub-divided in three categories namely Legislative and Policy Developments (2.5), Institutional Reforms (2.5), and Implementation (5).

The team has developed and consistently applies a set of rules to minimize discretion.

1. Compute averages on non-weighted basis. All three “areas” i.e. “Economic Revival”, “Energy Security” and “Social Protection” and their constituting components and sub-components carry same weight towards the overall score.
2. Negative scoring is not allowed as it has a disproportionate impact on the overall score of each category.

3. Assign score of 2 to 2.5 in “Policy and Legislative Development”, if one already exists or has been developed.
4. Assign score of 1 to 1.5 in “Institutional Reform” if some progress is being shown.
5. Assign score of 1 to 2 in “Implementation” if some progress has started. Assign higher or maximum score if the goal has been achieved. A goal is considered to be achieved, if the related policy is implemented.
6. Assign zero if progress has been reversed.
7. Assign ‘Nil’, if no progress is made, though positive policy direction is announced.
8. Assign “As yet no development”, if work in the particular area or component is yet to begin. Such components and sub-components are not scored and are discarded while computing average.
9. Keep the same score over various editions of scorecard, if the level of progress is maintained.
10. Use June 2013 as benchmark time period. Subject to information availability, the data included in the report pertain to the time period for which the scorecard is being published.

The structure and methodology of the report has been shared with a select group from the business community, politicians and economists for the purpose of feedback and has undergone several revisions.

The scoring gives a snapshot view on the performance of the government in a particular area as well as an aggregate perspective. These snapshots are more meaningful over time as performance would vary. Thus a new score is issued every quarter. Based on three months progress, a narrative report is prepared.

#### Interpretation of Scoring

For interpretation of score, following guidelines have been developed.

Zero: Progress has been reversed.

Nil: No progress made.

1 to 4.9: Policy direction is not clear, institutional bottlenecks exist and no or very little implementation has started.

5 to 7.9: Policy direction is supportive, institutional reforms are in progress and some implementation has started.

8 to 10: Policy direction is supportive, governance structure is functional and implementation is complete.

By ‘complete implementation’, one should not necessarily interpret it as having achieved the ultimate goals of the policy, e.g., welfare or industrial productivity, which does not lend to easy assessment.

#### Data Sources

In order to develop a comprehensive scorecard, the team collects the data from publically available documents and secondary data sources including Quarterly Reports of the State Bank of Pakistan, Federal Budget, Pakistan Bureau of Statistics, Trade Policy, Proceedings of Parliament and newspapers. The team tracks five newspapers on daily basis and develops

portfolio of news on the basis of classification system of the scorecard. These newspapers become the basis of an interim assessment of the “current status”, which is then verified, endorsed or rectified in the light of secondary data available.

#### The Team

The report and scorecard has been compiled by a team comprising political scientists and economists. The tool development was primarily undertaken by Mr. Ali Salman and the narrative report is developed by Dr. Khalil Ahmad. Research staff at PRIME, Ms. Sara Javed and Ms. Wajeelha Riaz also contributed in compiling this report.

- Mr. Ali Salman: Ali is the Executive Director Policy Research Institute of Market Economy (PRIME). Ali has worked as a consultant economist for major international development organizations, public sector organizations and non-profits in Pakistan and other countries. He is author of several studies and monographs and regularly writes for Express Tribune. Ali is a visiting fellow at the Institute of Economic Affairs, London; an alumnus of International Academy of Leadership, Germany and Atlas Leadership Academy, USA. He holds master degrees in Economics, Public Policy and Business Administration.
- Dr. Khalil Ahmad: Ahmad is a political philosopher by training, and is the founder of the first free market think tank of Pakistan, Alternate Solutions Institute. He is a writer, and his latest books include the path-breaking ‘Pakistan Mein Riyasati Ashrafiya Ka Urooj’ (The Rise of State Aristocracy in Pakistan) and later, Siyasi Partian Ya Siyasi Bandobast: Pakistani Siyasat Ke Pech-o-Kham Ka Falsafiyana Muhakma (Political Parties or Political Arrangements: A Philosophical Analysis of Politics in Pakistan). Khalil holds a PhD in philosophy and has taught graduate and post-graduate classes in various institutions. He is the only member from Pakistan of a prestigious society of political philosophers, economists, and intellectuals, The Mont-Pelerin Society.

Disclaimer: This project is being implemented by Policy Research Institute of Market Economy- PRIME with support from Center for International Private Enterprise. The views expressed in the report are those of the authors and not those of either the PRIME or the CIPE. PRIME or CIPE, or the authors of this report, do not take the responsibility of statistical errors as the report uses the publicly available secondary sources.

## Losing the Steam: 2<sup>nd</sup> Tracking Report

### Reflecting on the Road Ahead

Since the “1<sup>st</sup> Tracking Report: The Politics-Economics Mix” (January 2014) was completed and launched, not much water has flown under the bridges. From the point of view of a constitutional mandate given for a period of 5 years, three months’ stint ought not to be counted as truly representing the pace at which a political government may tread, and that in a country like Pakistan where various monsters are devouring the very state which created them.

May it be noted that the 1<sup>st</sup> Tracking Report had a period of about 7 months (from June 2013 to December 2013) at its disposal to see what legislative developments, what institutional reforms, and in that regard what implementation had already taken place; in other words, what targets the government of PML-N had so far achieved which it promised in its Manifesto.

As is the case, this Report focuses only on 3 areas for which measures and targets were set in the Manifesto: Economic Revival; Energy Security; and Social Protection.

In view of the above, it should be clear that this 2<sup>nd</sup> Tracking Report is essentially interim and temporal. As a matter of fact, in order to see and calculate the speed at which a government moves forward to implement its promised agenda, at least a period of 6 months, or at best a period of one full year be considered appropriate. That is why this Report presents rather a dull picture of those few developments that took place during January to March 2014. Though the picture is comparatively accurate!

Also for the same reason, the average score in the tracked areas and their components and sub-components does not show much progress, except here and there. Although, it may be argued what one promises to do he ought to do it at the first available opportunity without wasting a moment. However, this team which is tracking the implementation of the PML-N’s promised Economic Agenda is extremely cautious in being judgmental; it tries to see only what has been set as a target and how far and how much that target is on its way to be implemented and achieved.

The team rather sits lazily reclining backward, fanatically avoiding being active or proactive in judging. As the present government has been mandated by the citizens to rule for a full five years, so there is no question of hurriedly judging its performance on a time-scale of just 9 months, and this requires that a longer-term view be taken of the things regardless of the fact whether these are happening slowly or nothing is happening at all. That’s just the start, and there still remains more than 4 years to accomplish and meet many a target if there is will or nothing if there is no will, so let it be as it is. And, though the members of the team are quite as mortal humans as their fellows are; but like God they prefer to see and wait. The

team knows when the five-year stint of the present government is closing its doors the day of reckoning will not be far away!

That's the story of 91 indicators this Report is tracking. That's more comprehensive as compared to the previous Report. This time the team had re-read the Manifesto with a keen eye for whatever promises were made and targets set in the Manifesto. That enriched the Area of Economic Revival with 10 components and 55 sub-components (56 indicators); the Area of Energy Security with 15 components and 23 sub-components (32 indicators); and the Area of Social Protection with 3 components (3 indicators).

Given the expanded scope of comparison, one may leave certain developments un-noticed and some errors here and there; the team confesses its limitations and is always ready to admit its failures and errors, and hence is always ready to mend and amend as well.

As already mentioned, tracking over a shorter period affects the measurement of the pace of progress, and that in its turn it reflects in the little improvement in the scorecard also. The previous average score in the Economic Revival stood at 3.17; this time it is 4.47, 1.3 point higher. In the Energy Security, now it is 4.34; 0.18 point better than the previous 4.16.

As from the point of view of economic management and economic governance, these two Areas are essentially significant, last time the average score for both of them was 3.66; this time it is 4.4, merely 0.74 better.

In the Area of Social Protection, the present score, 6.0 moves up only 0.5 point. The previous score was 6. May it be suggested that this Area represents the PML-N's political management of the electorate; which, no doubt, may be termed a strategy for short-term gains. Indeed, it has nothing to do with unleashing the Revival of the Economy and ensuring the Security of Energy, which require a strategy focusing on long-term gains.

That brings the team rather to reflect on an overall picture of the results of 9 months' Tracking. The previous Report concluded thus:

“In conclusion, it may be argued that the PML-N government, vis-à-vis its Economic Agenda promised in the election manifesto, is moving in the right direction; but of course it needs to avoid the zigzags which may lead it astray from the targets it set for itself.”

The tracking found that, for instance, the target of “Appointing independent and professional boards of the state-owned bodies” (that's a sub-component of the component: State-owned Enterprises) has been abandoned half-way; it may be reminded that the Commission set up for the purpose exists no more; or it has suspended its work. That actually opens the door for a two-way traffic: the government is free to hire whom it likes; and, the connected venturers or carpetbaggers are free to vie for lucrative places and posts.

More than that, it kills both merit and meritocracy and strengthens the hold of the state aristocracy (Riyasati Ashrafiya) on the state apparatus, which thrives on its own networking and connections, and thus excludes the society? That wipes out transparency and promotes corruption.

Also, there is overstepping the regulatory and procedural boundaries prescribed by the Public Procurement Regulatory Authority (PPRA), and the practice is on the rise. More to it, the government is trying to keep various regulatory bodies such as Securities and Exchange Commission of Pakistan and the Competition Commission of Pakistan, two institutions of extraordinary import, under its sway by bringing both of them out of the purview of the Federal Commission for Selection of Heads of Public Sector Organizations. In other cases, permanent heads are not being appointed; that amounts to depriving the regulators of their independence, and the state-owned enterprises of their autonomy, and that it frees the government to play its games.

Before this Report proceeds to explain and match the scorecard with the overall picture of the economy and its perception at the moment, it is worthwhile to say one or two things about the sources of data and how it is gathered, sorted out, evaluated, and then assigned score.

Obviously, stories first appear in the newspapers (or in the TV channels). It is therefrom that the team comes to know about the latest developments taking place. As is the case in Pakistan, government's websites or the websites of a plethora of its departments and agencies are not updated regularly or they are not updated at all; perforce, the team has to depend only on newspapers. But they are not reliable; hence they are cross-checked in a manner that compares stories and data published by various newspapers. Then as a final check, especially the statistical data is verified with the help of whatever is available on various government's websites, among which the most prominent is that of State Bank's; and it is one which is somehow updated regularly. Where needed, data in question is also compared with that what is available on the websites of The World Bank, IMF, ADB also.

As a case in point, here it may be shared that most newspapers are somewhat negligent in reporting financial stories and quoting data; they sometimes manipulate the data, tilt it, and bend it to look like a sensational news item. One such datum pertains to the sensitive issue of government borrowing. In recent months, some of the newspapers may be said to be playing up with the figures bearing on the financial recklessness of the present government. The team, however, felt suspicious of the figures and judgments of the reporters of these newspapers; it had to go back to the State Bank's website, and verify the accuracy of the figures quoted. That proved quite useful as it helped obtain a true picture of the present government's financial management, at least for the time being.

In one newspaper, it was reported that government borrowing from the State Bank has increased in one case 245 % and in the other case 350.2 %, but the team's calculation of the

figures available with the State Bank gave entirely a different picture; the team finds that the government is being frugal, as the score assigned to this component shows. That's a whopping 8.5 out of 10. The same was corroborated by a Business Recorder Research Report afterwards.

## Understanding the 2<sup>nd</sup> Tracking Report

### Economic Revival

In the Area of Economic Revival 10 components and 55 sub-components were being tracked.

The first component is about doubling the GDP growth rate from 3% to over 6%. The State Bank's estimate, for the year 2013-14 put it in the range of 3-4 %; whereas the IMF predicts it to be 3.1 %. That a score of 5.5 out of 10 has been assigned to this is based on the average of the sub-components, which may be considered as factors bearing on the economic growth.

Its sub-component, which aims at higher investment in the energy sector, gains a score of 6; which is based on robust activity shown by the present government in pursuing investments. .

The other sub-component, foreign investment in agriculture and livestock, as it is now a provincialized subject is no more a target for the federal government to achieve.

In the sub-component, converting at least 50 % remittances by Overseas Pakistanis into investment, as yet no development has been noticed to take place.

In Economic Revival, the government received a score of 4.47 out of 10, up 41% from 3.17 score of last report.

The sub-component, infrastructure (motorways, dams, housing projects, new urban centres and cities) earns a score of 5.5; it could have been much better had the federal government not cut the total budget allocation for the Public Sector Development Program (PSDP).

In the sub-component, foreign investment in oil, gas and other mineral, the score is quite good, i.e. 5.5; here a substantial amount of foreign investment is on the way to Pakistan, as a number of MoUs and contracts are being signed, and licenses are being granted.

Under it, the government also set a target for itself to increase the investment to GDP ratio to 20 %. As the foreign direct investment during July 2013-February 2014 stood at US\$660.3 million, only US\$ 23.8 million lower, the slight fluctuation may not be ascribed to any bad policy of the government. That is why a good score of 5 has been maintained. This also shows how the team assigns score keeping in view a larger picture all the time.

This average score of 5.5 for the doubling of the GDP component presents a truer picture of the economy. It looks both ways – backward and forward, i.e. how the economy was being run; and how it is going to be run in the coming months and how far and how much the private sector is allowed to play its role in enhancing the growth rate or the public sector

will be enjoying the sway; these are the factors which will determine fate of the future GDP for Pakistan.

Let it be reminded here that in an ultimate sense growth rate is a function of citizens' entrepreneurial efforts to create wealth, and not an outcome of the government's policies, which however may curtail it by heavily taxing or regulating it or facilitate it by providing a conducive and pro-market environment.

The other component concerns itself with bringing down the budget deficit down to 4 %. Having 4 sub-components, this earned an average score of 4.12. The previous year deficit was 8 %, and for this year the State Bank's forecast put it in the range of 6 to 7 %. As its sub-components are quite significant in their own, their score may reveal the true contours of the larger picture. In increasing the tax to GDP ratio, the score is 4; in one-third reduction in the current expenditures other than salaries, allowances and pensions, the score is 4; in eliminating the VIP Culture by reducing expenses on Presidency, Prime Minister, Governors and Chief Ministers, the score is 6.75; and finally in reduction in losses on PSEs, the score is 3.5.

This component's average score, 4.12, bears testimony to the efforts of the government which may be placed at this or that point on the track to implementation, i.e. either they are at the legislative or policy stage, or at the stage of institutional reforms, or they are at the various stages of implementation. However, that's all stringed with the overall policy environment.

The 3<sup>rd</sup> component pertains to the inflation, and aims at bringing it down to single digit, or in the range of 7 to 8 %. Its sub-components are as important for the health of the economy as the budget deficit is. Limiting government borrowing is an ambitious target set by the PML-N government in its Manifesto. That's a story this Report has already referred to in the above paragraphs. As the government is behaving "frugally" and not depending on the State Bank for its borrowings, rather it has chosen commercial banks as its lenders (it may have many an unintended consequences). From October 2013 to February 2014, its borrowing from the State Bank and commercial banks stood at Rs.184 billion; whereas for the same period in the last year, it was Rs.485 billion. It has already been mentioned that most of the newspapers are singing another tune, not congruent with the figures the State Bank provides. That brings in doubt the credibility of the economic reporting in the Pakistani print media.

The sub-component of decreasing tax rates earns a score of 5; this score has been maintained because it's only via budget that the tax rates are increased or decreased. In lowering interest rates through effective monetary policy, Nil score has been assigned; for the previous year it was 9.5 % and in this year's budget it was raised to 10 %, and that is still the case.

The component of other initiatives for economic revival includes the sub-components: Reducing energy shortage and cost of producing energy [score: 6.5]; Opening up markets to encourage regional trade [score: 6.5]; Reforms in financial sector and capital markets [score: 6]; and, Improved regulatory environment on national level [score: 4]. On the basis of individual scores earned by these sub-components, the average score of this component stands at 5.75. This suggests an improved regulatory environment, which has found a mention above, and which is quite essential for the pro-market economic reforms.

Clearly if the government thinks it is it which creates wealth, it is in the wrong, and may not be able to improve the regulatory environment. In case, it tries to regulate too much, it may stifle the private initiatives' urge to create more and more wealth. Let the citizens of this land create wealth and instead control your temptations of taxing and regulating unduly and unjustly!

The larger component of Industry and Trade consists of 12 sub-components. Its average score is 2.8.

The sub-components' score is as given: Making ample credit available to the private sector [5.5]; Industrial manufacturing growth will be taken to 7 to 8 % [7]; Reforming tariffs to eliminate anti-export bias [Nil]; Establishing an Equity Fund consisting of private and public sectors [as yet no development]; Creating industrial parks for large and small industries especially in the under-developed areas [2]; Developing clusters for industries (Gems, Jewellery, Fans, Halal Meat, Sports Goods, Furniture, Crockery, Utensils) [Nil]; Necessary initiatives for MNCs already operating in Pakistan [Nil]; Incentives for MNCs expected to invest in Pakistan in export-oriented manufacturing [as yet no development]; Intensifying participation in regional cooperation forums like SAARC and ECO including FTAs and PTAs [5]; and, All exports will be tax-free [as yet no development]; An Export-Import Bank will be set up [as yet no development]; and, A technology up-gradation fund will be set up [as yet no development].

The Infrastructure component comprises 4 sub-components, and its average score stands at 3.17. The sub-components and the score they earned as is given: Bureau of Infrastructure Development will be established for private sector participation [2.5]; Improving transport & communication (construction of National Trade Corridors and Mass Transit Facilities in all major cities) [0]; Issuance of Provincial and Municipal Infrastructure Bonds or Project specific bonds [now a provincial subject]; and, At least 1000 clusters of 500 houses each for lower income families will be developed [7].

In the component of creating job opportunities, with 2 sub-components, the average score is 4.25. Its sub-components, i.e. Create incentives programs for the private sector to create employment; and, Starting an especially designed employment program, earned a score of 3.5 and 5 respectively.

The component of Tax Reforms earns an average score of 1.75 only. Out of 15 sub-components, only 6 have been allotted score; whereas 9 have been left out as no development has taken place in their domains. That presents not only a bleak picture, but an extremely problematic area for the government where it needs to remain focused if it wants to meet its own targets, and not the other crucial reforms which however require a political will for their urgent resolution, such as substantially curtailing the discretionary powers of the tax officials.

Here are the sub-components and their score: Bringing informal economy into tax net [as yet no development]; Broadening tax base [1.5]; Tax all income [as yet no development]; No increase in the tax rates [0]; Reduce tax evasion [1]; Rationalizing tax rates [as yet no development]; Reform of tax administration both at the federal and provincial levels [as yet no development]; Ensuring tax compliance by small businesses [as yet no development]; Publish an annual tax directory indicating taxes paid and assessed in the last 3 years [as yet no development]; Reduce the number of federal and provincial taxes [as yet no development]; Rationalizing sales tax by ensuring standard rate for all items [1]; Broadening the scope of sales tax [as yet no development]; Ensuring elimination of money-laundering and whitening of black money [as yet no development]; Improving self-assessment and audit compliance [2]; and, Regulatory duty will be levied on non-essential imports [5].

In the next component which concerns with the State-owned Enterprises (Turning around the loss making enterprises) the average score is 3.5. Its sub-components earned the score as is given here: Appointing independent and professional boards [0]; Identification and ensuring the completion of privatization process with the assigned timeframe [2]; PIA will be transformed into a profitable and reputed airline of the region [2]; and, Improving the operations of Pakistan Railways, such as by setting up autonomous board [2].

This component exclusively relates to the size of the government, and as the Economic Manifesto of the PML-N is evidently in favour of reducing the size of the government, both the average and individual scores do not match with this policy; rather Zero score in the sub-component of independent and professional boards puts a question mark on the transparent economic management of the state entities.

The last component of the Economic Revival focuses on building the confidence of private sector, and in this the average score stands at 6.75; its individual score is 3.5. Its only sub-component: Establishing of Pakistan Business and Economic Council, chaired by Prime Minister with equal membership of public-private sector, meeting every quarter, earned full score, i.e. 10. This part of the larger picture is rather bright, and in order to bolster demands more attention in other domains such as the issues of taxation and regulation which prove to be a hurdle in the way of private sectors' efforts to produce more and more goods and services.

## Energy Security

This Area contains 15 components and 21 sub-components, and has been proving to be one of the greatest bottlenecks as regards the revival of the economy. Fortunately, since the PML-N government came to power, its focus did not deflect much from putting lot of efforts into the energy sectors. The average score of this Area this time stands at 4.34; in the 1<sup>st</sup> Report it was 4.16.

The individual score for its components and sub-components do not fare well either. The first component, which aims at creating a Ministry of Energy and Natural Resources through the merger of Ministries of Water and Power and Natural Resources, has seen no development as yet.

The 2<sup>nd</sup> component, Reforming NEPRA, which has 5 sub-components, earned an average score of 4.5. Its sub-components and their score stand as: Upfront/Feed-in tariff for wind, solar, small hydel, and biomass projects [as yet no development]; Mandatory wheeling of electricity by DISCOs and the NTDC [as yet no development]; Net metering (sale guarantee) for small producers/consumers [as yet no development]; NEPRA-determined tariffs to be notified tariffs [score: 4.5]; and, Deregulating and decentralizing by allowing small power producers to sell power directly to consumers through the distribution system of DISCOs [as yet no development].

In Energy Security, the government gets a score of 4.34 out of 10, up from 4.16, a gain of 4%.

Obviously, resolution of the power crisis and its increasing rates depends on reforming the regulator of the electric power in Pakistan.

However, in this component, out of 5, 4 sub-components saw no development. That points towards one of the darker areas of the larger picture.

In the component of Reforming DISCOs, the average score is 2.83. Its 5 components fare no better either. The first sub-component, Corporatization and privatization of DISCOs, earned 2.5 score; 2<sup>nd</sup> sub-component, Reduction of transmission & distribution losses to less than 10 % was assigned 2; 3<sup>rd</sup> sub-component, Collection of electricity bills to 100 %, was given a score of 4; the fourth component, Ending of cross-subsidy among DISCOs, as yet saw no development; and, the 5<sup>th</sup> sub-component, Introduction of pre-paid billing system, saw no development either.

Another most important component of the Energy Security is Reforming GENCOs. Its average score is merely a 2.5. The same is the case with its sub-components: Corporatization and privatization of GENCOs under an independent board [score: 2.5]; Retrofitting of all equipment [as yet no development]; and, Replacement of furnace oil boilers with coal-fired boilers [as yet no development].

As the two, DISCOs and GENCOs, form the nexus of the power sector's crisis, both of them are failing in the test of reforms; that's a moment for the PML-N to ponder how to reform the power sector!

The next component concerns with the permanent elimination of circular debt; in it the individual score is Zero, and the average score is 3.25, and both may be taken as denoting negativity. As for the sub-components and the score they earned, the details are here: Narrowly targeted subsidies for consumers up to 100 units [2.5]; Notify electricity tariffs according to the average system wide cost [4.5]; Power dispatch to be strictly according to plan, efficiency, and generation cost [As yet no development]; and, Ensuring supply of gas to power plants [3].

In the component, Rationalizing the energy tariffs in line with international prices across all fuels, the score is 5.

The component of Reforming OGRA is as much important to the resolution of the power crisis as the reforming of DISCOs and GENCOs is; in it, the average score stands at 6.75. Its sub-components and their score is as given: Blanket ban on new CNG stations [10]; Priority to public transport in the use of CNG [3.5]; Tariff rationalization in gas sector [as yet no development]; and, Narrowly targeted subsidy for natural gas and LNG users [as yet no development]. As is evident, the improved average score in this component does not paint a picture of the reformed OGRA; rather it is due to simple targets of banning new CNG stations, and giving priority to public transport in the use of CNG, out of which the later shows an arbitrary mechanism of distributing the CNG among the various sectors.

Another component, Aggressive wellhead pricing for oil and gas exploration companies, earns a score of 3.5.

In the component of "High priority to import gas through pipeline," the score is 2 largely owing to the uncertainty overshadowing the pipeline negotiations.

The other component under the Energy Security is: Setting up of coal and LNG import terminals, and coal transportation facilities. In it the score stands at 3.5.

As for the component of "Development of Thar coalfields and setting up of at least of 5000 MW of new coal-fired power plants under the PPP mode in Sindh" is concerned, it saw much development and has been assigned a score of 7.

In the component, "Developing consensus among the various stakeholders to facilitate setting up hydropower projects by the Federal and Provincial Governments," as yet no development has taken place.

The component, “Developing alternative renewable energy sources, such as solar, wind, bagasse, biogas, and biomass projects” earned a score of 7, as the government is quite active on this front.

For the component, Introducing solar-thermal water heaters for domestic and industrial use, no score was considered fit since there was no development as yet.

To the last component of this Area, Decentralizing and creating a wholesale market for electricity, a Nil score was deemed fit, since instead of opening up electricity market, the government is considering direct contracting. It may be argued that the policy of direct contracting is justifiable in view of the challenges the chronic electricity shortage is posing, and it may help expedite resolution of the crisis on urgent basis. However, that may not be advisable because that’s a short-term political way of resolving the crisis, whose long-term solution lies in opening up of the electricity market, especially its generation and distribution sectors.

The average score in Economic Revival and Energy Security combined is 4.4, up by 0.74 points from 3.66 score of previous report, suggesting a gain of 20%.

### Social Protection

The 3<sup>rd</sup> Area of the Economic Manifesto of the PML-N focuses on the provision of social protection to the so-considered low-income and disadvantaged sections of society, and it includes 3 components: Introduce a transparent system of income support programme for needy families with incomes below the prescribed limit with a special focus on widows, orphans and the girl child; Raise the total spending on non-pension social protection from the current level of 1% of GDP to at least 2% by 2018; and, Legislate the Right to Food.

In this Area, the average score is 6.5, and the individual score for the first two components is 7 and 6; as far as the 3<sup>rd</sup> component, “Legislating the Right to Food,” is concerned, as yet no development has taken place in this regard.

In the 1<sup>st</sup> Report this Area got an average score of 6, and actually it is this score which improves the overall average score disproportionately. In that Report, the 3 Areas earned an average score of  $[3.17 + 4.16 + 6 = 13.33 / 3 =] 4.44$ ; whereas if the Social Protection is excluded, then the average score of two Areas, i.e. Economic Revival and Energy Security, which form the crux of the PML-N’s Economic Reform Agenda, settles to be  $[3.17 + 4.16 = 7.33 / 2 =] 3.66$ , and that accurately reflects on the first 7 months’ performance of the government.

In the present Report, the average score earned by the 3 Areas is  $[4.47 + 4.34 + 6.5 = 15.31 / 3 =] 5.1$ . While the score of the Social Protection is excluded, the average score of the first two Areas declines to be  $[4.47 + 4.34 = 8.81 / 2 =] 4.4$ . That shows a slight improvement of  $[4.4 -$

3.66 =] 0.74 point upon the previous average score of the two Areas, and that's a true reflection of the progress made by the government during January-March 2013.

From another angle, the picture looks like this:

There are 91 indicators that this Report tracks to see at what stage they are; at the stage of legislative and policy development, or at the stage of institutional reforming, or at this or that point of the stage of implementation, or as the case may be. For the present purpose, 88 indicators are to be considered, i.e. after excluding the 3 Social Protection indicators. Surprisingly, 29 indicators saw no development taking place, in plain language which means that more than 30% of the Economic Agenda is yet to see a start on the way to its implementation.

In the Area of Economic Revival, 56 indicators are being tracked; out of which 16 are yet to see any development. In the Area of Energy Security, the Report is tracking 32 indicators; and there are 13 indicators where as yet there is no movement.

More than 30 % of the Economic Agenda is yet to see a start on the way to its implementation.

As far as the score "Nil" is concerned, it has somewhat a negative connotation; it means after moving ahead with an indicator, no further progress was made. In this realm, there are 5 Nils; in the Economic Revival 4, and in the Energy Security 1.

The Zero score clearly amounts to a negative value; and there are 4 Zeros; 3 in the Economic Revival; 1 in the Energy Security.

But this picture still has many a dark and grey area, for which to brighten, a strong will, determination and focus is required.

Recently two independent opinions came out bearing on the economic performance of the government, and they corroborate this Report's scorecard and its assessment, and the larger picture it paints.

A Business Confidence Index (BCI) is compiled by Overseas Investors Chambers of Commerce and Industry (OICCI), and the latest Index shows one per cent dip in the Business Confidence in March 2014 as compared to two per cent growth in August 2013, following high cost of doing business, energy crisis and deteriorating security situation. (See Business Recorder, March 26, 2014).

In the same edition of Business Recorder, a report based on the observations made by IMF after completing its 2<sup>nd</sup> review of Pakistan's economy says: "The Pakistani authorities have made commendable progress in stabilizing the economy and launching important structural

reforms. However, economic conditions remain challenging, and more needs to be done to reduce vulnerabilities.”

## Concluding Thoughts

A government is known by the chunk of wealth it eats. In other words, the bigger and bulkier a government is, the hungrier it is. In Pakistan, both the state and government have proved to be voracious eaters, as is demonstrated by the volume of corruption on the one hand and the magnitude of taxes it extracts from the citizens’ pockets. May it be quipped that it regulates only to ensure that it has on its plate an ever larger share from the citizens’ money, and not to protect their fundamental rights.

In its initial 9 months, the present government has tried to reduce its size as well as the taxation and regulatory burden from the shoulders of the economy.

Time and time again, the Prime Minister of the present government has reiterated a policy statement that it’s no business of a government to be in business. Also, the Economic Manifesto of the PML-N also attests to its pro-market credentials. An analysis and evaluation of the indicators this Report tracks, relating only to the Economic Revival and Energy Security, reveals the oft-repeated resolve of the present PML-N’s government that it does not want to be and remain in business.

Also, the indicators tracking the progress in the revival of the economy and ensuring the security of energy cumulatively point towards three important factors which determine the size of the government, its taxation and regulation policies. In simple words, it means how much the government appropriates to meet its hunger, how much it eats and how it eats.

This context helps explain the assigned scorecard from another angle also. That in its initial 9 months, the present government tried to reduce its size as well as the taxation and regulatory burden from the shoulders of the economy by an average score of 4.03. This quantitative assessment fits in with the qualitative features of the picture that emerges out of the scorecard, and lends credence to the method with the help of which said indicators are being tracked.

The scorecard and the picture they paint do hint at certain areas especially where the present government needs to focus.

No doubt, the present government has a long way to go in reducing the size of a bulkier government; that’s where it needs to act strongly.

As the Prime Minister says, it means he may be meaning the same: Let the market do the business! And: Let the government sit and see no injustice is done and the fundamental rights of each and every citizens are protected.

## Suggested Priority Targets

Here are some of the most important targets the PML-N set for itself; but they require an unprecedented resolve to be achieved. However, if they are put on the track, they may take care of all else.

As for reviving the economy:

- I) It needs to reduce its expenditure substantially; just one-third reduction in current expenditures won't do
- ii) It needs to complete the privatization of state-owned entities on a high priority basis
- iii) For the time being, it needs to reduce the huge losses they are incurring
- iv) For this to achieve, independent and professional boards must needs be appointed in all the state-owned enterprises
- v) It needs to be austere and more frugal, and limit its borrowing both from the central bank and commercial banks (also from the external sources!)
- vi) It needs to reduce not only the number of federal and provincial taxes, but the rate of taxes also
- vii) It needs to open up the market to encourage not only the regional but international trade also
- viii) It needs to improve the regulatory environment: meaning regulation is facilitation, not strangulation
- ix) It needs to put its energy and resources into building the infrastructure required and not focus on projects of short-term gains
- x) It needs to invest into building the confidence of the private sector; and that may be sought by limiting its role to supervising, not controlling

As for ensuring the security of energy, following measures require urgent focus:

- i) It needs to create a wholesale market for electricity in the country along with opening up the electricity market
- ii) It needs to allow small power producers to sell power directly to consumers through the distribution systems of DISCOs
- iii) On urgent basis, it needs to reform the NEPRA so that it facilitates and supervises, and not controls
- iv) It needs to privatize or reform the distribution companies

v) Likewise, it needs to privatize or reform the generation companies

This is just a reminder as all the recommendations made above are actually the targets the PML-N set to achieve and implement in case it comes to power. It is 9 months now since it is in power; it should set to work at full steam now! The most substantial risk it faces comes from inside: pressure from the various lobbies and interests, or whatever is the case. It needs to have a look back at its Economic Manifesto as well as a fresh reading of it to energize itself, so that it is able to lay foundations for the sustainable market reforms, the main thrust of its Economic Reform Agenda!

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Khalil Ahmad

April 8, 2014

1 Manifesto Chapter: Economic Revival		Implementation Status					
	Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.1	To double the GDP growth rate from 3% to over 6%	3.6% <sup>1</sup>	SBP GDP growth b/w 3-4% in FY13-14 <sup>2</sup> 3.1% according to IMF Report <sup>3</sup>				5.5
1.1.1	Higher investment in the energy sector	In 2012-13, revised budget for WAPDA (Power) was Rs. 34.7 billion.	In 2013-14, allocated budget for WAPDA (Power) is Rs. 51.34 billion. A good many number of commitments have been made by various countries. Estimated amount of these investments is \$6.5 billion.	2.5	1.5	2	6

<sup>1</sup> Revised Budget 2012-13 Annual Budget Statement

<sup>2</sup> 'Pakistan likely to miss GDP growth target for fiscal year 2013-14', Express Tribune, January 15<sup>th</sup> 2014. <http://tribune.com.pk/story/659134/pakistan-likely-to-miss-gdp-growth-target-for-fiscal-year-2013-14/>

1	Manifesto Chapter: Economic Revival	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
1.1.2	Foreign investment in the agriculture and livestock sectors		Now a provincialised subject.				
1.1.3	Converting at least 50% of the remittances by Overseas Pakistanis into investments		As yet no development.				
1.1.4	Infrastructure projects (motorways, dams, housing projects, new urban centers and cities)	Total PSDP (Revised Budget) under Federal Government was Rs. 388 billion	Development spending on Infrastructure projects is off track, as Rs. 242 billion have been released out of Rs. 540 billion allocated i.e. 45% release till 28 <sup>th</sup> March 2014. <sup>4</sup>	2.5	1	2	5.5
1.1.5	Foreign investment in oil, gas and other minerals	US \$ 352.80 million for July-February 2013 <sup>5</sup>	US \$ 289.20 million for July-February 2014 <sup>6</sup>	2.5	1.5	1.5	5.5

<sup>4</sup> [http://www.pc.gov.pk/wp-content/uploads/2014/03/ReleaseSummary2013-14\\_28-03-2014.pdf](http://www.pc.gov.pk/wp-content/uploads/2014/03/ReleaseSummary2013-14_28-03-2014.pdf)

<sup>5</sup> State Bank of Pakistan, Available at: <http://sbp.org.pk/ecodata/Netinflow.pdf>

<sup>6</sup> Ibid.

1	Manifesto Chapter: Economic Revival	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
1.1.6	Investment to GDP ratio will rise to 20%	12.6% <sup>7</sup> US \$684.1m <sup>8</sup> was total foreign direct investment in July- February 2013.	N/A US\$ 660.3m <sup>9</sup> is total foreign direct investment in July- February 2014.	2	1.5	1.5	5
1.2	Budget deficit will be brought down to 4%	8% <sup>10</sup> (Rs 2012 billion) <sup>11</sup>	Rs. 1209 b <sup>12</sup> SBP warns that budget deficit could be in the range of 6-7% for current FY <sup>13</sup>				4.25
1.2.1	Increase tax to GDP ratio from 9% to 15%	8.5%	Revenue target almost on track with 6% shortfall reported in first half of the fiscal.	1	1	2.5	4.5

<sup>7</sup> Economic Survey of Pakistan, Available at: [http://www.finance.gov.pk/survey/chapters\\_13/01-Growth%20and%20Investment.pdf](http://www.finance.gov.pk/survey/chapters_13/01-Growth%20and%20Investment.pdf)

<sup>8</sup> Net Inflow Summary (July-February 2012-13) State Bank of Pakistan Available at: <http://sbp.org.pk/ecodata/NetinflowSummary.pdf>

<sup>9</sup> 'Net Inflow Summary' State Bank of Pakistan (July-February 2013-14) Available at: <http://sbp.org.pk/ecodata/NetinflowSummary.pdf>

<sup>10</sup> 'Budget Deficit surges to over Rs. 2tr', The Nation, July 28<sup>th</sup> 2013 <http://www.nation.com.pk/business/28-Jul-2013/budget-deficit-surges-to-over-rs2tr>

<sup>11</sup> 'IMF Staff Report' <https://www.imf.org/external/pubs/ft/scr/2014/cr1490.pdf>

<sup>12</sup> 'IMF Staff Report' <https://www.imf.org/external/pubs/ft/scr/2014/cr1490.pdf>

<sup>13</sup> 'SBP warns of increase in fiscal deficit', Dawn, March 29<sup>th</sup> 2014.

1	Manifesto Chapter: Economic Revival	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
1.2.2	One-third reduction in current expenditures other than salaries, allowances and pensions		Budget for 2013-14 did not reflect this change, however reduction in interest payments on foreign loans is expected due to rupee appreciation	0	1	1.5	2.5
1.2.3	Eliminate VIP Culture by reducing expenses on Presidency, Prime Minister, Governors and Chief Ministers	N/A	Prime Minister's Office and Presidency expenditures slashed, and secrete funds of ministries abolished	2	2.5	2	6.5
1.2.4	Reduction in losses on PSEs	Losses accumulate to \$4.1 billion. <sup>14</sup>	No improvement reported. A recent estimate puts the total debts and liabilities of PSEs at around Rs. 563 billion.	1	1.5	1	3.5

<sup>14</sup> Dawn, 10<sup>th</sup> June 2013.

1	Manifesto Chapter: Economic Revival	Implementation Status					
	Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.3	Inflation will be brought down to single digit in the range of 7%-8%	5.9 % <sup>15</sup>	7.9% General CPI <sup>16</sup> The SBP on Friday projected that average inflation to be in the range of 8.5 to 9.5 percent in FY14 <sup>17</sup>				6.75
1.3.1	Limiting government borrowing	In 2013, government borrowing from SBP and Commercial Banks in Oct 2012 to Feb 2013, was Rs. 485 billion	In 2014, government borrowing from SBP and Commercial Banks in Oct 2013 to Feb 2014, was Rs. 184 billion, largely on account of reduced borrowing from the State Bank.	2.5	2	4	8.5

<sup>15</sup> State Bank of Pakistan Inflation Monitor June 2013

<sup>16</sup> 'CPI Monthly Review February 2014' PBS. <http://www.pbs.gov.pk/cpi>

<sup>17</sup> 'Revised estimates Inflation to be in 8.5 to 9.5pc range' Business Recorder, March 29th 2014.

1	Manifesto Chapter: Economic Revival	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
1.3.2	Decreasing tax rates	N/A	GST increased, Corporate Tax brought down, Income Tax increased <sup>18</sup>				5
1.3.3	Lower interest rates through effective monetary policy	9.5% <sup>19</sup>	10% <sup>20</sup>				Nil
1.4	Other Initiatives for Economic Revival						5.75
1.4.1	Reducing energy shortage and cost of producing energy	In 2013, total shortfall in January and Marc was 4,000 MW	In 2014, total shortfall in January and March was 2,300 MW	2	1.5	3	6.5
1.4.2	Opening up markets to encourage regional trade		Progress observed in trade with India, Afghanistan and Indonesia <sup>21-22-23</sup> .	2.5	2	2	6.5

<sup>18</sup> Ministry of Finance, Federal Budget 2013-14

<sup>19</sup> State Bank Monetary Policy 2013

<sup>20</sup> 'Monetary Policy: SBP keeps key discount rate unchanged at 10%' Express Tribune, March 16<sup>th</sup> 2014. <http://tribune.com.pk/story/683268/monetary-policy-sbp-keeps-key-discount-rate-unchanged-at-10/>

<sup>21</sup> 'Greater Trade Through Land Allowed' Business Recorder, January 19<sup>th</sup> 2014. <http://www.brecorder.com/top-stories/0/1144657/>

<sup>22</sup> 'Trade Barriers: Govt sets terms for freer trade with Delhi', Express Tribune, January 2<sup>nd</sup> 2014. <http://tribune.com.pk/story/653687/trade-barriers-govt-sets-terms-for-freer-trade-with-delhi/>

1	Manifesto Chapter: Economic Revival	Implementation Status					
	Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.4.3	Reforms in financial sector and capital markets		Bonds Issued by govt in Feb <sup>24</sup>	2	2	2	6
1.4.4	Improved regulatory environment on national level		Developments in regulatory reforms in SBP, NEPRA, OGRA under way	2	1	1	4
1.5	Industry and Trade						2.8
1.5.1	Making ample credit available to the private sector		Credit line to private sector increased to Rs230 b in Jan 14 in Jan 13 it was Rs53b <sup>25</sup>	1.5	1	3	5.5
1.5.2	Industrial Manufacturing growth will be taken to 7% to 8%	2.77% <sup>26</sup>	6.05% <sup>27</sup>	2	1.5	3.5	7
1.5.3	Reforming tariffs to eliminate anti-export bias		Nil				Nil
1.5.4	Establishing an Equity Fund consisting of private and public sectors		As yet no development.				

<sup>23</sup> 'Pakistan, Indonesia FTA in 2015: ambassador' Daily Times, March 20<sup>th</sup> 2014.

<sup>24</sup> 'Dar launches listing of T-Bills at KSE', Business Recorder, February 18<sup>th</sup> 2014. <http://www.brecorder.com/top-news/108-pakistan-top-news/158566-dar-launches-listing-of-t-bills-at-kse.html>

<sup>25</sup> 'Credit Line to private sector swells by Rs230 billion', the News, January 26<sup>th</sup> 2014, <http://www.thenews.com.pk/Todays-News-3-228600-Credit-line-to-private-sector-swells-to-Rs230-billion>

<sup>26</sup> State Bank of Pakistan, Production of Selected Large-scale Manufacturing Items during July-January'

<sup>27</sup> Ibid.

1	Manifesto Chapter: Economic Revival	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
1.5.5	Creating Industrial Parks for large and small industries especially in the under-developed areas		China agreed to invest Gadani Power Plant and Gwadar Port <sup>28</sup> Blueprint of free trade zone at Gwadar to be submitted by May. <sup>29</sup>	0	0	2	2
1.5.6	Developing Clusters for industries (Gems, Jewellery, Fans, Halal Meat, Sports Goods, Furniture, Crockery, Utensils)		Economic Zones at 15 sites with special tax regimes <sup>30</sup>				Nil
1.5.7	Necessary incentives for MNCs already operating in Pakistan		OICCI reports a decline in business confidence				Nil
1.5.8	Incentives for MNCs expected to invest in Pakistan in export oriented manufacturing		As yet no development				

<sup>28</sup> 'Chinese firms to get army-backed security', Dawn, March 29<sup>th</sup> 2014.

<http://webcache.googleusercontent.com/search?q=cache:http://www.dawn.com/news/1090694/chinese-firms-to-get-army-backed-security>

<sup>29</sup> 'Gwadar Port: Blueprint for free trade zone to be ready in May', Express Tribune, March 23<sup>rd</sup> 2014.

<sup>30</sup> 'Private sector in auto field to be supported', Business Recorder, January 24<sup>th</sup> 2014. <http://www.brecorder.com/business-a-economy/189/1146640/>

1	Manifesto Chapter: Economic Revival	Implementation Status					
		10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
Manifesto Targets							
1.5.9	Intensifying participation in regional cooperation forums like SAARC and ECO, including FTAs and PTAs		NDA (MFN) status not granted to India; <sup>31</sup> Some progress with Indonesia.	2.5	1	1.5	5
1.5.10	All exports will be sales tax free		As yet no development				
1.5.11	An Export-Import Bank will be set up		As yet no development				
1.5.12	A Technology Up-gradation Fund will be set up		As yet no development				
1.6	Infrastructure						3.17
1.6.1	Bureau of Infrastructure Development will be established for private sector participation		PPP friendly Infrastructure Project Development Facility exists <sup>32</sup>	2.5	0	0	2.5
1.6.2	Improving Transport & Communication (Construction of National Trade Corridors and Mass Transit Facilities in all major cities)	PSDP Revised Budget for 2012-13 for NHA was Rs. 71 billion	PSDP Revised Budget for 2012-13 was Rs. 63 billion, showing 11% fall.	0	0	0	0

<sup>31</sup> 'Non-discriminatory market access: Pakistan, India all but sign trade normalisation deal', Express Tribune, March 15<sup>th</sup> 2014. <http://tribune.com.pk/story/683073/non-discriminatory-market-access-pakistan-india-all-but-sign-trade-normalisation-deal/>

<sup>32</sup> Infrastructure Project Development Facility, Ministry of Finance <http://www.ipdf.gov.pk/index.php?cmd=introDetailed>

1	Manifesto Chapter: Economic Revival	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
1.6.3	Issuance of Provincial and Municipal Infrastructure Bonds or Project Specific Bonds	Not Issued	Now a provincialised subject.				
1.6.4	At least 1000 clusters of 500 houses each for lower income families will be developed		Construction of low income houses to start from March <sup>33</sup> . Housing project awaits PM nod <sup>34</sup> .	2.5	2.5	2	7
1.7	Creating Job Opportunities						4.25
1.7.1	Create incentive programmes for the private sector to create employment		Prime Minister Investment Package for selected industries	1.5	1	1	3.5
1.7.2	Starting a especially designed employment program		Prime Minister youth business loan scheme <sup>35-36</sup>	2	2	1	

<sup>33</sup> Daily Times, 24<sup>th</sup> February 2014

<sup>34</sup> The News, 16<sup>th</sup> February 2014

<sup>35</sup> 'Prime Minister's Youth Business Loan', National Bank of Pakistan' <http://www.nbp.com.pk/PMYBL/index.aspx>

<sup>36</sup> 'Balloting of youth loan scheme today', the Nation, February 28<sup>th</sup> 2014. <http://www.nation.com.pk/business/28-Feb-2014/balloting-of-youth-loan-scheme-today>

1	Manifesto Chapter: Economic Revival	Implementation Status					
		10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	<b>Manifesto Targets</b>						
1.8	Tax Reforms						1.75
1.8.1	Bringing informal economy into tax net		As yet no development.				
1.8.2	Broadening tax base		30,533 notices were issued to Out of these 1189 have registered themselves as taxpayers. <sup>37</sup>	0	0	1.5	1.5
1.8.3	Tax all income		As yet no development				
1.8.4	No increase in the tax rates		Increase in GST, Personal Income Tax and Withholding tax rates	0	0	0	0
1.8.5	Reduce Tax evasion	N.A	FBR has approached non-filing income tax holders to comply and submit tax returns.	0	0	1	1

<sup>37</sup> 'FBR CLARIFIES NEWS REPORTS REGARDING BROADENING OF TAX BASE INITIATIVE', FBR.  
<http://www.fbr.gov.pk/PressRelease.aspx?view=Press%20Release&ActionID=%20&ArticleID=>

1	Manifesto Chapter: Economic Revival	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
1.8.6	Rationalizing tax rates		As yet no development.				
1.8.7	Reform of tax administration both at the federal and provincial levels		As yet no development.				
1.8.8	Ensuring tax compliance by small businesses		As yet no development.				
1.8.9	Publish an Annual Tax Directory indicating the taxes paid and assessed in the last 3 years		As yet no development. Publishing a Tax Directory of Parliamentarians is a different matter.				
1.8.10	Reduce the number of federal and provincial taxes		As yet no development.				
1.8.11	Rationalizing sales tax by ensuring standard rate for all items	N.A.	Proposal under consideration. <sup>38</sup>	1	0	0	1
1.8.12	Broadening the scope of sales tax		As yet no development				
1.8.13	Ensuring elimination of money laundering and whitening of black money		As yet no development.				
1.8.14	Improving self-assessment and audit compliance	711,000 returns/ statements received by FBR in 2012. <sup>39</sup>	800,000 returns of income/ statements received by FBR <sup>40</sup>	0	1	1	2

<sup>38</sup> 'Plugging loopholes: High-ups consider slashing tax rate to single digit', Express Tribune. March 21, 2014. <http://tribune.com.pk/story/685345/plugging-loopholes-high-ups-consider-slashing-tax-rate-to-single-digit/>

1	Manifesto Chapter: Economic Revival	Implementation Status					
	Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.8.15	Regulatory duty will be levied on non-essential imports	Excise duty on SUVs has increased to 30 % <sup>41</sup>	Excise duty on SUVs has increased to 30 % <sup>42</sup>	2.5	0	2.5	5
1.9	State-owned enterprises Turning around the loss making enterprises						3.5
1.9.1	Appointing independent and professional boards		Board appointed then dissolved <sup>43</sup>	0	0	0	0
1.9.2	Identification and ensuring the completion of privatisation process within the assigned timeframe		The EOIs for the appointment of financial advisors for three capital market transactions and strategic private sector participation issued <sup>44</sup>	2.5	1.5	2	6

<sup>39</sup> 'Improvement in filing of Income Tax Returns witnessed' FBR, Dec 17<sup>th</sup> 2013.

<http://www.fbr.gov.pk/PressRelease.aspx?view=Press%20Release&ActionID=%20&ArticleID=>

<sup>40</sup> 'Improvement in filing of Income Tax Returns witnessed' FBR, Dec 17<sup>th</sup> 2013.

<http://www.fbr.gov.pk/PressRelease.aspx?view=Press%20Release&ActionID=%20&ArticleID=>

<sup>41</sup> Review of Regulatory Duty on Luxury/ Non-Essential Goods SRO (482(1/2009)742(I)/2013) Passed on 28<sup>th</sup> August 2013.

<sup>42</sup> Ibid.

<sup>43</sup> 'Back to ministries: Power of headhunting committee curtailed', Express Tribune, January 14<sup>th</sup> 2014. <http://tribune.com.pk/story/658873/back-to-ministries-power-of-headhunting-committee-curtailed/>

<sup>44</sup> 'Appointment of Fas: government admits failure', Business Recorder, March 27 2014. <http://www.brecorder.com/market-data/stocks-a-bonds/0/1166333/>

1	Manifesto Chapter: Economic Revival	Implementation Status					
		10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.9.3	PIA will be transformed into a profitable and reputed airline of the region		Aviation Policy <sup>45</sup> 20 new planes on 'dry lease'. <sup>46</sup>	2.5	1.5	2	6
1.9.4	Improving the operations of Pakistan Railways, such as by setting of autonomous Board	N.A.	As yet no development	0	0	2	2
1.10 1.10.1	Building the confidence of private sector		Incorporation in policies and plans. <sup>47 48</sup> Prime Minister has urged to involve the private sector in oversight of development projects.	1.5	1	1	3.5  Average Score of Component: 6.75

<sup>45</sup> 'Sky is the limit new aviation policy set to revamp PIA', Express Tribune, March 3 2014. <http://tribune.com.pk/story/678265/sky-is-the-limit-new-aviation-policy-set-to-revamp-pia/>

<sup>46</sup> 'PM approves plan for PIA's revival', Dawn, March 3<sup>rd</sup> 2014.

<sup>47</sup> 'Govt sees private sector as engine of growth, prosperity', Daily Times, January 25<sup>th</sup> 2014. <http://www.dailytimes.com.pk/business/25-Jan-2014/govt-sees-private-sector-as-engine-of-growth-prosperity>

<sup>48</sup> 'Ease of doing business: Govt vows to enhance ranking to 80<sup>th</sup> in two years', Express Tribune, January 28<sup>th</sup> 2014. <http://tribune.com.pk/story/664207/ease-of-doing-business-govt-vows-to-enhance-ranking-to-80th-in-two-years/>

1	Manifesto Chapter: Economic Revival	Implementation Status					
	Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.10.2	Establishment of Pakistan Business and Economic Council, chaired by Prime Minister with equal membership of public private sector, meeting every quarter		Has been established and so far 3 meetings have been held.	2.5	2.5	5	10

2	Manifesto Chapter: Energy Security	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.1	Creation of a Ministry of Energy and Natural Resources through the merger of Ministries of Water and Power and Petroleum and Natural Resources.		As yet no development				
2.2	Reforms of National Electric Power Regulatory Authority (NEPRA) by						4.5
2.2.1	Upfront/Feed-in-tariff for wind, solar, small hydel, and biomass projects		As yet no development				
2.2.2	Mandatory wheeling of electricity by DISCOs and the NTDC		As yet no development				
2.2.3	Net metering (sale guarantee) for small producers/consumers		As yet no development				
2.2.4	NEPRA determines tariffs to be notified tariffs		Already the same case.	1.5	1.5	1.5	4.5
2.2.5	Deregulating and decentralising by allowing small power producers to sell power directly to consumers through the distribution systems of DISCOs		As yet no development				

2	Manifesto Chapter: Energy Security	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.3	Reform of Distribution Companies						2.83
2.3.1	Corporatization and privatisation of DISCOs		FESCO & LESCO to be privatized <sup>4950</sup>	1.5	1	0	2.5
2.3.2	Reduction of transmission and distribution losses to less than 10%	15.95% (2011-12) <sup>51</sup>	NEPRA has approved 9.8% Transmission and Distribution (T&D) losses for fiscal year 2013-14. <sup>52</sup> Reducing the T&D losses is not bearing fruit.	1	1	0	2
2.3.3	Collection of electricity bills to 100%	86% <sup>53</sup>	Recovery of the billed amount in the power sector has declined to 75% from 87 % <sup>54 55</sup>	1.5	1.5	1	4

<sup>49</sup> '2 Discos, 1 Genco: PC board accords approval to restructuring, sell-off', Business Recorder, February 21<sup>st</sup> 2014. <http://www.brecorder.com/market-data/stocks-a-bonds/0/1155462/>

<sup>50</sup> 'Power firms to be put up for sale', The News, March 7<sup>th</sup> 2014.

<sup>51</sup> State of Industry Report NEPRA 2011-12

<sup>53</sup> State of Industry Report NEPRA 2011-12

<sup>53</sup> State of Industry Report NEPRA 2011-12

<sup>54</sup> 'Power sector Recovery of billed amount declines to 75pc', Business Recorder, February 13<sup>th</sup> 2014. <http://www.brecorder.com/top-stories/0/1152930:power-sector-recovery-of-billed-amount-declines-to-75-percent/?date=2014-02-13>

2	Manifesto Chapter: Energy Security	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.3.4	Ending of cross subsidy among DISCOs		As yet no development.				
2.3.5	Introduction of pre-paid billing system		As yet no development				
2.4	Reform of Generating Companies						
2.4.1	Corporatisation and Privatisation of GENCOs under an independent Board		Thermal Power Station in Muzaffargarh having 1350 MW capacity to be privatized <sup>56</sup>	1.5	1	0	2.5
2.4.2	Retrofitting of all equipment		As yet no development.				
2.4.3	Replacement of furnace oil boilers by coal fired boilers		As yet no development.				

<sup>55</sup> 'Lower T&D losses for Lesco approved by Nepra', Business Recorder, January 9<sup>th</sup> 2014. <http://www.brecorder.com/market-data/stocks-a-bonds/202:pakistan/1141932:lower-td-losses-for-lesco-approved-by-nepra?date=2014-01-09>

<sup>56</sup> '2 Discos, 1 Genco: PC board accords approval to restructuring, sell-off', Business Recorder, February 21, 2014. <http://www.brecorder.com/market-data/stocks-a-bonds/0/1155462/>

2	Manifesto Chapter: Energy Security	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.5	Permanent elimination of circular debt	Rs.480 Billion <sup>57</sup>	Rs 300-350b <sup>58</sup>	0	0	0	0
2.5.1							
2.5.2	Narrowly targeted subsidies for consumers up to 100 units	0.93 paisa per unit – May 2013 <sup>59</sup>	Presently the govt is extending more than Rs 200 billion subsidy to consumers' <sup>60</sup>	2	2	2.5	6.5
2.5.3	Notify electricity tariffs according to the average system wide cost.		Already the same case.	1.5	1.5	1.5	4.5
2.5.4	Power dispatch to be strictly according to plan, efficiency and generation cost.		As yet no development				

<sup>57</sup> The Nation, 23<sup>rd</sup> July 2013, 'Rs 480b circular debt cleared', <http://www.nation.com.pk/E-Paper/Lahore/2013-07-23/page-8/detail-10>

<sup>58</sup> 'Assurance to IMF: Circular debt money to be recovered from consumers', Express Tribune, March 26<sup>th</sup> 2014.

<sup>59</sup> Samaa TV, 2<sup>nd</sup> December 2013, 'NEPRA issues notification for 34 billion rupees subsidy in power bills', <http://www.samaa.tv/NEPRA-issues-notification-for-34-billion-rupees%E2%80%99-subsidy-in-power-bills-74573-1.html>

<sup>60</sup> 'Government decides to start MYT, rationalise power subsidy', Business Recorder, January 31 2014. <http://www.brecorder.com/taxation/181:pakistan/1148643:government-decides-to-start-myt-rationalise-power-subsidy/>

2	Manifesto Chapter: Energy Security	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.5.5	Ensure supply of gas to power plants		In the government gas provision priority list, power plants come second. <sup>61</sup>	1.5	0	1.5	3
2.6	Rationalisation of energy tariffs in line with international prices across all fuels		Already the same case.	1.5	1.5	2	5
2.7	Reforms of Oil and Gas Regulatory Authority						6.75
2.7.1	Blanket ban on new CNG stations	No new CNG stations <sup>62</sup>	No new CNG stations allowed <sup>63</sup>	2.5	2.5	5	10
2.7.2	Priority to public transport in the use of CNG		Public transport is being provided CNG in Punjab <sup>64</sup> .	1.5	1	1	3.5
2.7.3	Tariff rationalisation in gas sector		As yet no development.				
2.7.4	Narrowly targeted subsidy for natural gas and LPG users		As yet no development.				

<sup>61</sup> Dawn, January 16<sup>th</sup>, 2014.

<sup>62</sup> Express Tribune, 26<sup>th</sup> May 2013, 'Compounding the problem: A blanket ban will not solve the CNG crisis', <http://tribune.com.pk/story/554667/compounding-the-problem-a-blanket-ban-will-not-solve-the-cng-crisis/>

<sup>63</sup> Express Tribune, 26<sup>th</sup> May 2013, 'Compounding the problem: A blanket ban will not solve the CNG crisis', <http://tribune.com.pk/story/554667/compounding-the-problem-a-blanket-ban-will-not-solve-the-cng-crisis/>

<sup>64</sup> Express Tribune, October 13<sup>th</sup>, 2013.

2	Manifesto Chapter: Energy Security	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.8	Aggressive wellhead pricing for oil and gas exploration companies		A number of exploration licenses have been granted but there is no reporting about the wellhead pricing. <sup>65</sup>	1.5		2	3.5
2.9	High priority to import gas through pipelines		Lot of developments are taking place but something concrete is yet to emerge.	2	0	0	2
2.10	Setting up of coal and LNG import terminals, and coal transportation facilities		One LNG terminal work is just at the pre-implementation stage.	2	1.5	0	3.5
2.11	Development of Thar coalfields and setting up of at least 5,000 MW of new coal fired power plants under the PPP mode in Sindh		Thar Project inaugurated <sup>67</sup>	2.5	2.5	2	7

<sup>65</sup> 'Eight more exploration agreements signed' Dawn, March 1<sup>st</sup>, 2014.

<sup>66</sup> 'Petroleum Policy 2012: 50 blocks provisionally awarded to 8 companies', Business Recorder, January 24<sup>th</sup> 2014. <http://www.brecorder.com/top-stories/0/1146582/>

<sup>67</sup> 'Power woes: Nawaz, Zardari launch Thar coal project', Express Tribune, February 1<sup>st</sup> 2014. <http://tribune.com.pk/story/666137/power-woes-nawaz-zardari-launch-thar-coal-project/>

2	Manifesto Chapter: Energy Security	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.12	Developing consensus among the various stakeholders to facilitate setting up hydropower projects by the Federal and Provincial Governments		As yet no development.				
2.13	Developing alternative renewable energy sources, such as solar, wind, bagasse, biogas, and biomass projects		13 wind power projects (680 MW) , and 2 solar power projects (772.99 MW) <sup>68</sup>	2	2	3	7
2.14	Introducing solar-thermal water heaters for domestic and industrial use		As yet no development.				
2.15	Decentralizing and creating a wholesale market for electricity		Government considering "direct contracting" in the power sector. <sup>69</sup>				Nil

<sup>68</sup> '3 wind power projects to be completed in June', Daily Times, March 10<sup>th</sup>, 2014.

<sup>69</sup> Dawn, January 26, 2014.

3	Manifesto Chapter: Social Protection	Implementation Status					
		Manifesto Targets	10 <sup>th</sup> June 2013 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
3.1	Introduce a transparent system of income support programme for needy families with incomes below the prescribed limit with a special focus on widows, orphans and the girl child	Rs. 58 Billion under BISP	A number of new initiatives have been taken to make it more transparent and more targeted. <small><sup>70</sup> <sup>71</sup> <sup>72</sup> <sup>73</sup> <sup>74</sup> <sup>75</sup> <sup>76</sup></small>	2	2	3	7 Average: 6.5
3.2	Raise the total spending on non-pension social protection from the current level of 1% of GDP to at least 2% by 2018			2	2	2	6
3.3	Legislate the 'Right to Food'		As yet no development				

<sup>70</sup> 'BISP changing course to produce trained workers, says Enver Baig', The News, January 6<sup>th</sup> 2014. <http://www.thenews.com.pk/Todays-News-13-27759-BISP-hanging-course-to-produce-trained-workers-says-Enver-Baig>

<sup>71</sup> 'Government taking special steps for health of child & mother', Business Recorder, January 30<sup>th</sup> 2014. <http://www.brecorder.com/general-news/172/1148398/>

<sup>72</sup> 'BISP misses indicative funds transfer target', Business Recorder, January 9<sup>th</sup> 2014. <http://www.brecorder.com/general-news/172:pakistan/1142004:bisp-misses-indicative-funds-transfer-target?date=2014-01-09>

<sup>73</sup> 'Govt to start health insurance scheme for the poor', The News, January 25<sup>th</sup> 2014. <http://www.thenews.com.pk/Todays-News-2-228508-Govt-to-start-health-insurance-scheme-for-the-poor>

<sup>74</sup> <sup>74</sup> 'BISP holds meeting of stakeholders', The News, February 27<sup>th</sup> 2014. <http://www.thenews.com.pk/Todays-News-6-235135-BISP-holds-meeting-of-stakeholders>

<sup>75</sup> 'Fighting poverty: BISP to revise "Waseela-i-Rozgar" initiative', Express Tribune, February 27<sup>th</sup> 2014. <http://tribune.com.pk/story/667180/fighting-poverty-bisp-to-revise-waseela-i-rozgar-initiative/>

<sup>76</sup> 'CM okays Khidmat Card programme from Mar 23', The News, February 25<sup>th</sup> 2014. <http://www.thenews.com.pk/Todays-News-5-234750-CM-okays-Khidmat-Card-programme-from-Mar-23>

## Annexure

### PML-N Economic Agenda: Tracking Report Comparison between 1<sup>st</sup> and 2<sup>nd</sup> Tracking Reports

PRIME issued 1<sup>st</sup> Tracking Report on 28<sup>th</sup> January 2014 which covered the period from July 2013 to December 2013, and 2<sup>nd</sup> Tracking Report is being launched on 16<sup>th</sup> April 2014, which covers the time period from January 2014 to March 2014. The government overall score has improved from 4.45 (out of 10) to 5.10, which is a respectable improvement given the shorter time span under consideration. Following table compares selected results in both reports showing relative performance of the government. However, comparison between these two reports may not be very meaningful as the 1<sup>st</sup> report covered only 26 indicators, whereas the 2<sup>nd</sup> report measured 62 indicators, while considering 91 indicators. This expansion in scope was considered legitimate as more data became available, which was not the case on the issue of the 1<sup>st</sup> report. The 2<sup>nd</sup> report therefore may be considered a better representative of developments in different policies. The methodology of score computation and parameters for assessment has remained unchanged.

PML-N Economic Agenda: Tracking Reports Comparative Score (out of 10)		
	1 <sup>st</sup> Tracking Report	2 <sup>nd</sup> Tracking Report
Overall Score	4.45	5.10
Economic Revival	3.17	4.47
Budget deficit	0	4.25
Inflation	2	6.75
Government Borrowing	0	8.5
Interest Rates	0	0 (Nil)
Industry and Trade	5.75	2.8
Tax Reforms	5	1.75
State Owned Enterprises	4	3.5
Energy Security	4.16	4.34
Reform of Distribution Companies	3.33	2.83
Reform of Generating Companies	1.5	2.5
Permanent Elimination of Circular Debt	5.33	3.25
Social Protection	6	6.5

## Endorsements

"A constructive effort to critique government policy...this is just the kind of analysis and debate we need to improve performance of elected government to help serve the people of Pakistan better." **Asad Umar** (*MNA and Central Senior Vice President Pakistan Tehreek-e-Insaf*)

"PRIME should be appreciated for the report which is the first such effort to hold political parties to their election campaign promises. The pioneering effort has done a fairly good job but had the time frame been at least a year rather than six months. The policy directions need some more time to show their effect." **Senator Mohsin Leghari** (*Pakistan Muslim League-N*)

"If our Governments are truly to serve the public we need to move beyond rhetoric towards an informed and objective discussion of policy and implementation. This can only happen if tools are available to objectively assess government performance against stated goals and objectives. Ali Salman and his team have produced one such tool and deserve much praise and encouragement for this stellar effort. The results will not make happy reading for the Government but it is hoped that they will be taken in the right spirit, and efforts made to address the shortcomings identified in the scorecard." **Senator Osman Saifullah Khan** (*Pakistan People's Party Parliamentarian*)

"This is a great idea and effort and badly needed too. However the report should also score reform challenges and progress not directly covered in the manifesto especially in the areas of tax administration." **Sakib Sherani** (*CEO Macro Economic Insights, and former Chief Economic Adviser to Ministry of Finance, Government of Pakistan*)

"PRIME has successfully initiated an important exercise whereby civil society can track the economic progress and hold political representatives accountable. Equally important is to mention that this research is being conducted by an independent think tank of Pakistan." **Dr. Vaqar Ahmed** (*Deputy Executive Director, Sustainable Development Policy Institute*)

"The concept of evaluating government performance on the basis of its promises made in its election manifesto is very unique, remarkable and objective. I congratulate PRIME for formulating tool which can trace direction of the government. Pushing government to fulfill its promises made in manifesto is the only way that Pakistan can progress leaps and bounds in a democratic fashion." **Khawaja Muhammad Usman** (*President, Multan Chamber of Commerce & Industry*)

## PRIME Team

Ali Salman

Executive Director

Sara Javed

Associate Director

Fizza Behzad

Research Analyst

Wajeaha Riaz

Research Associate

Raees Abbasi

Admin & Finance Officer

Khuram Shahzad

Communications Associate

---

Dr. Khalil Ahmad

Distinguished Research Fellow

---

PRIME Adjunct Scholars

Dr. Raza Ullah

Dr. Khalid Mahmood

Shahid Mahmood

---

### Contact:

Address: Suite No. 714, Silver  
Oaks Apartments, F-10  
Markaz, 44000 Islamabad  
Pakistan

Tel: 00 92 (51) 8 31 43 37-8

Fax: 00 92 (51) 8 31 43 39

Email: [info@primeinstitute.org](mailto:info@primeinstitute.org)

URL: [www.primeinstitute.org](http://www.primeinstitute.org)

## Policy Research Institute of Market Economy (PRIME)

### Losing the Steam: PML-N Economic Agenda 2<sup>nd</sup> Tracking Report (Jan-March 2014)

Current title is our second report that reviews the federal government's economic performance spanning over Jan - March 2014 in the light of PML-N economic agenda, the ruling party. Developed on the pattern of a scorecard, the report allocates scores on 91 goals identified by PML-N manifesto based on its performance in three areas: Economic Revival, Energy Security and Social Protection.

### Economic Freedom of the World Report 2013- Special Pakistan Edition

Published in collaboration with the Fraser Institute with the support of Friedrich Naumann Foundation, this report highlighted Pakistani perspective on the history of economic reforms in the light of the Economic Freedom of the World Index.

### Pakistan Mein Nijkari ke Asraat

Pakistan Mein Nijkari ke Asraat is the Urdu translation of an essay titled "Why Privatisation is necessary for Economic Growth in Pakistan" based on Dr. Ishrat Husain's lecture in the Privatisation Commission.

### Export Development Fund

"Export Development Fund: A Critical Analysis and Roadmap for Restructuring", highlights various factors which have led to misallocation and misappropriation of funds instead of boosting exports. It is authored by Sara Javed.

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### Forth coming:

A Comparative Study of Electricity Distribution Companies in Pakistan  
By Dr. Raza Ullah

Small Enterprise: Choice between Formality and Informality  
By Asad Ullah

Prime Minister's Youth Business Loans: A Review and Assessment  
By Zia Banday