



PML-N: Four Years and Under-Performing

PML-N Economic Agenda

9th Tracking Report: January-June 2017

Policy Research Institute of Market Economy (PRIME)



With support from: Center for International Private Enterprise

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For inquiries:

Policy Research Institute of Market Economy (PRIME)

Office 401, Gulistan Khan House

82-East Fazal-e Haq Road, Blue Area

Islamabad 44000- Pakistan

Tel: 00 92 (51) 8 31 43 37 - 38 Fax: 00 92 (51) 8 31 43 39

www.primeinstitute.org

Email: info@primeinstitute.org

PML-N Economic Agenda

9th Tracking Report: January-June 2017

**PML-N: Four Years and
Under-Performing**

Authors:

Dr. Khalil Ahmad & Ali Salman

Research Support: Shehryar Aziz

Available at:

www.govpolicyscorecard.com.pk

Introduction

PML-N: Four Years and Under-Performing is 9th report under PML-N Economic Agenda: Tracking Project which 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. Current report covers progress made during January-June 2017.

Structure

The report picks two distinct sections of the PML-N manifesto: Economic Revival and Energy Security, which it terms as "economic agenda". These two "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 57 sub-components (or targets) have been identified. Energy Security includes 15 components (out of which 10 are targets) and 22 sub-components, making a total of 32 targets.

Since the 7th issue, this Tracking Report has stopped including Social Protection, as measures taken under this do not directly reflect economic priorities of the government, and a much smaller number of underlying targets (only 2) gave undue weightage to a better performance in this area, possibly over-shadowing the performance in the vital areas of Economic Revival and Energy Security.

In all, the report identifies 89 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 development & 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 Development and Reforms (2.5), and Implementation (5).

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

Averages are computed on non-weighted basis. All two "areas" i.e. "Economic Revival" and "Energy Security" and their constituting components and sub-components carry same weight towards the overall score.

Negative scoring is not allowed as it has a disproportionate impact on the overall score of each category in computation of averages.

Previous score is maintained, if positive policy direction has been announced in the last report though no further progress is made. Statistically, it neutralizes the cumulative score.

Score of “As yet no development”, is awarded 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.

If a goal is achieved, then in the subsequent editions, it is mentioned as “Target Stands Achieved” and is not counted towards taking averages.

Previous report is used as benchmark time period. Subject to information availability, the data included in the report pertains to the time period for which the scorecard is being published.

The law of diminishing returns applies on scoring in the case of “Implementation”. The increments in the scores tend to be smaller with time.

Score of 2 to 2.5 is assigned in “Policy and Legislative Development”, if one already exists or has been developed. A lower score is assigned if a policy exists only in a draft.

Score of 1 to 1.5 is assigned in “Institutional Development and Reforms” if some progress is being shown or if some arrangements are already in place.

Score of 1 to 2 is assigned in “Implementation” if some progress has started. A goal is considered to be achieved if the related policy is implemented.

Score of zero is assigned if progress has been reversed.

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 six months and the baseline is normally the previous report. Based on six 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.

While working on the scorecard, the tracking team remains too cautious to commit to any judgmental black & white, i.e. any statistical plusses or minuses, in-betweens, that may translate into unjustified positivity or negativities.

Another factor that needs to be highlighted is that the Scorecard and the Tracking Report represents the performance shown or not shown during the last six months, in this case, from 1st January 2017 to 30th June 2017. That means even though the PML-N has completed four years' time-period, i.e. 80 % of its tenure, the final verdict should rest in store and be delayed till the bell tolls.

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 reports 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. From PRIME research team, Mr. Shehryar Aziz also contributed in compiling this report, verification of data as well as review of scores computation.

Mr. Ali Salman: Ali is the Founder Executive Director of 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. He is currently based in Kuala Lumpur, where he is affiliated with the Istanbul Network for Liberty and Institute for Democracy and Economic Affairs.

Dr. Khalil Ahmad: Ahmad is a political philosopher and political economist 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, '*SiyasiPartian 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*.

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9th Tracking Report: PML-N: Four Years and Under-Performing

Counting the achievements of an under-performer should not be a difficult task: the less it achieves the less it scores! Generally it is so!

However, it's the Report Card that needs to demonstrate why it's being termed an under-performer.

By saying that I mean there is little that requires explanation; it's the figures themselves that will do the job.

On the one hand, the PML-N government in the center has completed four years of its term in the office and it has already got its fifth and the last budget passed by the national assembly and it is going through the concluding year of its tenure. On the other, its overall average score now stands at 5.05. Obviously both do not match, i.e. under-performance and the not-so-bad a score of 5.05.

Whether one terms it a game of expectations or game of numbers, both fail the PML-N. For instance, even after four years, the electricity load shedding persists; and it may not be a far-fetched proposition that it's not going away any sooner, before this year ends, or even in the next year. As for the game of numbers, main focus of the Narrative of this 9th Report is on demonstrating the overall average of 5.05 doesn't mean a glass half full; but that it means a glass more than half empty. That is, a 50% score, in real terms, means under-performance!

One may appear befuddled why it's so: the average score is satisfactory as it shows achievements to the tune of 50%.

Is it so? Has the PML-N government implemented 50% of its economic agenda that it promised in its May 2013 Election Manifesto? No, not the least!

First: As far as the average score in the Area of Economic Revival is concerned, it is mere 4.66 out of 10. In the Area of Energy Security, it's somehow a good 5.43.

Also, the devil that resides in the details of this 4.66 and 5.43 is yet to perform its tricks.

Second: Let's have a look at the average score the PML-N earned in all the nine Tracking Reports through the four years:

Report	Area: Economic Revival	Area: Energy Security	Average
1st Report: June-December 2013	3.17	4.16	3.66
2nd Report: January-March 2014	4.47	4.34	4.4
3rd Report: April-June 2014	4.33	3.93	4.13
4th Report: July-December 2014	4.6	4.5	4.55
5th Report: January-June 2015	3.8	4.4	4.15
6th Report: July-December 2015	4.21	5.01	4.61
7th Report January-June 2016	4.64	5.27	4.94
8th Report July-December 2016	4.61	5.33	4.97
9th Report January-June 2017	4.66	5.43	5.05
Average	4.28	4.71	4.50

So here is the devil:

After the completion of four years, the average score in the Area of ER stands at 4.28. Also it's clear that it never reached 5.0 or above. It has been fluctuating between the minimum of 3.17 and the maximum of 4.66.

The average score in the Area of ES is 4.71; though, all through the nine Reports, it has been in the range of 3.93 as the minimum and 5.43 as the maximum.

Third: The further one delves into the details of the average score of each Area of each Report the more frightening the devil appears to be.

Let's try to draw a picture showing through the 9 Reports successes and failures of the PML-N:

Status of the Targets	Economic Revival	Energy Security	Total
Targets Stand Achieved	3	3	6
Status Maintained	13	11	24
As Yet No Development	6	4	10
Progress Reversed (Zero)	4	3	7

Out of 89 targets, only 6 stands achieved. In both ER and ES, it is 3 each.

What targets are these?

First one is: (1.2.1) Bring down budget deficit to 4%. That reached at 3.99.

Second one is: (1.3.1) Bring down inflation to 7-8%. It is 4.8%.

Third one is: (1.5.11) Export-Import bank will be set-up

Fourth: Let's try to count all those components that performed somewhat badly and could not earn a score of 5 or above 5. At first, in the ER:

1.1. Double the GDP growth rate from 3% to over 6%: Average score - 4.9

1.2. Budget deficit will be brought down to 4%: Average score - 4.45

1.3. Inflation will be brought down to single digit in the range of 7-8%: Average score - 4.2

1.4. Other initiatives for Economic Revival: Average score - 4.94

1.5. Industry and trade: Average score - 4.19

1.8. Tax reforms: Average score - 2.87

1.9. State-owned enterprises: Average score - 3.25

1.10. Building the confidence of private sector: Average score - 5

So out of 10 components in the ER, these are 8 components that got a score of 5 or below 5.

That means only two components performed well. One is (1.6.) Infrastructure: Average score - 6.33. The other one is (1.7.) Creating job opportunities: Average score - 6.5.

As for the components in ES, here is the picture:

2.2. Reforming NEPRA: Average score - 3.38

2.3. Reforming DISCOs: Average score - 3.65

2.4. Reforming GENCOs: Average score - 3.75

2.5. Permanent elimination of circular debt: Average score - 3.38

2.7. Reforming OGRA: Average score - 3.75

2.8. Aggressive wellhead pricing for oil and gas exploration companies: Score - 4.5

2.14. Introducing solar-thermal water heaters for domestic and industrial use: Score - 2

No doubt, throughout the last four years, PML-N government has been performing a bit better in the Area of Energy Security as is evident from the previous 8 Reports. Despite that, here out of 15 components, in 7 components, it earned a score below 5.

But that doesn't mean in the other 8 components it got a score above 5 or above. In 6 of the remaining components, it got a score of above 5, and it is only two components, where no progress was made all through the four years.

All the four Reasons stated above demonstrate that in point of fact the average score of 4.66 in the Area of ER, and 5.43 in the Area of ES, does not give a true picture of the PML-N performance. That the averages give the PML-N sort of benefit of doubt is no exaggeration.

Fifth: Besides the game of figures and averages, here is a more substantive argument that explains well the "PML-N: Four Years and Under-Performer" being assigned to the PML-N government at the completion of its four years.

No doubt, the Economic Agenda of the PML-N, the only political party with such an agenda, is not only pro-market but also calls for important economic reforms. In a nutshell, it may be summarized as follows:

1. Tax Reforms

2. Regulatory Reforms

3. Privatization of the state entities

The same holds true for Energy Security also. It is pro-market and regulatory reforms as well as privatization and liberalization what is needed to rid this sector of its decade old monopolization by the state and the chronic ills that it afflicted this sector with.

Let's meet the devil. Here is a table that presents scores for all those components in both areas through the 9 Reports that relate directly to the cause of fundamental economic and regulatory reforms.

Here is the ER table:

Economic Revival		Tracking Reports							
		2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th
		Jan-Mar 2014	Apr-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015	Jan-Jun 2016	Jul-Dec 2016	Jan-Jun 2017
Targets		Score (out of 10)							
1.2.3	One-third reduction in current expenditures other than salaries, allowances and pensions	2.5	2	2	1.5	1.5	1.25	1.25	1
1.2.4	Eliminate VIP Culture by reducing expenses on Presidency, Prime Minister, Governors and Chief Ministers	6.5	8	8	0	0	0	0	0
1.3.2	Limiting government borrowing	8.5	8	7	6	4.8	4.5	4	3.5
1.3.3	Decreasing tax rates	5	5.5	5.5	5	3	4.5	4.5	5.5
1.4.2	Opening up markets to encourage regional trade	6.5	6.5	6.5	6	6	6.5	6.5	6
1.4.3	Reforms in financial sector and capital markets	6	7	7	7	8	8	8.5	8.75
1.4.4	Improved regulatory environment on national level	4	2	2	2	2	2.5	0	0
1.8.4	No increase in the tax rates	0	5.5	5.5	5	4	3	3.0	2
1.8.6	Rationalizing tax rates	AYND	2.5	2.5	3	3	4.5	3.5	3.5
1.8.7	Reform of tax administration both at the federal and provincial levels	AYND	1	3	3.5	4	4.25	4	4.25
1.8.10	Reduce the number of federal and provincial taxes	AYND	AYND	AYND	AYND	AYND	AYND	AYND	AYND
1.9.2	Identification and ensuring the completion of privatisation process within the assigned timeframe	6	7.5	8	6.5	7	6	7	3

Out of a total of 12 targets, the four targets (1.2.3.; 1.3.2.; 1.8.4.; 1.8.6.) never got a score of 5 or above.

In one target (1.8.10.), in the last four years, no progress was ever witnessed.

As far as the present Report is concerned, which gives as of now status of all these targets, in two targets (1.2.4.; 1.4.4.), earlier made progress was reversed and a score of zero was awarded.

And, it is only three targets (1.3.3.; 1.4.2.; 1.4.3.), where the score is 5 or above 5.

Moreover, in all the remaining 7 targets, the score is below 5.0, ranging between one and 4.5.

Furthermore, out of 12 targets, only four targets (1.3.2.; 1.4.2.; 1.4.3.; 1.9.2.) have an average score above 5; while all the other 7 targets' average score remains below five. In one target (1.8.10.), no progress was ever seen. Interestingly and meaningfully, the overall average of all these targets reaches but at a meager 3.72.

That explains how much progress vis-à-vis its Agenda of Economic Reforms the PML-N government made in the last four years!

Here is the ES table that shows the progress made in reforming the energy sector:

Energy Reforms		2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th
		Tracking Report	Tracking Report	Tracking Report	Tracking Report	Tracking Report	Tracking Report	Tracking Report	Tracking Report
		Jan-Mar 2014	Apr-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015	Jan-Jun 2016	Jul-Dec 2016	Jan-Jun 2017
		Score out of 10							
2.2.4	NEPRA determined tariffs to be notified tariffs	4.5	3.5	0	1	0.5	0.5	0	0
2.2.5	Deregulating and decentralising by allowing small power producers to sell power directly to consumers through the distribution systems of DISCOs	AYND	AYND	4.5	AYND	AYND	AYND	AYND	AYND
2.3.1	Corporatization and privatisation of DISCOs	2.5	7	7	5	6	5	5.5	4
2.4.1	Corporatisation and Privatisation of GENCOs under an independent Board	2.5	4	4	5	6	5.5	6	6.5
2.6	Rationalisation of energy tariffs in line with international prices across all fuels	5	NIL	4.5	4.5	4.5	5	5.5	6
2.15	Decentralizing and creating a wholesale market for electricity	NIL	NIL	4.5	5	5	5.5	5.5	5.5

Here out of the six targets, three targets (2.4.1; 2.6.; 2.15.) won a score above 5.

While in one target (2.2.4.), the progress made was reversed and zero score was assigned.

One target (2.2.5.) never saw any progress; and in another one (2.3.1.), a score of less than 5 was awarded.

From another angle, it is three targets (2.4.1.; 2.6.; 2.15.) that saw steady improvement; whereas two targets (2.2.4.; 2.3.1.) witnessed decline.

Let's have a look at each target and try to see its performance all through the 9 Reports in terms of an average score.

Three targets (2.3.1.; 2.6.; 2.15.), saw average score above 5; while the other three remain below 5, and for one out of these, the average score is 1.25.

Once again significantly, the overall average for all these targets reaches at 4.35.

So at the end of its tenure's four years that is what happened with the Agenda of Reforms in the Energy Sector that PML-N promised in its elections manifesto in May 2013.

In sum, for both Areas Economic Revival and Energy Security, the average score stands at (3.72 + 4.35 =) 4.04. Out of 10, if it cannot be translated into the category of under-performance, what else is it then!

External evidence: Let's focus a bit on the external evidence available as to where the PML-N vis-à-vis its Agenda of Reforms stands after four years.

Latest Business Confidence Index (BCI) Survey by the Overseas Investors Chamber of Commerce and Industry (OICCI) has this to say: "The survey showed an overall positive Business Confidence Score (BCS) of one percent, a four percent decline over the previous BCS of 17 percent reported in November 2016 (Wave-13). This is also significantly lower than the highest ever BCS of 36 percent recorded in a similar survey of April 2016." [Business Recorder, May 12, 2017]

More from the same survey: "Oversees Investors Chamber of Commerce and Industry (OICCI) said that foreign investors have doubts about sustainability of energy and security in Pakistan and are giving preference to India over Pakistan. . . This was stated by the representatives of OICCI, which represents around 200 multinational companies from 35 countries in a chit-chat with media in Islamabad." [Business Recorder, May 17, 2017]

And as for the causes for this decline in the Business Confidence: "Key factors responsible for the fall in business confidence were significant drop in capital investment plans for the next six months, as well as an unstable business situation in the region and the country during the past six months. These views of the respondents in the latest survey were mainly due to continuing challenges in the area of energy, security and government policies, leading to relatively lower demand for products." [Business Recorder, May 12, 2017]

In conclusion, it may not be inappropriate to sum up the four-year progress of PML-N as under-performance. No doubt, for it no time is left now to make miracles. It has lost the opportunity it got with a majority in the national assembly. As it has already entered the election mode, nothing serious may be expected but what impresses the voters.

However, let's see what is in store for us what the PML-N government is planning to do and achieve in the next six months!

Khalil Ahmad

Lahore: June 20, 2017

Annexure:

Table 1: Components and sub-components with score less than five

Economic Revival		
	Target	Score out of 10
1.1	Double the GDP growth rate from 3% to over 6%	4.9
1.2	Budget deficit will be brought down to 4%	4.45
1.3	Inflation will be brought down to single digit in the range of 7%-8%	4.2
1.4	Other Initiatives for Economic Revival	4.94
1.5	Industry and Trade	4.19
1.8	Tax Reforms	2.87
1.9	State-owned enterprises	3.25

Energy Security		
	Target	Score out of 10
2.2	Reforms of National Electric Power Regulatory Authority (NEPRA) by	3.38
2.3	Reform of distribution companies	3.65
2.4	Reform of Generating Companies	3.75
2.5	Permanent elimination of circular debt	3.38
2.7	Reforms of Oil and Gas Regulatory Authority	3.75
2.8	Aggressive wellhead pricing for oil and gas exploration companies	4.5
2.14	Introducing solar-thermal water heaters for domestic and industrial use	2

Table 2: Targets that stand achieved

Economic Revival	
1.2.1	Bring down budget deficit to 4%
1.3.1	Bring down inflation
1.5.11	Export-Import Bank will be set up

Energy Security	
2.5.3	Notify electricity tariffs according to the average system wide costs
2.7.1	Blanket ban on new CNG stations
2.7.2	Priority to public transport in the use of CNG

Table 3: Targets with no development as yet

Economic Revival	
1.1.3	Converting at least 50% of the remittances by Overseas Pakistanis into investments
1.5.3	Reforming tariffs to eliminate anti-export bias
1.5.4	Establishing an Equity Fund consisting of private and public sectors
1.6.1	Bureau of Infrastructure Development will be established for private sector participation
1.8.3	Tax all income
1.8.10	Reduce the number of federal and provincial taxes

Energy Security	
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.
2.2.5	Deregulating and decentralising by allowing small power producers to sell power directly to consumers through the distribution systems of DISCOs
2.4.2	Retrofitting of all equipment
2.12	Developing consensus among the various stakeholders to facilitate setting up hydropower projects by the Federal and Provincial Governments

Table 4: Targets with progress reversal (score zero)

Economic Revival	
1.2.4	Eliminate VIP Culture by reducing expenses on Presidency and Prime Minister Office.
1.4.4	Improved regulatory environment on national level
1.8.9	Publish an Annual Tax Directory indicating the taxes paid and assessed in the last 3 years
1.9.1	Appointing independent and professional boards

Energy Security	
2.2.1	Upfront/Feed-in-tariff for wind, solar, small hydel, and biomass projects
2.2.4	NEPRA determined tariffs to be notified tariffs
2.5.1	Eliminate circular debt

Table 5: Targets where previous score has been maintained

Economic Revival	
1.2.5	Reduction in losses on PSEs
1.5.6	Developing Clusters for industries (Gems, Jewellery, Fans, Halal Meat, Sports Goods, Furniture, Crockery, Utensils)
1.5.10	All exports will be sales tax free
1.5.12	Technology Up-gradation Fund will be set up
1.7.1	Create incentive programmes for the private sector to create employment
1.8.1	Bringing informal economy into tax net
1.8.5	Reduce Tax evasion
1.8.6	Rationalizing tax rates
1.8.8	Ensuring tax compliance by small businesses
1.8.11	Rationalizing sales tax by ensuring standard rate for all items
1.8.14	Improving self-assessment and audit compliance
1.9.1	Appointing independent and professional boards
1.10.2	Establishment of Pakistan Business and Economic Council, chaired by the Prime Minister with equal membership of public private sector, meeting every quarter

Energy Security

2.2.4	NEPRA determined tariffs to be notified tariffs
2.3.3	Collection of electricity bills to 100%
2.3.5	Introduction of pre-paid billing system
2.4.3	Replacement of furnace oil boilers by coal fired boilers
2.5.4	Power dispatch to be strictly according to plan, efficiency and generation cost
2.5.5	Ensure supply of gas to power plants
2.7.3	Tariff rationalisation in gas sector
2.7.4	Narrowly targeted subsidy for natural gas and LPG users
2.8	Aggressive wellhead pricing for oil and gas exploration companies
2.14	Introducing solar-thermal water heaters for domestic and industrial use
2.15	Decentralizing and creating a wholesale market for electricity

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PML-N Economic Agenda: 9th Tracking Report

Overall Score: 5.05

Economic Revival: 4.66

Economic Revival: 4.66		Implementation Status					
1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.1	Double the GDP growth rate from 3% to over 6%	-	-	-	-	-	4.9
1.1.1	Double the GDP Growth rate	Various projections were made but we have kept the previous number as GDP is officially revised only once a year.	5.28% GDP growth rate against the targeted 5.7% in 2016-2017. ¹	-	-	-	4.75

¹Dawn, May 18, 2017, Growth rate hits nine-year high of 5.2pc, <https://www.dawn.com/news/1333807>

Economic Revival: 4.66		Implementation Status					
1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.1.2	Higher investment in the energy sector	\$394.4 m net FDI recorded in July-November 2016.	The net FDI in the power sector was noted at \$142.5 million during the first five months of the current fiscal year as compared \$394.4 million for the same period of last fiscal year. ²	1.5	2.0	2.0	5.5
1.1.3	Converting at least 50% of the remittances by Overseas Pakistanis into investments	Remittances declined by around 2% during Jul-Nov 2016 as against the same period in 2015.	As yet no development.	-	-	-	-
1.1.4	Infrastructure projects (motorways, dams, housing projects, new urban centers and cities)	Various projects are at different stage of progress. GoP has so far released Rs. 248 b under PSDP against the allocation of Rs800 b for FY17. 7 infrastructure related schemes worth Rs145bn has been approved.	As per the proposed budget, the government will be spending Rs. 30 billion for Multan-Sukkur section of Lahore to Karachi Motorway whereas Rs. 38 billion has been set aside for HaklaYark -Dera Ismail Khan Motorway. ³	2.5	2.5	2.5	7.5

²Business Recorder, January 19th, 2017, FDI's inflow declines 61pc in power sector in 5 months, <http://epaper.brecorder.com/2017/01/19/3-page/841268-news.html>

³Samaa, 26th May, 2017, <https://www.samaa.tv/pakistan/2017/05/here-is-what-you-need-to-know-about-budget-2017-18/>

Economic Revival: 4.66		Implementation Status					
1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.1.5	Foreign investment in oil, gas and other minerals	FDI in Oil and Gas exploration sector dropped to \$61.9 million in Jul-Nov 2016 as compared to \$120.6 million in the similar period of 2015.	Oil & Gas sector received Investment of \$117mn in July-April. ⁴	1.0	1.0	0.5	2.25
1.1.6	Investment to GDP ratio will rise to 20%	FDI Jul-Oct 2016 \$316mn as compared to \$610mn in the same period of last year- a decline of around 48 percent. PSDP Rs167bn in Q1FY17 as compared to Rs146bn in Q1FY16 an increase of around 14 percent.	Investment to GDP ratio has reached 15.78pc in FY2017. ⁵	-	-	-	4.50
1.2	Budget deficit will be brought down to 4%	-	-	-	-	-	4.45
1.2.1	Bring down budget deficit to 4%	Previous score maintained.	Target stands achieved. During first nine months of current fiscal year, the fiscal deficit stood at 3.9 percent of GDP against	-	-	-	10

⁴Dawn, 16th May, 2017, <https://www.dawn.com/news/1333429>

⁵Dawn, 26th May, <https://www.dawn.com/news/1335344/govt-announces-528pc-gdp-growth-dar-optimistic-despite-missed-target>

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1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
			3.5 percent of GDP recorded in the same period of FY2016. ⁶ Target for budget deficit in FY2017-2018 as revealed in budget speech, has been set at 4.1% of GDP.				
1.2.2	Increase tax to GDP ratio from 9% to 15%	FBR collected Rs. 1458bn during Jul-Dec FY17- a growth of 6pc as compared to Rs1372bn (4.6% of GDP) in the corresponding period FY16.	Target set for FY 2017-2018 has been set at 13.7%. ⁷ For current year it is likely to increase to 13.2% as per budget speech 2017-2018.	-	-	-	7.75
1.2.3	One-third reduction in current expenditures other than salaries, allowances and pensions	Previous score maintained.	Current expenditures grew by 5.8 percent to Rs 3,605.1 billion during July-March, FY2017 against Rs 3,407.0 billion during the same period of FY2016. ⁸	-	-	-	1.0

⁶ Economic Survey of Pakistan 2016-2017, http://www.finance.gov.pk/survey/chapters_17/overview_2016-17.pdf

⁷ Federal Budget speech 2017-2018, http://www.finance.gov.pk/budget/budget_speech_english_2017_18.pdf

⁸ Economic Survey of Pakistan 2016-2017, http://www.finance.gov.pk/survey/chapters_17/overview_2016-17.pdf

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1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.2.4	Eliminate VIP Culture by reducing expenses on Presidency and Prime Minister Office.	Previous score maintained. 162% project escalation cost in Prime Minister Office approved.	The federal government has proposed Rs916 million for the Prime Minister Office in the federal budget 2017-18, which is 4 % higher when compared outgoing fiscal year. The budget for Presidency saw an increase of 11 per cent to Rs959 million. ⁹	0	0	0	0
1.2.5	Reduction in losses on PSEs	The cumulative losses incurred by PIA, Pak. Railway and the three PSEs and the power sector companies have increased to Rs1.365 trillion.	Previous score to be maintained.	1.75	1.50	0.25	3.50
1.3	Inflation will be brought down to single digit in the range of 7%-8%	-	-	-	-	-	4.2

⁹The Express Tribune, 27th May, 2017, <https://tribune.com.pk/story/1420293/4-pm-office-11-presidency/>

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1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.3.1	Bring down inflation	CPI 3.8% YoY change in November 2016.	Target stands achieved. General category CPI in April 2017 stood at 4.8% on YoY basis. ¹⁰	-	-	-	-
1.3.2	Limiting government borrowing	From July-October FY17 Govt. domestic Debt: Rs. 56,477 billion- 11% higher than the same period FY16; Total External Debt= Rs. 21,932.65 Billion- 12% higher than the same period FY16. During past 3 years govt. borrowed \$25bn as foreign loans, \$30bn from domestic market.	Total government domestic debt in March 2017 stood at Rs. 15,045.7 billion as against Rs. 13,655 in March 2016. Total external debt in March 2017 stood at \$75,747 million as against \$74,103 million in March 2016. ¹¹	1.5	1	1	3.5
1.3.3	Decreasing tax rates	Previous score maintained.	Budgetary proposals call for corporate tax rate to be reduced to 30% from the previous 31%. WHT on motor vehicle registration reduced for filers,	2.0	2.0	1.5	5.5

¹⁰Pakistan Bureau of Statistics, Monthly Review on Price Indices, April 2017, http://www.pbs.gov.pk/sites/default/files//price_statistics/monthly_price_indices/2017/Monthly%20Review%20Apr%2C%20%202017_0.pdf

¹¹State Bank of Pakistan, <http://www.sbp.org.pk/ecodata/index2.asp>

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			reduction in sales tax on local supply of hybrid electric vehicles, reduction in sales tax on poultry machinery, reduction in sales tax on multimedia projectors, tax relief equal to 5% of school fee for individuals having taxable income up to Rs.1.5mn per annum. ¹²				
1.3.4	Lower interest rates through effective monetary policy	SBP current policy rate 5.75%	SBP policy rate kept unchanged at 5.75%. ¹³	-	-	-	4.25
1.4	Other Initiatives for Economic Revival	-	-	-	-	-	4.94
1.4.1	Reducing energy shortage and cost	Overall power generation	Due to soaring	-	-	-	5.0

¹²Federal Budget Speech 2017-2018, http://www.finance.gov.pk/budget/budget_speech_english_2017_18.pdf

¹³The News, 21st May,2017, SBP keeps policy rate unchanged at 5.75 percent, <https://www.thenews.com.pk/print/205624-SBP-keeps-policy-rate-unchanged-at-575-percent>

Economic Revival: 4.66		Implementation Status					
1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	of producing energy	reached to 6,840 GWh in Nov-2016 as compared to 6,540 GWh in Nov-2015, an increase of around 4 percent. Cost of production of electricity declined by around 50 percent in Nov-2016.	temperatures, electricity demand reached close to 19,000MW on April 17 th , while overall power supply was around 13,500MW, leaving a 5,500 MW gap. ¹⁴				
1.4.2	Opening up markets to encourage regional trade	No further development. Previous score maintained.	FTA with Thailand was expected to be signed in May 2017. 2017 saw frequent closure of border crossing points with Afghanistan, which had its impact on Pak-Afghan trade.	1.75	2.25	2	6.0
1.4.3	Reforms in financial sector and capital markets	SECP approved regulatory framework for Debt & Equity Securities, under Companies Ordinance 2016. SECP simplified procedure for convening AGMs. Approved "Principles of Corporate	Companies Bill 2017 passed in NA. It aims to replace the Companies Ordinance 1984. ¹⁵ SECP has notified a comprehensive regulatory framework for IPO which includes	2.25	2.0	4.5	8.75

¹⁴Dawn, 18th April, 2017, <https://www.dawn.com/news/1327624>

¹⁵Business Recorder, 26th May, 2017, NA passes 'The Companies Bill 2017', <http://epaper.brecorder.com/2017/05/26/1-page/877403-news.html>

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1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		Governance for Non-listed Companies” SECP simplified regulatory requirements for distributors of mutual funds.	introduction of E-IPO for investors, and reduction in number of regulations from 7 to 2 for companies undertaking an IPO. ¹⁶				
1.4.4	Improved regulatory environment on national level	Five regulatory bodies stripped of autonomy (NEPRA, OGRA, PTA, PPRA, FAB)	Five regulatory bodies have again been placed under ministries’ control despite verdicts from three High Courts (Islamabad, Lahore and Peshawar), against the earlier such move. ¹⁷ CCI approved major changes to amend the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 — commonly known as the	0	0	0	0

¹⁶Business Recorder, 4th May, 2017, SECP notifies comprehensive regulatory framework for IPO, <http://fp.brecorder.com/2017/05/20170504175675/>

¹⁷The News, 9th June, 2017, <https://www.thenews.com.pk/print/209577-Five-regulators-placed-under-ministries-despite-court-verdict>

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1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
			NEPRA Act. The changes bind NEPRA, the main power-sector regulator, to follow government directives in determining tariffs. Moreover, an “independent panel” would be formed which could challenge NEPRA’s decisions. ¹⁸				
1.5	Industry and Trade	-	-	-	-	-	4.19
1.5.1	Making ample credit available to the private sector	During Jul-Nov 2016 credit to private sector was Rs74bn, an increase of more than 100 percent as compared to Rs36bn in the same period last year.	Advances to private sector posted a 54% increase in 10 months of FY2016-2017. The central bank’s statistics showed that lending to businesses and households increased to Rs457.4 billion between	1.5	1.25	1.25	4.0

¹⁸Dawn, 3rd May, 2017, Nepra stripped of its autonomy, <https://www.dawn.com/news/1330628>

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1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
			July 1, 2016 and April 21, 2017 from Rs296.8 billion during the corresponding period of the last fiscal year. ¹⁹				
1.5.2	Industrial Manufacturing growth will be taken to 7% to 8%	LSM grew 2.03 % during Jul-Oct FY17 over the corresponding period in FY16.	Overall Large Scale Manufacturing Sector has shown growth of 5.06% during July-March 2016-17 when compared with the same period of last year. ²⁰	-	-	-	7.0
1.5.3	Reforming tariffs to eliminate anti-export bias	-	As yet no development.	-	-	-	-
1.5.4	Establishing an Equity Fund consisting of private and public sectors	-	As yet no development.	-	-	-	-
1.5.5	Creating Industrial Parks for large and small industries especially in the under-developed areas	Govt. offered a one-time exemption from all taxes on all imported capital goods and exemption	Around 10 Special Economic Zones to be set up in CPEC. ²¹	2.5	2.0	4.0	8.5

¹⁹The News, 6th May, 2017, Private sector credit rises 54 percent to Rs457 billion, <https://www.thenews.com.pk/print/202662-Private-sector-credit-rises-54-percent-to-Rs457-billion>

²⁰Pakistan bureau of Statistics, March 2017, http://www.pbs.gov.pk/sites/default/files//industry_mining_and_energy/qim/2017/qim_webnote_march17.pdf

²¹The Express Tribune, 11th May, 2017, <https://tribune.com.pk/story/1406619/around-10-special-economic-zones-set-cpec/>

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1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		from income tax for 5 years thereafter for SEZ Zone enterprises.					
1.5.6	Developing Clusters for industries (Gems, Jewellery, Fans, Halal Meat, Sports Goods, Furniture, Crockery, Utensils)	Previous score maintained.	Previous score maintained.	1.75	1.5	1	4.25
1.5.7	Necessary incentives for MNCs already operating in Pakistan	Previous score maintained.	Corporate tax rates reduced from 31 to 30% for tax year 2018.	0.5	0.5	1.0	2.0
1.5.8	Incentives for MNCs expected to invest in Pakistan in export oriented manufacturing	Previous score maintained.	A parliamentary panel has agreed to introduce sweeping changes in the controversial Companies Bill including withdrawing the requirement for foreign companies to disclose their beneficial ownership in Pakistan and abroad. ²²	1.0	-	-	1.0

²²The Express Tribune, 25th January, 2017, <https://tribune.com.pk/story/1305866/companies-bill-2016-parliamentary-panel-agrees-major-concessions/>

Economic Revival: 4.66		Implementation Status					
1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.5.9	Intensifying participation in regional cooperation forums like SAARC and ECO, including FTAs and PTAs	FTA with Turkey to be signed in Dec. FTA with South-Korea in 2017. Negotiations on FTA with Thailand are in plan.	Pakistan and the six-nation Gulf Cooperation Council (GCC) will finalise a free trade agreement (FTA) soon. A draft of the initial FTA framework has been prepared. ²³ The next round of talks scheduled to be held in Bangkok from May 17-19 would be a conclusive for signing the FTA with Thailand. ²⁴	2.0	2.0	2.5	6.5
1.5.10	All exports will be sales tax free	Previous score maintained.	Previous score maintained.	1.0	0.5	1.0	2.5
1.5.11	Export-Import Bank will be set up	Target stands achieved.		-	-	-	-

²³The Express Tribune, 31st March, 2017, 'FTA between Pakistan, GCC on the cards', <https://tribune.com.pk/story/1370128/fta-pakistan-gcc-cards/>

²⁴The Nation, 26th April, 2017, FTA with Thailand likely to be signed in May '17: Dagher, <http://nation.com.pk/business/26-Apr-2017/fta-with-thailand-likely-to-be-signed-in-may-17-dagher>

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1.5.12	Technology Up-gradation Fund will be set up	Previous score maintained.	Previous score to be maintained.	2.0	-	-	2.0
1.6	Infrastructure	-	-	-	-	-	6.13
1.6.1	Bureau of Infrastructure Development will be established for private sector participation	Previous score maintained.	As yet no development.	-	-	-	-
1.6.2	Construction of National Trade Corridors	Work started on Lahore Sialkot Motorway project under an estimated cost of Rs. 45.4 billion.	The federal government approved three new road infrastructure projects of the China-Pakistan Economic Corridor (CPEC), which will be built at a cost of \$1 billion, with the aim of completing the missing links to connect the Gwadar port with Kashgar. ²⁵	2.5	2.5	3.75	8.75

²⁵The Express Tribune, 13th April, 2017, Govt approves \$1 billion road projects under CPEC, <https://tribune.com.pk/story/1382029/govt-approves-1-billion-road-projects-cpec/>

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1.6.3	At least 1000 clusters of 500 houses each for lower income families will be developed	The project of establishing 1000 clusters is yet to be placed before the cabinet. Housing ministry asked for Rs. 350 million- only Rs10 million allocated for project's secretariat.	A cabinet sub-committee has been formed to work out a detailed plan to start the project. For the new fiscal year 2017-18, the government has not announced a single penny for the scheme in development budget. The PM, during the last two years, has struck down requests for financial support for the initiation of the project. The project is yet to get a permanent secretariat including its chief executive and related staff. ²⁶	2.0	1.5	0	3.5
1.7	Creating Job Opportunities	-	-	-	-	-	6.5

²⁶The Express Tribune, 8th June, 2017, <https://tribune.com.pk/story/1430112/promised-500000-units-low-cost-govt-housing-scheme-shelved/>

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1.7.1	Create incentive programmes for the private sector to create employment	Previous score maintained.	Previous score maintained.	2.0	1.75	1.75	5.5
1.7.2	Starting an especially designed employment programme for youth	PM Youth Loan scheme: fresh applicants has increased by 12% but the pace of approval is slow: Against the target of Rs100-200bn, so far only Rs7.7 billion had been disbursed among 8,139 clients.	Prime Minister's Youth Loan Programme, chairperson Leila Khan said that the government has disbursed Rs17.6 billion in 17,547 loan cases so far. The recovery rate is 90% with 10% non-performing loan (NPL) ratio. ²⁷ 75% of PM Youth Loans have gone to Punjab. ²⁸	2.0	2.0	3.5	7.5
1.8	Tax Reforms						2.87
1.8.1	Bringing informal economy into tax net	Previous score maintained.	Previous score to be maintained.	1.5	0	2	3.5

²⁷The Express Tribune, 7th January, 2017, Government disburses Rs. 17.6b as part of youth loan scheme, <https://tribune.com.pk/story/1286869/government-disburses-rs17-6b-part-youth-loan-scheme/>

²⁸Dawn, 13th May, 2017, 75pc PM youth loans go to Punjab, <https://www.dawn.com/news/1332763>

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1.8.2	Broadening tax base	According to FBR website, the number of Active Tax Payers is 1,082,868.	According to FBR website, latest number of Active Tax Payer is 1,173,783, an increase of 8.3%.	0.5	1	1.50	3
1.8.3	Tax all income	As yet no development.	As yet no development.	-	-	-	-
1.8.4	No increase in the tax rates	Previous score maintained.	The rate of minimum tax on turnover is proposed to be increased from 1% to 1.25%. Enhancing the Rate of WHT on Sale of Electronic Goods to Retailers from 0.5% to 1%. Enhancement of Tax Rate on Dividend- Flat rate of 12.5% is proposed to be enhanced to 15% flat rate. Withdrawal of Tax Credit (3% of tax liability) on Sales Made to Sales Tax Registered Persons. 10% tax on amount in excess of paid-up capital of	0	1.0	1.0	2.0

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			companies. Increase in FED on cigarettes. ²⁹				
1.8.5	Reduce Tax evasion	Pakistan signed Multilateral Convention on Mutual Administrative Assistance in Tax Mattersto avoid tax evasion.	Previous score is maintained.	1.75	0.5	2.0	3.75
1.8.6	Rationalizing tax rates	Issue of taxes on real estate transaction is still to be resolved. Ad hoc measures are being taken.	Previous score is maintained.	1.0	1.0	1.5	3.5
1.8.7	Reform of tax administration both at the federal and provincial levels	Out of 36 reform proposals (mentioned in TRC Report last year) govt. has implemented only 6.	The TRC recommended simplification of tax laws as a short-term measure and may be a fresh tax code as mid-term / long-term measure. ³⁰	2	2	0.25	4.25
1.8.8	Ensuring tax compliance by small businesses	Previous score maintained.	Previous score is maintained.	1.5	0.5	1.0	3

²⁹Federal Budget Speech 2017-2018, http://www.finance.gov.pk/budget/budget_speech_english_2017_18.pdf

³⁰The News, May 13, 2017, TRC proposes new codes for simplification of tax laws, <https://www.thenews.com.pk/print/204062-TRC-proposes-new-codes-for-simplification-of-tax-laws>

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1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.8.9	Publish an Annual Tax Directory indicating the taxes paid and assessed in the last 3 years	Tax Directory Published.	Directory not published	0	0	0	0
1.8.10	Reduce the number of federal and provincial taxes	As yet no development.	Not scored	-	-	-	-
1.8.11	Rationalizing sales tax by ensuring standard rate for all items	Previous score maintained.	Previous score to be maintained.	0.5	1.0	0	1.5
1.8.12	Broadening the scope of sales tax	Previous score maintained.	Proposed levy of 10% sales tax on commercial import of fabrics. ³¹ Previous score is maintained.	1.0	1.25	0.5	2.75
1.8.13	Ensuring elimination of money laundering and whitening of black money	Previous score maintained.	SECP has established an Anti-Money Laundering (AML) Cell. ³² Financial Monitoring Unit (FMU) to disseminate financial intelligence to designated Law Enforcement Agencies	2.5	1.5	0.5	4.5

³¹Federal Budget Speech 2017-2018, http://www.finance.gov.pk/budget/budget_speech_english_2017_18.pdf

³²Business Recorder, 31st May, 2017, SECP sets up anti-money laundering cell, <http://fp.brecorder.com/2017/03/20170331160700/>

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			(LEAs) and Financial Sector Regulators. ³³				
1.8.14	Improving self-assessment and audit compliance	FBR taken initiatives for: establishment and maintenance of a central databank, simplification of tax procedures, increased reliance on direct taxes, minimum tax exemptions and withholding tax, robust audit and greater transparency, to promote a culture of tax compliance.	Previous score is maintained.	1.0	0.5	0.5	2
1.8.15	Regulatory duty will be levied on non-essential imports	Previous score maintained.	Regulatory duty levied/increased on 565 non-essential items by various rates ranging from 5 percent to 15 percent, in federal budget 2017-2018. ³⁴	1.0	1.0	1.5	3.5

³³ The Express Tribune, 7th January, 2017, Money-laundering, Government sets up Financial Monitoring Unit, <https://tribune.com.pk/story/1286830/money-laundering-government-sets-financial-monitoring-unit/>

³⁴ Customs Today, 27th May, 2017, <http://www.customstoday.com.pk/5-15-regulatory-duty-imposed-on-565-imported-items/>

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1.9	State-owned enterprises	-	-	-	-	-	3.25
1.9.1	Appointing independent and professional boards	GoP has restored powers of the PM to sack heads of public sector entities (PSE) without assigning reasons. PM gave administrative control of 5 autonomous regulatory bodies- NEPRA, OGRA, PTA, PPRA& FAB- to related ministries.	Previous score is maintained. As per rules and procedures, majority shareholders have the right to appoint members of the board of directors of the PSEs; however, for the nomination of the CEO, three names are proposed to the government and one of them is chosen for the appointment of the CEO for a period of three years. Government being the majority shareholder can remove the CEO but it is subject to judicial review. ³⁵	-	-	-	0

³⁵Business Recorder, 19th January, 2017, Govt powers to remove CEOs of PSEs explained, <http://epaper.brecorder.com/2017/01/19/22-page/840710-news.html>

Economic Revival: 4.66		Implementation Status					
1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.9.2	Identification and ensuring the completion of privatisation process within the assigned timeframe	According to a National Assembly panel Pakistan Steel Mill will be privatised till March 2017. Ministry of Industries blocked the privatisation process of Heavy Electricity Complex (HEC). Govt. planned to privatise two 2550MW RLNG projects. Cabinet committee on Privatisation allowed Privatisation Commission to privatise PSM, PIA, KAPCO and power sector entities.	There is no Chairman of the Privatization Commission (PC), the position fell vacant on 29 January when Mohammad Zubair was made Governor Sindh and there is no Secretary PC since 24 March. This indicates that privatization is now on the back burner till elections next year. ³⁶ On January 18 th , then Chairman PC had said that the government will complete transactions of three major public sector entities by June this year. ³⁷	1.0	0	2.0	3.0
1.9.3	PIA will be transformed into a profitable and reputed airline of the region	PIA showed operational profit during march 2016, average number of daily flights has crossed 120. PM constituted a	PIA's debt has increased from Rs162 billion in 2012 to Rs185 billion in November 2016. Senate Standing Committee in	1.5	1.0	1.0	3.5

³⁶Business Recorder, 8th April, 2017, Sell off business relegated to back burner, <http://epaper.brecorder.com/2017/04/08/1-page/865455-news.html>

³⁷Dawn, 19th January,2017, Pakistan Steel, PIA, OGDCL, to be privatized by June, <https://www.dawn.com/news/1309310>

Economic Revival: 4.66		Implementation Status					
1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		committee to finalise financial plan of PIA for the procurement of 13 new aircrafts.	the Cabinet Secretariat briefed. ³⁸ PIA has accumulated liabilities of over Rs300 billion and an additional loss of over Rs5.6bn is being added to this amount every month. ³⁹				
1.9.4	Improving the operations of Pakistan Railways, such as by setting of autonomous Board	Pakistan Railways incurred a loss of Rs27bn in 2015-16 as compared to Rs30bn in 2012-13.	No such autonomous board set up, yet an EOI was floated seeking laying of new track and upgradation of existing track on BOT basis.	1.5	2.0	3.0	6.5
1.10	Building the confidence of private sector	-	-	-	-	-	5
1.10.1	Encourage participation of private sector in planning	Bill on Public-Private Partnership to attract investment introduced.	National Assembly passed 'The Public Private Partnership Authority Bill, 2017' to promote domestic and foreign private	2.0	1.5	3.0	6.5

³⁸Business Recorder, 10th January, 2017, PIA debt soars to Rs.185bn from Rs.162bn in four years, <http://epaper.brecorder.com/2017/01/10/5-page/838385-news.html>

³⁹Dawn, 5th January, 2017, PIA's financial woes shock Senate panel, <https://www.dawn.com/news/1306430>

Economic Revival: 4.66		Implementation Status					
1	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
			investment in infrastructure as well as private sector participation in economic development. ⁴⁰				
1.10.2	Establishment of Pakistan Business and Economic Council, chaired by the Prime Minister with equal membership of public private sector, meeting every quarter	Previous score maintained.	Previous score is maintained.	-	-	-	3.5

⁴⁰Business Recorder, 23rd March, 2017, 'NA passes Public-Private Partnership Authority Bill 2017', <http://fp.brecorder.com/2017/03/20170323157192/>

Overall Score: 5.05

Energy Security: 5.43

2	Energy Security: 5.43	Implementation Status					
	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
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.	Status maintained.	As yet no development.	-	-	-	Not scored
2.2	Reforms of National Electric Power Regulatory Authority (NEPRA) by	-	-	-	-	-	3.38
	Upfront/Feed-in-tariff for wind, solar, small hydel, and biomass projects	Previous score maintained.	NEPRA has put an end to upfront tariff regime, while tariff to the new solar PV power projects in the country would be awarded through competitive bidding. ⁴¹	0	0	0	0

⁴¹The News, 17th March 2017, NEPRA ends upfront tariff regime for solar generation, <https://www.thenews.com.pk/print/190551-Nepa-ends-upfront-tariff-regime-for-solar-generation>

2	Energy Security: 5.43	Implementation Status					
		Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.2.1			In another major departure, NEPRA announced that the power purchaser (respective government agencies) will no more take the wind risk and the relevant power generation company will be required to account for this risk in its bid price. ⁴²				
2.2.2	Mandatory wheeling of electricity by DISCOs and the NTDC	Previous score maintained.	Wheeling of electricity permissible but not yet mandatory.	2.5	2.5	1	6
2.2.3	Net metering (sale guarantee) for small producers/consumers	LESCO and IESCO has started implemented Net Metering policy. LESCO has received and installed solar net metering system of 135KW; installed first net metering system meter at a private factory.	The National Electricity Power Regulatory Authority has issued 15 net metering licences to Lahore Electric Supply Company (LESCO) consumers-cum-solar energy system owners as the project formally	2.5	2.5	2.5	7.5

⁴²Dawn, 28th January, 2017, NEPRA does away with upfront tariffs for new wind projects, <https://www.dawn.com/news/1311132>

2	Energy Security: 5.43	Implementation Status					
		Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
		IESCO has given 16 net metering connections to domestic consumes; has acquired 1.5MW of electricity worth Rs2.5mn from consumers so far.	started in the provincial metropolis. ⁴³				
2.2.4	NEPRA determined tariffs to be notified tariffs	NEPRA declined to defer hearing of the “reconsideration request” by the Min. of Water and Power on tariff determination. Govt. proposed an amendment to NEPRA Act 1997 to make it binding on the regulatory body to implement policy guidelines of the fed. govt.	Previous score is maintained. The Council of Common Interests (CCI) has approved drastic changes to NEPRA Act to clip powers of NEPRA to independently determine electricity tariff. The changes bind NEPRA, to follow government directives in determining tariffs. ⁴⁴	0	0	0	0
2.2.5	Deregulating and decentralising by allowing small power producers to sell power directly to consumers	Status maintained.	As yet no development.	-	-	-	-

⁴³Dawn, 28 January, 2017, 15 net metering licenses issued, <https://www.dawn.com/news/1311176>

⁴⁴ Dawn, 3rd May, 2017, NEPRA stripped of its autonomy, <https://www.dawn.com/news/1330628>

2	Energy Security: 5.43	Implementation Status					
		Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
	through the distribution systems of DISCOs						
2.3	Reform of Distribution Companies	-	-	-	-	-	3.65
2.3.1	Corporatization and privatisation of DISCOs	Mode of Privatisation of DISCOs has been changed and now the shares of these companies will be offered on Pakistan Stock Exchange.	An invitation for expression of interest (EOI) of appointment of lead manager and book runners for listing of the Gujranwala Electric Power Company (GEPCO) on the Pakistan Stock Exchange for an Initial Public Offering (IPO) of up to 15 percent of its shareholding in the DISCO has been issued. ⁴⁵	2.0	1.0	1.0	4.0
	Reduction of transmission and distribution losses to less than 10%	T&D losses increasing since 2013: number of units lost in 2013-14 was	Transmission and distribution losses have dropped to 16.3%. ⁴⁶	1.0	0.5	1.5	3.0

⁴⁵Business Recorder, 14th March, 2017, Privatization of DISCOs, <http://www.brecorder.com/2017/03/14/339105/privatization-of-discos/>

⁴⁶The Express Tribune, 31st May, 2017, installed capacity increases, but power production falls, <https://tribune.com.pk/story/1419429/installed-capacity-increases-power-production-falls/>

2	Energy Security: 5.43	Implementation Status					
		Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.3.2		16,325 Million kilowatt hours (M.kwh); 16,744 M.kwh in 2014-15 and was recorded at 16,762 M.kwh in 2015-16.					
2.3.3	Collection of electricity bills to 100%	BR reported recovery reached to 93.1%. ⁴⁷	Previous score is maintained.	1.5	2	2.25	5.75
2.3.4	Ending of cross subsidy among DISCOs	Government is mulling over eliminating the power subsidy for power consumers with the introduction of uniform tariff throughout the country.	Revised expenditures under Inter-DISCO Tariff differential increased from Rs. 60 to 91 billion in 2016-17, and allocated Rs. 65 billion in 2017-18.	-	-	-	4
2.3.5	Introduction of pre-paid billing system	ECNEC approved Rs47bn foreign funded smart meters project in the jurisdiction of IESCO and LESCO.	Previous score is maintained.	1.5	0	0	1.5
2.4	Reform of Generating Companies	-	-	-	-	-	3.75

⁴⁷ Business Recorder, <http://epaper.brecorder.com/story2pdf.php?id=638020&ed=2017-03-23>

2	Energy Security: 5.43	Implementation Status					
		Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.4.1	Corporatisation and Privatisation of GENCOs under an independent Board.	The privatisation process has been stopped and now the shares of GENCOs will be offered on PSE.	Cabinet Committee on Privatisation (CCoP) has considered the strategic sale of KotAddu Power Company Limited (KAPCO) and directed the Ministry of Water & Power and Privatisation Commission to complete all formalities before seeking a formal approval. ⁴⁸	2.0	2.5	2.0	6.5
2.4.2	Retrofitting of all equipment	Status maintained.	As yet no development.	-	-	-	-
2.4.3	Replacement of furnace oil boilers by coal fired boilers	Previous score maintained.	Previous score is maintained.	1	0	0	1
2.5	Permanent elimination of circular debt	-	-	-	-	-	3.38

⁴⁸Business Recorder, 29th January, 2017, <http://epaper.brecorder.com/2017/01/29/1-page/844972-news.html>

2	Energy Security: 5.43	Implementation Status					
		Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.5.1	Eliminate circular debt	On November 24, 2016 Minister for Parliamentary affairs stated that circular debt is reached to Rs328bn.	Ministry of Water and Power has informed Public Accounts Committee that circular debt has again risen to Rs401bn. ⁴⁹ On 7 th June, government has decided to acquire yet another loan of Rs41 billion from commercial banks to partially retire the circular debt. ⁵⁰	-	-	-	0
2.5.2	Narrowly target subsidies for consumers up to 100 units	Previous score maintained.	Federal Budget 2017-18 announced targeted subsidies for consumers up to 300 units.	-	-	-	7.5
2.5.3	Notify electricity tariffs according to the average system wide cost	Target stand achieved	Target stands achieved	-	-	-	Not scored
2.5.4	Power dispatch to be strictly according to plan, efficiency and generation cost	Efficiency in distribution and management of load shedding observed.	Previous score is maintained.	-	0.5	-	0.5

⁴⁹Dawn, 25th May, 2017, Circular debt crosses Rs400bn threshold again, http://epaper.dawn.com/DetailImage.php?StoryImage=25_05_2017_002_002

⁵⁰The Express Tribune, 8th June, 2017, <https://tribune.com.pk/story/1430014/govt-borrow-another-rs41b-pay-circular-debt/>

2		Implementation Status					
Energy Security: 5.43							
	Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
2.5.5	Ensure supply of gas to power plants	Previous score maintained.	Previous score is maintained.	1.5	1.5	2.5	5.5
2.6	Rationalisation of energy tariffs in line with international prices across all fuels	Govt. has deregulated the prices of higher grade 95 RON (Research Octane Number) fuel.	The Ministry of Petroleum and Natural Resources has proposed deregulation of margins on high-speed diesel (HSD), which is widely used in agriculture production and transportation vehicles. Then, margins on petrol, which is mostly used in cars and generators, will be deregulated to encourage investment in the industry. ⁵¹	2.0	2.0	2.0	6.0
2.7	Reforms of Oil and Gas Regulatory Authority	-	-	-	-	-	3.75
2.7.1	Blanket ban on new CNG stations	-	Target stands achieved.	-	-	-	-

⁵¹The Express Tribune 24th May, 2017, <https://tribune.com.pk/story/1417701/govt-likely-allow-omcs-dealers-set-profit-margins/>

2	Energy Security: 5.43	Implementation Status					
		Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
2.7.2	Priority to public transport in the use of CNG	-	Target stands achieved.	-	-	-	-
2.7.3	Tariff rationalisation in gas sector	ECC approved deregulation of CNG prices for Sindh and KPK on the pattern of Punjab.	Previous score is maintained.	2	1.5	1	4.5
2.7.4	Narrowly targeted subsidy for natural gas and LPG users	Previous score maintained.	Previous score is maintained.	2	1	1	3
2.8	Aggressive wellhead pricing for oil and gas exploration companies	Previous score maintained.	Previous score to be maintained	2	1.5	1	4.5
2.9	High priority to import gas through pipelines	Project is in final stages of financing: Siemens offered credit facility of \$2.5bn on the supply of compressors for TAPI- Turkmenistan agreed to buy the compressors from Siemens. ADB offered \$1bn and IDB offered \$500mn for the pipeline. Roadshows to attract remaining funds are in	Turkmenistan-Afghanistan-Pakistan and India (TAPI) gas pipeline project entered into its implementation phase. Work on Iran-Pakistan pipeline still not underway due to sanctions on Iran. ⁵²	2.0	2.0	4.0	8

⁵²Business Recorder, 4th March, 2017, TAPI gas line project enters implementation phase, <http://fp.brecorder.com/2017/03/20170304147777/>

2	Energy Security: 5.43	Implementation Status					
		Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
		plan.					
2.10	Setting up of coal and LNG import terminals, and coal transportation facilities	ECC approved the bid for the construction of 2 nd LNG terminal which will be completed by mid-2017. ECNEC approved \$2bn Gwadar-Nawabshah LNG terminal.	CDWP approved project Rs. 36bn worth, Gwadar-Nawabshah Liquefied Natural Gas (LNG) terminal and pipeline project. ⁵³	2.5	2.0	4.0	8.5
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	The project is progressing 5 months ahead of schedule- out of total 112m cubic meter excavation, 7m cubic metres excavation is completed. The project will add 660MW of electricity to the national grid by 2019.	The 1320MW imported coal-fired power plant being constructed by China Power Hub Generation Company (CPHGC) is all set to achieve its financial close by June 2017 and its commercial operations are expected to commence by August 2019. ⁵⁴	2.5	2.5	4.0	9.0

⁵³Dawn, 10th March, 2017, 'Rs36bn LNG terminal, pipeline approved', <https://www.dawn.com/news/1319451>

⁵⁴Business Recorder, 7th March, 2017, Coal-fired power plant: all set to achieve financial close by June, <http://fp.brecorder.com/2017/03/20170307150754/>

2	Energy Security: 5.43	Implementation Status					
		Manifesto Targets	Baseline (July-December 2016)	Current Status (January-June 2017)	Legislative and Policy Developments (score out of 2.5)	Institutions & 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	Status maintained.	As yet no development.	-	-	-	-
2.13	Developing alternative renewable energy sources, such as solar, wind, bagasse, biogas, and biomass projects	NEPRA accepted 4 applications seeking licences for power generation from wind, solar and bagasse.	50MW Hydro China Dawood Wind Farm, UEP 100MW and Sachal 50MW wind farms at Jhimpir, Thatta; Three Gorges second and third wind power project; and 720MW Karot Hydro power station to be set up as part of CPEC projects.	2.5	2.5	4.25	9.25
2.14	Introducing solar-thermal water heaters for domestic and industrial use	Previous score maintained.	Previous score is maintained.	1	0.5	0.5	2
2.15	Decentralizing and creating a wholesale market for electricity	To attract private investments in the energy sector govt. is likely to offer market based rate of return. Prime Minister has decided to deregulate electricity generation.	Previous score is maintained.	2	2	1.5	5.5

PML-N Economic Agenda: Snapshots from previous Tracking Reports

	1 st Tracking Report	2 nd Tracking Report	3 rd Tracking Report	4 th Tracking Report	5 th Tracking Report	6 th Tracking Report	7 th Tracking Report	8 th Tracking Report	9 th Tracking Report
	Jul-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015	Jan-Jun 2016	Jul-Dec 2016	Jan-Jun 2017
Overall Score (Out of 10)	3.66	4.40	4.13	4.55	4.10	4.61	4.94	4.97	5.05
4.Economic Revival	3.17	4.47	4.33	4.60	3.80	4.21	4.64	4.61	4.66
GDP Growth	-	5.50	4.60	5.00	5.04	4.91	5.01	5.11	4.59
Budget Deficit	0	4.25	4.35	4.45	2.96	2.95	3.25	3.25	4.45
Inflation	2.00	6.75	4.12	5.13	4.92	3.93	4.41	4.25	4.2
Government Borrowing	0	8.50	8.00	70	6.00	4.80	4.50	4.00	3.5
Reducing Energy Shortage	-	6.50	5.50	5.50	6.00	4.50	5.25	5.75	5
Regional Trade	-	6.50	6.50	6.50	6.00	6.00	6.50	6.50	6
Reforms in Financial Sector & Capital markets	-	6.00	7.00	7.00	7.00	8.00	8.00	8.50	8.75
Interest Rates	0	0 (Nil)	Nil	2.00	3.75	4.00	4.25	4.25	4.25
Industry and Trade	5.75	2.8	3.94	4.7	4.06	4.47	4.03	3.60	4.19
Infrastructure	6	3.17	4.5	5	5.2	5.2	7.25	7.25	6.13
Job Opportunities	-	4.25	5	5.25	5.13	5.38	6.25	5.50	6.4
Tax Reforms	5.00	1.75	3.27	2.90	2.40	2.54	2.71	3.44	2.87
State Owned Enterprises	4.00	3.50	4.50	5.00	3.63	3.88	4.12	4.50	3.25
Energy Security	4.16	4.34	3.93	4.50	4.40	5.01	5.27	5.33	5.43
Reforms of NEPRA	-	4.50	4.25	3.50	1.63	3.75	4.54	4.62	3.38
Reform of Distribution Companies	3.33	2.83	5.83	5.25	5.38	5.44	5.25	4.65	3.65
Reform of Generating Companies	1.50	2.50	4.00	2.00	3.00	3.50	3.25	3.50	3.75
Permanent Elimination of Circular Debt	5.33	3.25	3.63	3.60	3.50	3.50	4.00	3.13	3.38
Wellhead Pricing of Oil & Gas Exploration	4.50	3.50	3.50	3.50	4.50	4.50	4.50	4.50	4.5
Gas Imports	4.00	2.00	2.00	2.50	3.50	5.50	6.50	7.00	8
Coal and LNG Import Terminal	-	3.50	5.00	6.00	7.00	7.00	7.00	7.50	8.5
Thar Coalfields	5.00	7.00	7.50	8.00	8.00	8.50	8.50	8.75	9
Alternative Renewable Energy	-	7.00	8.50	8.50	8.75	9.00	9.00	9.00	9.25

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- Insaaf*)

“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**

“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

Ayesha Bilal

Chief Operating Officer

Zia Bandy

Director

Syed Ali

Head of Marketing &
Communication

Shahid Mehmood

Head of Research

Shehryar Aziz

Research Associate

Faizan Malik

Communications Associate

Raees Abbasi

Manager Operations & Finance

Amna Memon

Program Officer

Dr. Khalil Ahmad

Distinguished Research Fellow

Contact:

Address: Office 401,
Gulistan Khan House,
82-East Fazal-e Haq Road,
Blue Area Islamabad

Tel: 0092(51)8314337-8

Fax: 0092(51)8314339

Email:
info@primeinstitute.org

URL:
www.primeinstitute.org

Policy Research Institute of Market Economy (PRIME)

PML-N- Four Years and Under-Performing

PML-N Economic Agenda

9th Tracking Report: January-July 2017

Current 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.

Inflation in Pakistan: Understated, Especially for the Poor

The study presents a critical analysis of measurement of inflation, its results and implications in Pakistan. As a pilot study, it considers price data of February 2016 as released by Pakistan Bureau of Statistics by taking consumption items which constitute 80% of monthly expenditure for an average household. By applying splicing technique of weights rectification and standardisation, it identifies discrepancies between reported inflation rates and adjusted inflation rates, in particular for the low income households. It is authored by Dr. Hafiz A. Pasha et'al.

Towards Flat, Low-rate, Broad and Predictable Taxes

The study analyses the structural and operational weaknesses of the existing tax system at federal level and suggests alternate solutions in the areas that require fundamental reforms. It argues that taxpayers have to deal with multiple tax agencies adding to their cost of doing business and the non-existence of tax-related benefits is the most neglected area of our discourse on reforms. It highlights the existing four-tier tax appellate system, how it has failed to deliver and the alternate system which can be adopted. This study is authored by Huzaima Bukhari and Dr. Ikramul Haq

Unilateral Liberalisation: Pakistan's Path to Trade Revival

The study focuses on significant shifts in trade policy over the last 25 years and their impact on Pakistan's overall trade performance. This study argues that 'Pakistan has become relatively open compared to 1990s but when compared to its neighbouring countries today, it is still much protectionist'. In this regard, this study discusses the different trade regimes of Pakistan since 1990s till 2014 and compares Pakistan's trade performance with that of neighbouring countries. It is authored by Sara Javed.

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