



# **Pakistan Muslim League**

Road Map for Pakistan's Recovery

Peace, Employment, Controlling Prices  
and Corruption

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## **Road Map for Pakistan's Recovery**

The purpose of this document is to chart out a future roadmap for Pakistan's Recovery. We as a party know the true Pakistani potential and have complete understanding of the role of government to change the lives of Pakistanis for the better.

We are proud of our country and our party's accomplishments. Today we need to look at the future. There are many challenges confronting Pakistan. There is a need of public service improvement and complete retrieval of people's trust in the political system. In the midst of crises, Pakistan needs an open and accountable government that has the intent, vision and capacity to deliver. Good and accountable governance is pivotal to the development process. This is the only way Pakistan can become strong, stable and move towards high growth, breaking itself from the shackles of poverty.

We offer progressive and practical solutions in these tough times when the nation is looking for an inclusive party and genuine leaders. We stand as the party with the experience, values and ideas to help our country. We believe in democracy and professionalism and know that politics is a noble endeavour to transform the nation and to maintain this transformation.

The road map we have conceived for Pakistan's recovery covers the following areas:

1. Law and Order
2. Foreign Policy
3. Constitutional Changes
4. Good Governance
5. Free Media
6. Economy

7. Industry
8. Agriculture
9. Services
10. Trade
11. Infrastructure
12. Energy
13. Water
14. Health
15. Education
16. Labour
17. Youth
18. Women
19. Minorities
20. Culture and Arts
21. Environment

## **Law and Order**

### **Terrorism**

- We are against terrorism, extremism and violence in all its forms and manifestations. We feel that terrorism has no religion and is a common enemy of all humanity. It is deeply affecting the prosperity of the country and shattering the international trust in Pakistan as a peaceful nation. We strongly feel that it is important to examine the reasons and causes for rise of extremism in society. At the same time we need to be fully equipped to handle the threat of terrorism we face in our country today. We believe the government and the armed forces are complimentary arms and need to work together to address this menace.
- Current police system will be upgraded in the light of successful prevalent systems in the world.

# **Foreign Policy**

## **Foreign relations**

- We would like to further strengthen the relations with all countries including China, United States of America, European Union, Saudi Arabia, Turkey, Iran, Gulf States, Russia, Brazil, South Africa and the Muslim world. Efforts will be made to promote regional co-operation in South Asia and Central Asia. Pakistan will strive to make the Organisation of Islamic Conference more effective so that it can meet the aspirations of the Ummah.
- We support the establishment of an independent democratic state in Palestine with Jerusalem as its capital.

## **Non-Interference in Pakistan's Internal Affairs**

- We feel that no foreign country has the right to dictate or interfere in Pakistan's internal affairs. We will seek to build friendly relations with all countries on the basis of equality and reciprocity. Pakistan shall not allow its territory to be used against any neighbouring country. We feel that our foreign policy should be geared towards strengthening our security and stability, with the first priority being peace in the region.
- We believe that Pakistan's progress lies in putting our own house in order rather than remaining externally dependent. Changes need to be made internally even if it requires sacrifices.

## **Kashmir**

- We support the right of self-determination of the people of Jammu and Kashmir through implementing UN resolutions. However, in order to break the deadlock on this issue existing for the last 63 years, we would

support all initiatives to peacefully resolve the Kashmir issue in a fair and honourable manner which enjoys the support and backing of the Kashmiri people.

## **Peace with India**

- The peace process with India will be pursued with vigour since it is conducive to a stable and peaceful South Asia. We would emphasize meaningful and result oriented talks on an equitable and honourable basis.

## **Afghanistan**

- We believe that whatever decision has to come in Afghanistan should be brought about by Afghans themselves. Pakistan and the rest of the world must maintain a non-interference policy in Afghanistan. That is what will ensure a stable Afghanistan, which is critical to Pakistan's own stability.

## **Strong Defence**

- We believe that a strong defence is imperative to guard the country's sovereignty and territorial integrity. We share the entire nation's pride in the professionalism of its Armed Forces. We support modern and well-equipped Armed Forces, as a professional fighting machine, functioning within the framework of the Constitution. Such a defence force is vital for our national security.

## **Nuclear Programme**

- We believe Pakistan's nuclear programme is a vital component of its national security and serves both as a deterrence against aggression and to preserve and protect our independence. Since Pakistan has no aggressive intentions against any state, Pakistan will

not accept double standards on the nuclear issue nor allow intrusion into its nuclear programme or provide access to any of its nuclear installations or scientists to outsiders.

## **Constitutional Changes**

### **Parliament**

- As in a true parliamentary system, the Prime Minister, the Cabinet and parliament should all be empowered and not just the prime minister.
- The term of the National Assembly should be reduced to four years
- Our first-past-the-post electoral system is biased towards the larger political parties of the country. As in the case of reserved seats for women and religious minorities in the National and Provincial assemblies, a new category of technocrats should be added to the list of reserved seats. All the reserved seats should depend on the actual percentage of votes a particular political party is able to get in an election, and not on the number of members it is able to get elected. A serious problem in Pakistan is the non-existence of adequate capacities within the ranks of political parties to govern once they get into power. The addition of the category of technocrats in the legislatures would give the political parties an improved capacity to govern.

### **Independent Judiciary**

- We are committed to an independent, fair and impartial judicial system free from political pressures of the executive and the legislature.
- We are committed to give judges full job and tenure security, ensured by law.

- We would reform the entire judicial system so that affordable and timely justice is available in all its tiers.

## **Civil Rights and Liberties**

- We are committed to guarantee civil rights so that every Pakistani will get equal opportunities of employment, housing, health care, education, protection and other fundamental rights.
- A National Commission on Human Rights will be established to protect Human Rights.

## **Provincial Autonomy**

- More autonomy will be given to the provinces by making their share in their natural resources more equitable and by giving them adequate employment quotas in all government services.
- At present a major chunk of the combined revenues of the federal and provincial governments are collected by the federal government. Almost three- fourths of all provincial expenditures are met through resource transfers from the federal government in accordance with the NFC awards. Provinces will be given rights to generate and collect their own revenues.

## **New Provinces**

- The main problem is the present structure of the federation, where Punjab constitutes over 60 per cent of the population. As the federation stands today, when Pakistan grows, Punjab grows at a faster rate than the rest of the country and thus becomes still richer.
- There should be more provinces in Pakistan. These should be created, upon public demand, on administrative basis and convenience to the public and not on ethnic and linguistic grounds. Their capitals should be reachable by the residents easily.

- The process to create a new province should be simplified in the Constitution.
- Creation of more provinces in Pakistan will strengthen the federation, as it exists today.
- We support the movement for restoration of Bahawalpur Province and creation of Seraiki and Hazara Province.

## **FATA**

- With respect to the status of Fata, the options are for the territory to continue as it is, administratively and politically; to become part of our existing provinces; to become a new province; or to be given special status like Gilgit-Baltistan. We will consult the people of Fata in what they want for themselves.

## **Party Democracy**

- Apart from supporting parliamentary democracy and fair and free elections under a strong and independent Election Commission, the Pakistan Muslim League also believes in promoting a democratic political culture within a political party, monitored by the Election Commission.

## **Senior Bureaucratic Appointments**

- All senior bureaucratic appointments will follow the same process as the appointments of Judges, Chief Election Commissioner or Chairman of Accountability Institution.

## **Good Governance**

### **Accountability**

- The PML believes that corruption is a big impediment to development and good governance. However,



regrettably there has never been any across the board accountability. In fact, all anti-corruption campaigns have been politically motivated to hound and harass the opposition. An independent, non-partisan anti-corruption institution, free from government control, will be established with a view to attacking corruption without fear or favour so that accountability is not used as a weapon of revenge against political opponents. All segments of society will be covered.

## **Service Reforms**

- Years of mismanagement, political manipulation and corruption have made Pakistan's civil services incapable of providing effective governance. Reforms of the civil service will be prioritised so that it becomes a more effective and accountable institution without diminishing the authority of political and other institutions.
- The enormous discretionary power enjoyed by poorly paid, ill-trained low-level functionaries such as the patwari and SHO have alienated ordinary citizens from the government. These lower levels of government will be reformed with an effective check/ control system and accountability in case of abuse of authority.

## **Narcotics Control**

- Narcotics control laws will be strictly enforced.

## **Computerization of Land Records**

- All land records of Pakistan will be computerized to protect them against illegal alteration and to provide ready access to people to such records.

## **Local Government**

- The last local-government system had a lot of positive points. The system had its teething troubles though. Revenue and law-and-order functions will be revised and rationalized. Other powers will remain intact. The process for the election of nazims, naib nazims and reserved seats for district/ tehsil councils will be simplified so that it is less prone to malpractices.

## **Simplicity**

- Simplicity amongst politicians, Bureaucrats and all other public servants will be encouraged with respect to official perks, privileges and protocol.
- The elitist-commoner divide reinforced by the ways of our rulers will be eliminated. Elitist culture will be undone.

## **Free Media**

- Independent news media, both print and broadcast, will be allowed to operate freely in all areas of Pakistan.
- All sorts of direct and indirect censorship will be abolished.
- Government authorities will not interfere with the content of print or broadcast news.
- There will be no discrimination in the treatment, economic or otherwise, of the media.

## **Economy**

### **Free Market Economy**

- We shall encourage an enterprise culture based on free market principles which develops skills, supports workers and creates jobs.

- Price control mechanism for all stakeholders will be strictly enforced to ensure predictable costs and benefits.
- Intellectual property rights will be protected.
- Consumer rights will be protected.

## **Liberation from IMF**

- We believe IMF forced us to increase interest rates, slash public-sector development, increase taxes, increase gas and power tariffs and increase petroleum prices. The result was that the rupee depreciated, the power, gas and petroleum rates doubled as did the commodity prices. While the IMF forced us to increase interest rates in the country to bring the inflation down, which brought the manufacturing sector to a grinding halt, everything else they asked us to do fuelled inflation. After coming down initially, every inflation indicator has shown an upward movement in recent months, even prior to the recent floods. We got a raw deal from the IMF, which treated the crisis-ridden countries of Europe more favourably.
- While the world was reducing interest rates, massively injecting capital into banks encouraging them to lend, pumping huge sums of money into the public sector and giving major tax breaks to restore their economies, we were doing just the opposite. We were increasing interest rates, cutting our public-sector development by hundreds of billions of rupees and sweeping the credit in commercial banks for government and public sector companies' use, thus totally drying up credit for the private sector. The IMF policies fuelled inflation, suppressed growth and increased unemployment and poverty. We have seen economic models where inflation may be tolerated for some time provided it is accompanied by high growth. But history is being made in Pakistan where inflation is high and resisting to come

down and growth is virtually zero. The private sector has been destroyed through excessively high interest rates and power outages.

- We must get out of the IMF straitjacket and rely on ourselves.
- The rapid reduction in the fiscal deficit proposed by the IMF should no longer be our objective as it will keep the growth rate low and increase unemployment and poverty. A balance needs to be struck between fiscal consolidation and revival of growth.

## **Stabilization of Economy**

- We will rehabilitate the Macroeconomic stability by making realistic Fiscal and Monetary policies.
- Fiscal indicators have improved in Pakistan only through external assistance. No improvement has been shown in generating domestic resources. We will focus on generating domestic resources.
- The world should reschedule or write-off our debt. We have paid a huge price of almost \$15-20 billion in losses due to war on terror, besides destruction of innumerable families who lost their loved ones.
- Inflation will be brought down to a level which stabilizes the economy.
- Monetary expansion will not be higher than the GDP growth.
- The role of banks/ financial institutions will be made supportive and meaningful in accordance with National Priorities.
- Profits of banks will be rationalized. Lending will be made proportionately to ensure development of all sectors particularly agriculture and industry. Banks will play proactive role to promote international business.
- Role of stock exchange will be made productive and supportive for business and not merely money making game for cartels.

## **Expense Reduction**

- We will cut non-productive expenditure by one-third.
- With the additional provincial autonomy under the 18<sup>th</sup> Constitutional Amendment and the new NFC award, it is important that the provinces follow prudent economic policies, particularly with respect to expense controls.

## **Government Borrowing**

- Government borrowing is at an all-time high. This includes borrowing from the Commercial Banks as well as State Bank. By the time the Government and the public sector enterprises are finished with the banks, there is virtually nothing left for the private sector. Pakistan incurred debt of Rs1.3 trillion in five years from 2002 to 2007. In fiscal 2009-10, in just one year, the government incurred new debt amounting to Rs1.6 trillion. Debt will be brought in line according to the Fiscal Responsibility and Debt Limitation Act (2005).
- The quasi-fiscal activity of the government outside the budget has contributed to build-up of circular debt in the energy and agriculture commodity sectors, as a result of which costs for all borrowers in the economy have increased. We will curtail such activities.
- The savings rate will be stepped up by providing incentives to households, corporate and small businesses and overseas workers.

## **Achieving High Growth**

- Pakistan's growth rate is much lower than India's which has serious strategic implications.
- To achieve higher growth rate, which is essential for eradication of poverty, mark-up rates will be brought down, particularly for the priority sectors like Industry and Agriculture. This will not effect inflation as Pakistan's inflation is cost-push and not demand-pull.

- Fiscal and monetary policy will encourage industrial and agriculture sectors growth.
- High growth will be achieved without relying on external assistance.
- Economic development will be encouraged through improving people's credit worthiness, not only by improving their economic condition but also through having systems, backed by appropriate legislation, for maintaining proper records and for recovery and foreclosures. Enhancing credit worthiness in a country improves growth.
- Pakistani entrepreneurs having bonafide businesses in the country and having money in foreign banks will be giving immunity to bring this money back into the country through direct transfers from recognized foreign banks to invest in Industry, Agriculture, Services, Social and Infrastructure sectors.
- There can be no better way to pull Pakistan out of its economic miseries than pursuing large Dam projects. These will be our priority.

## **Public Sector Development Programme**

- Development expenditure and manufacturing must be encouraged for job creation.
- Public sector development programme will focus on agriculture, water, power, health and education and on backward areas of Pakistan initially.
- Sub-regional inequalities will be addressed.
- A significant chunk of the PSDP depends on external assistance, the non-availability of which forces the government to drastically reduce it. In the last few years, the government has had to resort to large cutbacks in PSDP bringing it to a low level of less than three per cent of the GDP. Cutting development spending is not a sustainable way to reduce the deficit.

Focus will be on cutting non-developmental expenditures.

- The public sector development programme in Pakistan is wasteful, inefficient and slow. It will be totally overhauled.

## **Controlling Prices**

- Higher domestic food prices have been primarily responsible for sustaining high inflation. Cumulative increases in the prices of some essential food items have been over 100 per cent. Controlling high food prices will be our top priority which will be done through productivity improvement, removing supply side bottlenecks and reducing wastages.
- In the free market mechanism we have in place in Pakistan, commodity prices in the country will be controlled by keeping at least two months buffer stocks to avoid shortages and resulting price escalations.

## **Subsidies**

- Across the board subsidies benefiting the rich and the poor alike would be replaced by poor specific targeted subsidies.

## **Job Creation**

- All infrastructure projects will entail compulsory job creation. Institutions like Pakistan Poverty Alleviation Fund, micro financing institutions and National and Provincial Rural Support Programs will play a major role in eradicating poverty and creating jobs by expanding their operations.
- Private sector will be given tax incentives to create employment for the youth.

- We will start a specially designed employment program that will guarantee jobs to one adult of each family in Pakistan.

## **Rebuilding Public Sector Enterprises**

- The losses in the public sector enterprises have reached almost Rs250 billion per year.
- Public sector corporations will be rebuilt in the following manner:
  - Control of administrative ministries will be removed and overview management will be installed.
  - Boards of Directors will be reconstituted and professionals will be brought in.
  - Operational standards will be prescribed and full autonomy given to achieve them.
  - Quantifiable targets will be given and performance will be monitored.
  - Right-sizing, retention of professional management and skilled staff will be emphasized.
  - Criteria for recruitment/ appointments will be specified — professionalism and merit will be encouraged.

## **Privatization**

- We will proceed with privatisation in an open and transparent manner, both by offloading limited shares of profit-making companies and disposing off loss-making corporations.

## **Skills Development**

- Skill development will be emphasized keeping in view local needs as well as manpower exports (drivers, nurses, hotel management personnel, skilled labourers). For this purpose, in addition to Government institutions, private sector will be given incentives.



## **Social Safety Nets**

- The PML will rely less on cash transfers and more on skills development.
- We will expand the scope of Bait-ul-Maal programs.
- We will focus on Employment Guarantee schemes. National Employment Guarantee Program will be expanded.
- Unemployment Insurance programs for the poor will be introduced.
- Food Support Programs will be expanded.
- State funded Group Accidental Death Cover will be provided to all bread winners.

## **Tax to GDP Ratio**

- At current rates, tax collection can be raised by four to five per cent of GDP
- Tax to GDP ratio will be enhanced by taxing sectors that are not currently taxed. Services will be taxed in stages without impeding their growth. To enhance revenue and discourage import of luxury goods, regulatory duty will be levied on non essential imports. Excise duty will be levied on non-essential goods within the country.
- Taxes on Capital gains, gifts, wealth and inheritance will be levied.
- Reliance on taxes on consumptions will be reduced.
- Provinces will be encouraged to generate their own taxes in order to increase their current contribution to the tax to GDP ratio of 0.5 percent.

## **Flood Affectees**

- The floods have affected some 20 million people, damaged or destroyed more than a million houses and infrastructure and played havoc with agricultural production over 10 per cent of the cultivable area. We

will ensure rebuilding the houses of flood affectees, give them compensation for lost crops and live stock, restore cultivation of their land and rebuild farm to market roads in order to enable them to stand on their feet again.

## **Industry**

- If manufacturing has to grow, ample credit should be available, interest rates brought down and delivery of reliable energy supply be ascertained. Credit can only be made available if the government and public sector borrowing is reduced from the banking system. This will be our priority.

## **Less Government**

- The government is now an impediment in the way of new enterprises and small businesses in the private sector. Entrepreneurship is discouraged by excessive rules and regulations. We will reduce the role of government in private sector.

## **Simplify Procedures**

- Decision-making at the government level is complex because of the overlap, duplication and multiplicity of organizations, elongated hierarchal chains within organizations and a growing tendency for turf protection and inter-agency rivalry. Rules and procedures will be modified, powers delegated and accountability established to make room for fast track decision-making.
- There will be coordinated reviews of policy of all concerned Ministries, both Federal and Provincial, so that there is commitment of the entire Government machinery towards development and growth.

- Legislative hurdles will be removed. Outdated and irrelevant laws will be eliminated.

## **Lowering Cost of Doing Business**

- Cost of doing business will be reduced which includes cost of capital, utilities, labour and transport.

## **Research & Development**

- Research and development will be encouraged.

## **Private Sector Credit**

- We will seek lines of credit for the private sector projects from International financial institutions through Pakistani banks. Such loans were available in the 80s and 90s and contributed to considerable growth in the private sector. After the bankruptcy of all the Development of Finance Institutions in Pakistan, no project financing is available. The commercial banks offer only short term financing. These banks will be encouraged to offer long term, fixed rate, project financing to the private sector and also to reduce their spreads.

## **Focused Industrial Sectors**

- Value added, export oriented industry will be focused upon.
- Most sugar mills in Pakistan can produce ethanol from their bi-product, molasses. Ethanol will be made a mandatory part of the fuel supply in Pakistan to encourage rural economy, save foreign exchange and protect environment.
- In order to encourage the cement sector, cement will be used in construction of Roads. This will help reduce the import bill of bitumen and reduce maintenance costs.

## **Taxation of Industry**

- Upfront cost of investment will be reduced for prioritized sectors. Value-added or export industries, high-tech industries, Agriculture projects, Agro-based industry, other Priority Sectors and Infrastructure Projects will attract zero custom duty on machinery. The same facility will also be available for expansion/BMR of existing projects falling under these categories. In addition, income tax will be reduced for these sectors by introducing Accelerated Depreciation Allowances.

## **Protection**

- A certain minimum level of net protection will be provided to local industry.

## **Technology Up-gradation Fund**

- Technical Upgradation Fund will be created in the public sector to undertake Balancing, Modernization and New Investments in focused sectors.

## **Industrial Infrastructure**

- Industrial parks, both for large and small industries, will be developed in the country.

## **SMEs**

- Focus will be on small entrepreneurs and small and medium enterprises, which are the backbone of our industrial and service economy and employment for our youth.
- Local Enterprise Development Agency (LEDA) will be supported having its offices in all industrial estates and locations which are already populated with small scale and cottage enterprises. LEDA will provide a wide range of support and services needed for both start-ups

and existing small enterprises over all stages of a project. The scope of services will include:

- Technical, managerial and marketing assistance.
  - Design and arrange vocational training programs.
  - Provide one-stop facility for provision of utilities and services.
  - Provide facilities for testing, gradation, quality control, product development and the equipment for joint use.
  - Provide link-up assistance with credit institutions.
  - Undertake market promotion arrangements under which SMEs of an area or sector may pool their production and LEDA can market or supply the products on their behalf.
- Large firm-small firm linkages will be developed so that the products and support of small and micro enterprises network could be effectively used by large firms.

## **Industrial Clusters**

- Clusters will be developed for Gems & Jewellery, Leather, Garments, Fans, Cutlery, Furniture, Crockery and Cooking Utensils.

## **Agriculture**

### **General Policies**

- Agriculture is the base of our economy and we will take all appropriate steps to increase agricultural production to develop food self-sufficiency.
- Importance will be placed on wasteland/desert development and forestation.
- The current policy of crop support prices will be changed by policies where returns to farmers will be linked to better yields.

- All crops will have price floors and ceilings, keeping in mind international subsidies and the prices of domestic agriculture inputs and outputs. These floors and ceilings will be announced well ahead of the cropping season and maintained by the government through market interventions.
- Provincial agricultural departments will be strengthened.
- Cropping patterns will be reviewed in the country to preserve water.
- We will introduce wide-ranging crop insurance schemes.

### **Value Added Agriculture**

- Focus will be on value added agriculture like fruits, vegetables, flowers, dairy and livestock. Value added agriculture is more perishable so cold chains will be built from farms to markets and to airports.

### **Agricultural Exports**

- Exports of agricultural product are hampered by lack of modern storage facilities where products could have consistent quality, conform to international standards, is duly certified and has desired traceability. Common facilities will be provided for fumigation, testing, certifications, etc. Export linkages will be established with international and local buyers.
- High value crops will be promoted for export.

### **Agricultural Credit**

- Agricultural credit will be available to the farmers to be used for tube wells, seeds, fertilizers, tractors and agricultural implements. The existing banking network will be used for this purpose and a significant portion of

the total credit available in the country will be allocated for the agricultural sector.

### **Micro Agriculture Credit**

- A new institution along the lines of Grameen Bank of Bangladesh, will be established. This bank would loan money only to the poorest people who are landless and asset less.

### **Agricultural Research**

- Research institutions will be developed in the agriculture sector for crops, fruits, vegetables, dairy and livestock, through public private partnerships where state-of-the-art research will be pursued. Focus will be to develop virus free, higher yield varieties of seeds. Special research fund will be created through the levy of research cess on crops.

### **Foreign Direct Investment in Agriculture**

- Agricultural sector will be opened up for foreign direct investment. This would mean that activities such as land development, reclamation of barren, desert and hilly lands, crops farming, integrated agricultural (cultivation and processing of crops), modernization and development of irrigation facilities, water management, horticulture and forestry will be opened up for foreign direct investment. The condition that only corporations, public or private, be allowed to engage in this activity will apply. The ceiling on land holding will not apply to such corporations. However, the income will be taxable at corporate tax rates. Agriculture land will only be available on long term lease basis for foreign investors.

## **Support for Small Farmers**

- Support to the small farmers is essential, both financially and technologically. This will be done through public private partnerships providing agricultural services like:
  - Seeds, fertilizers and pesticides retailing, storage and transportation
  - Rental services like rental tractors, rental bulldozers
  - Consultancy services for modern agricultural techniques

## **Adulteration of Fertilizers, Pesticides and Seeds**

- At present no special law exists to check the rampant production of low standard fertilizers, pesticides and seeds and their adulteration. Legislation will be enacted to check these malpractices and severely punish the producers, importers, wholesalers and retailers. Seed companies will be encouraged to produce and certify seeds based on international standards.

## **State Land for Landless Farmers**

- All state land in the rural areas will be given to landless farmers of Pakistan.

## **Services**

### **Software Exports**

- Software Technology Parks will be established in major cities of Pakistan.
- The Banks will be encouraged to allocate credit for Software Industry. Also, Venture Capital Vehicles will be encouraged for development of software. Credit



allocation will be made to Venture Capital Industry for disbursing to software companies.

- Export Refinance Scheme will be extended to software development and export.
- All public sector organizations will be asked to get their software developed from Pakistani Software Houses.

## **Insurance Sector**

- Steps will be taken to unleash the huge untapped potential of insurance sector in Pakistan and lead to its growth. The areas which will be focused upon will be Group Insurance, Takaful Insurance, Micro-Insurance, Re- Insurance, and Health Insurance. The public sector insurance corporations will be revamped.

## **Natural Resources**

- The huge potential of oil and gas in the Indus basin and other minerals in Baluchistan, KP and Sindh will be exploited while adequately protecting Pakistan's interest.

## **Trade**

### **Export-Led Growth**

- Pakistan's saving rate is not high enough to enable the high growth required to eradicate poverty and compete with our neighbours who have higher growth rates. External assistance is also not sufficient. The only way to achieve high growth is through an export-led growth strategy and encouraging foreign direct investment. This policy will be pursued by us.

### **Tariff Rationalization**

- Applied tariff on imports has a direct linkage with the strategy of export led growth as competitiveness of our

exports is diminished when the incidence of duties and levies are not neutralized on exports. High tariffs on imported inputs also impact the selling prices of domestically produced products. Tariffs will be reformed with the point of view of eliminating the anti-export bias.

## **Pakistan's Embassies**

- Pakistan's envoys and Commercial Officers abroad can play a vital role in promoting our exports and attracting investments. This potential is underutilized and we are fully committed to correcting this.

## **Export Finance**

- Easy availability of export finance at competitive rates of interest is considered a major tool for achieving growth of exports. It will be encouraged.

## **Export-Import Bank**

- An Export-Import Bank (EXIM) will be set up to deal exclusively with finances related to export of capital goods and other manufactured items, consultancy and technological services involving deferred payment terms. This bank, like similar banks in other countries will offer wide range of services including:
  - Pre and post shipment export financing.
  - Investment financing for export oriented industries.
  - Investment financing for joint ventures abroad.
  - Financing for export marketing and development activities.
  - Offering loans to importers and financial institutions.
  - Bulk import finances to finance bulk import of export inputs.

- It will be a public — private partnership. All Pakistani Banks will be encouraged to participate. Multilateral Institutions and International Institutions will also be encouraged to become partners.

### **Exports to be Sales Tax Free**

- All exports will be sales tax free in major export sectors.

### **Trade Corridor**

- Regional connectivity will be enhanced through trade links and through energy and transport corridors with China, Central Asian Republics, Afghanistan, Iran and India.

### **Export Diversification**

- In order to diversify exports, further areas in Industrial, Agricultural and Service sectors will be identified where Pakistan may have or create comparative advantage internationally.

### **Role of Multi-National Corporations (MNCs) in Exports**

- MNCs in Pakistan will be encouraged to expand their production facilities, not only to cater to the Pakistani market but also the Central Asian, South Asian and Middle Eastern markets. High quality facilitation and service will be extended to MNCs so that they become Investment Ambassadors of Pakistan. Any specific incentive given will be linked to flow of foreign capital to Pakistan by these MNCs.

### **Forward Exchange Cover**

- SBP will provide option to the exporters to avail the forward exchange cover at market rates.

## **Research and Development Support**

- Research and Development support will be given to the value added export sector to make them competitive internationally.

## **Equity Fund**

- An equity fund will be established through pooling the resources of private and public sector organizations, to encourage Pakistani companies to cater to niche markets through acquisition of overseas brands and/or brand holding companies. The fund will also be used for setting up of sanitary & phyto-sanitary facilities and testing laboratories to tap the potential for export of agriculture products.

## **E-Marketing**

- It is important to have presence on the web and to directly sell through the internet in the current business environment. SMEs are unable to use latest tools of IT for lack of knowledge and high costs. We will establish online presence (web portal of exporters) and undertake Internet Marketing.

## **Free and Preferential Trading Arrangements – Trade not Aid**

- Over the past few years a proliferation of Preferential Trading Arrangements have been witnessed in the form of Regional Trading Arrangements (RTAs), Bilateral Free Trade Agreements (FTAs) or Unilateral GSP type programmes. Many such arrangements place Pakistani exporters at a disadvantage vis-à-vis our competitors. To counter the fallout we support free or preferential trade agreements.

- Our trading partners will be pursued to provide preferential access to Pakistani exports through lower or no duties. Our focus will be on Trade, not Aid.
- Multilateral trade negotiations under the WTO aim to address the issues of Tariff and Non Tariff barriers in international trade. We will support these talks, which are attempting to establish a rule-based and transparent global trade regime.
- Cross border regional trade will be encouraged.

## **Domestic Commerce**

- A vibrant Domestic Commerce is a pre-requisite for innovation, entrepreneurship, quality assurance and product development. It stimulates private sector led growth and positions countries to effectively tap international markets. Domestic commerce will be encouraged by focusing on areas like competitiveness, protection, subsidies, market regulations, wholesale markets, retail markets, storage and warehousing, transport and real estate.

## **Infrastructure**

### **Bureau of Infrastructure Development**

- To expedite infrastructure development, in addition to the Public Sector Development Program (PSDP), public-private partnership infrastructure building and financing institutions will be developed.
- A Bureau of Infrastructure Development (BID) will be established to coordinate and oversee the program for private sector participation in infrastructure development and develop financing instruments/schemes. BID will be a single contact point to be responsible for development of infrastructure projects, to facilitate implementation of private or

Government sponsored infrastructure projects and to provide mechanism for mobilizing commercial equity and debt financing.

## **Pakistan Infrastructure Fund**

- A Fund will be created by BID for development of viable and strategic infrastructure projects. The proposed investment structure will be:
  - Government owned Financial Institutions: 15% (Commercial Banks, Insurance Companies)
  - Private Sector Financial Institutions: 15% (Commercial Banks, Investment Banks, Insurance Companies, Pension Funds).
  - International Financial Institutions: 25% (World Bank, Asian Development Bank, IFC, CDC, International Insurance Companies, International Banks).
  - Government of Pakistan: 25%
  - Provincial Governments (5% each): 20%
- It would be a two-tier Institution - a management company and a fund company.

## **Infrastructure Bonds**

- Throughout the world in the developed countries, major infrastructure projects have mostly been developed by the Provinces and Local Governments through raising their own funds. This can be done through the issuance of Provincial and Municipal Infrastructure bonds.
- The Federal Government in Pakistan is unable to give guarantees to the Provinces and the Local Governments for the issuance of such bonds due to donors restrictions.
- However, it is possible for the Federal Government to enact laws thereby giving mandates to Provincial and Local Governments enabling them to issue

infrastructure bonds, without the liability being shown on the books of the Federal Government.

- The Provincial and Local Governments will however, have to improve their financial condition, in order for them to be rated by internationally recognized bond rating agencies.
- It would enable the Provinces to raise funds for major provincial highways, bridges, irrigation systems, power generation systems and would enable the Local Governments to develop municipalities and rural areas through constructing ring roads, overhead bridges, underpasses, water supply and sewerage systems.
- Investments by individuals and corporations in Infrastructure Bonds and profits thereof will be exempted from levy of Income Taxes.

## **Funding of Infrastructure Projects**

- Infrastructure Projects will be financed through a mixture of one or more of the following sources:
  - Pakistan Infrastructure Fund
  - Local Financial Institution
  - International infrastructure Funds
  - International Financial Institutions
  - Infrastructure Bonds

## **Special Industrial Zones**

- Special industrial zones will be set up through public-private partnership throughout Pakistan. These zones would have modern infrastructure like water supply, sewerage, self power generation, gas and effluent treatment plants.

## **Mass Transit**

- Mass transit is pivotal to major urban centres. We will take initiatives to provide easily accessible mass transit

to commuters living in urban areas. The existing water ways, particularly rivers, would also be utilized for providing water transportation between different regions of Pakistan. This would ease pressure on road transport and provide for travel alternatives.

- Railways will be upgraded by improving the fixed assets as well as passenger and cargo movable assets.

## **Housing**

- The right to a decent shelter is a fundamental human right. We will ensure that housing is no longer a monopoly of only those with money. We will initiate a programme for provision of low cost housing to those who cannot afford it. Our initiative will be based on coordination of:
  - State land provided free by Government on long term lease.
  - Builders willing to build low cost housing and homeowners paying in instalments.
  - Credit availability for builders and buyers.

## **Land Bank**

- A Land Bank company will be created as a public-private partnership to which all state owned urban land will be transferred. It will be leased for industrial, commercial and residential projects to private and public sectors companies or a combination thereof. Implementation of projects and adherence to lease conditions would be directly monitored by this company too.



# **Energy**

## **Optimum Energy Mix**

- What is required in Pakistan is to have an optimum energy mix based on maximisation of indigenous coal and hydel power generation. Priority will also be placed on renewable energy sources like wind and solar energy, particularly in remote and rural areas. The country's current energy mix is: Oil, 31 per cent; Natural Gas, 51 per cent; Coal, 5 per cent; Hydel Power, 12 per cent; and Nuclear Power, 0.7 per cent. We will strive for: Oil, 20 per cent; Natural Gas, 40 per cent; Coal, 15 per cent; Hydel 20 per cent; Nuclear Power, 4 per cent; and Renewable Sources, 1 per cent.

## **Hydel**

- Pakistan has an estimated hydel potential of close to 50,000 MW. Only a little over 6,000 MW has been installed. Pakistan should have built a big dam every decade. Mangla was built in the 1960s and Tarbela in the 70s. Unfortunately, in the last three decades not a single big dam has come into existence. One large dam is required just to overcome the losses due to silting in the existing dams. More dams are required to increase the hydel and irrigation potential. This will be our priority.
- Almost 8,000 MW will be generated through small/medium hydroelectric units on rivers and canals.
- Existing hydel generating capacity will be enhanced at Tarbela.
- Hydel power generation will be the responsibility of the public sector and not the private sector.

## **Coal**

- The popular belief is that Thar coal is of inferior quality. But technology exists in the world today where such coal can, not only produce energy but also in the process, natural gas. At the same time, the brackish water in the Thar area can be converted into potable water during the process. Up to 15,000 MW can eventually be generated from Thar coal. This project will be actively pursued.

## **LNG**

- Introducing LNG in Pakistan will be actively pursued. Without such supplies we are clearly heading for gas load-shedding, which will be worse than the load-shedding the country is facing now.

## **Trans-National Pipelines**

- Trans-national pipelines from Iran, Turkmenistan and Qatar will be emphasized.

## **Nuclear Energy**

- Pakistan has developed good capability of nuclear energy, both for peaceful and strategic purposes. We must explore ways and means of increasing the share of nuclear energy from 0.7 per cent to 4 per cent per year. We stand for non-discrimination in access to nuclear energy for peaceful purposes.

## **Co-generation**

- Every sugar mill in Pakistan is capable of producing energy based on a process called co-generation. Co-generation uses technology where bagasse, a by-product of sugar manufacturing, and coal can be used to generate energy. As a modest estimate, 2500 MW

can be added to the system through this source. Co-generation will be supported by us.

## **IPP Policy**

- The current IPP policy leaves the entrepreneur at the mercy of NEPRA for tariff determination. IPP proposals will be solicited on fixed tariff basis.
- Optimal capacity utilisation from existing IPPs will be ensured. The IPPs set up in the mid-90`s are beyond the front loading periods of their tariffs. Also, the more the power purchased from them, the lower is the tariff.

## **Public Sector Power Producers**

- A flawed policy of the last two decades was successive governments disallowing WAPDA to upgrade its existing generation infrastructure or set up new power plants, while waiting for it to be privatized. This, coupled with an inadequate IPP policy and lack of political will to start large hydroelectric projects, has landed us in the current state of affairs.
- WAPDA's existing thermal generation capacity will be enhanced by upgrading equipment.

## **RPPs**

- Rental power generation is only a stop-gap measure and will be used as such and not as replacement for long term power generation requirements.

## **Water**

- "Water shortages", scholars say, "present the greatest future threat to the viability of Pakistan as a state and society". Pakistan is already one of the most water stressed countries in the world, a situation which is going to deteriorate into an acute water shortage.

## **Climate Change**

- Climate change is affecting the western Himalayas more seriously than the other mountain systems of the world. In the next few decades, the river flows will increase which is going to exaggerate flooding. After the glaciers have melted there are likely to be serious decreases in the river flows, which may not be adequately compensated through rain water. The Intergovernmental Panel on Climate Change (IPCC), a UN body regarded as the world's top authority on climate change, has warned Himalayan glaciers could disappear by 2035. The historic floods that devastated Pakistan could be a sign of the future as climate change brings greater extremes of weather to the region.

## **Building More Dams**

- All storages can control floods, bigger the storage greater the flood control potential. A dam stores surplus water and distributes it through its power or irrigation tunnels or through the canals of its reservoirs through the year. Contrary to what the barrages do, dams do not reduce the flow of the rivers but add to it. Mangla dam replaced the water of rivers Ravi, Sutlej and Beas that we lost to India. Tarbela Dam increased the canal flows by 25%. In an average year 30 MAF of monsoon water flows un-tapped down the Indus. In 2010, the year of un-precedented floods, the flows were considerably more. Flow pattern of Pakistan's rivers is variable. They carry high discharges in summer and proportionately low discharges in winter.
- Creation of more water storages is absolutely necessary for Pakistan, not only for firming-up of water supplies for existing projects and to meet the additional allocations under the 1991 Water Accord, but also to

mitigate the expected floods and handle the droughts in the future due to climate changes.

- Lack of transparency and trust has made the discussion of large dams a very difficult subject in Pakistan. Unfortunately, dams which can take Pakistan out of the power, water and economic crisis, have become a victim of parochial politics. In order to build confidence amongst provinces there needs to be a totally transparent and verifiable implementation of the 1991 water accord. This accord, of which all provinces are a signatory, states: “All provinces agree to the necessity of more dams on all the rivers including the Indus”. We believe in building dams and water reservoirs based on need, but through consultation and consensus.

### **Small and Medium Storage Sites**

- There are also hundreds of small and medium storage sites in all the four provinces which will be pursued.

### **Water Infrastructure**

- There is also enormous backlog of maintenance work required to be done on our water infrastructure which will be pursued.

### **Dangers to Western Rivers from India**

- After the arbitration decision on Baghliar Dam in India, Pakistan is left without the mechanism for protection against manipulation of flows in the western rivers by India. In due course India will have the capacity of impacting in a major manner the dimension of flows into Pakistan and will have the ability to damage Pakistan’s resources. Pakistan’s water issues with India are about as important as resolution of the Kashmir problem. The two in fact are interlinked. Therefore the resolution of

the water issue will be part and parcel of any future relationship thaw between India and Pakistan.

## **Ground Water Recharging**

- Ground water, which accounts for almost half of all our irrigation requirements, is now over-exploited in many areas and its quality is deteriorating. We will develop policies and approaches for bringing water withdrawal into balance with recharge.

## **Water and Sanitation**

- Large investments are also required for the people who do not have water and sanitation services in Pakistan's cities and villages. Pakistan also needs to invest in municipal and industrial waste water. This will be a priority area for us.

## **Health**

- The existing picture of the health system in Pakistan is very poor when compared to other countries. The rate of population growth has adverse effects on the health of common people and quality of living conditions. Mortality rates are still distressing. Unfortunately, the major cause of death in children and women are those that are preventable. Therefore, there is a need of evolving a health policy to let people of Pakistan live a healthy life.

## **Basic Health Units**

- All the existing basic health units will be strengthened and maintained as the primary health care facility to provide basic health needs through a National Health Insurance Program which will be a public-private partnership institution.

- The government will pay the insurance premium to The National Health Insurance Program from health budget, which will eliminate the corruption and misuse of these health care units by the local authorities and mafias.

## **Referral System**

- A referral system will be formulated under which the needy people will be referred to Rural Health Centres, Tehsil Headquarter Hospitals, District Headquarter Hospitals and Tertiary Hospitals.

## **Rights of People and Practitioners**

- Legislation will be enacted to provide rights to people to get safe treatment and professionals the protection from blackmailing by false allegations.

## **Health Education**

- Health education, which includes medical education, nursing education and para medical education, needs overhauling. Our present health education system is not recognized in other countries. All medical colleges, either public or private, will be given incentives to improve their teaching and training programs so that our degrees and training is recognized internationally.

## **Health Professionals' Compensation**

- The service structure of doctors, nurses and paramedical staff will be revised and brought at par with international standard.

## **Quackery**

- Quackery will be completely banned. Alternative medicines, which are recognized by WHO and other international standards, will be given legal status

provided the practitioners work according to guidelines recognized by the governing body.

## **Cost of Medicines**

- The cost of medicine is too high as compared to regional markets. Steps will be taken to reduce the cost without compromising the standard.

## **Private Sector**

- Private sector, both local and foreign, will be encouraged to build hospitals and colleges. Special commission will be formed to regulate the standard of the private clinics and hospitals so that they may provide medical facilities that are safe and evidence based.

## **Fake Drugs**

- Tough legislation against production and sale of fake drugs will be enacted.

## **Education**

### **A Common Curriculum for All**

- A task force will be set up to change the National Curriculum and make a standard curriculum for the whole nation which will be skill based and will focus on the economic needs of the country. It will include vocational education and training to meet the needs of pupils interested in following technical careers. Key professionals from the public and private sector will be involved.

### **Rote Learning to be Abolished**

- Rote learning leads to purposeless education. It will be abolished by re-vamping of present examination



system. Question papers will be based on the testing of skills and problem solving through evaluative and analytical questions that support critical thinking.

## **Integrity of the Examination System**

- Integrity of the examination system will be safe-guarded by including educationalists from the public/ private sector in Pakistan and abroad initially until enough human resource is trained locally. The system will be duly accredited by a foreign examination board.

## **Schooling in Shifts**

- Morning/ evening sessions in schools will be introduced with immediate effect so that maximum number of students can be taught.

## **Development of Distance Learning**

- Developing distance learning could greatly reduce the costs of transport, property and other facilities with the teacher sitting at a different location than the student. This would require a change and greater familiarity with the use of technology in classrooms.

## **Teacher Training to be Given Top Priority**

- Teacher training and competency training will be given top priority as we believe that good teachers will produce good students. The training of teachers in distance and technology based learning will be started immediately.

## **Set up A Credible Strongly Structured Evaluation System**

- We would set up credible school evaluation system like OFSTED (Office for Standards in Education, UK) that would be required to provide independent advice on

matters of policy to the government and to publish an annual report on the quality of education provision in Pakistan. This evaluation body will carry out regular inspections of each school, public or private, resulting in an evaluation of the effectiveness of the school. Recommendations will be given for improvement in teaching, learning and management of schools. The evaluation will be carried out by well known and credible professionals of the public/ private sector and representatives of the parents.

### **Mass Literacy**

- We will encourage setting up of public libraries equipped with the modern research and reference tools, including internet facilities.

### **Vocational and Technical Education**

- Vocational and technical education would be encouraged so that education is linked to enhancement of skills.

### **Madrassah Education**

- The sector of Madrassah Education is highly neglected and the PML would seek to provide all facilities and financial support for modernization of Madrassahs, especially in curriculum. The Madrassah student will thus be able to benefit both from religious education as well as the education provided by other schools.

### **Higher Education**

- The Higher Education Commission would be ensured autonomy and encouraged to improve quality of universities by enhancing its budget.

## **Private Sector**

- Private sector will be given incentives to invest in all levels of education, vocational training and teachers training under a regulatory authority.

## **Budgetary Allocation**

- An allocation of 8% GDP to education will be our ultimate target.

## **Civic Education**

- Civic education will be encouraged in order to teach citizen responsibility and religious tolerance. This is essential for improving state-society relations in Pakistan.

## **Labour**

- The rights of labour and peasants shall be protected and the PML will develop a skilled labour force to meet the challenges of a vast growing economy. The minimum wages of labour, both rural and urban, will be periodically fixed to counter inflation to provide a reasonable standard of living.
- To improve working relations among the employers and employees and to increase productivity, labour laws will be revised.

## **Contract Labour System will be Encouraged**

- In order to improve the productivity and efficiency in the country, the contract labour system will be encouraged to improve our work force and to be competitive in the world markets.

## **Right to Replace Unwilling Workers**

- The right to replace unwilling workers by willing workers will be exercised under the provisions of relevant Law for violence, indiscipline and loss of productivity.

## **Consolidation of Labour Laws**

- Difficulties are being faced by the employers in the country due to numerous laws covering labour matters. The existing labour laws will be reduced to a few essential laws covering terms and working conditions of employment, wages and other benefits, safety and labour welfare.

## **Outsiders and Trade Union Activity**

- Outside trade union activity under ILO Agreement should be trade based and not factory based.

## **Youth**

- Pakistan is one of the youngest nations of the world in terms of the median age of its population. The presence of such a young population is an opportunity for the whole nation and as well as a big challenge if not handled correctly.
- Youth employment will be our priority.
- We will bring the fruits of the IT revolution to smaller cities and towns of Pakistan.
- The PML will ensure that the rights of the children and bonded labour are protected. Legislation will be swiftly undertaken against child abuse and exploitation, as well as for their protection from prison sentences.

## **Women**

- Women's rights and emancipation will be ensured and protected. The PML strongly believes that no

meaningful national development can be achieved without the full participation of women in nation building.

- Fundamental human rights, equal opportunities, gender balance and dignity of women would be guaranteed.
- The PML will ensure an end of such unjust and unacceptable practices like Wannu, Swara, Karokari, honour killings, marriage with Quran, domestic violence and sexual harassment. We will ensure that women are not deprived of their due property rights.
- Representation of women at all levels of government, private sector and parliament will be ensured.

## **Minorities**

- The PML considers religious minorities of the country as equal citizens of the Pakistani state having the same rights as Muslims. The minorities will have full freedom of worship and the right to employment in all sectors of the Pakistani state. Their religious holidays will be commemorated nationally with the help of the State.
- The PML will ensure that special needs and rights of senior citizens and disabled are upheld. The quota of the disabled in government employment will be enhanced. Wheelchair access and special toilets for the disabled will be made compulsory in construction of all future buildings. They will also be given equal opportunity for studying at all the educational institutions including those for higher education, both at home and abroad. Special concessions will be provided and counters placed at public places for senior citizens.

## **Culture and Arts**

- We believe that flourishing of arts and culture is vital to development of any society and will take strong steps to promote diverse cultures and languages of Pakistan including steps for protection of cultural heritage. We

also feel that “soft power” like arts, culture, media, sports and academia, can be very important for improving the image of Pakistan.

## **Environment**

- For the environment, we are committed to a greener and cleaner Pakistan through ecologically sustainable development.
- We will ensure a balance between development and environment.

The people of Pakistan owe a debt of gratitude to the Quaid-i-Azam Muhammad Ali Jinnah and the Shaheeds and Ghazis who heroically struggled to bring freedom to this land. The creation of Pakistan through a democratic process and a mass political struggle was nothing short of a miracle.

Despite the crises of the last 63 years, the people of Pakistan have demonstrated tremendous resilience and the ability to bounce back. The Pakistan Muslim League resolves to restore the people’s faith in national institutions and combat the evils of sectarianism and parochialism, which along with the scourge of extremism and terrorism, are today the biggest threats to Pakistan.

As the Party that successfully led the struggle for freedom, the Pakistan Muslim League will, Insha-Allah, succeed in building a better and stronger Pakistan with the support of the people.

# Humayun Akhtar Khan

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