

The Business

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Food inflation

According to Pakistan Bureau of Statistics (PBS) sensitive price index (SPI) till January 14, 2021, covering 17 urban centres and 51 essential items, a decline of 0.22 percent over the week ending January 7, 2021, with a fall in price of eggs (15.62pc), tomato (11.18pc), potato (4.99pc), onion (4.06pc) and chicken (2.79pc). In terms of non-food components of the SPI prices declined for electricity in the first quarter by 0.49 pc, LPG by 0.28pc with a joint impact of negative 0.74pc and price of petrol and diesel remained unchanged. This no longer holds for non-food items in the week ending January 21, 2021, for which data has not yet been released by the PBS; however, the government took two decisions during the week that would indicate that their prices have risen. First, on January 15, 2021, the government approved a raise in petrol price by 3.22 rupees per litre (a little over one-third of what was recommended by Oil and Gas Regulatory Authority), kerosene by 3 rupees per litre, light diesel oil by 4.42 rupees per litre and high speed diesel by 2.95 rupee per litre.

The government argues that it has not only minimized the rate rise, being a fraction of what was recommended by the regulator, but attributes it mainly to fuel adjustment charges or pass-through of the raise in the international prices of oil and products; however, this rationale does not take account of the heavy reliance of the government on petroleum levy as a revenue source (approximately 8 percent of total Federal Board of Revenue taxes collections) and the application of the sales tax of 17 percent on these products. Secondly, the government decided to raise base tariff of distribution companies by 1.95 rupees per unit across-the-board. The government had to approve the hike in tariff given that this is a critical condition of the International Monetary Fund (IMF) without which a staff level agreement on the second mandatory review would not be possible – an agreement that would in turn allow for the disbursement of the second tranche of the 6 billion dollar Extended Fund Facility programme.

The rupee value continues to fluctuate. Pakistan has adopted a market based rather market-determined exchange rate which allows for State Bank of Pakistan's intervention, however in recent months, the rupee value has been stable at around 160 though on January 9 the buying rate was 159.50 and the selling rate 160.20 while on January 19 the buying rate was 160.90 on the open market. To check inflation in the short term may entail imports and perhaps subsidies but also some measures to encourage the farm sector to prefer producing one crop over another. The Pakistan government should consider dealing with the myriad issues facing farmers in general, particularly the large number of poor farmers.

Biden: A transition Presi-

MUHAMMAD USMAN

Donald Trump left the US in turmoil after 4 chaotic years in office. New dawn is expected in the US after his departure. Trump would go down in history as the worst President ever. These are a few out of a slew of similarly uncivil, unceremonious, grating and unforgiving sarcastic remarks with which Trump was heaped unreservedly and scathingly at home and abroad when he was leaving White House ignominiously.

He parted with his presidential powers stripped and utterances off line. These sum up what he did with the US internally as a heterogeneous and democratic society and externally as a big global power. These do not only speak volume about what he carried in his purse personally but also the bag, awesomely heavier with problems of diverse character and greater magnitude which USA has to carry. Does Joe Biden have charm, acumen, intellectual capacity and stamina to efface unenviable legacy of Trump and do the salvage work. The answer is not a straight 'yes' when assessed holistically.

This keeps one guessing about what lies ahead for the US when he sees a man with a distinguished Senate career for long 36 years uninterrupted from very beginning in a country of opportunities like the USA and yet failing to make it to the top until twilight of his life despite two attempts in 1988 and 2008. This tends to agitate one to raise his eyebrows about cre-

dentials of the man as a President in testing times. The man is Joe Biden.

Both times, he vainly attempted to win the nomination for Democratic presidential candidate but had to drop out at very initial stages of the race. In 1988, he dropped out of the Democratic primary. In 2008, his presidential campaign never gained pace and eventually, he was content with the Obama ticket for being his deputy and subsequently, for a second term too.

In 2018, he was a reluctant Presidential candidate for Democrats. In an interview, he pinned hope over other floes to step forward but finding no other than Hillary Clinton up the ladder; a loser to Trump in 2016, he had to step in with Obama standing on his back.

In Jan 2017 the then US President, Barack Obama, called him the "best Vice President" America has ever had while conferring upon him the Presidential Medal of Freedom for having devoted his entire professional life to service of the country; a highest award. He also relishes his stints with Obama and has footed his election campaign while tying his accomplishments to those of Obama. This made a winning formula greatly. Biden mostly served behind scenes in the advisory role to Obama and helped him to balance his comparative lack of executive experience.

The inferences from his life marked by personal tragedies/upbringing in blue collar environments are that Biden is low key, empathetic, moderate and conciliatory. Sometimes, these

attributes do not make a proper fit if not accompanied with instinctive understanding of the world. With Congress evenly divided and on a tight edge in the Senate, he would be tested to the limit to restore bipartisan in American politics. Another awful dimension is unyielding Trump who may still command ignorance in US polity. Another aspect of concern for the US may also be that apart from his age, Biden's unwillingness to run for next term as indicated by himself that he may voluntarily serve just a single term while describing himself as a transition candidate. Internally, Biden has a USA, devastated by Coronavirus unremittently. People are exhausted and the economy is in doldrums by the pandemic.

Federal debt is the largest ever since WWII as a share of the economy. Racial discrimination/inequality continues to rear its head. Revitalized white supremacy could rock its foundation.

Bygone days no longer exist. Lethal mix are available to people to muscle their way in civil strife. The fragility of its democracy stands exposed. The climate change is lengthening its shadows unrelentingly.

Despite being an invaluable asset, immigrants are feeling insecure by native greed in the name of economic nationalism. In brief, a nightmare awaits Biden internally. Externally too, he faces daunting tasks. Now China is its main adversary with also Russia on the rise aggressively. With Brexit, Europe is no more the same when he was Vice President and so as the ME. Newly engineered rapprochement between some Arab

States and Israel may backfire. Afghanistan remains uneasy with nothing concrete for peace in offing. International alliances of the US could crumble if damage control is not effected meaningfully soon. The US needs to put in place multilateral rules-based world order, not isolationist one for own good.

Given conditions, these are formidable tasks for the US. At the cost of repetition, notable reasons are a polarized society, divided government, battered economy, changing power dynamics in the world and man-in-charge. Last one is most important because amid testing times, man at helm matters the most. The US has a President who could not make it to top single handed and in his own right time despite his efforts. Probably he was not a player of the big screen thus, was comfortable as second in command under Obama twice in a row. The US needs leadership, not the fellowship.

Owing to his age, aversion and possible inadequacies, he is unlikely to be presidential candidate for next term. This has implications of its own to forge ahead in an epoch of challenges and consolidation of gains, achieved at great expense.

For this end, the US is obligated to remain in transition for quite long. Both dimensions make Biden a transition President nevertheless, it is the US's problem. For countries like Pakistan, this provides time and opportunity to put their own houses in order because a US, free of its own problems, is a problem for others.

— The writer, a retired Lt Col, is a senior columnist based in Islamabad.



PML (N) stands by Sharif's narrative-Maryam

CPEC phase II and bracing optimism

DR TALAT SHABBIR

Fairly rational, the billion-dollar CPEC emerged as an important facet of Pakistan's economy and President Xi Jinping believes it has potential to "create a brighter future for China and Pakistan". CPEC was envisioned by leaders of the two countries as a three-phased venture. According to the Long Term Plan (2017-2030), CPEC was to address "major bottlenecks of Pakistan's economic development" as part of the early harvest projects completing by 2020. Phase II envisaged medium-term objectives focusing on industrial systems impacting people's livelihood by 2025 and by 2030 CPEC would be accomplished with "mechanism for sustainable growth in place". Since its commencement, it has been able to build strong roots for direly needed economic growth and most of Phase I objectives have been achieved with few timelines of various projects yet to be met. Going by the schedule, we are now into Phase II of CPEC.

What can one expect this phase to bring out? There are some upfront hopes pinned to this phase of industrialisation. Foreign direct investment (FDI) resulting into foreign exchange earnings and enhanced exports, technology transfers, skills up-gradation, improved infrastructure, trade facilitation and realising long-awaited employment prospects are some areas that are expected to see transformation. Special economic zones (SEZs) once in place will potentially kick off industrialisation. SEZs would create employment space for male and female workers along with enhancing individual skills and industrial productivity. It's a crucial year for Pakistan as it aims at industrialisation and needs to create synergy and competitive incentives attracting relocation of industries from China as envisaged. It is hoped that the gigantic ML-1 project will touch ground and three of nine SEZs at Rashakai, Dhabheji and Faisalabad would begin to come up as planned. K-P seems to be in the lead as the provincial government has approved an Industrial Policy 2020 aimed at developing Rashakai SEZ

and industrial estates for industrial development in the province. A brief account of efforts by K-P government by Hassan Daud Butt, the CEO of Khyber Pakhtunkhwa Board of Investment and Trade, raises a hope that commerce, investment and trade strategies formalised by the provincial government would create linkages between stakeholders to advance industrialisation. Though the K-P model is debatable, it provides a basic framework that may be taken into account by authorities managing SEZs elsewhere in the country.

There are of course challenges before desired results from industrialisation drive are achieved. There is need to streamline regulatory processes which are arduously extensive. With a host of federal and provincial institutions who deal with SEZs, for instance FBR, Board of Investment, provincial SEZ authorities and district administrations, processes have become longer than usual. The companies wishing to operate these zones have to go through all institutions to complete formalities and cross impediments. The long processes also run contrary to the government's vision and narrative of "ease of doing business". Connectivity, allocation of funds and provision of utilities are other major challenges for provinces to address urgently to make SEZs functional.

While mobilising our efforts towards industrialisation, focus should be on industries which are export oriented while making the best use of local raw materials and labour expertise. Attractive incentives should be given to Chinese investors and business community, likewise, matching attractive incentives should be given to local investors for economic growth. SEZs at Rashakai, Dhabheji and Faisalabad need to be operationalised at the earliest and enabling environments for labour intensive agriculture and textile industries from China to relocate should be created. If we are able to do so for existing and potential stakeholders, smoothen the long pipeline processes, build institutions for swift fixes and own CPEC as our own project, the future of CPEC will be very bright.

How gift of the gab backfires

PARVEZ JAMIL

It is humbly submitted 'to err is human' even with the 'gurus' of brands and brand-makers! In question here is a rampant crisis of communication referring to students, faculty, researchers, professionals and media so erroneously addressed by brand names in communication without naming but sharing very respectfully.



media excellence, lack of communication skills, continues to rip social fabric apart at personal, professional and political levels.

Lack of concentration span and lack of communication skills are two glaring question marks. First question, "gurus, experts, specialists" backfire despite all the wisdom linked to their branded names or titles. For example, communication experts cut a 'sorry figure' when they present marathon, complicated and distracting courses in communication skills.

It is a test of their devising and conducting courses catering to low concentration span of students, teachers, researchers, media and professionals; for instance, reduc-

ing four long and boring pages of a course into a couple of clear, comprehensive and convincing paragraphs of a course outline. Secondly, with all the worldly and branded dignity and honour associated with our communication maestros and mistresses, they are expected to deviate from the set and stereotype methods in communication skills to innovate and present the same with convincing and overwhelming traits and habits in positive thinking so that future professionals and politicians become accustomed to and acclimatized with learning to co-exist cheerfully with conflicting viewpoints.

Meanwhile, few simple lines to share on the critical corona situation in view of the rampant race in the booming bazaar of bewildering

communication. Such corona information explosion dangerously complicates and confuses about the core issue due to very and very long: marathon and endless vicious circle amid vociferous alarms of sheer helplessness. Let's hope our worthy statesmanship, leaders, professionals and communication experts talk on one wavelength and simplify messages according to public psychology, mindsets and concentration span. Tough ask in innovation and insight from none but our illustrious and branded gurus of communication.

The writer is a senior faculty in media management and corporate communication, contributes to media on national and international affairs.

Biden's world

RAFIA ZAKARIA

ON Jan 20, 2021, an elderly man sat down at a desk in the Oval Office in Washington, D.C. With a stroke of his pen, America's new (but old) president did away with what was effectively a 'Muslim ban'. With the signing of the executive order titled 'Proclamation on Ending Discriminatory Bans on Entry to the United States', citizens from countries like Iran and Yemen could now travel to the United States if they possessed valid visas.

The stupidity of the ban as an alleged effort to keep Muslim terrorists from showing up in the United States to harm Americans was always obvious, and now with the end of the ban it was especially so. Weeks earlier, decidedly home-grown American terrorists had stormed the United States Capitol. The era of Muslim bans thus was, once and for all, over.

The end of the Muslim ban does not mean the opening of America. Even as this ban was lifted, a new kind of ban, one that had been unthinkable a few years ago, was intro-

duced. People from South Africa who were not US citizens were banned altogether. New restrictions (which were in place until the Trump administration suddenly removed them in its last days) on travellers from the UK, Brazil and various other countries were re-implemented. The content of these restrictions all suggested the shape of immigration restrictions to come; countries with inadequate vaccinations or safeguards against Covid-19, and countries with virulent variants that may or may not be stopped by the current vaccines, are all likely to face bans in the future. Even as vaccines become widely available, their quality and the extent of the spread of the virus in the home country are likely to become huge hurdles to travelling in a way that they never were before.

In another early move, the Biden administration sent out a sweeping new immigration bill to Congress. The priorities in this immigration bill reveal the same hesitation against incentivising labour from abroad. The Trump administration, for instance, did not appreciate the large number of H-1Bs that certain tech companies

were importing. To counter this, the Trump administration installed various procedural obstacles, banning the issuance at one time and then reinstating it at another. The thorny question of whether workers from abroad could take jobs that middle-class Americans should have remains just as problematic as it was for the Trump administration.

Perhaps because of this, the entire focus of the Biden immigration policy seems to be focused on legalising the 11 million undocumented individuals in the US. As promised, the Biden administration will provide amnesty and a pathway to citizenship to all of them and also provide some permanent solution to those who were brought illegally into the US as children. The restrictions that the Trump administration placed on asylum claims at the border and the detention of children separated from their parents are

no longer the law. Biden's America is not going to be one that once again throws open visas so that the world's best and brightest can easily immigrate and eventually get citizenship.

The two huge challenges facing the US currently are the pandemic and the economic downturn it has brought in its wake. The travel restrictions based on where the virus is and what it is doing are one way to thwart new pandemic challenges and retain some control over the health challenges posed by unrestricted borders. Similarly, the jobs crisis means that it will be difficult to justify jobs and immigrant visas for foreigners. With the amnesty for the undocumented producing millions of new American citizens, the waiting time for immigrant visas will increase, likely punishing those who chose to file the legal way rather than simply get to America and then overstay

their visas. The Biden administration has rejoined the World Health Organisation and the Paris Climate Agreement. These and the moves to legalise the undocumented and to end the travel bans are all examples that aim to reintroduce the US to the liberal global order. However, a closer look at the other policies introduced by the Biden administration, from new travel bans to untouched restrictions on visas for foreign workers, all reveal an America that may never be as open to the best and the brightest from around the world than it was.

The end of the Muslim ban is undoubtedly welcome news, as is the end to the Islamophobic tenor of Donald Trump's America. At the same time, Joe Biden's America may not be as different in effect as it is in ideology. The changed circumstances of the world, notably a pandemic that has shrunk the world, means that there is no normal, no past that can be restored. The boundaries and limits of this new world are, it seems, even more stringent than they were before. With the virtual world providing cheap and easy access to other people without provok-

ing disease or the use of resources, it is likely that much intellectual labour will be done via this medium. This means a markedly different world with far fewer opportunities to migrate based on one's intelligence and skills. Pakistan needs to prepare for this world where ideas move virtually and people stay put. With Covid-based travel restrictions here to stay, even as terrorism-related restrictions such as the Muslim ban in the US fade, the country will no longer be able to remain a remittances-based economy. To offset this change, heralded by new travel policies in the Gulf as well as the US, Pakistan needs to develop capacities or remote work such that the engineers and computer scientists that were once exported to Gulf countries and the Western world at large can work remotely without the hassle of restrictions and visas.

The world is at the cusp of transformative change, the pre-Covid world is forever gone and whoever adapts the fastest is likely to benefit the most from the new order that will take its place.