

The Business

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Rising poverty level

The hallmark of smooth government functioning, appears to be increasingly under strain as the government struggles to deal with multiple issues and multifarious structural issues, particularly those relating to the power sector and the Federal Board of Revenue (FBR). Minister of Finance Shaukat Tarin's insistence that growth is the way forward, an objective based on the premise that economic growth would imply increasing the quality and quantity of factors of production notably land, labour, capital and entrepreneurship, is sadly not quite applicable in Pakistan. There is the sustained failure of successive administrations to check the money laundering rampant in certain sectors like real estate. Moreover, labour remains largely unskilled due to lack of affordable training institutes, the cost of capital (discount rate) has been particularly high during the present government and even today, 7.25 percent is the highest in the region, and entrepreneurship is largely family-based with corporations struggling to cope with taxation measures that remain focused on increasing government revenue rather than on promoting productivity. It was perhaps in this perspective that an international donor agency report concluded that as and when Pakistan's growth rate increases so does the current account deficit and when the growth rate exceeds 3.75 percent the external account comes under extreme pressure leading to severely contractionary policies designed to contain imports.

The higher growth rate was not only backed by a rise in export orders made possible by factories producing at capacity but also by higher domestic consumption. Tarin's intent to raise productivity through expanding the existing capacity is an objective that is perhaps not as short-term as he expected. To make matters even more of a challenge, Tarin is up against other ministries that are not only challenging his decisions but are not implementing the reforms that the government pledged with the international donor agencies. The power sector continues to resist attempts to undertake structural reforms and instead is supportive of passing on its own poor performance (reflected by the growth of the circular debt from 1.2 trillion rupees in 2018 to over 2.5 trillion rupees today) onto the hapless consumers as was the case during previous administrations.

Panic appears to have set in as reflected by ministers blaming each other for their own performance, or lack thereof, and this together with rising inflation is further exacerbating the prevailing economic situation. The first line of defence for the government must be to curtail the rise in current expenditure evident during three years of its ongoing tenure, a major component of the higher outlay which, in turn, is the cause for an unprecedented rise in domestic and foreign borrowing as well as inflation. Structural reforms especially in the power sector as well as in FBR must begin and therein would lie some breathing space for the administration.

Pakistan Armed Forces: A symbol of valour, courage and sacrifice

MARIA KHALID

There exist certain commonalities that foster the identity of a nation, and the resultant national unity. The citizens of a nation, united by this bond, owe a debt to the country that provides them a homeland, identity and most importantly, a sense of security and respect among the comity of nations. September 6, the day that has been marked as the Defence and Martyrs Day of Pakistan, is commemorated not only as a testament to India's futile attempt to invade Pakistan in 1965 but being rendered useless in her effort by the gallant men of Pakistan Armed Forces; besides defending the country in 1948, 1971, 1999 wars and the War on Terror.

As we are living in the third decade of 21st Century, geo-economics rather than geopolitics, has taken the center stage; although wars still rage in the current age, the major battlefield is economic rather than military. Pakistan is cognizant of this fact and has undergone a transformation to shift its policies from geopolitics to geo-economics. The country is steadily working towards enhancing trade and economic relations with its partners. Peace, development partnerships and connectivity constitute the essential pillars of our new economic security paradigm wherein, besides other projects, China-Pakistan Economic Corridor forms a major part of our economic transformation plan.

Recently, COAS, General Qamar Javed Bajwa, at Islamabad Security Dialogue said, "Today we are a nation

with tremendous geo-economic potential. In order to carve a promising future for our people, it is important for us to embark upon a solid economic roadmap backed up by infrastructural developments and regional integration. Our choices with respect to the same have been clear and explicit."

In the same vein, after having overcome terrorism, Pakistan is working to

from Afghanistan, Pakistan has secured its borders in a timely manner through building fences, new posts and formally designated crossing points which immensely helped control mobility and movement of unwanted elements.

Our policy has always been to work hard towards the attainment of peace and stability but remaining prepared in case of a war. However, in this age

Therefore, it is imperative to always remain prepared to meet the threats from whichever direction and shape they may arise. As COAS reiterated, while addressing the Defence and Martyrs Day Ceremony, held at GHQ, "If any enemy wants to fight us, it will find us ready at every moment and on every front."

Pakistan has stood strong against its adversaries and has passed through numerous tests and wars in its 74 years of independence, a feat that has led many men to martyrdom in order to protect their motherland and its sovereignty. Its land, cities and towns have shared the burden of these wars and the two-decades-long war – the War on Terror; they're dotted with the blood and graves of its martyrs that lay buried through the length and breadth of the country. The martyrs – to whom we shall be forever indebted – are revered for their bravery in order to retain the sanctity of Pakistan against all odds.

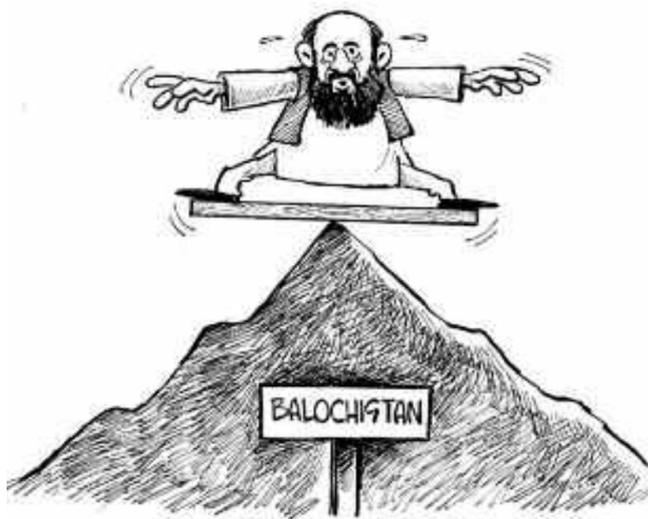
Despite the challenges we have faced, today's Pakistan is strong, progressive and possesses the capacity to shape an even better future. As we celebrate Defence and Martyrs Day this year we must pledge to honor our shuhada (martyrs) and ghazis (warriors) by unanimously working towards the goal of peace, unity, stability and prosperity. As COAS highlighted in his speech, "No power can defeat this nation whose mothers raise their sons to sacrifice their lives for the honour of their country."

The writer is the Editor of Monthly Hilal.

Pakistan Army has contributed towards the cause by rebuilding and launching development drives besides ensuring peace. In this precarious situation where the US has withdrawn from Afghanistan, Pakistan has secured its borders in a timely manner through building fences, new posts and formally designated crossing points which immensely helped control mobility and movement of unwanted elements.

towards the goal of improving economic conditions of underdeveloped areas and has launched programs for their economic revival. Pakistan Army has contributed towards the cause by rebuilding and launching development drives besides ensuring peace. In this precarious situation where the U.S. has withdrawn

and time of technological, economic and political developments, the lines have been blurred between overt conflicts and covert hostile acts that cannot be predicted. We find ourselves face to face with a modern paradox of gray area conflicts that form a major challenge to peace and stability.



Whipping dead horses

RAOOF HASAN

There is much mediocrity enveloping the people in recent times. Faced with a growing paucity of creative indulgences, this penchant has degenerated to assuming the form of whipping dead horses in fond anticipation of reinvigorating the gory times of the past.

With divisions galore within the PML-N, pitting one half of the family against the other, and the PPP virtually reduced to life support, there are a few vociferous bootleggers desperately trying to stripe them to life simply because their resurgence would suit their ill-intended purposes. Through their tenures in the annals of power, the two parties have been inextricably linked with promoting a culture of corruption and nepotism in the country. While the leadership of both parties has always remained a hierarchical matter, their respective governments were notorious for promoting their own ilk and kind in defiance of the bars of ability and suitability, thus riding over the demise of institutions which were all packed with the basest variety of their toadies and sycophants.

Confronted with ever-depleting prospects of their revival, there is a vile attempt to liken every initiative of the government with its failing. At times, it goes much further than that and the state is assaulted for its policies and programmes. The atmosphere is loaded with venom.

Absolutely ludicrous demands are being made in the wake of the Pandora Papers revelations. One former prime minister of the country was heard demanding that all 700 persons named should be convicted simply because Nawaz Sharif was held accountable. There was no attempt to rationalise that the reason he was punished was because he was unable, unwilling, or both, to give the source of his assets and their transmittal to foreign lands to invest in purchase of expensive properties and businesses.

Also forgotten is the fact that the convicted Nawaz Sharif was given close to two long years for furnishing proof of his financial holdings as he kept hiding behind one premise or the other, all of which proved to be incontrovertibly false and fabricated. He did not even spare the floor of parliament to indulge in a harangue of lies. In the end, he bribed his way to submitting a false medical report to escape for treatment abroad, supposedly for life-threatening ailments.

Till today, neither has treatment started nor has he come back. It is a matter of utter shame that a case is being made for a person who is completely denuded of even a shred of character and integrity. Not only is his entire political life rooted in promoting a culture of loot and plunder, he is even guilty of assaulting the state and its institu-

tions. The prime minister has set up a special cell to investigate all those named in the Pandora Papers. With the help of the FIA, NAB and FBR, the cell will submit recommendations for action. Much criticism is also being heaped upon the government's decision to initiate a process of dialogue with the TTP. These inveterate critics fail to understand that there is nothing known as a perpetual war. All wars and conflicts must come to an end. In fact, there is never a need to start a war other than in circumstances where all other means for reconciliation have failed and there is a threat to the security of the state and its people. It was in such conditions when the TTP had launched an attack against the state of Pakistan that an operation was initiated which ended in neutralising the emerging threat.

This resulted in the consequent escape of much of its leadership to Afghanistan where the government of the day, in collusion with RAW, was actively and aggressively engaged in activities to destabilise Pakistan. It is due to lack of support from an inimical government that the fleeing leaders could not be apprehended and remnants of the terrorist entity managed to continue their operations. Now that the circumstances have changed and the survival of the TTP is threatened, Pakistan is in a position of strength to engage the opponent in negotiations to nip the evil.

The TTP has committed indescribably heinous crimes against the people. The sentiments of those parents who lost their innocent children to their barbarity in the past are understandable. Their loss is irreparable and their suffering immeasurable. There are countless others, brave officers and soldiers, who sacrificed their lives for ensuring the security of Pakistan, and those in the civilian echelons who also suffered at the hands of TTP barbarism. But does that mean that the conflict should continue into the future with no end in sight?

Like I said earlier, there is no perpetual war. There is a time to bring violence to an end. That time has come for Pakistan so that it can be taken along the trajectory of economic salvation, strength and sovereignty. Now that there is a government across our Western border which is supportive of our efforts for peace, and which is willing to help out, it may be the right time to engage the deviants of this terrorist organisation in a dialogue to eliminate the danger of any further destabilisation of the country.

It is yet to be seen what the contours of a possible agreement are, but attacking the very effort for forging peace makes no sense at all. Instead, it is symptomatic of an inherent and distasteful antipathy towards whatever the government may initiate for the sake of secur-

Hospitality and tourism in GB

AMIR HUSSAIN

Gilgit-Baltistan (GB) has become the hub of private investment in the hospitality industry with the growth in tourism in recent years.

The thriving tourism is a boon as long as it helps transform the socioeconomic conditions of the poor but a bane if it becomes a profiteering game of the rich to extract local resources for private gains. A vast majority of people associated with local tourism in GB think that the advent of the exotic hospitality industry without a regulatory policy framework is proving disastrous as it tends to dislodge the evolving indigenous entrepreneurial base. The mushroom growth of concrete hotel buildings for short-term economic gains poses a serious threat to the fragile ecology of this region in the long run.

According to a local tourism expert, "tourism as a public good was never promoted by private companies in GB but it was Pakistan International Airlines (PIA) which first introduced affordable hospitality facilities in the 1970s. PIA established the first hotel in GB which was later taken over by the Aga Khan Development Network (AKDN) and was then transformed into the Gilgit Serena Hotel. "The Pakistan Tourism Development Corporation (PTDC) was incorporated on March 30, 1970; it established two hotels – K-2 Motel in Skardu and Chinar Inn in Gilgit – and it was much later that the private tourism companies started to operate in GB. It is, therefore, misleading to attribute tourism promotion to private companies which entered GB with profit-making motives either by taking over public enterprises through political favours or by exploiting the weak regulatory systems to use the existing tourism infrastructure including the hospitality industry. Today private companies are making inroads with unabated greed to make money in the absence of an effective tourism policy framework."

Let me share with readers some basic facts from a discussion with tourism experts in GB which, I hope, will help people understand the severity of threats to the ecology of GB.

A standard room in a five-star hotel consumes 700 liters of water per room per day, and it generates 1.9 kg of solid waste per guest per day on an average. Imagine the overall impact of a hotel with 40 rooms on the local environment and natural resources. The worst part is the proposed master plans of four and five star hotels in the

residential areas of Hunza in particular and GB in general, which will displace local populations or ghettoise them on their own land.

The hospitality industry is now growing like a concrete jungle without any regard to the environmental, social and cultural sensitivities of the area. It is an insidious but lucrative profiteering agenda which will destroy the natural habitat, biodiversity and scenic landscape to fill the bellies of the rich. In some of the touristic destinations like Hunza valley the adverse impact of unplanned construction and usurpation of public assets by the hospitality industry is a case in point. These big businesses in Hunza valley consider local resources like water, fuel wood, cheap labour and peace as positive externalities of their business plan.

A vast majority of farmers, professionals and young educated people in Hunza think that these big hospitality businesses have become a burden on scarce local resources without contributing even a single penny to replenish them. The main towns of Hunza valley face a severe water crisis as most of their traditional community owned water resources are now being diverted to the water intensive hospitality industry. In the absence of a proper solid waste management and sanitation system, the fertile lands and orchards have become exposed to irreversible toxicification. Imagine the severity and magnitude of health hazards, water crisis and overall damage to the local environment when the big chains of five-star hotels start their operations in GB. Some of these multi-storied five-star hotels are already under-construction while others are at the planning stage but none of them have any elaborate plan for water resource development, solid waste management and quality sanitation services.

Commercial intent is intrinsic to all private businesses universally but then it is governed through national laws to protect the interests and wellbeing of the local communities and their resources from extractive commercialisation. There must be even more stringent laws and regulations in case of ecologically fragile geographies like GB because of their significance to national wellbeing. The fragile ecology of GB is already under stress because of the adverse impact of climate change, the rising temperatures and increasing phenomenon of Glacial Lake Outburst Flood (GLOF). The fast-melting glaciers cause heavy flooding in the rivers of GB to destroy the livelihood of the low riparian

communities on the one hand and by posing a threat of consistent droughts with the depletion of the frozen waters on the other.

Some people would argue that this is how capitalism works – with the primary objective to reduce the cost of doing business. But this argument is utterly flawed when it comes to measuring the social and environmental cost of unbridled profiteering. The losers of this money-making scheme are the local people of GB whose scarce natural resources are being usurped for private gains. In the absence of a regulatory policy framework and a weak system of accountability, the industrial exploitation of the natural resources of GB will lead to irreversible losses to its biodiversity and traditional means of livelihood.

The Upper Indus ecology is the backbone of the national economy, food security and sustainable future for our generations because of its hydrological resources. The increased carbon footprints of the unregulated hospitality industry and mining activities will trigger the climate change adversities posing existential threats to the population of the Indus Basin.

There is an intriguing silence on the part of civil society, environmentalists, development activists, geostrategic stakeholders and political parties in Pakistan when it comes to the ongoing extractive industrial practices across Gilgit-Baltistan. However, the fragile ecology of the Upper Indus Basin has attracted regional and global attention to protect the fast-depleting hydrological resources through trans-boundary collaboration of states that share the Basin. The trans-boundary arrangements call for joint research, knowledge exchange, collective action, and an effective policy framework of sustainable development. The irresponsible and unaccountable extractive businesses in the Upper Indus Basin will jeopardise the regional efforts for restoration of ecological resources.

This calls for an inclusive economic development plan with local ownership of resources and collective or community-based management of water resources, mineral sites and commercial land use. It is a myth that big private businesses bring employment and prosperity; they instead transform a huge majority into an irrelevant crowd on their own land for a few hundred jobs. In the case of GB, I can see this happening soon where a vast majority of local people will be relegated to minion jobs and underpaid laborers on their own lands.