Center For Law and Security (CLAS),
Islamabad

# Roundtable Conference:

# Pakistan's Economic Outlook

24 July, 2026

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# About CLAS

The Centre for Law and Security (CLAS) is a non-partisan policy research institution that aims to define the future of national security in Pakistan. We bring fresh ideas and highest quality scholarship to critical international law, foreign policy and national security challenges facing Pakistan. The Centre convene scholars to develop new policy ideas that advance Pakistan's interests in the international community and shape the national debate. The Centre in its work follows a distinct set out values – academic quality, research independence, academic integrity, innovative thinking, and empowerment.

The Centre is an independent interdisciplinary institute dedicated to preserving and promoting country's national security in a challenging 21st century environment. We exist to help policymakers form decisions based on accurate and sound information by providing expert research services and systematic analysis on legal issues that arise in connection with maintenance and development of national security policies and international law questions through a multilateral and multi-dimensional approach.

## Mission

*To preserve and promote country's national security through education, research and discussion for awareness and better legislation*

## Aims

*To guide policymakers and raise public awareness on vital national security issues*

The Centre aims to promote a comprehensive understanding of legal narrative among relevant stakeholders to facilitate the development of a cohesive stance on key issues related to national security. We are dedicated to promoting understanding on legal issues of national interest and creating awareness through our work. We strive for our work to serve as a resource for government officials, defense leaders, judiciary, lawyers, policy makers, media personnel, academics, civil society members, private sector individuals, and interested citizens to better understand the evolving landscape of international law that affects foreign policy and national security choices facing Pakistan, start a conversation and assists in fostering strategic expertise in Pakistan though dialogue, research and contribution to the public debate.

## Work

*To bridge the gap between theory and practice in a challenging and fast-paced environment on national security issues that carry national as well as international implications*

The Center's work focuses on a critical examination of long-standing and emerging issues of national security and international law through a multilateral and multi-dimensional approach to assist policymakers and strategic and defense leadership make informed decisions. Our core activity is the promotion and understanding of law and creating awareness through our publications, workshops, conferences, publications and media productions, and social outreach initiatives. The Centre aims to promote national security as a core area of faculty and graduate research; sponsoring events aimed at encouraging awareness and promotion of legal positions; and engaging productively with local, regional, national, and international organizations through collaborations and publications. We strive to train high qualified students and graduates in legal research and policy development. serves as a point of contact and information for the interested public.

# Synopsis

The Centre for Law and Security (CLAS), in collaboration with The Millennium Universal College (TMUC), organized a roundtable conference titled **"Pakistan's Economic Outlook"** on 24 July 2026. The session was chaired by Ambassador Sardar Masood Khan, President, CLAS, and moderated by Mr. Rehman Azhar, Executive Director, CLAS. The panel featured Dr. Shujaat Farooq, Professor of Economics and Dean (Research) at the Pakistan Institute of Development Economics (PIDE); Dr. Ali Salman, Founder and Chief Executive Officer of the Policy Research Institute of Market Economy (PRIME); Mr. Shahbaz Rana, Economic Correspondent at *The Express Tribune*; Mr. Tasadduq Gilani, an international business leader, executive adviser and professional trainer; Ms. Syeda Maureen Zaidi, Head of Laws at TMUC Pakistan; and Ms. Maryam Abrar, a higher-education professional associated with TMUC Pakistan.

The roundtable assessed Pakistan's economic outlook over the next five to ten years, including the IMF-supported reform programme, the Government's Uraan Pakistan initiative and the economic implications of changing regional and global conditions, particularly the U.S.–Iran conflict. The discussion focused on the reforms required to move from stabilisation towards sustainable, inclusive and investment-led growth. Speakers highlighted declining productivity, low savings and investment, external-financing pressures, high energy costs, limited industrial depth, fragmented policy ownership and weak implementation. They stressed the need for a coherent economic-policy framework, regulatory predictability, stronger institutional coordination and an enabling environment for productive enterprises, particularly small and medium-sized enterprises. Human-capital development, entrepreneurship and digital skills were also identified as essential to long-term economic progress.

The panel examined Pakistan's integration into regional and global value chains, regional trade and transit connectivity, and opportunities arising from the maritime economy and emerging sectors of the "new economy." Particular attention was given to CPEC 2.0, information technology, manufacturing, agricultural modernization and critical minerals, alongside the institutional and professional capacity required to absorb investment and technology effectively.

In his concluding reflections, Ambassador Sardar Masood Khan balanced the panel's economic reality check with positive trends, including social mobility, the expansion of higher education, the generation of human capital, digitization and what he described as a robust private sector. He maintained that dependence on external support could not substitute for domestic economic depth, professional preparation and the capacity to absorb available resources. He identified three broad sources of opportunity: Pakistan's natural and human potential; China; and investment and technology from the United States and Europe. He also emphasized Pakistan's ports and geographical position and called for national confidence grounded in realism.

The roundtable concluded with an interactive question-and-answer session, underscoring the importance of continued policy dialogue on Pakistan's economic challenges and opportunities.

## Chair of the Session

Ambassador Sardar Masood Khan – President, CLAS

## Moderator

Rehman Azhar – Executive Director, CLAS

# Distinguished Guest Speakers

Shahbaz Rana – Economic Correspondent, The Express Tribune

Dr. Ali Salman – Founder and CEO, PRIME

Dr. Shujaat Farooq – Dean Research, PIDE

Syeda Maureen Zaidi – HoD Laws, TMUC

Maryam Abrar – Educationist, TMUC

Tasadduq Gilani – Anchorperson & Executive Adviser

# Concept Note

The concept note for the Round Table Conference titled **“Pakistan’s Economic Outlook,”** held on 24 July 2026, outlined the event’s rationale and intended scope against the backdrop of Pakistan’s cautious economic recovery following a period of macroeconomic stress. It noted that recent stabilization measures had improved key indicators, including inflation, external balances and fiscal discipline, while significant structural challenges persisted in public finance, debt sustainability, energy, productivity and the investment climate. It also highlighted nominal GDP of approximately US$452 billion, real GDP growth of 3.7 percent during FY2025–26 and a growth target of around 4 percent for the following fiscal year. The Government’s Uraan Pakistan initiative was identified as a medium-term framework for economic transformation, with targets relating to growth, exports, private investment and progress towards a US$1 trillion economy by 2035.

The roundtable was conceived to assess Pakistan’s macroeconomic performance, progress under the IMF-supported reform programme and the policy and institutional reforms required to move beyond short-term stabilization towards sustainable, inclusive and investment-led growth. It also sought to examine how changing regional and global conditions, including the economic implications of the US–Iran conflict, could affect energy prices, trade, investor confidence and regional economic stability.

The agenda further covered Pakistan’s integration into regional and global value chains; opportunities to expand regional trade and transit connectivity; the potential of the maritime economy and other emerging sectors of the “new economy”; and the prospective contribution of CPEC 2.0 to investment, industrial development and employment. Priority sectors included information technology, manufacturing, agriculture and agricultural modernization, and critical minerals. By bringing together policymakers, economists, business leaders, academics and development partners, the roundtable aimed to generate practical recommendations for strengthening macroeconomic stability, structural reform, investment, competitiveness and sustainable and inclusive growth.

The Round Table Conference aimed at addressing the following questions:

1. What is the outlook for Pakistan's economy over the next five to ten years, considering current domestic reforms and the evolving regional and global economic environment?

2. Is Pakistan on track to achieve the objectives of the Government of Pakistan's Uraan Pakistan initiative, and what policy measures are required to ensure its successful implementation?

3. How can Pakistan deepen its integration into regional and global value chains, and what opportunities exist to expand regional trade and economic connectivity?

4. How can the Transit of Goods (Amendment) Order, 2026 strengthen Pakistan's role as a regional trade and transit hub by connecting the ports of Gwadar and Karachi with Iran (via Chaman and Taftan) and onward to Central Asia and Türkiye?

5. What opportunities do the maritime economy and other emerging sectors of the "new economy" present for Pakistan's long-term economic growth and competitiveness?

6. What is the expected timeline for CPEC 2.0 to generate tangible economic benefits, and which sectors are likely to see the greatest impact on investment, industrial development, and employment?

# Discussion

The roundtable session was chaired by Ambassador Sardar Masood Khan, President, Centre for Law and Security (CLAS), while contributions were made by Dr. Shujaat Farooq, Professor of Economics and Dean (Research), Pakistan Institute of Development Economics; Dr. Ali Salman, Founder and CEO, Policy Research Institute of Market Economy; Mr. Shahbaz Rana, Economic Correspondent, *The Express Tribune*; Mr. Tasadduq Gilani, international business leader and executive adviser; Ms. Syeda Maureen Zaidi, Head of Laws, TMUC Pakistan; and Ms. Maryam Abrar, TMUC Pakistan. The discussion was moderated by Mr. Rehman Azhar, Executive Director CLAS.

In his introductory remarks, **Mr. Rehman Azhar, Executive Director CLAS,** welcomed the distinguished speakers, participants, and guests and introduced the members of the panel. He established the direction of the roundtable by presenting the principal questions concerning Pakistan's economic outlook over the next five to ten years, progress under the Government of Pakistan's Uraan Pakistan initiative, and the country's integration into regional and global value chains. He further highlighted opportunities for regional trade and economic connectivity, Pakistan's potential role as a trade and transit hub, the prospects associated with the maritime economy and emerging sectors of the "new economy" and the anticipated contribution of CPEC 2.0 to investment, industrial development, and employment. Emphasizing the importance of a focused and inclusive exchange, he invited the speakers to address the subjects most closely related to their expertise within the allocated time and noted that the proceedings would be followed by an interactive question-and-answer session.

**Dr. Shujaat Farooq** opened the substantive discussion by examining where Pakistan's economy might stand over the next five to ten years and identifying the point from which meaningful reform should begin. He observed that Pakistan's GDP growth had been declining over the long term, while total factor productivity had also weakened. In his assessment, declining productivity had reduced competitiveness and limited the country's capacity for sustained economic improvement. He further noted that Pakistan's savings-to-GDP and investment-to-GDP ratios had remained largely stagnant for roughly five decades, even though sustained economic expansion required substantially higher levels of both savings and investment.

He maintained that Pakistan's economic growth had repeatedly depended upon favourable external conditions. When the external environment was supportive, the country could achieve growth of approximately three to four percent, but economic performance weakened when those conditions deteriorated. Pakistan's exports also remained concentrated in a narrow range of commodities and destination markets, a pattern he described as a twelve-by-twelve syndrome involving roughly twelve principal products sold mainly to twelve markets. He observed that Vietnam and Bangladesh, once considered comparable with Pakistan, had moved considerably ahead.

Discussing Pakistan's recurring dependence on external financial support, Dr. Farooq observed that the country had approached the International Monetary Fund approximately twenty-five times during its seventy-seven-year history. The intervals between programmes had become shorter, while average economic growth under repeated IMF engagement had remained around two and a half percent. He likened this continuing dependence to remaining on an economic ventilator. He further stated that federal expenditure, including current expenditure, defence, pensions and subsidies was largely financed through borrowing. Escaping this pattern within the next five to seven years, he maintained, would require more than piecemeal reforms. The federal government needed to become smaller, yet more than forty administrative ministries continued to operate without any clearly identified institution assuming ownership of the overall economic-policy framework.

He used social protection to illustrate the consequences of fragmented policy ownership. He observed that the federal development budget and the budget of the Benazir Income Support Programme had become broadly comparable in scale. While allocating resources to vulnerable communities remained important, he argued that a national social-protection programme needed to operate within a coherent policy framework. Too often, a programme was launched around the availability of donor financing rather than a settled policy architecture. One government might introduce a health-card programme, while a subsequent government might discontinue it. He identified a similar problem in Uraan Pakistan, noting that ownership and awareness of the initiative appeared limited outside the Ministry of Planning. Pakistan also lacked a clearly identified economic custodian, while provincial and local governments—the institutions responsible for much of implementation and service delivery were frequently absent from policy design.

Dr. Farooq further observed that the federal development programme was below one trillion rupees, whereas provincial development spending was around three trillion rupees. Initiatives relating to CPEC, regional economic hubs and transit trade could not be implemented successfully without the meaningful participation of provincial governments, including Khyber Pakhtunkhwa, and the necessary security conditions. He estimated that around 130 of the 146 districts covered by the figures he cited contributed no direct exports and observed that local government remained largely absent from the national growth process. He therefore identified three principal priorities: the economic ministries needed to formulate a coherent policy framework; provincial and local governments had to become active partners in growth and service delivery; and the government needed to create an enabling environment by establishing predictable rules, monitoring their implementation and avoiding unnecessary intervention in commercial decisions. He criticized Pakistan's excessive and frequently changing regulatory system, observing that repeated changes in rules discouraged investment. Government intervention extended even to routine price-setting decisions, including the daily price of sugar. Genuine ease of doing business, he maintained, required regulatory stability, credible enforcement and sufficient space for enterprise to operate.

Concluding his contribution, Dr. Farooq observed that Pakistan possessed considerable resources, investment potential and economic opportunities, yet its industrial base had continued to shrink. He stated that the industrial share of GDP had reached its highest level around 1999 and had declined thereafter. Although the services sector had expanded, the tradable foundations of the economy particularly agriculture and industry had weakened. He argued that an economy could not rely upon services alone without developing value chains capable of generating productive employment. Young people faced the greatest unemployment pressures. According to the figures cited by him, approximately thirty-five percent of female graduates earned below the minimum wage, while roughly half of the population remained outside the labour force. He concluded that Pakistan needed clearer policy direction, stronger governance, greater domestic-resource mobilization, higher savings and investment, stronger value chains and a restored industrial share before it could integrate successfully into regional and global markets.

**Dr. Ali Salman** examined Pakistan's economic performance through the framework of economic freedom, which he considered relevant to both law and economics. Referring to an international Index of Economic Freedom, he observed that Pakistan had remained among the lower-performing economies in the index for several years. He considered this significant because some macroeconomic indicators, including foreign-exchange reserves, inflation and economic growth, had shown improvement. He clarified that the index represented only one method of assessment, but maintained that it drew attention to the underlying institutional conditions affecting Pakistan's economic performance.

The first of these conditions was the rule of law. Dr. Salman emphasized institutional and judicial effectiveness, corruption and the ability of government to honour commitments made to investors and citizens. He also questioned the appropriate role of the state in the economy. In his assessment, government should establish and enforce clear rules rather than simultaneously regulate markets and operate commercial enterprises within them. When the state competed in the market while also writing and administering its rules, economic freedom was weakened.

Turning to taxation, Dr. Salman observed that Pakistan's tax-to-GDP ratio was approximately ten to eleven percent, according to the figure cited by him. Although this appeared low when measured against the size of the national economy, he argued that the ratio did not adequately reflect Pakistan's highly informal economic structure, in which many sectors remained outside the tax system. The burden was consequently concentrated on businesses operating formally. According to the estimate presented by him, the effective burden on some large formal corporations could exceed fifty percent. Such a burden reduced the disposable income available for investment and consumption, both of which were necessary for economic growth.

Dr. Salman also identified international trade as an important component of economic freedom. He described Pakistan as having historically maintained a highly protected trade regime and argued that decades of import-substitution policy had insulated selected industries from competition. Such policies had benefited protected producers and generated tariff revenue for the government, but had also imposed costs on consumers. He cited the automobile industry as a prominent example. He further observed that whenever imports increased, Pakistan generally attempted to suppress them. Such import compression repeatedly created additional difficulties because trade policy was treated separately from domestic production and exports. While criticizing the wider trade regime, he identified the national tariff policy as an important structural reform whose implementation had begun several years earlier and had, in his assessment, started to produce some benefits from an international-trade perspective.

He further maintained that the conventional Made in Pakistan approach, when understood as producing an entire product domestically, belonged to an older economic model. Modern goods were generally produced through regional and global value and supply chains, with different countries specializing in particular components and stages of production. Economic policy should therefore identify and strengthen Pakistan's position within these chains rather than attempting to manufacture every part of every product within the country.

Turning to the regulatory environment, Dr. Salman referred to labour and business regulation, access to credit, entry into and exit from markets and the ease of establishing or closing a firm. He acknowledged that government statements and Federal Cabinet discussions during the preceding two years had recognized the need to reform laws and regulations and that officials and committees had been notified for this purpose. In his assessment, however, businesses had not yet experienced a meaningful improvement in practice. Pakistan required more than isolated regulatory amendments and needed to rewrite the wider rulebook governing enterprise. A business operating nationally had to engage with federal, provincial and local authorities, causing regulatory requirements to multiply across every tier of government.

Concluding his contribution, Dr. Salman maintained that the firm or enterprise must become the central focus of economic policy. Without the expansion of productive enterprises, there could be no genuine development. Additional loans might provide temporary survival, but they could also distract attention from the institutional and regulatory reforms required for productive firms to expand. Enterprise, in his assessment, was the principal engine of growth, and the wider policy framework needed to be organized around that central objective.

**Mr. Shahbaz Rana** argued that Pakistan's discussion of economic reform frequently began and ended with the International Monetary Fund. In his assessment, the central problem was not the absence of economic policy but the existence of several competing economic-policy frameworks without clarity regarding which one governed the country. The IMF programme operated as the active policy framework and, when the current arrangement and its predecessor were considered together, extended over several years. Alongside it, he referred to Uraan Pakistan and to a National

Transformation Plan published by the Prime Minister's Office as separate frameworks in his account. According to him, the latter had been prepared with foreign consultancy support. In his assessment, these plans lacked sufficiently clear arrangements for implementation, financing and costing. A document could announce an export target of sixty or even one hundred billion dollars, but unless it explained how the target would be financed and implemented, it could not serve as an operational plan. The missing question, he emphasized, was how these targets would be delivered. The proliferation of policy documents consequently created confusion within government regarding which framework actually governed economic decision-making.

He further criticized Pakistan's reliance on external consultants rather than the development and use of domestic institutional capacity. Referring to what he described as an approaching wheat crisis, he argued that advice was sometimes accepted from consultants working outside their principal areas of expertise. He maintained that the IMF's principal institutional focus was balance-of-payments stability and that specialized policies for agriculture, energy and other productive sectors required domestic expertise and institutions working directly within those sectors. In his view, the absence of a coherent national programme caused the Ministry of Finance to follow the IMF review calendar: when the next review was six months away, the policy horizon became six months, and when it was three months away, planning was similarly reduced to three months. Pakistan, he maintained, needed to undertake necessary reforms through its own programme rather than treating every measure as a condition attached to external financing.

Discussing Pakistan's economic outlook over the next five to ten years, Mr. Rana contrasted rapid population growth with average GDP growth over the recent period of around three percent. In his assessment, this left little meaningful growth in per-capita terms. He argued that Pakistan required economic growth of approximately six to eight percent, while the available IMF projections rose only to around four percent. Growth at that level, he maintained, would remain insufficient, allowing unemployment and poverty pressures to continue.

He linked the weakness of foreign direct investment to the same absence of coherent planning. He referred to feedback from prospective foreign investors that major sectors lacked complete value chains, including textiles despite decades of subsidies and concessional financing. He further argued that established exporters continued to receive substantial support and concessional financing while the prevailing policy rate remained considerably higher.

Mr. Rana maintained that Pakistan's persistently low savings and investment levels produced a recurring current-account deficit and external-financing requirement for which no durable financing plan existed. He observed that the government consequently relied on the deferment or rollover of existing obligations and further support from bilateral and multilateral partners. He also referred to projections which, according to his account, indicated that Pakistan would continue to face substantial external-financing and repayment pressures over the longer term, including obligations associated with CPEC energy projects.

Mr. Rana also attributed the failure of long-term planning to insufficient provincial participation. Apart from a limited number of exclusively federal subjects, many economic and social responsibilities were either provincial or shared under the Constitution. He maintained that major policies were frequently formulated without meaningful provincial input, while fiscal responsibilities were shifted to the provinces. He acknowledged that provincial delivery could be weak, but argued that this did not justify disregarding constitutional assignments or arbitrarily reducing the provincial share under the National Finance Commission arrangement.

Turning to the maritime economy, he argued that Pakistan had seriously neglected this sector. Although some initial government work had been undertaken, he maintained that administrative transfers between state entities did not constitute a comprehensive maritime strategy. Even where the diagnosis of a problem was correct, the resulting institutional outcome could still be manipulated. Under the prevailing policy direction, he expected Pakistan to remain directly or indirectly under IMF programmes or IMF-style advice for much of the next decade. In his assessment, this would tend to restrict economic growth to approximately three or four percent, which remained insufficient for Pakistan’s requirements.

Concluding his contribution, Mr. Rana identified the neglect of small and medium enterprises as a fundamental weakness in Pakistan’s growth model. In his view, no country had achieved sustained rapid growth without investing in, promoting and protecting its SME sector. Pakistan had received loans and grants intended for SME development, but responsibility for implementing such programmes had often been assigned to institutions that were not designed to deliver enterprise development effectively. In his assessment, the latest budget continued to favour already protected manufacturers and the real-estate sector, while capital was directed towards speculative and non-productive activity rather than productive enterprise. He argued that sustained economic growth could not be achieved under such a pattern of resource allocation.

**Mr. Tasadduq Gilani** approached the discussion from a practical business perspective, drawing upon his international corporate experience, including seven years in Saudi Arabia and senior telecommunications responsibilities connected with Nokia Software in the Middle East and Iran. He recalled that a colleague had once asked why periods of economic growth in Pakistan were so frequently followed by destabilization. He also referred to a lesson concerning consistency that he had received from a fellow player during his experience as a national-level badminton player. In his assessment, the failure to maintain consistency lay at the centre of Pakistan’s economic difficulties. Using the analogy of mud mixed into a glass of water, he explained that the mud would settle if the glass remained undisturbed but would never settle if it were repeatedly shaken. Pakistan, he maintained, repeatedly changed direction before its policies, institutions and investor confidence had sufficient time to stabilize.

He observed that Pakistan had once been regarded as an emerging Asian economic power, but that state policy had changed substantially during the 1970s. Nationalization and the effort to operate commercial enterprises through the state had, in his assessment, driven investors away. He argued that business-people understood how to operate their enterprises, but that without a supportive and predictable environment, businesses would eventually close or relocate. The bureaucratic processes and institutional attitudes associated with that period, he maintained, continued to influence Pakistan's economic system.

Although Pakistan now emphasized privatization, investment and business development, Mr. Gilani observed that an enterprise still had to engage with numerous federal, provincial, local and departmental authorities. Drawing upon an experience from his own business, he described an inspection team arriving with a series of alleged deficiencies. When he challenged the matter, he was effectively informed that the immediate intervention could be stopped but that the officials could return later. He used the example to illustrate the effects of administrative discretion and recurring official intervention upon business operations. Pakistan, he argued, should not attribute all its economic difficulties to the IMF or the international community but must also examine its own administrative systems. According to his experience, Malaysia provided genuine investors with a coordinated one-window process through which an enterprise could be established and then allowed to operate. In Pakistan, by contrast, the state might facilitate the establishment of a company but subsequently continue to interfere in its operations. He maintained that Pakistan already possessed many sound policies, but their implementation remained extremely weak. Lower- and middle-level officials could delay projects even when senior decision-makers supported them, while personal contacts might resolve an immediate difficulty without correcting the underlying system and could increase the eventual cost. The central requirement was therefore to correct the administrative processes themselves.

Turning to energy, Mr. Gilani identified high electricity prices and unreliable supply as major constraints on productive competitiveness. At prevailing prices, he argued, Pakistani producers found it difficult to compete with Bangladesh and, even more so, with China. Production could also be disrupted after operations had commenced because the required energy supply was unavailable. Until electricity became both reliable and competitively priced, he maintained, ambitions concerning higher production and exports would remain unrealistic.

Referring to China's development experience, he emphasized the contribution that small, household and cottage industries could make to productive growth. Pakistan, in his view, had discouraged many of its own small producers and businesspeople, while in some areas goods continued to be sold even though they were no longer produced locally. He therefore argued that small enterprises required support and that large investors also needed to be treated with respect. Government should establish clearly defined regulatory limits and allow enterprises to operate within them rather than intervening continuously in routine commercial and price-setting decisions. Repeated changes in regulations and government involvement in every process made profitable and predictable enterprise increasingly difficult. Tax administration, he argued, provided a practical illustration. He cited an example in which an inflated tax notice created pressure for negotiation rather than transparent compliance. In his assessment, such practices discouraged formal business activity. He further maintained that a substantial share of the amount demanded could be lost through negotiation and leakage, with only a fraction reaching the treasury. Such practices, in his assessment, discouraged formal business activity.

Mr. Gilani also stressed the importance of placing suitable people in appropriate decision-making roles. Drawing upon his corporate experience, he observed that a chief financial officer was trained principally to control costs, whereas a business leader had to create markets, generate employment and promote growth. He concluded that Pakistan required people with appropriate economic and commercial vision in decision-making positions.

Despite these institutional difficulties, Mr. Gilani maintained that Pakistan possessed substantial economic opportunities. Its geo-economic location connected regional markets and offered potential routes for several landlocked countries, while China also sought wider connectivity through the region. Pakistan could attract smaller industries relocating from other markets, develop production along CPEC routes and use its location to access regional and European markets. He cautioned, however, that policy, infrastructure and trade decisions had to be coordinated. An import restriction introduced without understanding the input requirements of domestic producers could also interrupt exports.

Concluding his contribution, Mr. Gilani maintained that progress required appropriate appointments, institutional continuity and clear intentions. He cited the Edhi ambulance service in Karachi as an example of an organization capable of maintaining a high institutional standard despite operating in a difficult environment. Pakistan could therefore improve its economic performance if it corrected its intentions, processes and appointments and sustained a consistent course.

**Ms. Syeda Maureen Zaidi** examined the regulatory dimensions of Pakistan’s economic outlook, emphasizing the importance of standardization and predictability in the treatment of investors and enterprises. Drawing upon her experience in the telecommunications sector, she observed that regulatory treatment could either strengthen or undermine the confidence of a foreign investor. She referred to an example in which the structure of shareholding and the handling of an investor’s stake gradually reduced confidence and encouraged investment to move offshore. In her assessment, Pakistan consequently risked becoming merely an administrative channel rather than the place where value was created and retained.

She further illustrated this concern by referring to major international investors that had entered Pakistan’s telecommunications market and rapidly developed substantial infrastructure. When a proposed corporate transaction was later considered, however, the parties discovered at an advanced stage that an additional security approval was required. She argued that a country could not attract investors when fundamental approval requirements emerged only as a transaction was approaching completion. She used this experience to maintain that economic growth required the security framework to be aligned with the investment framework. Rules governing data privacy, surveillance, network infrastructure and security approvals needed to be clear and understandable before an investor committed capital.

Referring to her two years of professional experience in Malaysia, Ms. Zaidi discussed the deployment of 5G and the speed with which necessary policy changes were introduced. She observed that telecommunications equipment could be placed in shared facilities, described by her as “BTS hotels,” including in commercial centres. In her account, these arrangements demonstrated how timely policy decisions, shared infrastructure and coordinated implementation could support rapid technological deployment.

By contrast, she maintained that Pakistan frequently lost several stages between successive generations of technology because regulatory authorities overlapped and different institutions claimed jurisdiction over the same initiative. Projects consequently lost momentum. She identified a similar pattern in digital business during and after COVID-19, when promising applications and enterprise models emerged but were not sustained. Small businesses, including tailoring and stitching enterprises, could use digital platforms to reach customers and create value, yet licensing requirements affecting value-added services and overlapping regulation repeatedly slowed their progress. Her argument therefore extended beyond major foreign investors to the regulatory conditions affecting ordinary local enterprises.

Turning to dividend repatriation, Ms. Zaidi emphasized that foreign investors considered not only the ability to bring capital into Pakistan but also the ability to repatriate dividends. Capital transferred into Pakistan could later face delays or restrictions when dividends became due for repatriation. She added that only a limited number of authorized banks might handle the process. Such uncertainty, she argued, weakened the value-for-money assessment on which an investment decision depended.

She also considered the wider banking and financial environment, describing the banking sector as heavily taxed. In her assessment, the prevailing tax and financial structure distorted bank’s capital-allocation incentives. At the same time, she referred to a substantial circular flow of debt within the economy, which placed increasing pressure on ordinary borrowers and businesses attempting to meet their obligations. Weak economic recovery, she maintained, then resulted in heavier levies on small and medium enterprises.

Concluding her contribution, Ms. Zaidi maintained that investment regulation, security policy, data governance, licensing, banking arrangements and dividend-repatriation procedures needed to form one coherent and predictable framework through which investors and enterprises could understand the applicable requirements in advance, rather than encountering a series of disconnected approvals.

**Ms. Maryam Abrar** approaching the discussion from an educator's perspective, emphasized the importance of human capital to Pakistan's economic future. She acknowledged the importance of macroeconomic stability but maintained that sustainable growth ultimately depended upon whether Pakistan produced graduates capable of innovating, adapting and creating value.

Referring to TMUC's educational approach, Ms. Abrar stated that the institution sought to move beyond preparing students only for employment. It aimed to develop entrepreneurs, innovators and competent professionals capable of creating opportunities rather than merely waiting for them. She also referred to transnational education partnerships with universities in the United Kingdom, interdisciplinary programmes, industry engagement and experiential learning as means of exposing students to global practices while encouraging them to address Pakistan's challenges.

Ms. Abrar regarded Pakistan's young population as a major competitive advantage, provided that universities equipped young people with entrepreneurial thinking, digital skills and leadership capabilities. With such preparation, she believed that the coming decade could become a decade of innovation for Pakistan. She maintained that the country's future economic performance would be shaped substantially by the students currently being educated in its classrooms and emphasized that long-term capacity needed to be developed from the grassroots level. She concluded that Pakistan needed not only job seekers but also job creators.

In his **concluding remarks,** the **President of CLAS, Ambassador Sardar Masood Khan,** reflecting on the discussion observed that much of the panel had presented a reality check. He nevertheless sought to identify positive trends while retaining that realism. He made the following points:

- Pakistan possesses enormous social and economic potential, reflected in the growth of its middle class, the expansion of satellite towns, and increasing social mobility across the country. He observed that families whose previous generations had worked in manual or informal occupations now included bankers, managers, military officers, civil servants, entrepreneurs, and other professionals. He also highlighted women's empowerment and wider access to education and knowledge as encouraging national developments. However, he cautioned that poverty remained a serious challenge and that tens of millions of children were still out of school, posing a significant long-term risk to Pakistan's future.

- Governments naturally emphasized positive economic indicators because they remained accountable to their political constituencies. At the same time, he stressed that economists, journalists, academics, and policy analysts carried an equally important responsibility to provide independent, objective, and evidence-based assessments of the country's economic realities.

- Pakistan's economic trajectory had demonstrated remarkable resilience since the 1950s, the overall structure of its economy had not evolved sufficiently. He remarked that textiles and sports goods continued to dominate exports, whereas manufacturing diversification and industrial depth remained limited. Pakistan should move beyond seeking assistance from international partners and instead present professionally prepared, investment-ready opportunities capable of attracting long-term economic partnerships. While acknowledging China's continued support for Pakistan, he maintained that sustainable development could only be achieved through domestic productivity, innovation, and a shift in national mindset.

- Goldman Sachs has projected that Pakistan would be the sixth largest economy by 2075, among the future economies, Ambassador Khan recalled an academic discussion in Chicago where he was reminded that projections extending to 2075 should inspire optimism but could never substitute for present-day reforms, sound policymaking, and decisive action.

- Pakistan's strengths lie in the expansion of higher education, the development of human capital, the resilience of the private sector, and the country's rapid digital transformation. Digital technologies and electronic financial transactions had empowered millions of citizens, including those with limited formal education, while the technology sector continued to emerge as a promising driver of economic growth.

- To implement CPEC 2.0, Pakistan must strengthen its institutional capacity to effectively absorb and utilize available resources. He identified three principal sources of future growth: Pakistan's own human and natural resources, strategic cooperation with China, and investment and technological collaboration with the United States and Europe. He further highlighted agricultural modernization and the development of critical minerals as promising sectors for attracting foreign direct investment.

- Pakistan's strategic geographic location, observing that enhanced regional connectivity could transform the country into a major trade and transit hub. By utilizing Karachi Port and expanding transport corridors towards Central Asia, Russia, Türkiye, the Middle East, and beyond, Pakistan could diversify regional trade routes, maximize the economic value of its ports, and strengthen its role in regional commerce.

Concluding his remarks, Ambassador Khan appreciated the quality of interaction and intellectual engagement during the session. He encouraged participants to pursue rigorous academic research, rely on credible evidence and authentic references in their work, and continue contributing positively to informed public discourse. He expressed confidence that through knowledge, innovation, and constructive dialogue, Pakistan would continue to strengthen its economic resilience and international standing.

Following the discussion, Mr. Rehman Azhar opened the floor for an interactive question-and-answer session. Umar, a law student, raised two related questions concerning Pakistan’s fiscal and external financing challenges. First, he asked whether the economy could remain sustainable when the state relied heavily on taxation, even where corporations fully complied with their obligations. Second, referring to Mr. Shahbaz Rana’s observation that medium-term growth could remain at around four percent, he asked why Pakistan could not move beyond repeated IMF programmes and obtain financing from alternative sources.

Responding to the taxation question, Dr. Ali Salman observed that improving revenue collection required the digitization of Pakistan's legal and administrative framework to strengthen collection and reduce discretion. He argued that economic policy placed excessive emphasis on taxation and insufficient emphasis on growth, while formal businesses faced numerous taxes, filings and compliance requirements. He therefore called for a simpler and more predictable system based on fewer and clearer taxes. A subsequent response emphasized that taxation could not be considered separately from public expenditure, drawing attention to subsidies, tax expenditures and federal spending in areas described during the discussion as falling primarily within provincial responsibilities. Reforms in these areas, it was argued, could reduce both the fiscal deficit and the burden on taxpayers. Mr. Shahbaz Rana similarly maintained that taxation should follow economic growth rather than serve as the central objective of economic policy. He observed that individuals and businesses outside the direct income-tax net still bore substantial indirect taxes through fuel, transport and consumption, and argued that Pakistan's fiscal difficulties arose from both revenue limitations and the structure of public expenditure.

Addressing Umar's question on IMF dependence, Mr. Rana explained that IMF financing covered only part of Pakistan's overall external financing requirement, leaving the remaining gap to be met through bilateral and multilateral partners. He observed that earlier IMF-supported arrangements had formed part of broader financing packages and helped restore access to international capital markets, whereas the present arrangement did not by itself close Pakistan's external financing gap. Moving beyond repeated IMF dependence, he argued, would require Pakistan to develop a complete domestic plan for fiscal management, external financing and economic growth. In his assessment, such a plan had not yet been developed.

Abubakar, Research Officer at CLAS, then referred to Pakistan's maritime access and its potential to serve landlocked countries through regional trade and transit connectivity. He asked whether the country's inability to convert these geographical advantages into sustained economic development reflected an absence of appropriate policies or a failure to implement policies that already existed.

Mr. Tasadduq Gilani responded that the principal weakness lay in implementation. He identified security constraints, weaknesses in delivery across federal, provincial and local governments, and repeated policy reversals as major impediments to investment and regional connectivity. He observed that government involvement frequently delayed or diluted implementation and that only a limited proportion of announced development allocations was effectively delivered. Regarding CPEC, he maintained that Pakistan needed to fulfil its implementation responsibilities through a professionally governed public-private partnership or consortium focused on project delivery, with provincial governments participating in implementation and relevant state institutions providing security support.

Concluding the interactive session, Mr. Rehman Azhar observed that the discussion covered essential aspects of Pakistan’s economy yet some areas need an in depth reserved for another session related to taxation, CPEC, etc.

At the close of the proceedings, he thanked the speakers, distinguished guests and participants for their time and for the quality of the exchange. The event then proceeded to the souvenir presentation and group photograph, formally bringing the roundtable to a close.

# A Glance at Roundtable

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