

Mention the full qs statement or the reference from where the qs is taken.

Without that, evaluation is not possible

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QUESTION #05

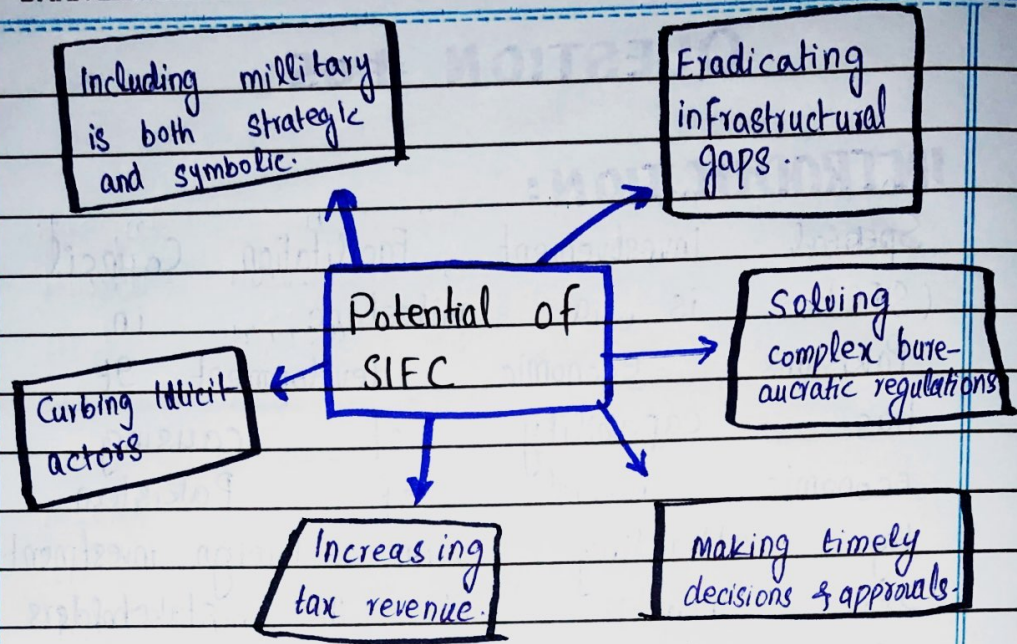
INTRODUCTION:

Special Investment Facilitation Council (SIFC) is a milestone in Pakistan's economic development. It has capability of causing economic revival of Pakistan by attracting more foreign investment. It includes all the stakeholders of the country, thus eradicating all the infrastructural and bureaucratic barriers. The policies and transparency of the SIFC have paved the way for investment and foreign trust. The contribution of military along with civil establishment is significant. It is focusing to attract healthy amount of foreign investment, especially from China and Gulf Cooperation Council (GCC).

POTENTIAL OF SIFC:

SIFC has become an impressive state institution to tackle economic woes of the country. It is established with mission of 'gaps no more'. It is connecting the dots, propelling Pakistan forward.

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i- ERADICATING INFRASTRUCTURAL GAPS:

SIFC extricates infrastructural hurdles. It can summon any regulatory body and government representative to discuss and remove bureaucratic the existing infrastructural gaps. Based on World Economic Forum's recommendation, improving both physical and institutional infrastructure is its key priority.

ii. SOLVING COMPLEX BUREAUCRATIC REGULATIONS

SIFC laws give greater freedom to the council in its operating mechanism. The council can recommend regulatory relaxations or exemption as

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long as they are aligned with the laws. The SIFC would be a single window facilitation to potential investors from outside, to exempt bureaucratic bottlenecks.

iii- MAKING TIMELY DECISIONS AND APPROVALS:

SIFC has set strict timelines for project approvals and official regulation. Every issue must have to be resolved in 30 days. It has reduced time for paper works and file procedures, thus converting policy into efficient practice. It brings together representative from different departments for efficient and timely implementation.

iv- INCREASING TAX REVENUE:

SIFC is focusing on the recommendation of IMF and World Bank to enhance country's tax revenue. Certain efforts has been done to include many entities in tax net. In this way significant progress has been seen in first half of FY23-24, with 600 million dollar additional collected in tax net. SIFC is striving to get it more better.

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v- CURBING ILLICIT ACTORS AND ACTIVITIES:

Illegal activities including smuggling, Hundi, Hawala, Illicit forex trade and inflow of Iranian Oil has been curbed by law enforcement agencies. The recent army supported crackdown on illegal trading and smuggling has resulted in surplus of up to \$ 900 million in open market.

vi- INCLUDING MILITARY IS BOTH SYMBOLIC AND STRATEGIC:

Involvement of army in this socioeconomic development initiative is significant as it assures the investors that all stakeholders of the country are at same page. Also, the agreement of all the entities of state help in better working of policy.

Cheryl Yeoh writes:

"The best way to minimize disagreement is to make sure that all the stakeholders are in the room"

CHANCES OF INVESTMENT HAVE ENHANCED DUE TO SIFC :

SIFC is working effectively and efficiently. It has been successful so far to win investor's confidence. It has provided with a developed and easy framework to grow business. Chances of investment have increased due to following factors.

i- ENSURED HEALTHY DOMESTIC INVESTMENT:

The confidence of local investors triggers the foreign investment. Since the inception of SIFC, remittances by overseas Pakistanis have increased significantly. It ensures that local people are eager to invest, and SIFC is providing them a viable platform for business.

ii- IMPROVING BUSINESS ENVIRONMENT:

With the SIFC, business environment of the country has improved. Stock market has shown the record hike in shares. The daily trading volume has

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raised greatly. It has reached
\$ 50 million From the previous
range of just \$ 5-7 million.

iii- PROVIDED INCENTIVES AND SUBSIDIES TO INVESTORS:

Providing incentives and subsidies to investors, especially foreigners raised their confidence. SIFC is striving for benefits to international investors including land acquisition, free and fast visas and leverage from taxes. These reforms guarantees the sustainability of business.

iv- TRANSPARENCY OF SIFC PROJECTS :

SIFC is evaluating and sharing the progress of its projects. It remains in touch with investors and include them in policy guidance. Transparent and smooth working of SIFC is plus point for this council, which is helping in attracting more FDI. Secondly, it is inviting major contributor like China, UAE, to SIFC project and seminars.

V- INVESTMENT IN KEY SECTOR:

SIFC is focusing on their investment in key sectors, such as agriculture, mining, and IT. These sectors have great potential and can help them generate great potential. Only the mining sector worths trillions.

Dr. Zafar Nawaz Jaspal said.

"Pakistan mineral and mining sector is up and coming. It has worth up to \$6 trillion."

vi- DECLARED INVESTMENT FROM FOREIGN COUNTRIES:

Although SIFC has ~~be~~ established to attract foreign investment from all countries, but its focus is China and GCC. These two, also have shown interest in investing in Pakistan.

"\$50 Billion (\$25 billion by UAE and Saudi Arabia each) are mentioned by participants in September's meeting of SIFC" writes famous economist Khurram Hussain.

Hence, this investment would attract more.

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CONCLUSION:

Pakistan has potential to become a desired destination for investment. It has several challenges to retard this potential. SIFC has been established to counter these hinderances. It has capability to revolutionise the economic sector. It has shown effective betterment in business infrastructure to attract more and more investment. Admitting its potential and emphasizing on its importance, former Prime Minister of Pakistan, Shahbaz Sharif said;

"If we follow this vision of SIFC, nothing can impede our progress - This will bring about a revolution"