

HORIZON

February 2023

**AN ICON OF
RESISTANCE**

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RESEARCH AND POLICY PLANNING UNIT
PAKISTAN MUSLIM LEAGUE - NAWAZ

FROM THE EDITOR'S DESK

Dear Readers,

The dissolution of Punjab and Khyber Pakhtunkhwa Assemblies by Pakistan Tehreek-e-Insaf (PTI) has thrown Pakistan into a great deal of political uncertainty. The general election is scheduled for later this year while the country is going through severe economic and security challenges. At a time when the government is busy cleaning the mess created by the PTI government and when the general election is scheduled for later this year, holding an election for two provincial assemblies may not be feasible. An article by Rana Mashhood Ahmad Khan addresses this conundrum.

As mentioned above, the country's security situation is fast deteriorating. The PML-N family is deeply grieved and condemns the grisly bomb blasts in a Peshawar mosque, killing over 90 people and injuring many others. As terrorism is rearing its head again in Pakistan, the PML-N-led government, under the leadership of Prime Minister Shehbaz Sharif, has proposed an All Parties Conference to curb the menace of terrorism. It is hoped that leaders across the political spectrum will set aside their differences and come together and agree on a coordinated strategy to fight this curse. The next issue of the magazine will cover the rise of terrorism in Pakistan.

We are also deeply grieved by the loss of veteran PML-N leader, Najma Hameed, who stood with the party through thick and thin. Her services to the party are unforgettable and her struggle for democracy is indelible. This issue pays tribute to her efforts.

The last week of January was an exciting time for the workers of PML-N as the party's newly appointed Chief Organizer and Senior Vice-President Maryam



Nawaz returned to Pakistan after a four-month absence. Her arrival revived the zeal of workers to stand up for the democratic supremacy of Pakistan and struggle against the overwhelming populism of PTI. An article explains what it means for her party and the country.

Maryam Nawaz has returned at a time when PTI leader Imran Khan's carefully crafted façade of honesty and integrity is falling apart. One of the cases that fully exposed the PTI as being corrupt is the prohibited funding case. We present a detailed report on this case along with a performance audit of the Pakistan Democratic Movement's eight months in power.

The 5th of February marks Kashmir Solidarity Day. We take this opportunity to assert that Pakistan has always stood for a free and fair plebiscite in Kashmir in the light of the UN Resolution of 1948. Pakistan, throughout, its history has highlighted the atrocities committed against Kashmiris by Indian armed forces and remains firm in its support of the Kashmiris.

Last but not the least, the Horizon team greatly values its readers. We look forward to receiving your feedback via our website and email.

Regards,

Saira Bano
Editor-in-Chief

EDITORIAL BOARD

Rana Mashhood Ahmad Khan, Saira Bano, Sabahat Rafiq, Attaullah Tarar, Badar Shahbaz



THE ELECTION CONUNDRUM

RANA MASHHOOD AHMAD KHAN

After being ousted from power in April last year through a no-confidence motion, Imran Khan has been frantically trying to come back into power one way or the other. When all else failed, in January, Pakistan Tehreek-e-Insaf dissolved Punjab and Khyber Pakhtunkhwa assemblies where it was in power, to force the government to hold country-wide elections. However, it is not a simple affair and the country's security and economic situation calls for some deep thinking. One also needs to look at Pakistan's checkered history, where Pakistan Muslim League-Nawaz (PML-N) was elected by the people of Pakistan with a thumping majority to streamline the country's affairs but was rooted out through a conspiracy once it no longer suited the powers that be.

In 1997 when Mian Nawaz Sharif came into power by winning a two-thirds majority in parliament, our biggest challenge was to avert an economic crisis, which was exacerbated by international economic sanctions following Pakistan's decision to conduct

nuclear tests in response to India's provocations. The PML-N not only overcame this crisis, but it was also able to deal with India on equal footing after demonstrating its nuclear capabilities and presenting a strong economic roadmap, which led to Indian Prime Minister Atal Bihari Vajpaae's visit to Lahore in February 1999, which boded well for the country's future. However, then Chief of Army Staff General Musharraf carried out a clandestine operation in Kargil later that summer, sabotaging relations with India and causing immense humiliation and economic adversity to the country. To cover his tracks, General Musharraf took over the civilian government through a coup in October 1999, imposing direct military rule, and later exiling Mian Nawaz Sharif along with his family.

After the nine-year-long dictatorship could no longer be sustained in the face of a movement for the restoration of democracy led by Mian Nawaz Sharif and Benazir Bhutto, General Musharraf had to relent and allow the Sharif family back into the country to



forecast that the country would default in about two months.

In such bleak circumstances, it was PML-N that brought the country back on its feet by formulating a strong economic policy which proved successful by bringing foreign investment from the UK, China, Germany, Japan, and Turkey, the most notable being the \$46 billion investment for the China-Pakistan Economic Corridor (CPEC). Our government tackled the energy crisis head-on and doubled the number of power plants in the country in just five years from 2013 to 2018. The government initiated and completed a number of infrastructure development projects and modernized health and education sectors at both the centre and Punjab. These achievements were lauded internationally. For the first time in its history, Pakistan completed an International Monetary Fund (IMF) programme and its standing improved progressively on Transparency International's Corruption Perception Index from 127 in 2013 to 117 in 2018.

“ IT IS UNFORTUNATE THAT INSTEAD OF PROTECTING THE CONSTITUTION AND DISCHARGING THEIR RESPONSIBILITIES WITHIN THE PARAMETERS OF THE OATH THEY TOOK, CERTAIN INDIVIDUALS WITHIN THE INSTITUTIONS SUSTAINED THE LONG TRADITION OF MEDDLING IN POLITICS. ”

Unlike the unconstitutional government of Pervez Musharraf, the PML-N derived its power from the people and the people had given it the mandate to rule at both the centre and Punjab and be part of the coalition government in Balochistan. With the crises averted, Pakistan was at a level where the government could take important policy decisions. The PML-N gained the insights and confidence to call for major reforms to align Pakistan's foreign policy with its long-term economic goals. This caused friction with the establishment which had so far held sway over certain areas of foreign policy. Also, Mian Nawaz Sharif's popularity rankled with some quarters, who tried to curtail his influence by creating political instability in the country. That was the beginning of the country's descent into where it finds itself today.

participate in the 2008 general elections. After forming the government in Punjab in 2008, the PML-N proved its competence through province-wide development and reforms under the able leadership of Shehbaz Sharif, which paved the way for its success in the 2013 general election. While the PPP government carried out important legislative and constitutional reforms at the centre from 2008 to 2013, it could not address the energy crisis or reform the economy. It was a time when the country was grappling with rampant terrorism and a war was going on next door in Afghanistan. By 2013, the national exchequer was almost empty and international financial institutions

First, then opposition leader Imran Khan refused to accept the 2013 election results with mala fide intent and started months-long sit-in protests outside the parliament building in Islamabad. It is public knowledge that certain individuals in our institutions backed Imran Khan's protests which created an environment of political uncertainty. Later, when



Panama Papers were leaked, certain power centres colluded to oust Mian Nawaz Sharif from office despite his own name not appearing in the leaks.

That same year, the friction between the PML-N government and the military establishment came to a head when Dawn newspaper published a news report in which it claimed that the government had delivered a firm message to the military to take action against militant outfits as Pakistan faced international isolation. Instead of listening to the government and acting on these concerns, there was a huge uproar on the publication of this news that resulted in the removal of Pervez Rashid, federal information minister, Tariq Fatemi, special assistant to the prime minister on foreign affairs, and Rao Tehseen, principal information officer, for leaking information to the newspaper and for failure to block the publication of the news. Despite these setbacks, the government continued to push ahead and claim its right to decision-making. However, it did not last long.

In a case on Panama Papers, Mian Nawaz Sharif was disqualified from holding the office of the prime minister in July 2017 for not taking his salary from his son during his exile in Saudi Arabia when the Sharif family started a business abroad. A number of fake cases were instituted against Mian Nawaz Sharif and later, in December 2018, he was sentenced to a seven years jail term and fined \$25 million by an anti-corruption court. The accountability judge, Muhammad Arshad Malik, later admitted that he was pressured to convict Nawaz Sharif in this case. While the judge was unceremoniously dismissed

from service after this admission, his decision was not quashed by the Supreme Court.

It is unfortunate that instead of protecting the constitution and discharging their responsibilities within the parameters of the oath they took, certain individuals within the institutions sustained the long tradition of meddling in politics.

In 2018, the general election was heavily rigged before, during, and after polling to give PTI an advantage. In support of PTI, massive propaganda machinery was instituted to discredit certain parties and politicians, and many young voters were misguided and their minds polluted through coordinated social media campaigns. Military personnel were deputed inside the polling stations and Results Transmission System (RTS) was disrupted to stop the transmission of results from selected constituencies to change results. Even with massive support, the PTI could not win a majority and was forced to form a coalition at the centre and in Punjab, where PML-N had a plurality of votes. Thus a competent government was derailed and replaced with an inexperienced party, led by an inept leader who proved in his almost four years in power that he was not only incompetent but highly corrupt too.

The Sharif family built their wealth through legitimate businesses and could have progressed like the Tatas and Birlas of India and built a sound industrial base for Pakistan, but their factories were closed, properties confiscated, and they were forced into exile or imprisoned time and again. Despite all that, they managed to survive and thrive. However, a false narrative of corruption has been spread against them to protect the real criminals.

Imran Khan was brought to power with the understanding that the PML-N would be completely wiped off. It was only when the country's economic and social indicators started declining and the situation became alarming that the characters who had brought the PTI to power started having second thoughts about their experiment.

In these circumstances, the opposition teamed up to show Imran Khan the door through a constitutional



process of a vote of no-confidence and formed a coalition government led by PML-N to save Pakistan from irreparable damage. However, the mess created by Imran Khan over almost four years cannot be cleaned up overnight. His government practically handed over control of the State Bank of Pakistan (SBP) to the IMF by bulldozing a law regarding the purported autonomy of the SBP through parliament, which amounted to an economic surrender. His government agreed with the IMF to revive its loan facility in 2022, signing a very hard agreement and then reneging on it, creating immense problems for the current government. It will take some time to fix these issues and bring stability.

In the meanwhile, Imran Khan and his cronies have continued to spread false narratives. After being removed from office through constitutional means, he claimed to be a victim of a foreign conspiracy but had to backtrack from this position when he could not muster any evidence. Similarly in 2017, he had claimed that a close associate of then Chief Minister of Punjab Shehbaz Sharif had offered him Rs10 billion in exchange for withdrawing the Panama Papers case, yet failed to present any evidence in court when slapped with a defamation suit by the former. After resigning en masse from parliament, PTI members had no qualms about taking their salaries and enjoying their perks and privileges for nearly a year until their resignations were accepted.

“ THE SHARIF FAMILY BUILT THEIR WEALTH THROUGH LEGITIMATE BUSINESSES AND COULD HAVE BUILT A SOUND INDUSTRIAL BASE FOR PAKISTAN, BUT THEIR FACTORIES WERE CLOSED, PROPERTIES CONFISCATED, AND THEY WERE FORCED INTO EXILE OR IMPRISONED TIME AND AGAIN. A FALSE NARRATIVE OF CORRUPTION HAS BEEN SPREAD AGAINST THEM TO PROTECT THE REAL CRIMINALS. ”

Imran Khan dissolved PTI governments in two provinces in order to destabilize the country. Instead of parliamentary politics, he has always chosen the path of chaos, civil disobedience, incitement against the institutions, and maligning the country at international forums. This is what he will continue to do after the elections.

The coalition-based Pakistan Democratic Movement (PDM) government is committed to fixing the wrongs done by the PTI government and holding those responsible accountable. We must think carefully if conducting elections at a time when the country is grappling with grave economic and security challenges is even feasible. When the threat of default is looming over our heads and terrorists can breach the most secure areas, holding a general election costing Rs60 billion to satisfy the ego of someone like Imran Khan may not be in the best interest of our motherland ■

MARYAM NAWAZ: AN ICON OF RESISTANCE

HAMMAD RAZA

Swarmed by thousands of charged political workers, Allama Iqbal International Airport was bristling with slogans and chanting for a woman coming all the way from London to Pakistan. Maryam Nawaz Sharif returned to Pakistan on 28 January 2023 after four months abroad. The television screens reminded every conscious Pakistani and PML-N worker of her late mother, Kalsoom Nawaz Sharif, who struggled against the dictatorship of General Musharraf when the party suffered defections in large numbers and the PML-N's top leadership was either in prison or exiled by the military top brass in the early 2000s.

In the current political climate riddled with agitative, right-wing, and reactionary populism propagated by the PTI and its demagogic leader, Imran Khan, the return of Maryam Nawaz to Pakistan provided a breath of fresh air to the stifled democratic forces of Pakistan.

In a flurry of political activity, which is fast exposing the fragility and vulnerabilities of the democratic politics of Pakistan, Maryam Nawaz's return closely resembles the politics of her late mother in the aftermath of the military coup in 1999. It was a time when hopelessness among the PML-N workers was at its peak as the party had been badly damaged and its members and workers were either muzzled, coerced into submission, or jailed. Being the only woman of national stature present in Pakistan at that time, Kalsoom Nawaz not only weathered the tyranny of the Musharraf regime but also tried to manage party affairs and kept it afloat with her courage and dedication.

Maryam Nawaz was by her mother's side to face all these trials and tribulations. Destiny always has something in store for everyone. Today, Kalsoom Nawaz is no longer with us. Yet her spirit lives among



us in the shape of Maryam Nawaz, who has emerged as a formidable democratic force.

Now, as restlessness finds its way into politics and party workers grow demoralized in the face of rising financial troubles, the arrival of Maryam Nawaz on the political scene can change the direction of politics not only for Punjab but also for Pakistan. While she is respected for being the daughter and political heir of the party leader Mian Muhammad Nawaz Sharif, her charisma as a crowd puller and as the party's face is unmistakable. It is due to her ability to galvanize the masses that she has been appointed as the chief organizer and senior vice president of PML-N.



“ WHILE SHE IS RESPECTED FOR BEING THE DAUGHTER AND POLITICAL HEIR OF THE PARTY LEADER MIAN MUHAMMAD NAWAZ SHARIF, HER CHARISMA AS A CROWD PULLER AND AS THE PARTY’S FACE IS UNMISTAKABLE. IT IS DUE TO HER ABILITY TO GALVANIZE THE MASSES THAT SHE HAS BEEN APPOINTED AS THE CHIEF ORGANIZER AND SENIOR VICE PRESIDENT OF PML-N. ”

Maryam is destined to lead the country through the crises created by the project Naya Pakistan under the quasi-fascist rule of Imran Khan. Militarism can be defeated with democracy; while fascism can only be defeated by more democracy and steadfastness — a lesson rightfully learnt by Maryam Nawaz. She believes in political reconciliation to buttress democracy and to uplift the wretched of the earth from their abysmal state of existence. Therefore, the nation has awarded her the title of Dukhtar-e-Pakistan.

Maryam signifies an unspoken but well-understood fight against fascism couched in the populism of Imran. Her message, like that of Mian Muhammad Nawaz Sharif, appeals to the rational forces of Pakistan. Since the start of Project Imran Khan and its demagoguery, the nation has been besieged by rhetorical propaganda spinning around the clock and doctoring falsehoods and fabrication. In this scenario, Maryam stood as a valiant force to ward off the filth being spread by her opponents against democracy and polity. People trust her and listen to what she says.

But it is just the beginning. Maryam has valiantly survived filthy attacks from Imran Khan and his troll army called the PTI. Her opponents are people with an uncanny ability to degrade their adversaries and run character assassination campaigns against them without any discrimination of race, class, or gender — a typical example of Goebbelsian tactics. She can

expect an avalanche of fabricated and paid social media campaigns being launched by the PTI and its vloggers, who claim to be journalists under the guise of analysts and media anchors, to distort public minds and create a negative opinion against PML-N. The antidote to the quasi-fascism and populism of PTI is for her to bring new faces from the grass-root level to reorganize and make it a people-oriented party, which believes in true democratic ethos.

Maryam has arrived at a time when general voters of PML-N are worried and the party is facing criticism over the nine-month performance of the PDM, despite knowing the fact that economic problems being faced by the common man are not an outcome of the current government’s policy, rather they are outcomes of project Naya Pakistan and its mafia-style plundering of Pakistan.

The Herculean task in front of Maryam is to purge the ever-expanding filth created by Imran Khan. In an environment saturated with parochialism and misogyny, Maryam Nawaz is not only the hope for the general masses of Pakistan but also for marginalized women, who are mainly voiceless as well as powerless in the societal setup of Pakistan. In the end, I would like to reinvent a quote from Gramsci as follows: “the old is dead and the new is born.” In this reincarnation of a new force, there arises hope for a democratic and prosperous Pakistan. ■



FOREIGN-FUNDED PTI

SAIRA BANO

The Election Commission of Pakistan (ECP) ruling in the prohibited funding case has established beyond a shadow of a doubt that Pakistan Tehreek-e-Insaf (PTI) acquired funding from foreign entities which is prohibited under Pakistan's laws. This case has fully exposed the hypocrisy of a leader who accuses the current government of being 'imported' but whose own party was built and run on foreign funding.

Akbar S Babar, a former member of the PTI, had filed a petition in the ECP in 2014 against irregularities in party funds, on which the ECP's scrutiny committee held 96 court hearings and established that millions of dollars had indeed been transferred to certain PTI bank accounts through two offshore companies, and that the PTI had kept these bank accounts hidden from the ECP.

Article 17 (3) of the Constitution, Articles 3, 4, 5, and 6 of Political Parties Order 2002, Sections 200, 204, 207, 210, 212, and 2013 of Election Act 2017, and Rule 160 of Election Rules 2017 —deal with the process of establishment of political parties, their membership fee, contributions and donations,

information about the sources of funds, confiscation of prohibited funds, dissolution of a political party, and the consequences of the dissolution.

According to Political Parties Order 2002, a member of a political party can pay a membership fee as provided in the party's constitution and can also make voluntary contributions towards the party's funds. However, "any contribution made, directly or indirectly, by any foreign government, multinational or domestically incorporated public or private company, firm, trade or professional association shall be prohibited and the parties may accept contributions and donations only from individuals." It further stipulates that any contribution or donation which is prohibited under this Order shall be confiscated in favour of the state in the manner as may be prescribed.

Section 204 of the Election Act 2017 makes similar provisions under which individual party members are allowed to pay a membership fee and make contributions or donations to the political party's funds, but "any contribution or donation made, directly or indirectly, by any foreign source including

REPORT

any foreign government, multi-national or public or private company, firm, trade or professional association or individual shall be prohibited.”

According to Article 17 (3) of the Constitution of Pakistan, “every political party shall account for the source of its funds in accordance with the law.”

Narrating the saga of the ‘foreign funding case,’ in an interview with the news website Naya Daur, Akbar S Babar said that he developed differences with Imran Khan precisely on the issue of irregularities in party funding.

“We decided to get a special audit done. I demanded a committee should be formed headed by Justice (retd) Wajihuddin. The committee should then examine all the complaints of financial irregularities and the committee’s decision should be acceptable to everyone. Moreover, the decision should not be at the discretion of the party’s chairman and he should not have the right to interfere at all.”

Babar informed Naya Daur that the special audit was sanctioned in March 2013 by Imran Khan and its report proved the allegations of foreign funding of PTI true. However, despite getting all the facts, Imran Khan failed to rid the party of people involved in financial irregularities, which was the main cause of Babar’s differences with his party’s chief. Babar said he remained silent from 2011 to 2014 but seeing no accountability within the PTI, decided to file a petition with the ECP in November 2014. His petition sought an investigation into ‘serious financial malpractices’ in the party’s funding from both Pakistan and abroad, in violation of the country’s political parties law. He also sought accountability for those responsible for these corrupt practices.

On 14 January 2015, the ECP issued a notice asking Babar to appear before the commission and present evidence in support of his allegations. On 1 April 2015, the ECP asked the PTI to submit details of the funds it received from abroad. The commission also instructed ECP officials to look afresh into PTI’s annual statement of assets to find out whether or not the party got funds from the US.

After eight long years of investigations and court hearings, the ECP ruled in a unanimous verdict on 2 August 2022 that the PTI did take prohibited funding. It issued a notice to the party asking why the funds should not be confiscated and directed the federal government to investigate the PTI’s prohibited funding case and send the report to the ECP. The electoral watchdog said that the party knowingly accepted donations from 351 foreign companies and 34 foreign nationals via two limited liability companies (LLCs) based in the US, as well as the UK, Canada, and other countries.

The electoral watchdog said the party had owned only eight accounts before the commission and declared 13 accounts to be unknown. “The data obtained from the State Bank of Pakistan (SBP) revealed that all the 13 accounts disowned by the PTI were opened and operated by senior PTI management and leadership at the central and provincial levels.” Moreover, the PTI chairman submitted Form-I for five years (between 2008-2013), which was found to be “grossly inaccurate on the basis of the financial statements obtained by this commission from the SBP and other material available on record.”

The ECP has determined that several foreign nationals made contributions to PTI, including Indian-American investment banker Romita Shetty, who gave \$13,750 from her account in Singapore. Shetty is a US-based businesswoman of Indian origin.

As per the ECP judgement, the PTI received a total of \$549,000 from one of its LLCs, 6160, in the US between May to April 2013. Of this, \$70,960 were contributed by foreign nationals and companies. Through this LLC, 21 foreign nationals gave \$16,205 to the PTI and 120 foreign companies gave \$54,755 to the party.

From another US-based LLC, 5975, the PTI received and accepted donations worth \$1,976,500, with contributions from 13 foreign nationals and 231 US-based companies.

The ECP found that between 2008 and 2013, the Pakistan Tehreek-e-Insaf Canada Corporation — a

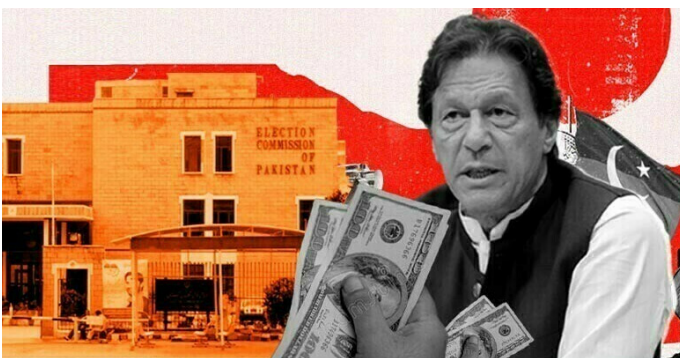
company based in Canada — transferred large sums to different PTI accounts.

Moreover, the PTI received \$2,151,500 from Arif Naqvi’s Wootton Cricket Limited, which is based in the United Arab Emirates, a sum of \$49,965 from Dubai-based Bristol Engineering, Rs504,250 from Australia’s Dupnec Pty Limited and other companies.

The issue also received considerable media coverage both locally and internationally. In July 2022, the Financial Times published an eye-opening report detailing how PTI directly benefited from foreign funding.

Arif Naqvi, the founder of the Dubai-based Abraaj Group, organised a cricket tournament at Wootton, a village in Oxfordshire, the United Kingdom, for a weekend. At the event, guests were asked to pay between £2,000 and £2,500 each. The money, it added, was said to go to “philanthropic causes.” The report stated that between February 28 and May 30, 2013, the account maintained by Wootton Cricket Ltd received millions of dollars from local and foreign citizens, and the money was diverted towards the PTI.

Meanwhile, the ECP’s scrutiny committee identified



“ THE ECP HAS DETERMINED THAT SEVERAL FOREIGN NATIONALS MADE CONTRIBUTIONS TO PTI, INCLUDING INDIAN-AMERICAN INVESTMENT BANKER ROMITA SHETTY, WHO GAVE \$13,750 FROM HER ACCOUNT IN SINGAPORE. SHETTY IS A US-BASED BUSINESSWOMAN OF INDIAN ORIGIN. ”

Wootton Cricket Ltd as a company sending funds to Pakistan. In its January report, the ECP said Wootton Cricket had transferred \$2.12 million to the PTI but didn’t reveal the source of the money.

“A Pakistani NGO or company cannot fund a political party, so how come a foreign company and a foreign national could fund PTI?” said Babar in the interview. He added that a party that receives money from a foreign company or a foreign national must face serious consequences. According to the law, the party’s money and assets can be seized or the party can be dissolved in which case its members of parliament stand disqualified for the rest of the term.

Soon after the ECP verdict, the federal cabinet announced its decision to send a declaration against PTI and its leadership to the Supreme Court and directed the Federal Investigation Agency (FIA) to launch an inquiry against the party leaders to start criminal proceedings against them on the charges of money-laundering and misuse of charity funds for political purposes. The inquiry is still pending with the FIA.

The PTI did not respond to ECP’s notice asking why the funds obtained from prohibited sources should not be confiscated. Instead, it moved the Islamabad High Court against the ECP’s judgment, claiming that the party had been singled out by the ECP. It stated that the Supreme Court had examined the matter and referred it back to the ECP for scrutiny of the accounts of all political parties, including the PTI. “Sadly, only PTI was targeted,” it said. However, the IHC dismissed PTI’s petition in February 2023 and said the ECP’s fact-finding report in the case was correct and also endorsed its decision to issue a show-cause notice to the party.

It seems that PTI’s day of reckoning is near. Imran Khan’s carefully crafted image of piety and moral superiority is gradually tearing apart as evidence emerges that he wilfully ignored blatant financial wrongdoings within his party and accepted funds from companies and nationals of foreign countries. As they say, a lie has speed, but truth has endurance. The truth is finally coming out. ■

PDM'S EIGHT MONTHS IN GOVERNMENT

RESEARCH & POLICY PLANNING UNIT

The Pakistan Tehreek-e-Insaf (PTI) issued a white paper on the state of Pakistan's economy which is, in fact, a paper of white lies. The conclusions presented in the white paper are factually incorrect and ignore several macroeconomic indicators. The truth is, the PTI left the country on the brink of default in April 2022.

Before the government went out, the IMF programme was terminated and unfunded subsidies on fuel and electricity prices were announced for short-term political gain. In March 2022 alone, foreign exchange reserves fell by \$5 billion from \$16.3 billion to \$11.4 billion. The country was not even able to open letters of credit (LCs) for fuel import. As a result, heavy load shedding of six to eight hours daily was started due to the unavailability of fuel to produce electricity. The PTI government did not leave an easy way to come out of this economic mess.

The PTI, in its white paper, conveniently ignored its own performance and the state of the economy left by its government in April 2022 and blamed the last eight months' performance on the incumbent government, especially PML-N. As the PTI sabotaged the IMF agreement intentionally to create landmines for the incoming government after the vote of no confidence, it was contingent on the new government to reformat the conditions of the IMF by increasing petrol prices, goods tariffs, and currency depreciation. During the PTI government, the circular debt of gas also increased to Rs1,600 billion, which was unprecedented in the history of Pakistan.

In such conditions, the inflow of dollars is very necessary. The government is now preparing for a joint 9th and 10th IMF programme to overcome the crisis of dollar inflow for which some hard measures have been taken by the government like the depreciation

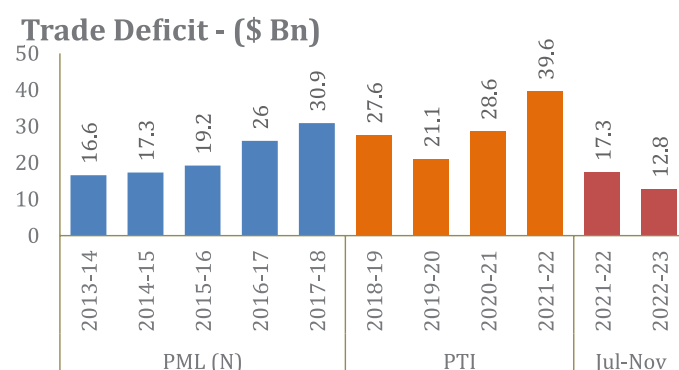
of currency for maintenance of single dollar rate, increase in electricity, oil, and gas prices etc.

Segment-wise brief detail is given below.

TRADE DEFICIT

The import bill for FY2022 hit a historic high at \$72 billion with a foreign exchange reserve of \$9.8 billion (Jun-2022). A year ago the State Bank of Pakistan (SBP) reserves peaked at \$20 billion in Aug-2021, however, due to insane economic policies, foreign reserves squeezed to a mere \$10.4 billion in just eight months (April 2022) when the PDM government came to power. Uncontrolled imports and stalled IMF programme left the country at default risk.

The trade deficit stood at \$17.3 billion in FY2022. The PDM government managed to curtail the trade deficit by 26.2 per cent during Jul-Nov 2022 as compared to the previous year.

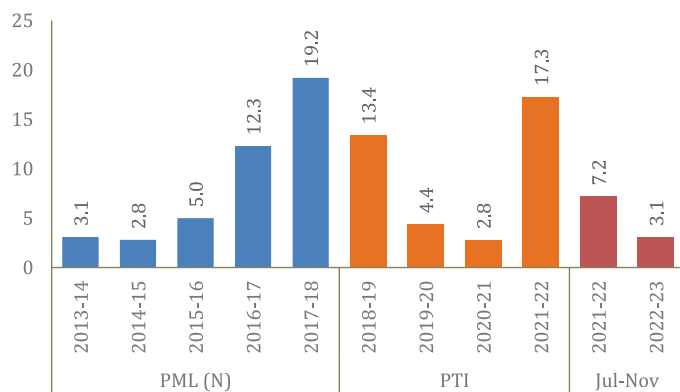


CURRENT ACCOUNT DEFICIT

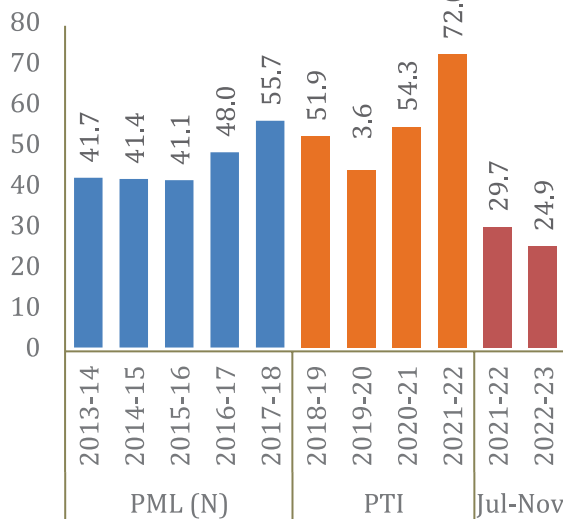
After coming into power, the PDM has not only revived the IMF programme but enhanced the fund to finance external liabilities. From Jul-Nov 2022, the government successfully contracted the current account deficit (CAD) by 57 per cent to \$3.1 billion as compared to \$7.2 billion in Jul-Nov 2021. The import

bill was reduced by 16.2 per cent whereas exports were reduced by just 2 per cent which was also due to the global economic recession.

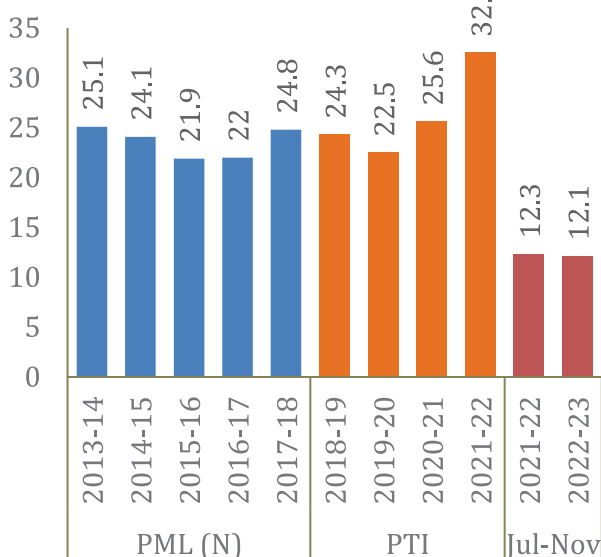
CAD - (\$ Bn)



Imports- (\$ Bn)



Exports- (\$ Bn)



FBR TAX COLLECTION

FBR tax collection remarkably grew by 17.5 per cent to Rs3,429 billion during Jul-Dec 2022 as compared to Rs2,920 billion during the same period last year. On top of that, the direct tax growth remained at 49 per cent during Jul-Dec 2022 with an exceptional growth of 66 per cent in Dec-2022.

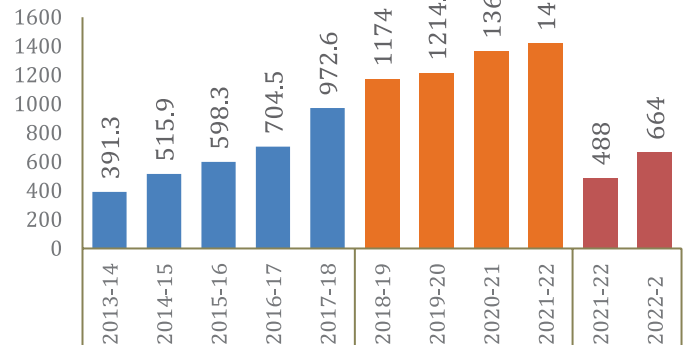
FBR Revenue - (Rs Bn)



AGRICULTURE CREDIT

During Jul-Nov 2022, agriculture credits increased significantly by 36 per cent to Rs664 billion from Rs488 billion during the same period last year.

Agriculture Credit--(Rs Bn)



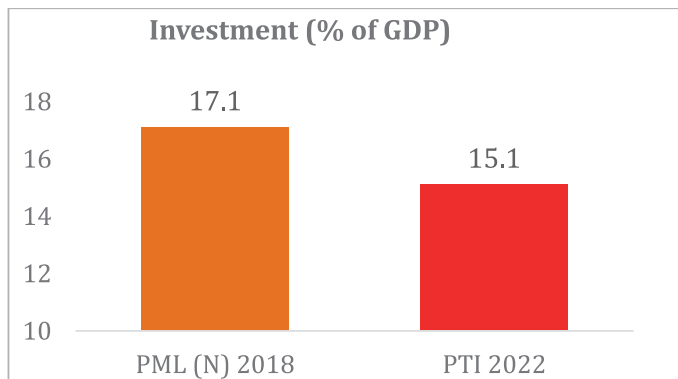
FOREIGN INVESTMENTS

During FY2018, the net foreign direct investment (FDI) reached \$2.8 billion whereas in FY2022 FDI contracted to just \$1.8 billion. Total foreign investments in FY2018 were \$4.99 billion. However, in FY2022 total foreign investment remained at \$1.78 billion. Work on China Pakistan Economic Corridor (CPEC) was halted; no global investor was interested

PERFORMANCE AUDIT

to come to Pakistan due to failed economic and foreign policies of the PTI government.

Investment as a per cent of GDP was higher during the PML-N compared to the PTI tenure. The confidence of investors and their sentiments were much better in the PML-N tenure than in the PTI tenure

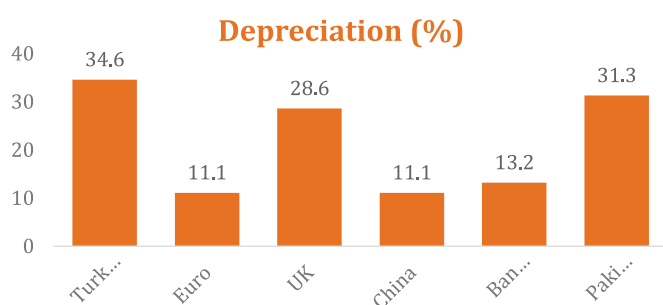


RUPEE DEPRECIATION

Rupee depreciation against the US dollar during PTI's 3.5 years was 57 per cent from Rs115 to Rs180. During the current government, rupee depreciation remained at 31.3 per cent till Dec 2022. It will be reduced gradually in the coming months.

Global economies are witnessing stagflation (low growth with high inflation at the same time). The US monetary authority is responding by increasing interest rates which is creating pressure on other currencies.

The following table shows the double-digit depreciation of major currencies against the US dollar from April 2022 onwards.



FATF

The removal of Pakistan from the Financial Action Task Force (FATF) grey list was a big win for the country. FATF, an international watchdog on money

laundering and financing of terrorism, had placed Pakistan's name on the list of countries under "increased monitoring," also known as the "grey list" in 2018.

The progress made by Pakistan in carrying out the tasks laid down by the FATF action plan has strengthened Pakistan's legal and regulatory framework against money laundering and financing of terrorism at par with international standards. Pakistan's removal from FATF debunks the propaganda of PTI that PDM and its allies are a cohort of corrupt politicians who have come to launder their own money. Had it been true, Pakistan would never have been able to come out of the FATF grey list.

DIPLOMATIC EFFORTS FOR CLIMATE CHANGE COMPENSATION

The historic announcement of the establishment of a loss and damage fund at the 27th United Nations Climate Change Conference (COP27) in Egypt is a major diplomatic victory for Pakistan and the rest of the developing world. Pakistan's efforts to make the loss and damage fund an integral part of climate justice have been acknowledged worldwide. The loss and damage fund envisages financial compensation for the loss and damage caused to developing states due to anthropogenic carbon emissions. Pakistan's contribution to climate change is a meagre 0.8 per cent whereas the impact of change is mammoth in terms of financial loss and humanitarian crises. As a result of pronouncements made at COP27, a transitional committee will start working early next year to make recommendations on how to operationalize both the new funding arrangements and the fund at COP28 this year.

2000 MW ENERGY EFFICIENT PLANTS

In a short period of eight months, the PDM government completed 2000 MW cost-effective power projects on Thar coal which were delayed by the PTI government, to manage the power circular debt which was increased by 115 per cent (1319 billion) during the PTI tenure.

AMI METERING PROJECT

The federal government has started the Advanced Metering Infrastructure (AMI) in all power distribution companies in collaboration with the Asian Development Bank (ADB).

This state-of-the-art service will be provided to electricity consumers as per their requirements and it will help to eliminate theft, further improvement in electricity delivery, and not transfer the burden of electricity theft to consumers by obtaining accuracy.

CONVERSION TO GREEN ENERGY

To cut reliance on imported fossil fuels, Pakistan plans to increase the share of clean energy to 60 per cent in its energy mix by 2030. Currently, the share of renewable energy is only about 4 per cent, according to government data. Pakistan's energy imports during the last fiscal year were \$23.3 billion, 29 per cent of the country's total imports. The process for the generation of 10,000MW solar power in the country had already commenced and such a conversion by the federal government buildings would be the first phase.

The government has prepared a plan to ensure that all government buildings and departments are powered by solar energy. By end of April next year, all federal government departments, be it police, NACTA, health, interior, or the power ministry itself, would have access to cheap electricity. The government has prepared a National Conservation Plan to save energy.

FLOOD RELIEF EFFORTS

The government established a National Flood Response and Coordination Centre — with representatives from the National Disaster Management Authority (NDMA), federal stakeholders, provincial governments, and the Pakistan Army — to oversee the national response to the 2022 floods when one-third of the country went underwater. According to official estimates, the floods caused loss and damage of 30 billion USD to Pakistan's economy.

The 2022 Pakistan Floods Response Plan focused

on the immediate needs of 5.2 million people, with the lifesaving response and relief activities covering food security, assistance for agriculture and livestock, shelter and nonfood items, nutrition programmes, primary health services, protection, water supply and sanitation, women's health, and education support.

The Government of Pakistan was able to garner international support to provide instant relief to the flood affectees. As of 7 November 2022, 19.7 per cent of the government's appeal for \$816.0 million has been funded by the Asian Development Bank and other donor agencies. The Asian Infrastructure Investment Bank has approved a \$500 million loan to the government, as parallel co-financing of ADB's \$1,500 million under the Building Resilience with Active Countercyclical Expenditures Programme. Although that programme's support extends across Pakistan, part of the funding is also expected to roll out relief and recovery efforts for the most vulnerable segments of the 33 million people affected by the 2022 floods.

The World Bank's Board of Executive Directors approved \$1.692 billion in financing for five projects to support people living in flood-affected areas of Sindh province in Pakistan.

While the Government of Pakistan was busy providing flood relief efforts, Imran Khan was busy creating a ruckus to destabilize the economy as well as flood relief efforts. A shady telethon was conducted by Imran Khan to deceive the people of Pakistan and to exaggerate his worth when in reality, a meagre amount of money was collected by this ostentatious exercise.

KISSAN PACKAGE

The PML-N believes that the country's progress is directly proportional to the development of Pakistan's agricultural sector. As evident from the record after the 2015 floods, then Prime Minister Nawaz Sharif announced the Kissan Package of Rs341 billion with the targeted uplift scheme of 1.2 million farmers. During the previous government of PTI, not a single agriculture package was announced except for a rebranding of the Kissan Card Scheme with PTI's name.

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In October 2022, Prime Minister Shehbaz Sharif announced a Kissan Package of Rs1,800 billion (\$8.1 billion) for farmers to offset widespread destruction caused by unprecedented floods in the country. The package includes:

- Waiver of markup on loans to farmers in flood areas
- Fresh loans for small farmers
- Loan for youngsters
- Reduction in fertilizer prices & availability of urea in sufficient quantity
- Launch of solarization of agri tube wells
- Loan for SME sector for agriculture purposes
- Second-hand tractors to be imported
- 50 per cent rebate on duty on import of tractor parts
- Provision of 1.2 million wheat seed bags to flood-affected farmers
- Reduction of tariff on agri meters
- Loan portfolio for farmers enhanced

“THE PTI, IN ITS WHITE PAPER, CONVENIENTLY IGNORED ITS OWN PERFORMANCE AND THE STATE OF THE ECONOMY LEFT BY ITS GOVERNMENT IN APRIL 2022 AND BLAMED THE LAST EIGHT MONTHS’ PERFORMANCE ON THE INCUMBENT GOVERNMENT, ESPECIALLY PML-N.”

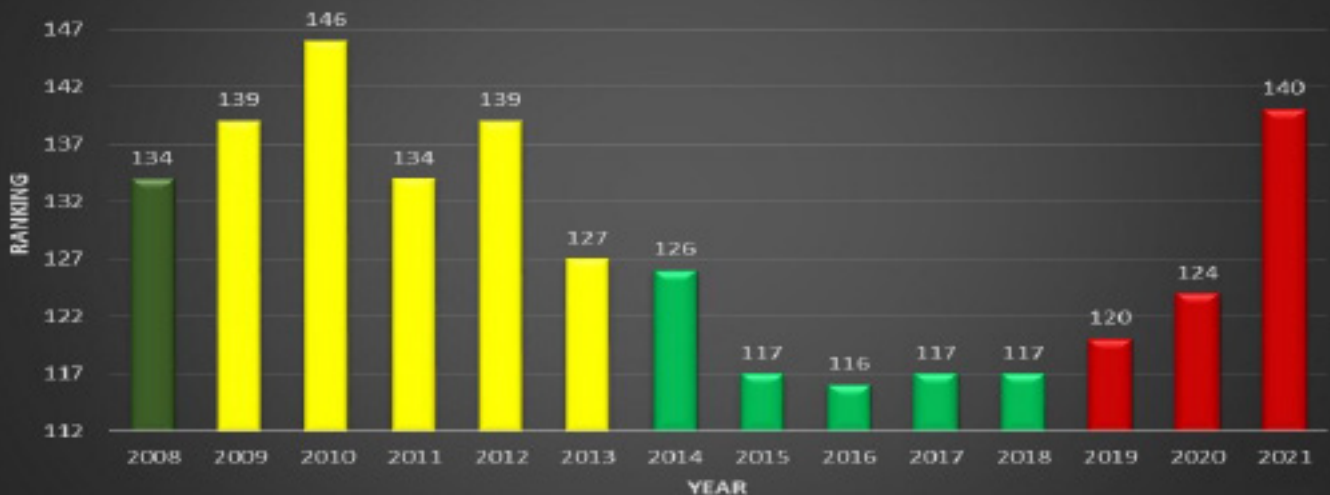
FINANCIAL ASSISTANCE FOR CANCER PATIENTS

PML-N, when it came to power in Punjab for a short period, decided to provide financial assistance to cancer patients being treated at government hospitals. In June 2022, then Chief Minister Punjab Hamza Shehbaz Sharif announced a special effort to provide free medicines for cancer patients by transferring cash into their accounts. Mayo Hospital and the Bank of Punjab (BoP) reached an agreement regarding this transfer of funds and signed it before Punjab’s chief minister. Under the Umeed-e-Zindagi programme, the Bank of Punjab would transfer money to registered cancer patients. Unfortunately, the PTI government and its Minister of Health Yasmeen Rashid discarded this scheme to promote Health Card Scheme which aimed to put public money into private hands. So far, no work has been done to provide free cancer medicines in government hospitals.

CORRUPTION PERCEPTION INDEXES

Pakistan dropped 16 places in the Corruption Perceptions Index (CPI) for 2021 compared to the previous year, ranking 140 out of 180 countries. Under the PTI government, the ranking of Pakistan has gradually slid. In 2019 it was 120 out of 180 countries, in 2020 it was 124, and in 2021 it worsened further to 140. In 2018, during the PML-N government, the ranking was 117 out of 180 countries. ■

Transparency International’s Corruption Perceptions Index





NAJMA HAMEED: A COURAGEOUS LEADER

DR. RANA KHALID MEHMOOD

The PML-N family is deeply saddened by the passing of its stalwart Najma Hameed in December 2022 at the age of 78. She was the face of PML-N in Rawalpindi and served the party and the people with commitment over decades.

Najma Hameed was born on 18 March 1944 in Multan and was a lifelong member of the Pakistan Muslim League. She had the honour of working with Begum Ra'ana Liaquat Ali Khan and Begum Viqar-un-Nisa Noon - two leading figures of the Pakistan Movement - and later devoted her energies to the betterment of people, especially women, through the platform of the Pakistan Muslim League-Nawaz (PML-N).

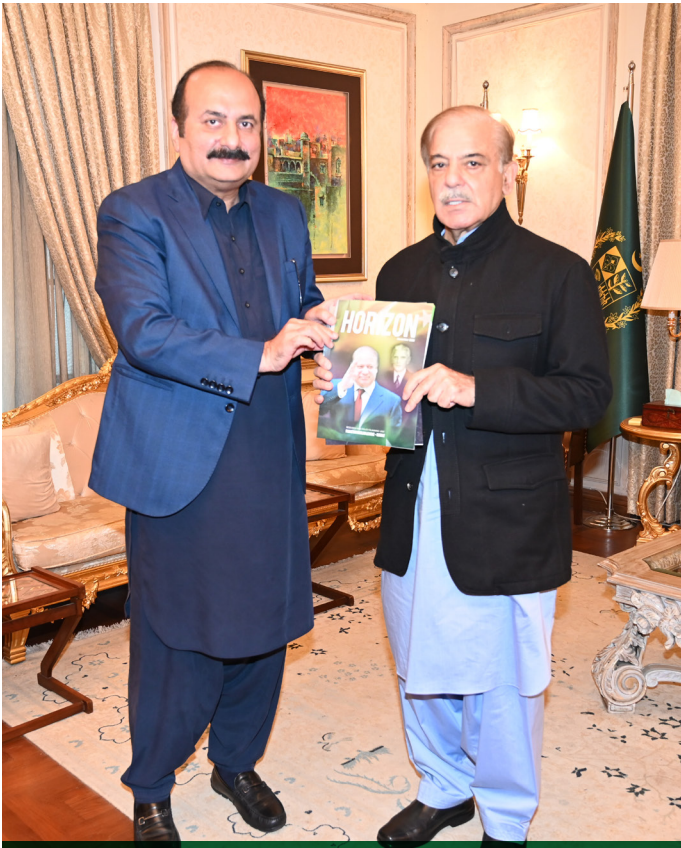
Her role will always be remembered for standing by the party when it was going through the worst form of persecution at the hands of military dictator General Pervez Musharraf after he toppled PML-N's government on 12 October 1999. She was by Kulsoom Nawaz Sharif's side when she was mobilizing workers following the incarceration of Mian Nawaz Sharif, Mian Shehbaz Sharif, and other leaders by Pervez Musharraf. Her house in Satellite Town, Rawalpindi, was a PML-N stronghold. As the anniversary of the coup approached, the military rulers became so afraid of this burgeoning movement led by Kulsoom Nawaz and her trusted lieutenants that they put her under house arrest at Najma Hameed's residence.

Najma Hameed served as the president of the women's wing of the PML-N and twice became Senator in 2008 and 2015 on a reserved seat for women until 2021. She was part of the house that unanimously passed two important laws for the protection of women: The Acid Control and Acid Crime Prevention Bill 2010 and The Prevention of Anti-Women Practices (Criminal Law Amendment) Bill 2008.

Such was Najma Hameed's stature that political leaders have condoled her death and lauded her services across party lines. PML-N chief Mian Nawaz Sharif paid rich tribute to her services to the country, party, and democracy, saying, "She was a righteous and courageous political leader with strong ideals, a figure of sincerity, and political tact." She was "like a sister" to Kulsoom Nawaz, he added. Prime Minister Shehbaz Sharif tweeted, "Grieved to hear about the passing of Begum Najma Hameed, ex-PML-N Senator & the aunt of Marriyum Aurangzeb. She was a committed & loyal party leader who served the country, party & democracy with dedication. May Allah rest her soul in peace! My condolences to her family."

Najma Hameed was the sister of MNA Tahira Aurangzeb, and aunt of Federal Minister of Information and Broadcasting Marriyum Aurangzeb, and is survived by three sons. ■

PICTURE GALLERY



FORMER MINISTER OF EDUCATION PUNJAB RANA MASHHOOD AHMAD KHAN PRESENTING A COPY OF HORIZON TO PRIME MINISTER SHEHBAZ SHARIF. 8 FEBRUARY 2023



FINANCE MINISTER, SENATOR MUHAMMAD ISHAQ DAR, MET WITH QATAR'S MINISTER OF ENERGY AFFAIRS SAAD SHERIDA AL-KAABI IN DOHA, QATAR. IN THE MEETING, BOTH AGREED TO EXPLORE AREAS OF COOPERATION IN THE ENERGY SECTOR. 24 JANUARY 2023



PM SHEHBAZ SHARIF INAUGURATED PM YOUTH LOAN SCHEME FOR BUSINESS AND AGRICULTURE. UNDER THIS SCHEME, YOUTH WILL BE GIVEN LOANS UP TO RS7.5 MILLION WITH A 25 PERCENT QUOTA FOR WOMEN. 24 JANUARY 2023



PRIME MINISTER SHEHBAZ SHARIF INAUGURATING K-3, THE THIRD UNIT OF KARACHI NUCLEAR POWER PLANT (KANUP), WHICH WILL PRODUCE 1,100 MEGAWATTS OF ELECTRICITY. 2 FEBRUARY 2023



PRIME MINISTER SHEHBAZ SHARIF VISITED VICTIMS OF A SUICIDE ATTACK AT A MOSQUE IN PESHAWAR ALONG WITH COAS ASIM MUNIR. 30 JANUARY 2023



PRIME MINISTER MUHAMMAD SHEHBAZ SHARIF LAYING FLORAL WREATH TO PAY TRIBUTE TO THE MARTYRS OF KASHMIR CAUSE AT KASHMIR MONUMENT, MUZAFFARABAD. 5 FEBRUARY 2023



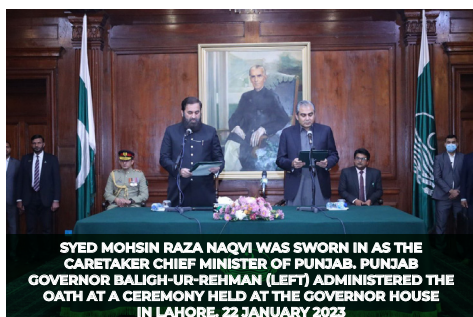
PRIME MINISTER SHEHBAZ SHARIF CHAIRED A MEETING OF THE APEX COMMITTEE IN PESHAWAR TO REVIEW PROGRESS ON THE NATIONAL ACTION PLAN. 3 FEBRUARY 2023



PML-N SENIOR VICE-PRESIDENT MARYAM NAWAZ SHARIF WAS GIVEN A MASSIVE WELCOME ON HER ARRIVAL IN LAHORE FROM LONDON. 28 JANUARY 2023



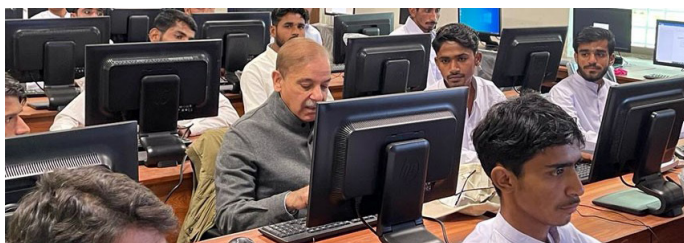
FORMER PRIME MINISTER MIAN MUHAMMAD NAWAZ SHARIF MET THE PRESIDENT OF PML-N SARGODHA DIVISION CHAUDHRY SHAHNAWAZ RANJHA (LEFT) IN LONDON IN WHICH THEY DISCUSSED THE ORGANIZATIONAL, POLITICAL AND ELECTORAL ISSUES OF THE SARGODHA DIVISION. 28 JANUARY 2023



SYED MOHSIN RAZA NAQVI WAS SWORN IN AS THE CARETAKER CHIEF MINISTER OF PUNJAB. PUNJAB GOVERNOR BALIGH-UR-REHMAN (LEFT) ADMINISTERED THE OATH AT A CEREMONY HELD AT THE GOVERNOR HOUSE IN LAHORE. 22 JANUARY 2023



A RUSSIAN DELEGATION HEADED BY MINISTER OF ENERGY OF RUSSIA NIKOLAY SHULGINOV CALLED ON PRIME MINISTER SHEHBAZ SHARIF IN LAHORE. 19 JANUARY 2023



PRIME MINISTER SHEHBAZ SHARIF INAUGURATED A SMART SCHOOL IN SOHBATPUR, BALOCHISTAN. THE SCHOOL IS BEEN EQUIPPED WITH THE LATEST IT FACILITIES. 4 JANUARY 2023



FORMER PRIME MINISTER MIAN NAWAZ SHARIF AND PML-N SENIOR VICE-PRESIDENT MARYAM NAWAZ SHARIF MET NATIONAL ASSEMBLY MEMBER KHEAL DAS KOHISTANI IN LONDON AND EXCHANGED VIEWS ON THE COUNTRY'S POLITICAL SITUATION. 28 JANUARY 2023



PRIME MINISTER SHEHBAZ SHARIF MET FORMER PRESIDENT ASIF ALI ZARDARI AND JUI-F CHIEF MAULANA FAZAL-UR-REHMAN. 26 JANUARY 2023



PRIME MINISTER MUHAMMAD SHEHBAZ SHARIF AND SECRETARY GENERAL UNITED NATIONS ANTONIO GUTERRES AT INTERNATIONAL CONFERENCE ON RESILIENT PAKISTAN IN PALAIS DES NATIONS, GENEVA, SWITZERLAND. 9TH OF JANUARY, 2023



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Research and Policy Planning Unit
Pakistan Muslim League-Nawaz

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