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# NEWSLETTER

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## From the Desk of the Chairman

### ***Assassinations are Destabilizing Pakistan's Neighborhood***

There was a good chance that the change of administration in Washington would improve the situation in Pakistan's neighborhood. President-elect Joe Biden who will be sworn in as America's 46th president shall take office with a lot of experience in global affairs. He served for eight years as Vice President in Barack Obama's administration. America's approach to the world was a part of his portfolio and he was often sent out on missions to present Washington's viewpoint to foreign interlocutors. Donald Trump when he took office in 2017 had no experience in

world affairs. In his inaugural statement on January 20, 2017 he had vowed that America would go alone and not work with other nations to pursue the country's agenda. He and his administration would work to "Make America Great Again" (MAGA). His followers picked up the MAGA slogan and put it on their red hats.

He went to work the moment he took office and began to pull his country out of the various international agreements that the Obama administration had concluded. Among those he gave up were the 12-country Trans-Pacific Partnership, the TPP, the Paris Climate

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agreement, and the Iran nuclear deal. In addition, he walked out of the decades-old World Health Organization and weakened the World Trade Organization. He also indicated that he would pull out his country's troops from Iraq and Afghanistan. Most of these moves affected Pakistan's neighborhood, making it even more volatile. It is the pullout from Afghanistan that is likely to create chaos in the country the Americans had invaded twenty years ago. The pull-out is being done even though the American military leadership is not supportive of what Donald Trump wishes to do in the last days of his presidency.

Of immediate consequence for Islamabad is the assassination on November 27 of the Iranian scientist Mohsen Fakhrizadeh as he was traveling by car to his home in Tehran. The attack which Iranian news agencies said involved a car bomb and gunmen.

Official Iran suspected that the Israelis were responsible for the killing and that they carried out the assassination with the knowledge of Washington.

This killing was one of the series of assassinations of senior military personnel carried out in last few months. In January, a United States drone strike killed Maj. Gen. Qasem Soleimani, Iran's powerful military commander and head of its special-operations forces abroad. In August, Israeli agents acting on behalf of American officials assassinated a senior al-Qaida leader in Tehran. The Islamic regime has promised to retaliate to send a powerful message to both Israel and the United States that these actions are seen as serious violation of Iranian sovereignty and cannot go unpunished.

The Iranian scientist had been Israeli sights for a long time. The role he was playing in developing nuclear weapons in Iran was revealed by the disclosure of thousands of Iranian documents that were stolen by Israeli

infiltrators and smuggled out of the country in 2018. Their content was revealed in a press conference by Benjamin Netanyahu, the Israeli prime minister. They portrayed Fakhrizadeh as the nuclear projects leader since 1998.

The timing of the Fakhrizadeh killing is interesting in that it comes a few weeks before President-elect Joe Biden is to move into the White House. The incoming president has indicated that he will reverse some of the moves his predecessor took to have America go alone in world affairs. Among those is the decision to walk out of the nuclear deal that had slowed down considerably Tehran's effort to develop a nuclear bomb. Biden had announced that he would move to revive the deal. That may become more difficult if the government in Iran retaliates by taking actions that would make it difficult for Biden to get his country back into the nuclear agreement. The net result of these moves by the departing Trump regime would be to destabilize further Pakistan's immediate neighborhood.

**Shahid Javed Burki**

The Shahid Javed Burki Institute of  
Public Policy at NetSol, Pakistan



## Message of the Month

### Hybrid Pedagogies as an "New Normal" for Teaching and Learning

Since COVID-19 pandemic has occurred as the most upsetting

event in modern history, we are pleased to observe that academia has responded very sensibly and creatively to deal with this challenge. Around the globe, several innovations have been evolved to adequately meet the challenges of teaching and learning. In Pakistan also, almost all academic institutions have developed and are using the best online educational

systems, which has saved students from losing their precious time, energy, and money due to the closure of institutions.

The pandemic has forced us to develop strategic approaches that have come to be known as "*new normal*". I think this "*new normal*" is going to stay with us for a long time. Our academia, industries, and

businesses will benefit from this development in information technology and its applications. So, what the educational fraternity needs now is to work to adapt and leverage this transformation of hybrid pedagogy. What we need to emphasize on learning of evolving hybrid teaching pedagogies to maximize the outcomes for the students.

Recently, we are witnessing that several academic institutions and ICT organizations are creating environments where students and professionals could work remotely, effectively, and efficiently. Hybrid Institute is one such organization in Pakistan, in addition to many universities both public and private,

is facilitating the hybrid pedagogies and remote working environment. It was very encouraging to learn that many institutions are continuously engaged in developing multiple teaching, learning, and assessment methods. We are also witnessing that many universities are setting up IT cells and institutes to ensure a deep understanding of the pedagogies and strategies to timely deliver and achieve the learning outcomes. However, there is still room to work on a stable and sustainable hybrid model for all students to benefit from.

As far as accessibility and equity in the learning and teaching environment are concerned, I think that this is the opportune time for the government policymakers and ICT industries to come forward and invest not only in infrastructure, but also we need to simultaneously work

towards a Digital Education Action Plan on a national level. We not only need to work towards the standardization of online education but also upgrade the standards to be at par with the international norms. We need investments for re-skilling and up-skilling of our human capital. For that, we must focus on capacity building programs for faculty, staff, and students. We must accept wholeheartedly and prepare ourselves to inherit and become a part of the emerging global digital society.

The recent COVID-19 pandemic was a big challenge for us, and we have been able to successfully turn it around into an opportunity. We can expect that our institutions of higher education will keep this momentum going and continue to provide the best possible opportunities for all.

**Prof. Dr. Muhammad Nizammudin,**  
Pro- Rector  
Superior University



## Points to Ponder and Reflect Regarding Pakistan

### Hope

- According to a poll organized by the Institute of European Business Administration, Pakistanis rank the “fourth most intelligent people” in the world out of 125 countries surveyed.

- Pakistan is the only and the first Islamic country to have excelled in nuclear technology and have attained nuclear power.
- Pakistan is making a steady progress, which though needs to be accelerated, in improving the business environment. Pakistan has climbed 28 places to rise to the rank of 108 in the global *Ease of Doing Business* this year from the previous rank of 136.

### Challenges

- Pakistan ranks 164th in education and health sectors in the world just behind Rwanda (ranked 163rd) and ahead of Tanzania (ranked 165th) as revealed in the first ever scientific study “Measuring human capital: A systematic analysis of 195 countries and territories”.
- Pakistan is the 120 least corrupt nation out of 180 countries, according to the 2019 Corruption Perceptions Index reported by Transparency.



- Pakistan's percentile ranking on "Government Effectiveness" (which captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies) is 25.96% among all countries; with 0 corresponding to the lowest rank, and 100 to the highest.

## The Launch of BIPP Annual Report 2020



The Shahid Javed Burki Institute of Public Policy at NetSol launched its annual report 2020: "The State of the Economy" on 25 November, 2020 at the Lahore Chamber of Commerce and Industry (LCCI). The launch ceremony was presided over by Mr. Tariq Misbah, the President LCCI while the Minister of Higher Education and Information Technology, Raja Yasir Humayun, graced the occasion as Chief Guest.

Each year, the annual report, apart from giving an objective

critique of the performance of the economy, dwells in detail on a topic of vital significance for the country. This year, the major theme of the Report was "Coronavirus and its Impact on the World and Pakistan"- a virus which is far more deadly than all those it preceded and has serious public policy implications.

The ceremony was well attended, among others, by eminent business leaders, members of academia, notable politicians, scholars and decision makers. The Vice Chancellors of three Universities including Government College University, University of Lahore and Pro-Vice Chancellor of Superior University served as commentators on the substance and contents of the Report.

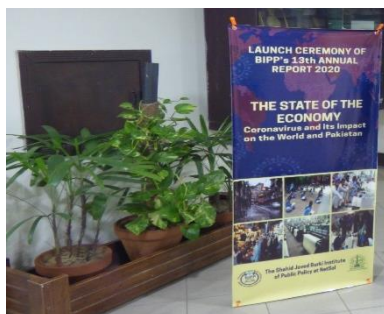
The report was very well received profusely appreciated for a comprehensive coverage of COVID-19 pandemic both in the global as well as national contexts and for specific recommendations to combat the pandemic impact on agriculture, climate, urbanization and augmenting the national response to managing the second wave. The following salient issues and observation were raised by the commentators and the participants:

A deeper analysis needs to be carried out to assess the full impact of pandemic on the major economic sectors projecting different possible scenarios and

the associated road map to resuscitate and sustain the economy.

- The data and information deficit especially at the grass root levels is a major constraint to formulating robust and rational prescriptions. Joint research endeavors by the university system, the research institutions and relevant public sector entities is absolutely essential.
- While the macro indicators may exhibit a positive trend in the economic growth and recovery, they fail to capture the actual impact on the wellbeing and the livelihood of the common citizens especially those in the lower income bracket. It is as such extremely important to go beyond the macro analysis and develop a coherent analytical framework to assess the impact of performance of the economy at the micro level.
- Pakistan, given its strategic location and resource endowment especially human assets, has huge potential to transform into a knowledge economy and become a regional hub to contribute to the sustainable development both nationally and regionally.
- Linkage between industry, academia and research outfits is an absolute imperative for developing appropriate technology, integrated business solutions and establishing a national innovation and technology system.

BIPP acknowledges with gratitude the cooperation and support provided by LCCI in launching the annual report and truly appreciates Chamber's initiative and keen interest of the private sector to promote evidence based robust policy making in Pakistan.



**Shahid Najam,  
Vice Chairman**

The Shahid Javed Burki Institute of  
Public Policy at NetSol, Pakistan



## Research and Consultancy Wing

### Lessons from Surviving COVID-19

In early 2021, the global economy begins to address the challenges of COVID-19. In response a large chunk of the global economy was shut down producing the unexpected benefit of lowering air pollution. Smog cleared, the stars began to shine brighter and the air became

breathable. In Pakistan one could see the snow-clad Himalayan Mountains. Cruise travel and trans-oceanic shipping slowed down lowering oceanic pollution and lowering noise enabling whales to enjoy each other's songs as they used to in the late twentieth century.

Global carbon emissions also decreased by 20-25 percent due to lower energy production. Creative scientists began to see happier days ahead by describing this onslaught by the virus as a violent reaction by the planet

itself to the wanton rape of its eco system.

Those moments of optimism did not last long as humanity has begun to practice its short-sighted destructive behavior. The human impact of COVID-19 has been massive. Please see table below. The comparative efficiency of mortality control may be estimated by dividing the total cumulative deaths by the total population of the region.

These estimates are 0.827 for both USA and Europe; 0.063 for Asia and 0.187 for the world.

Region	Total Infected (Million)	Total Deaths (Thousands)	Population (Million)
World	62.5	1460	7800
USA	13.7	273	330
Europe	16.2	371	448
Asia	16.1	283	4463

In the US the economic impact is huge in terms of unemployment; food insecurity; home evictions. Long lines of cars waiting hours to get food from a food bank are visible all over the US. About 40 million (12% of population) people are food insecure—that is, where is food for the next meal coming from? In all this misery there is learning also about the exploitation that exists in our world. Racial, opportunity and other system wide inequalities have also become more visible as the smog has cleared. Social

thinkers have long stipulated that reducing system wide inequalities is the most important human challenge of the 21<sup>st</sup> century.

It seems possible that those who hold political power will also begin to see the light. There is hope that under the new administration the US will begin to work on the strategy amalgam to level the playing field for all by devising and implementing policies which are directed to reduce inequalities.

The first test is how the world handles the distribution of the COVID-19 vaccines within and among countries. Will the marginal populations be left untended in both wealthy and poor countries?

**Tariq Husain**  
Member, BOD

The Shahid Javed Burki Institute of  
Public Policy at NetSol, Pakistan



## Education and Learning wing

### Pakistan's Economic Challenges

Today Pakistan is facing several

socio-economic challenges due to COVID-19. The virus has also derailed the Pakistani economy which was in the process of showing signs of improvement. The negative impact in the short run is likely to be severe with economic growth rate receding from expected 2.4 percent in FY20 to an all-time low of -0.4

percent. This results in decrease in exports rendering a trade deficit of to the tune of USD 20 billion. In turn trade deficit and decline in large scale manufacturing creates pressure on the economy and generates unemployment. It is this unemployment, decrease in production, closure of industry



and growing population that heavily contributes to the mounting inflation, which according to state figures is hovering around 8.2% CPI. State Bank of Pakistan, Ministry of Finance and Federal Bureau of Statistics all quote different figures of inflation. Direct taxation is only 29% of all revenues forcing poor people to fall further below the poverty line, while facing the burden of indirect taxation of Rs 2.92 trillion. Though it is right in the first place to document the economy but it is criminal that the poor be burdened with indirect taxation.

In the absence of a strong human development policy it will be unimaginable to build a politically, economically, and socially stable state. Economic development helps build a socially and politically independent and sovereign nation. But it is the political leadership that has to show commitment in making challenging decisions— decisions that may not be popular but are right for the interest of its people.

All stakeholders must be taken into confidence in order to show them the right picture and show the path to prosperity. It will be the demand to all political leadership to abide by the path to prosperity regardless of which political regime was in power. Once bringing all stakeholders on

board, consensus must be built to keep private sector the main engine of growth. Thus developed National Reform Agenda should be given constitutional cover through amendment. Four representatives of privates sectors, one from each province, should be part of FBR Board so as to facilitate the tax recovery process. It is advisable to use the support of regional chambers of commerce and industry for educating and recovery of revenues. Tax forms must be simple and available in regional languages besides Urdu.

**Dr. Muhammad Ejaz Sandhu**  
**Director**  
 Operations, Education & Learning  
 The Shahid Javed Burki Institute of  
 Public Policy at NetSol, Pakistan



## Research and Consultancy Wing

### SMEs Excellence - A Revolutionary Road to Success for Pakistan

Small & Medium Enterprises (SMEs) are the backbone for any economy. Figure 1 depicts the contribution of SMEs in Pakistan's economic activity. It can be safely assumed that 80-90 percent of businesses are run by either formal or informal in form of SMEs.



**Figure1**

The management and growth of these entities is crucial.

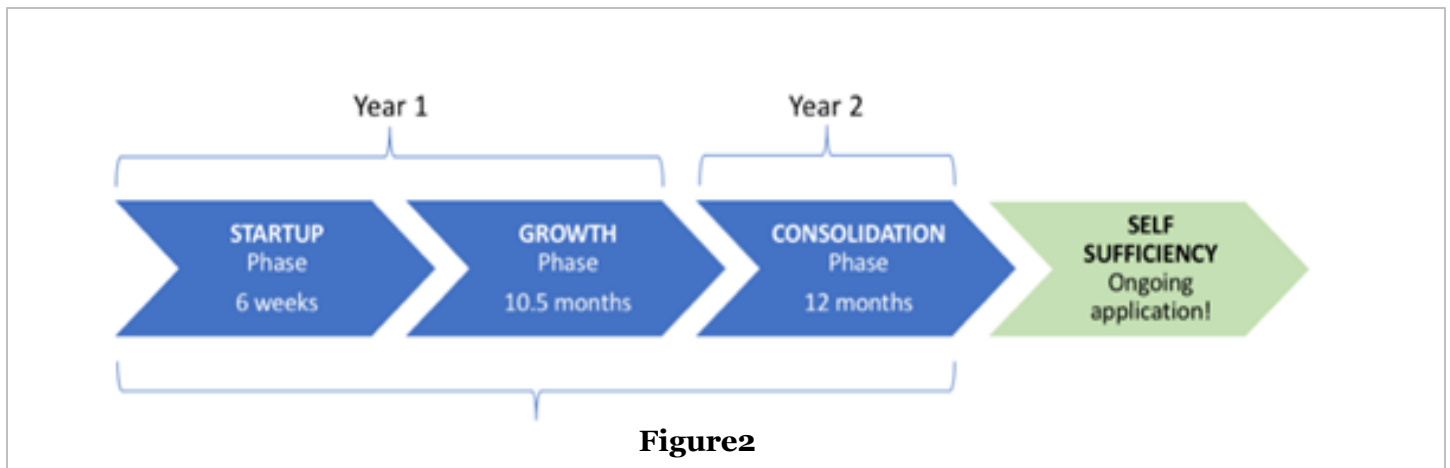
SMEX Framework for Business Excellence is a simplified framework explicitly designed for the SME business. It incorporates five core prerequisites that any SME business must be on top of if they wish to build a high performing business. For most SME business CEOs and their employees, almost all your time is spent “IN” the business. Whereas to implement SMEX®, you and your employees must work “ON” the business some of the time. We have identified four distinct

phases, so that they are able to reach a final stage of self-sufficiency for optimal long-term results.

Some might balk at the 2-year timeframe outlined in figure2. However, if you look at the results over those two years:

- Successfully executing your strategy;
- Significant efficiency gains through fast process improvement with an ROI on each project of at least 5 to 1;
- Massive efficiency gains and new capabilities added through process reengineering;
- A culture of continuous improvement.

both formal and informal SMEs can greatly benefit from this model and support domestic market and expand their role in regional and global supply chain networks for a multitude of goods and services.



**Figure2**

stages of implementation of this plan to help SMEs become sustainable and impactful. The first three steps lay the foundations to the successful transformation of any business and take place in a period of two years. SMEX® and its detailed design aids the company to ensure that they execute these three

Figure 2 clearly shows that the model is ideal for such scale of industry. Thus, it is important to remember that building a high performing business does not happen overnight, but with the systematic, step-by-step process as outlined above.

Given their mammoth potential of

**Shahzad Akhtar**  
Managing Director  
Strateasy Consulting & Consultant BIPP





## Education and Learning wing

### Can Biden Heal a deeply Fissured America?

President-elect Joe Biden is all set to step into the Oval Office on 20th of January, 2021 as incumbent President Donald Trump's legal battle to prove election fraud continues to suffer setbacks. A federal judge in Pennsylvania compared Trump's challenge to mail-in ballots in the state to "Frankenstein's monster" as it was "haphazardly stitched together."

This year's US election has been unprecedented in many ways. Despite the havoc unleashed in America by the deadly coronavirus which has infected around 14 million and killed almost 275,000 in the country, the two top presidential candidates broke the previous records of popular votes in the election history of the US. Biden surpassed the previous best of 69.5 million votes fetched by Barack Obama in 2008 by a big margin of 11.5 million and Trump also outperformed Obama by 74 million votes.

Biden beats all the previous Presidents of the US; he is also setting a new record by becoming the oldest President in American history. Biden brings with him, Kamala Harris as the first female Vice President. She is also the first black woman of South Asian descent and a daughter of immigrants to get elected for the post.

The record breaking performance of this year's Presidential elections is a clear reflection of a highly polarized American society. In fact the outgoing President, despite his record of questionable ethics and administrative abilities has increased his popular vote by 11 million votes which shows that America clearly has two very different visions for the future.

These extraordinary circumstances in the US political, social and economic domains demand a prudent and wise response from the President-elect. Biden has surely an uphill task in front of him and that is to set right a divided America. A positive thing about him is that he seems to be well aware of the division in the America and understands the importance of recreating the image of America as a place of "possibilities" for everyone and rebuilding it together with the help of all Americans. He is cognizant of the systemic racism rooted in the American society and shown

resolve to get rid of it.

Biden's agenda sounds very promising and only time will tell how much success he achieves on the various fronts mentioned in the victory speech. A major step for progressing towards his explicitly stated goals would be to remain more focused domestically and do less in the international arena. This can be a huge challenge as this is not something for which the American body politic has an appetite for, evident from the experience of the last several decades. The question remains: Can Biden start with a serious domestic focus for healing the deep fissures in America?



*Image: Joe Biden delivering victory speech. Courtesy of BBC News.*

**Athar Mansoor**  
Research Fellow

The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan



## Education and Learning Wing

### Unearthing our Feminist Heritage: Malika Nur Jahan

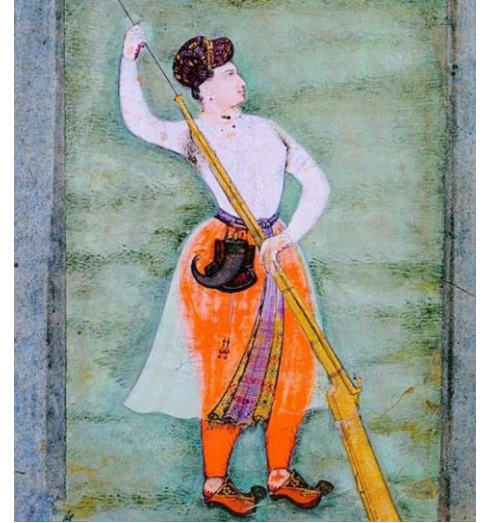
*“On the grave of this poor stranger, let there be neither lamp nor rose. Let neither butterfly's wing burn nor nightingale sing”,* reads the tombstone of one of South Asia's most formidable woman- Nur Jahan (1577–1645). Though, most of what we know about her today comes from sparse accounts infused with folklore, it is undeniable that Nur Jahan was the de facto Emprises of Mughal India.

Mughal women wield influence as they had wealth, status and power to undertake significant projects outside the harem walls. For example, Jahangir's mother commissioned the magnificent Maryum Zamani Mosque in Lahore and Gul Badan Beghum was commissioned by Akbar the Great to compose the official Imperial biography of her brother Emperor Humayun.

European traders who frequented India described Nur Jahan as “evil”, “cunning” and “ruthless” while the Eastern chronicles romanticizes her as the bewitching woman whose feminine charms and pursuits were her singular

merit. In fact, she was the daughter of a migrant Persian who made his fortune in the Mughal court. Following her widowhood, she married Jahangir and emerged as the exception. Unlike other harem women she did not rely on producing heirs to wield influence. Rather, it was her understanding of politics, public works, intentional trade, architecture, art, human nature that led to her growth. It is speculated that she was the richest person in India, surpassing Jahangir himself, due to her trade rights of indigo that was exported to the outside world. Using this wealth, she commissioned public works such as wells, paving of roads, construction of rest houses, tree plantation, and female welfare works. Further, I'timād-ud-Daulah tomb or the ‘jewel box’ of India is the testimony of her esthetic genius, she designed her father's tomb by giving birth to a fusion style based on Persian, Indian and European graces; as the first building to use white marble in India it became the inspiration for Taj Mahal decades later. Her influence was such that she is the only Mughal empress who had gold coins minted in her name. An avid hunter and sportsperson she gallantly rescued her husband for an assassination attempt by a band of disloyal courtiers. After the death of Jahangir, she lived out a secluded life with a modest pension in the estate of Shahdara. Her withdraw showed that she understood the limits of her power, yet she left behind a mark of the politics, history and culture of this region.

We must rediscover the lost women from our past to explore the collective wisdom of the iconic South Asian women of their times, their legacies can help us pave our way through this modern era.



*Image: Nur Jahan in her hunting attire. Courtesy of Rampur Raza Library.*

**Kainat Shakil**  
**Research Fellow**

The Shahid Javed Burki Institute of  
Public Policy at NetSol, Pakistan





## Knowledge Management Wing

On 28th October, Dr. M. Ejaz Sandhu (Director Operations Education and Learning BIPP), Ms. Asma Umer (CEO Strateasy), Mr. Shahzad Akhtar (Managing Director Strateasy), Mr. Haider Zedi (President AKIDA), and Ms. Kainat Shakil (Research Fellow), visited Government College University, Lahore and attended a meeting with Dr. Asghar Zaidi (Vice Chancellor GCU) to discuss various areas of research collaboration. The BIPP team also participated the Pink Ribbon Ceremony organized by GCU to spread awareness about breast cancer.



On 4th November, Mr. Javed Afzal, Provincial Chief Punjab of Small and Medium Enterprise Development Authority (SMEDA) visited BIPP's office. BIPP and Strateasy attended the session with Mr. Afzal and shared the ideas for the mutual collaboration. Participants were also informed about the vision of SMEDA and BIPP. Ms. Maryam (Women Economic Development Initiative Punjab-WEDIP partner) also attended the session and discussed what SMEDA is currently doing for the capacity building of women and how WEDIP can aid in the achievement of its goals related to women capacity building and empowerment.



On 6th November, Officials from E-Pakistan visited BIPP's office. A healthy discussion session was held between the two parties. E-Pakistan or Electronic Pakistan is a joint project of Pakistan Institute of ICTs for Development (PIID) and Centre of Information Technology (CIT). Both the parties looked at various areas for expanding the role and impact of E-Pakistan in the realms of public policy, governance and development in which they could jointly work.



On 13th November, Dr. Asghar Zaidi (VC GCU) visited Mr. Shahid Najam (Vice Chairman BIPP) at BIPP office. The session was attended by inhouse BIPP members, Strateasy team and AgriByt officials. Dr. Zaidi was informed about vision and the activities going on at the BIPP. All the parties resolved to work together in the areas of research and development based on mutual collaboration.



On 13th November, BIPP team headed by Mr. Shahid Najam attended the meeting of Industry Academia Linkage Committee. Mr. Najam highlighted the importance of linkage and proposed quadruple approach i.e industry academia, government and military collaboration.



**Samra Naz**  
Assistant Manager IT/KM  
The Shahid Javed Burki Institute of  
Public Policy at NetSol, Pakistan





## Education and Learning Wing

### Reviving Basant in Lahore

Lahore is known for many reasons, out of which Basant was its identity. It had rich culture and a multicultural society. People welcomed spring after winter and dressed up in bright clothes, creating a vibe of cheerfulness and joy. Poor and rich all would indulge in the activity together. The sight of brightly colored kites during the day and white kites were spotted easily in the moonlight were a treat for the eyes. Women would wear bangles, there would be music, festive food and people would invite friends and relatives to cluster at their rooftops indulged in eating and kite flying competitions with their neighbors on their rooftops. It was a site to behold as the city chirped while eating and celebrating.

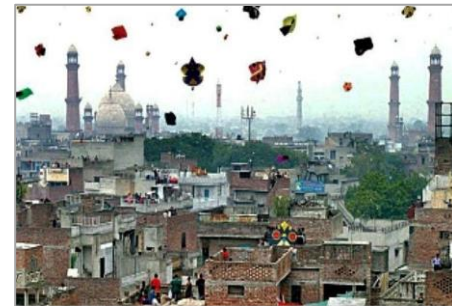
Matches for kite flying gained momentum and sometimes even resulted in bullets being fired against loosing or celebrating a match. Also, a special kind of paste called 'manjha' was used to add sharpness to the *dor* (kite flying thread) which is made

from crushed fine glass. And after the *guddi* (kite) is cut there is another match of who catches the falling *guddi*.

There have been reports of children having fallen over from rooftops and dying in the process, not paying heed to the dangers by going too near the edge of the rooftop or falling victim to road accidents in their attempt at looting a stray *guddi*. *Manjha* applied to the *dor* has reportedly cut throats of people going on motorbikes by becoming entangled with them. Also, elite had started to have private parties often indulging in serving alcohol, which gained the attention of religious scholars who portrayed Basant as un-Islamic, primarily a Hindu festival. Hence, petitions have been filed by grieving parents and in compliance with the 'Dangerous Kite Flying Ordinance' enacted in 2003, finally enforced in 2007, kite flying was permanently banned in Pakistan.

Basant and Lahore were becoming interchangeable, but since the last decade Basant is no longer celebrated. Due to which we have also lost our cultural heritage, unemployment of masses has increased as hotels used to be overbooked, kites and *dor* were in preparation all year long, the locals were involved at the grass-root level, and this has also led to reduction in international tourism.

Festivals are a form of transferring the spirit of the nation to the people. We send out a message of a peaceful community by celebrating our festival and attracting international tourists. Reinstating Basant in Lahore now means saving Lahore's excitement, passion and soul. Thus a safe Basant must be restored to the skies of Lahore.



*Image: Celebration of Basant festival in Lahore. Courtesy of Dawn News.*

**Sana Ahmad**  
**Research Intern**

The Shahid Javed Burki Institute of  
Public Policy at NetSol, Pakistan



**Finance and  
Administrative  
Wing**

## Macro-Environment Review

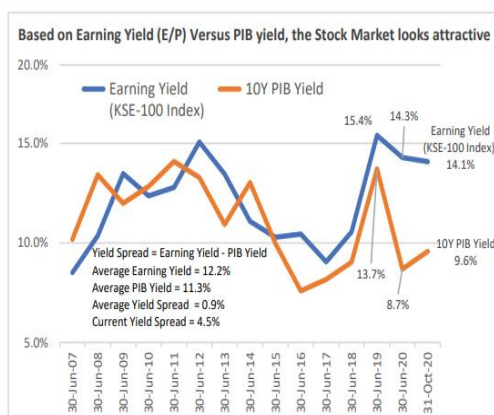
Economic activity has picked up steam after coronavirus shock as reflected by the newly released economic data such as power generation, cement dispatches, automobile sales, and retail fuel sales that have surged by 26%, 3%, 139%, and 14% respectively during the period of July-September 2020 compared with April-June 2020. Regarding external account, the country has posted current account surplus of USD 792 million in 1Q FY21 versus a deficit of USD 1,492 during the same period last year. We anticipate the CAD to widen to a still manageable level of USD 4.4 billion (1.7% of the GDP) in FY21. Despite an elevated CPI reading recently, we anticipate inflation to moderate to 8% in FY21 compared with 10.7% in FY20. The SBP is likely to maintain the prevailing accommodative monetary policy regime in the near-term to support nascent economic recovery in the backdrop of a still-challenging global economic outlook.

## Money Market Review

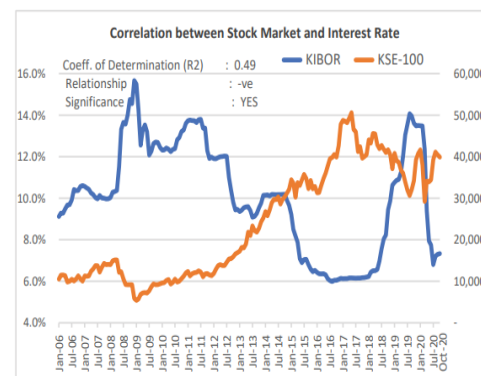
For the month of October, CPI clocked in at 8.9% due to rise in prices of perishable food items whereas core inflation clocked in at 5.6%. Furthermore, rupee has appreciated against the US Dollar by 3.3% (5.4 rupees) during this month and current exchange rate is 160.6 PKR/USD. Also, SBP's foreign exchange reserves now stand at USD 12.12 billion. According to latest Auction, the SBP held T-Bill auction with a target of Rs. 350.00 billion at a cut-off yield of 7.14%, 7.18% and 7.29% for 3-month, 6-month and 12-month tenures, respectively.

## Stock Market Review

The stock market performance remained lackluster during Oct-20, as the benchmark KSE-100 Index fell by 683 points (1.7%) on a month-on-month basis. Since April, it was the most volatile month as the market remained very jittery throughout the month. From the onset, the market remained under pressure as elevated political noise perplexed



the investors. During the month, the market also remained wary of the upcoming FATF review, which concluded on the 23rd Oct. The FATF acknowledged that Pakistan has made significant progress across all action plan items (21 of the 27 action items remain largely addressed now) and urged the country to swiftly complete its full action plan by February 2021. On the economic front, things are further looking up. Despite fall in revenues on the import stage, FBR collection for Oct-20 stood at PKR 333 billion, up marginally by 3% YoY, taking 4M collection to PKR 1.34 trn, up by 4% YoY. Remittances again stood up as Sep-20 number reported during the month clocked in at USD 2.3 billion, up by 31%/9% on YoY/MoM basis, taking 1Q inflows to USD 7.15 billion, up 31% YoY. The current account surplus in 1QFY21 stood at USD 792 million versus a deficit of USD 1.49 billion in the corresponding period last year. Strong numbers on the external account front coupled with favorable sentiments led to a sharp recovery in the forex market, whereby the PKR appreciated by around 3% against the USD during the month.



**Awais Khalid**  
Manager, Finance and Operations  
The Shahid Javed Burki Institute of  
Public Policy at NetSol, Pakistan



## Mission Statement

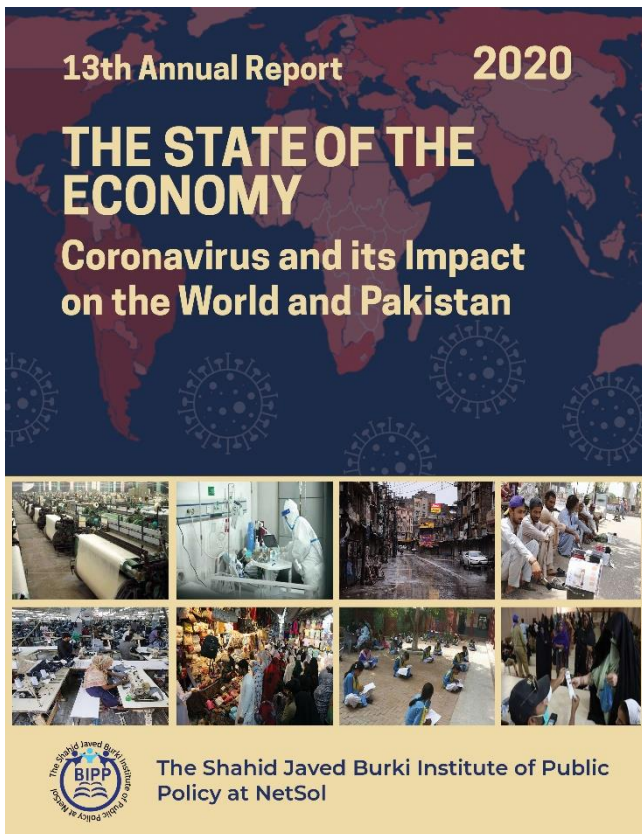
IPP's mission is to improve welfare of the citizenry with particular emphasis on identifying policy measures that will lead to inclusive growth, socio-economic stability and sustainable development, besides fully harnessing the potential for regional and global integration.

## Partners





# The Shahid Javed Burki Institute of Public Policy at NetSol

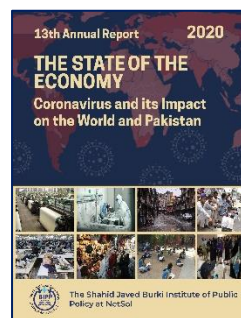


## Who we are?

The Shahid Javed Burki Institute of Public Policy at NetSol (BIPP) is an independent, not for profit institution which aims at: promoting rights and evidence based inclusive policy making; filling institutional void and professionalizing the key public policy areas; serving as a knowledge hub for policy analysis, development and implementation. BIPP's aim is to minimize this rationality deficit and produce leaders to bring tangible welfare gains for the citizens. Integrity and Commitment, pursuit of excellence, expanding horizons of competence and knowledge, working as a highly motivated and dedicated team constitute our core values.

### 13<sup>th</sup> Annual Report:

#### The State of the Economy: Coronavirus and its Impact on the World and Pakistan



### Introduction:

The Report provides an objective analysis of the economic performance, the interventions and strategies of the Government of Pakistan in dealing with COVID-19. Moreover, it provides an overview of the different approaches adopted by the world leaders to combat the crisis and of different realms associated with the 'new norms'. The Report also embodies specific recommendations and policy prescriptions which the Government could pursue for addressing the health and development challenges confronted by the country.

### Contents:

This report comprises the following eleven chapters

1. Introduction
2. The Impact of COVID-19 on Pakistani Economy
3. Epidemics and Pandemics in World History
4. How COVID-19 Pandemic Arrived in Pakistan
5. Analyses for the Government's Performance: COVID-19 Impacts
6. COVID-19 and Climate Change
7. Jurisprudence in a Pandemic: Pakistan's Legal System in Uncharted Waters

8. The Virus' Impact on China Pakistan Economic Corridor
9. COVID-19: Agriculture and Food Security Analysis and Policy Options
10. Reeling from the Pandemic: The Doomed Cities of Pakistan
11. Where do we go from here?

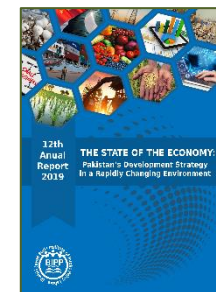
### Authenticity:

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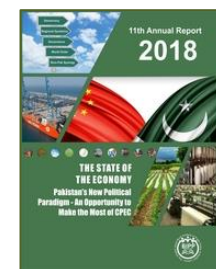
- Pakistan Bureau of Statistics
- Our World in Data
- Nation command and operation center Pakistan
- Ministry of Finance Pakistan
- State Bank of Pakistan
- Pakistan's Economic Survey
- World Economic Outlook
- World Development Indicator; World Bank Databank
- World Economic Forum
- National Geographic
- UNESCO institute of statistic
- Asian Development Bank
- United Nation Conference
- Ministry of Health Pakistan
- Government of Pakistan CPEC Website
- Government of Pakistan COVID-19 Website

## Back Issues

### 12<sup>th</sup> Annual Report: The State of the Economy: Pakistan's Development Strategy in a Rapidly Changing Environment



### 11<sup>th</sup> Annual Report: The State of the Economy: Pakistan's New Political Paradigm- An Opportunity to Make Most of the CPEC



## Editorial Board & Authors

### Mr. Shahid Javed Burki

Mr. Burki is a prominent Pakistani economist and the Chairman of the Shahid Javed Burki Institute of Public Policy at NetSol (BIPP). He held prestigious positions during his professional career with Pakistan (1996-1997) including Chief Economist, Planning and Development Department Government of Punjab and the Finance Minister. With World Bank, he served as the first Director for the China Department (1987-1994) and the Regional Vice President for Latin America and the Caribbean during 1994-1999. He has also been a member of the faculty at Harvard University, USA. He has authored many books besides regularly contributing articles to the renowned newspapers on issues of vital national and global interest.

### Mr. Shahid Najam

Mr. Najam is the Vice Chairman of BIPP. He has four Masters including LLM and MSc. Public Policy from London School of Economics, UK and MSc. Rural Development from Wye College London. He has more than 40 years of experience with Government of Pakistan and the UN System in policy and strategy formulation; and development planning and programming. He held important assignments as civil servant including Commissioner Lahore Division (1999- 2001) and the first Chief Operating Officer, of the Punjab Board of Investment and Trade (2009). With UN system, Mr. Najam served as FAO Representative, Iran (2007-2009) and the UN Resident Coordinator/Resident Representative Turkey (2009-2013).

### Dr. Daud Ahmed

Dr. Daud Ahmad has to his credit PhD in Civil Engineering (Hydraulics) from Colorado State University, USA. He is a senior development professional and practitioner who worked for nearly 35 years with the World Bank on large scale infrastructure development projects in different countries, mostly in Asia.

### Dr. Farrukh Iqbal

Dr. Iqbal has more than thirty years of research and management experience in the World Bank across a diverse range of countries and sectors involving various aspects of economic development e.g., poverty, small and medium enterprises, trade and foreign investment, local government development etc. He also served as the Executive Director of the Institute of Business Administration, Karachi.

### Dr. Mahmood Ahmed

Dr. Ahmad is internationally renowned expert on agriculture, value-chain and water policy. He did his PhD from the University of Massachusetts in Resource Economics (1979). He carries an experience of around 40 years, including 24 years with the Food and Agriculture Organization of the United Nations, working in more than 15 countries. He, in particular spearheaded the World Bank assisted Regional Initiative on Water Scarcity of the FAO Regional Office in Cairo; and assisted in formulating the ECO national and regional food security policies and strategies.

### Mr. Tariq Husain

Mr. Tariq Husain is a former staff member of the World Bank Group where he worked for thirty-five years in senior positions. His last assignment was as Director of the World Bank's Learning and Leadership Centre. He served as Director of the World Bank Resident Mission in Nigeria; and as Chief Economist of the Indus Basin Perspective Planning Project for the Government of Pakistan. After taking early retirement from the Bank in 1999 Mr. Husain worked on Pakistan's development issues—poverty; income distribution; sectoral development; public sector reforms.

### Mr. Asad Ejaz Butt

Asad Ejaz Butt holds a Masters degree with double majors in Economics and International Development Studies from University of Guelph, Canada prior to which he completed his undergraduate studies in Economics at York University, Canada. He has worked with ICF International especially on modelling the energy efficiency products and demand-side management. He has also done consultancy and advisory assignments with several multilateral and bilateral donors including the UN, USAID, GTZ and state-owned utilities in the US. In BIPP, he served as Director, Research and Coordination from 2016 to 2018. He currently works for the Federal Govt. of Pakistan.

### Barrister Afan Khan

Mr. Khan is an Advocate High Court practicing in Islamabad. He earned his LLB (Hon) from the University of London and was called to the Bar by Lincolns Inn and an LLM (Hons) from the City University London. He began his career at Fazle Ghani Advocates, the Chambers of former Attorney General for Pakistan. Currently, he is the founding partner of Afan Khan Law Associates

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