

Planning Commission Newsletter

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New Growth Strategy (NGS)

The new growth strategy places emphasis on what is called the “software” of economic growth, incentives, institutions, markets, communities, and especially governance. It seeks to do this through reforms for institutions, opening up of domestic commerce, making cities locomotive of growth, enhancing connectivity between people, youth and community engagement. The proposed strategy explains the possibility of economic growth along with macroeconomic stabilization. The ideas take stock of global and local knowledge enabling Pakistan to think global-act local. This home grown strategy should be consensus-driven where all segments of society including academia, civil society organization, business community should come together to form an alliance for bringing about reforms. The post-18th Amendment development planning requires Planning Commission to work closely with provinces and line Ministries towards a successful execution of policies and also encouraging provinces to come up with

their own growth strategies. In the seminar series on New Growth Strategy a

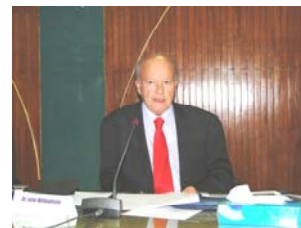


seminar was held on 1st March 2011 under the chairmanship of Chief Economist. The seminar was attended by the senior officials from the Public Sector Organizations, academia and representatives of media. The guest speaker Prof. John Williamson (Former Chief Economist to South Asia of the World Bank) delivered a lecture on “Life after the Washington Consensus”. The thrust of his lecture was that the Beijing Consensus was a major development after Washington Consensus and China was able to reduce poverty from 84% in 1981 to 16% in 2005 due to;

- Gradualism

- Lust for Innovation
- State Capitalism
- Authoritarianism

Prof. Williamson pointed out that democracy was mildly good for growth, while authoritarianism is attractive to leaders but not to the populace. He also reiterated that China consensus worked for China but in the open economy, it is not going to work in future. Professor Williamson pointed out that Pakistan is



living like an island and should strengthen its economic ties with the neighbors. In the question answer session, Dr. Naved Hamid, Dr. Ijaz Nabi, Dr. Samar Mubarikmand and Daniyal Aziz provided valuable input.

Money, Prices & Fiscal Policy

CPI inflation has registered an increase of 14.3% in July-February 2010-11 against an increase of 11.1% during July-February 2009-10, with food inflation at 18.6% against 11.4% and non-food inflation at 10.7% against 10.8% over the same period of the previous year. Core inflation during July-February 2010-11 stood at 9.6% against 11.4% during July-

February 2009-10. However, CPI inflation has witnessed a slight ease in July-February 2010-11 as compared to July-January 2010-11, due to 0.2 percentage points decline in food inflation and partial pass on of increased in oil prices to consumers non-food inflation registered a decline of 0.3 percentage points. Factors contributing towards higher inflationary

trend are: spurt in prices of commodities in international market, higher government borrowings from State Bank of Pakistan for budgetary support, increase in prices of petroleum products and utility charges.

Governance

During the month of March, 2011, PC-1 of the development scheme titled "Project for Improvement of Financial Reporting & Auditing (PIFRA) (Phase-II) (Revised), of Pakistan Audit Department was examined and processed for CDWP meeting. Chapter for 10th Five Year Plan in line with Pakistan's Economic Growth Strategy was prepared and respective meetings were attended. Comments/views

on draft Financial Cooperation Agreement 2009-10, draft Technical Cooperation Agreement 2009 and on Pakistan Growth Policy Programme-Exchange of Letters were offered and forwarded for further necessary action. Priority Projects alongwith Concept notes were indicated for investment by Omani State Institution and by European Commission. Material for Universal Periodic Review, a docu-

ment of the UN agency of Human Rights Council was prepared and forwarded to Plan Coordination Section. 08 Foreign/Local Training/Workshops/Conferences opportunities were circulated. 23 nominations were processed which were forwarded to the sponsors and 4 officers attended the foreign training during the month of March, 2011.

Food and Agriculture

The Food and Agriculture Section performed the following duties during the month of March, 2011.

- Planning Commission and World Bank jointly organized a Roundtable discussion on Agriculture and Water. The event was inaugurated by Dr. Nadeem Ul Haque, Deputy Chairman, Planning Commission. Dr. Muhammad Jameel Khan, Advisor Agriculture Planning also participated and presented in the occasion.
- Dr. Muhammad Jameel Khan, Advisor Agriculture Planning presented a paper on, "Horticulture of Pakistan-Planning Perspective" at the International Seminar on Horticulture and Agribusiness at University of Agriculture, Faisalabad.

- Brief on sugar for the Deputy Chairman, Planning Commission was prepared and data was updated on weekly basis.
- The extension case of "Chaghai Water Management and Agriculture Development Project" was reviewed in the light of its justification received from MINFA.
- Reviewed three Monitoring reports of PSDP projects and comments were forwarded to the project wing.
- Working papers of the following projects were prepared and Pre-CDWP meeting was also held:
 - Community Development Project for Rehabilitation of Salt – Affected and Water-logged Lands (Revised).

- National Programme for Control and Prevention of Avian Influenza. (Draft minutes of Pre-CDWP prepared)
- Work plan of the projects pertaining to livestock, milk collection, aquaculture, strengthening of livestock services, Prime Minister's Initiative, livestock production and development, accreditation and stock assessment were reviewed.
- The modified PC-I of PSDP project titled, "Promotion of Olive Cultivation for Economic Development and Poverty" was reviewed in light of CDWP minutes and decisions. The modified PC-I was cleared for issuance of authorization for the project.

Plan Coordination Section

The Plan Coordination Section in consultation with the Government of Sindh, arranged a consultative meeting on "Pakistan New Economic Growth Strategy" at Sindh Secretariat-I, on 18th March, 2011. The Deputy Chairman, Planning Commission presided over the meeting. Dr. Kaiser Bengali, Advisor to the Sindh Chief Minister for Planning and Development, and the Finance Minister of Sindh with other officers of Sindh Gov-

ernment attended the meeting and gave their comments/views regarding the Pakistan New Economic



Growth Strategy. Dr. Kaiser Bengali also made a presentation on the Priority Del-

opment Plan for Sindh and highlighted the development challenges of the province. The Deputy Chairman, Planning Commission appreciated the comments of the participants and answered their questions.

During the month of March 2011, the updated tables regarding Population and Labour Force were forwarded to the Finance Division for incorporating into the Economic Survey 2010-11.

National Fertilizer Development Centre (NFDC)

The Monthly Fertilizer Review of Mid March, 2011 has been published, which reveals that the total nutrient off take during February, 2011 was about 260 thousand tonnes compared to

271 thousand tonnes of February, 2010, showing a decrease of 4.2 per cent. Off-take of all the three major nutrients i.e. nitrogen, phosphate and potash decreased by 4.0, 0.4 and 48.4 per

cent, respectively. Government has imposed General Sales Tax (GST) @ 17 per cent on agricultural inputs, hence, substantial increase in fertilizers prices will be expected in coming days.

Public Investment Authorization

During the month of March, 2011, Public Investment Authorization Section re-

ceived thirty five (35) schemes from different sections for consideration of

CDWP/ECNEC.

Education

- The Education Section submitted proposals to ITF Section pertaining to Strategic Dialogue between United Kingdom and Govt. of Pakistan regarding various Sectors of Economy.
- The Section offered technical comments on a Revised German Debt SWAP Project and comments of

EAD also sought on the project.

- Examination data of last three years pertaining to Secondary & Higher Secondary School examinations sought from all Boards of Intermediate and Secondary Education of Pakistan for in depth analysis and further im-

proving the examination system.

- The Section offered comments on a project titled "Quality Education Opportunities for the students of Balochistan and FATA, a project under President's Special Packages for FATA and Balochistan.

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Web
www.pc.gov.pk*



Planning Commission

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