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Bold new course to revive economy

ON 23 March, 1940, the Muslims of the subcontinent decided to change their destiny by adopting a resolution in Lahore calling for the establishment of an independent and sovereign Muslim state.

Today, Pakistanis all over the world are celebrating this day with joy and gratitude to Allah Almighty. On this auspicious occasion, I would like to extend, on behalf of the Government and people of Pakistan, warm greetings and best wishes to the Government and people of Malaysia. I would also like to greet fellow Pakistanis in Malaysia who are making a contribution to the progress and prosperity of fraternal Malaysia.

The birth of Pakistan 50 years ago was a turning point in the history of Muslims in the South Asian subcontinent, signifying the roll-back of colonialism, imperialism and the advent of the age of freedom and self determination.

The independence achieved by the people of Pakistan, under the dynamic leadership of the father of the nation, Quaid-i-Azam Mohammad Ali Jinnah made this dream a reality within a short span of seven years and Pakistan emerged as an independent sovereign state on August 14, 1947.

This not only provided the Muslims of South Asia a homeland of their own but also set the stage for the independence of other Muslim peoples in East Asia, Africa and more recently Central Asia.

This day of rejoicing and thanksgiving is also a day to remember and pay homage to the hundreds of thousands of Muslims who gave their lives for the realisation of this goal. We salute these heroes for their sacrifices which have enabled us to live as free citizens with dignity and honour in a country which we can call our own.

As a nascent state, Pakistan had to build itself from scratch. This was a very difficult task but the Pakistani nation with its relentless efforts is marching ahead.

Although we have come a long way through political experimentation into an era of democracy, we still have a long way to go for the economic development of Pakistan.

The election of Prime Minister Nawaz Sharif last year with an unprecedented heavy mandate, has given further strength to democracy in Pakistan. The Government has pledged to establish a just, Islamic, egalitarian order for modernisation and economic development of Pakistan.

The Government of Prime Minister Nawaz Sharif, despite innumerable problems it had inherited, is charting a bold new course of action to stabilise and revive Pakistan's economy and to realise the goal of rapid development and modernisation. The people of Pakistan have made their choice. They have decided to take a giant leap forward. They have opted for an approach based on self reliance.

The Government seeks to overcome the problems of massive debts and deficits, which are a major burden on all developing economies, by innovative and revolutionary steps.

Its main focus is on the national debt retirement programme, workers welfare, social reforms, accountability, reduction in government expenses, education reforms, management, good governance and reliance on the people of Pakistan.

In this context, Prime Minister Nawaz Sharif has launched "Vision 2010" programme which aims at creating a new economic and social order in Pakistan. It would focus on twenty-one key areas for preparing Pakistan to

enter the 21st century as a modern and developed country.

These areas include education, health, population control, law and order, science and technology, housing, environment, energy and agriculture. It envisages GDP growth at an average rate of 7.4 per cent.

In November 1997, Prime Minister Nawaz Sharif also announced a new Investment Policy which has been acclaimed as "groundbreaking". In a major step forward, all important sectors of the economy have been opened to foreign investment.

Under this policy, foreign investment on a repatriable basis is now allowed in agriculture, service/infrastructure and social sectors.

The Government of Pakistan has offered a number of new incentives which would be attractive to Malaysian investors. Pakistan is an investor-friendly country where no prior permission is needed for setting up any industry except for units of arms and ammunition, currency and mint, high explosives, radioactive substances, security printing, and drinkable alcohol.

There is complete freedom on the movement of foreign exchange. Full repatriation of capital, capital gains, profits and dividends is allowed. Foreign investment enjoys full protection under the law. Foreign investors can own 100 per cent equity in a venture without any compulsion of associating local partner(s). A one-stop window in the form of the Board of Investment has been set up to assist the prospective investors.

The general sales tax on imports and imported as well as domestically manufactured plant and machinery has been abolished while GST on other items has been reduced to 12.50 per cent which earlier ranged between 18 per cent and 23 per cent.

Pakistan is following progressive policies of privatisation, deregulation and trade liberalisation. Reduction of barriers to trade in goods and services and overall liberalisation and modernisation of the financial sector have caused a structural transformation enmeshing our economy to that of the globe.

Privatisation process has been accelerated for achieving greater efficiency responding to the needs of competitiveness, and to attract large scale mobilisation of private sector resources from within and abroad.

Import licensing system has been abolished. Tariff rates on imports have been substantially reduced.

Export-oriented units will be allowed to be set up all over the country. Tax on export income will be at the rate of 0.5 per cent to one per cent of turnover.

In the field of international relations, Pakistan has always supported the internationally recognised principles of sovereign equality, territorial integrity and non-interference in the internal affairs of others.

As an active member of the United Nations, the Non-Aligned Movement, the Organisation of Islamic Conference (OIC), SAARC, ECO and the Commonwealth, Pakistan has always endeavoured to promote international peace and understanding but at the same time has never hesitated to uphold principles and take a stand against injustice and oppression.

With this in view the Government and people of Pakistan will continue to support the legitimate rights of Muslims all over the world.

Pakistan is committed to a peaceful resolution of all problems on the basis of the relevant UN resolutions. Pakistan is opposed to selectivity in the application of UN resolutions.

Pakistan and Malaysia enjoy deep-rooted ties of brotherhood and friendship based on the timeless bonds of religion and shared traditions. Pakistan and Malaysia have also been co-operating closely in regional and

international fora. The two share common views on most international issues and act in unison after consultation with each other. The role of their peacekeeping forces in Somalia and Bosnia-Herzegovina is yet another example of their concerted efforts for the promotion of international peace.

A hallmark of the growing bilateral relations has been the high level exchanges between the two countries in recent times. Regular exchange of visits at ministerial and senior officials level contributed to further consolidation of the bilateral ties and have helped in adding economic substance to the excellent political relations.

Deputy Prime Minister Datuk Seri Anwar Ibrahim visited Pakistan in March 1997 to participate in the extraordinary OIC Summit held in Islamabad to commemorate the Golden Jubilee celebrations of the Independence of Pakistan.

Prime Minister Datuk Seri Dr Mahathir Mohamad also paid a visit to Pakistan on 9 April, 1997.

It was followed by Prime Minister Nawaz Sharif's highly successful visit to Malaysia in July-August 1997 during which an MoU on Defence Cooperation and another MoU on setting up of an Export Processing Zone near Lahore were signed.

During this visit, a major investment seminar on Pakistan, organised in collaboration with the National Chamber of Commerce and Industry of Malaysia, was held which was addressed by Prime Minister Nawaz Sharif.

The visit was preceded by the first ever meeting of the Pakistan-Malaysia Joint Commission.

More recently Malaysian Information Minister Datuk Mohamed Rahmat paid an official visit to Pakistan, during which a bilateral Agreement on Information Cooperation was signed between the two sides.

I am confident that friendship and meaningful economic exchanges between our two countries will continue to grow from strength to strength in the years ahead to the mutual benefit of the two peoples.

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