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Statement

By

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Excellencies

The Chairman of the Board of Governors of IsDB,
Fellow Governors and Alternate Governors,
President of the Islamic Development Bank,
Ladies and Gentlemen,

Assalam-u-Alaikum,

I feel greatly privileged to have the chance of addressing this esteemed forum. Let me, on behalf of the Government of Pakistan, extend my profound gratitude to the IsDB and Kingdom of Morocco for hosting 44th Annual Meeting of the Board of Governors of IsDB.

Mr. Chairman,

The theme of this year's Annual Meeting is "Transformation in a fast-changing world: the Road to SDGs".

Seventeen goals! One Hundred and sixty nine indicators. A population of over seven billion people. One deadline. That in summary are the Sustainable Development Goals (SDGs).

The SDGs cover a broad range of sustainable development issues, including ending poverty and hunger, improving health and education, making cities more sustainable, combating climate change, and protecting oceans and forests. They are a step forward. If development is to be inclusive and just, and the resolve of the international community is to leave no one behind by 2030, it must be rooted strongly in human rights. Seven SDG targets explicitly refer to persons with disabilities; an additional six targets refer to people in vulnerable situations, while seven targets are universal and two refer to non-

discrimination. Inequality is not just measured in terms of growth but in terms of making sure the most excluded people can exercise their human rights. The SDGs cover this completely.

In Pakistan, the SDGs have received mixed reviews. Skeptics argue that if the country could not achieve the MDGs with its 40 indicators, realizing the SDGs with their 169 indicators is not realistic either. Instead, developing countries should identify goals based on their resources and try to achieve them. Furthermore, financing these seventeen goals is a major issue for developing countries like Pakistan. Lack of coordination, disjunction between different departments and lack of capacity at state institutions are serious impediments in advancing the SDGs.

But Pakistan has accorded the highest priority to achieving the goals which will enable Pakistan to join the league of upper middle class countries by 2030.

Mr. Chairman,

Pakistan has experienced a triumphant return to democracy. The new governments at national and sub-national levels that took office in August, 2018 after the general elections in 2018 have generated hope, expectancy and economic activity in the country. They are concentrating upon economic and social progress to strengthen the economy and enhance its inclusiveness.

The new government has adopted strategies to overcome the country's macroeconomic challenges. The incumbent government is now in its first year and has embarked upon reforms agenda in economic and financial sector which includes: (i) Restructuring of Public Sector Enterprises (ii) Power Sector Reforms (iii) Debt Management Strategy (iv) Fiscal austerity to reduce fiscal deficit (v) Tight monetary policy to check inflation (vi) Building foreign exchange reserves to stabilize the exchange rate (vii) Promoting exports (viii) Incentivizing home remittances (ix) Promoting growth and raising domestic revenues (x) Rationalizing subsidy regime to reduce pressure on the budget and (xi) Tax administration and policy reform to mobilize domestic resources.

Mr. Chairman,

At present, growth in both agriculture and industry has revived. Fiscal performance is also improving with deficit brought down to below 6 percent from 8.8 percent when the government took office. This has been achieved due to austerity in expenditures and an outstanding revenue collection performance which recorded an increase of 13.5 percent

in the first seven months of the current Government. On the external side, exports have maintained positive growth while remittances may reach a record high of US\$ 22 billion during the Current Financial Year 2018-19.

To further accelerate growth, we have announced a number of initiatives in the recent budget to spur growth in the agriculture, textile industry, housing and Information Technology sector.

As far as the social safety is concerned, we have allocated US\$ 900 million during the year 2019 for cash grants to 5.7 million families as well as for other non-cash schemes. We are proud that in addition to this through social Health Protection initiative 6.00 million families living below the poverty line, each family will be provided indoor health care services worth up to US\$ 5180/-.

It is the government's strong political commitment and resolve to accelerate the pace of reforms in Pakistan. We expect at the same time that the international development community will step up its support to the new government in undertaking much needed investments in infrastructure, energy and social development sectors. Such investments, underwritten by bold country-owned economic and governance reforms, will bring sustained growth and prosperity to the country. Pakistan, in this regard, has always considered IsDB as a frontline development partner that is both trustworthy and dependable.

Mr. Chairman,

In a rapidly evolving world, where economies can reap immense benefits of global growth rebalancing through ever greater integration and shared prosperities amongst the developing world, we need to continuously monitor the progress of the Islamic world. The current situation presents a number of challenges. Accounting for 22.8 percent of the total world population, the OIC member countries produce only 10.9 percent of the world's total GDP. According to the available economic forecasts, this share will not improve significantly in the short-term. On the other hand, the share of the OIC countries in the total GDP of developing countries group has declined steadily and is currently recorded at 22.2 per cent. Moreover, intra-Islamic World economic disparities are also visible in the fact that only 10 countries produce 73.4 percent of the total OIC countries' output. Another example of such disparities is that the level of per capita output in one of the richest member country is 18.7 times higher than that of the

average of OIC countries. To improve the current situation Mr. Chairman, faster growth with enhanced integration within the Islamic World through capital flows; trade and investment will be needed. The development challenges will have to be transformed into opportunities by economic cooperation, technological progress and research to compete in competitive and sophisticated markets.

The role of the IsDB becomes ever more important to move ahead and to help member countries reform their governance structures, remove structural disparities through growth and development in an equitable and sustainable manner. This also necessitates that the IsDB management must reflect on contemporary global economic realities if it has to remain as effective into the future as it has proved in recent times. We are sure that in the wake of IsDB's vision for 1440 Hijri, the Bank will become a world-class development institution, inspired by Islamic principles and possessed with the capacity to positively transform the development status of the Muslim world. In its transition towards 1440 Hijri vision, the Bank must operate on the Islamic notion of development that is much wider and is centered on the comprehensive development of member states and their population.

Mr. Chairman,

Keeping in view the current economic challenges, it is essential that development institutions like the IsDB should not only provide enhanced financial flows but also render the necessary policy advice to member countries to ensure prevention of potentially destabilizing imbalances in future. The increase in financial flows would help member countries to pursue economic recovery and to retain the required level of spending on social sectors. Additionally, the IsDB ought to play a catalyst role in promoting investment flows amongst the member countries besides fostering trade links and reducing vulnerabilities to natural hazards.

We appreciate IsDB's efforts in generously supporting Pakistan in our efforts to put the economy on a high growth trajectory by bringing about necessary structural changes for a sustained and inclusive growth. I would like to place on record the Government of Pakistan's deep appreciation of IsDB's support to Pakistan generally, in energy sector and particularly, in eradicating the menace of polio from Pakistan. IsDB has extended us generous support in a very timely manner.

Mr. Chairman,

I conclude by re-affirming our resolve to further strengthen the close cooperation with IDB and fellow member countries. Our joint efforts can go a long way in bringing about prosperity and peace in the Muslim world. We greatly value our close economic relations with IsDB and hope that in future we will witness further consolidation of these relations and reinforcement of the Bank's support for important initiatives in Pakistan.

May Allah bless us all.
