

## **MARKMUN 2022**

### **PAKISTAN NATIONAL ASSEMBLY**

#### **TOPIC: Effect of current Government's policies on the economy of Pakistan**

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### **Introduction to the committee:**

Pakistan National Assembly, found in 1973, is a democratically elected body consisting of total of 336 members. Each National Assembly is formed for a five-year term, commencing from the date of the first sitting, after which it is automatically dissolved. PNA is responsible to look over important decisions on the behalf of the country.

In Model United Nation's Pakistan National Assembly conference, delegates are given the opportunity to represent a member of PNA and debate on important decisions for the well-being of the country.

### **Covid-19:**

Pandemics like COVID-19 are once-in-a-century event that devastate global economies. Prior to COVID-19, the working population was 55.74 million. This number declined to 35.04 million which indicates people either lost their jobs or were not able to work.

The Government has been focused on managing the repeated COVID-19 infection waves, implementing a mass vaccination campaign, expanding its cash transfer program, and providing accommodative monetary conditions to sustain economic growth. Grappling with the fourth COVID-19 wave, the Government, as before, implemented micro-lockdowns that successfully limited the infection spread, while permitting economic activity to continue and thereby mitigating the economic fallout. While they have been accelerating, vaccination rates remain low. As of end-September 2021, only around 12 percent of the total population has been fully vaccinated.

## **Inflation:**

An economic meltdown is putting the Pakistani prime minister, [Imran Khan](#), under immense pressure and bringing the threat of unrest because of record inflation, the fourth highest in the world. Before coming to power, Khan had vowed to root out corruption and lift people out of poverty as he promised a new and prosperous Pakistan with the creation of 10 million jobs. Instead, after a visit to Saudi Arabia, he announced \$3 billion in financial support from Riyadh. The Pakistan Democratic Movement (PDM), an opposition alliance, has announced a campaign against the government of Pakistan Tehreek-e-Insaf (PTI) and the inflation rates the country is witnessing. It says ordinary people of the country will struggle to afford basic necessities if prices do not come down.

## **State Bank of Pakistan's foreign exchange reserves:**

On December 17 2021, the foreign currency reserves held by the central bank were recorded at \$18,153.7 million, down by \$415 million compared with \$18,568.3 million on December 10.

The central bank cited external debt repayments as a reason behind the weekly decline.

### Export and GDP growth:

Exports are one of the major sectors for wealth creation, which can act as the most important driving agent to boost the national economy. Pakistan, in talks with the IMF about its \$6 billion bailout program, set a growth target at 4.8% of GDP for the 2021-22 financial year. Pakistan's economy contracted 0.47% in 2019-20. Pakistan surpassed growth projections in the 2020-21 financial year despite a third wave of COVID-19 infections, with GDP growth of 3.96%, against a target of 2.1%.



Find out more in ADB's Asian Development Outlook 2021  
[www.adb.org/outlook](http://www.adb.org/outlook)

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### **Stock Market:**

Due to its impressive growth, Pakistan Stock Exchange has earned the title of being the best Asian stock market and fourth best-performing market across the world in 2020.

### **IMF:**

IMF has acknowledged that the government policies have been critical in supporting the economy and saving lives and livelihoods. The IMF and Pakistan have announced the resumption of stalled \$ 6 billion loan programme.

### **Import Tax:**

Pakistan's overall average applied tariff in 2018 was 10.09 percent. In the 2018 budget, the government reduced the maximum general tariff rate from 25 percent to 20 percent (except for vehicles) and simplified the tariff structure by reducing the number of duty brackets from six to four. Other than customs duty, the government charges 17.0 percent sales tax on the duty paid value of a variety of goods produced in or

imported into the country. Due to this, people are slowly becoming reluctant to import.

### **Ehsas Emergency Cash Programme and Tree Tsunami Programme:**

Under Ehsaas Emergency Cash Programme, Rs 179.3 billion has been disbursed. Approximately 14.8 million families have been benefited from the programme. World Bank recognizes Ehsaas Emergency Cash among top 4 social protection interventions globally in terms of number of people covered.

The 10 billion Tree Tsunami programme has achieved plantation of approximately 350 million plants during July-March FY2021 and about 100,000 daily wagers have been employed till March, 2021.

### **Conclusion:**

The committee session will begin with a discussion on the Economic reforms and growth of the current government. Delegates, while representing the given personality, will express their opinions on the government's economic strategies. Gradually, new crises and issues will be introduced in the committee and delegates would be expected to speak accordingly.

