



CPA
PAKISTAN

Newsletter

April
2022



Newsletter

From the research and publication
Department institute of Certified
Public Accountants of Pakistan

April, 2022



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His Excellency **SUHAIL MOHAMMAD AL ZAROONI**, a Guinness World Records Holder, Chairman of Al Zarooni Foundation and Suhail Al Zarooni Group of Companies, Petron-in-Chief CEO CLUBS Worldwide

Petron-in-Chief CPA-Pakistan UAE Chapter, debating over the table to complement cooperative alliance with major breakthrough initiatives among Pakistan and UAE

- ♦ **IFTAR DINNER CPA-PAKISTAN (UAE—CHAPTER)**
- ♦ **WEBINAR “**Business Ethics - Examples from the Real World”

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Policy imperatives for equitable growth and human well-being

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IDC & ICPAP

MOU
Health Next
ICPAP

ARTICLE

BY DR. UMER JAVED

“Policy imperatives for equitable growth and human well-being”

No doubt, the current account deficit has tremendously narrowed down on the back of drastic decline in imports. That allows build-up of reserves and so does the increase in portfolio investment that is witnessing an upward trend over the last few months largely due to higher policy rates for many months now. Another reason for keeping interest rate high is to induce savings rate in the country, which is otherwise on the lower side. Moreover, tight monetary policy stance is overall being maintained with a view to containing inflation and constraining aggregate demand. Exchange rate determination is mostly market-determined. At the same time, higher food inflation is being checked mainly through the provision of subsidy of Rs 10 billion over five months (Rs 2 billion per month) to utility stores, by increasing their numbers significantly across the country, and by envisaging a plan to curb cartels that influence prices artificially.

The government and the State Bank of Pakistan (SBP) contend that these are important steps to stabilise the economy, which was in dire straits when this government took office roughly around one-and-a-half years ago. Having said that in dealing with economic issues, as in life generally, there are certain necessary steps that need to be taken mainly to deal with the immediate aspects of the problem. Yet, there are at times competing ways to reach the same goal, with opportunity cost associated with each policy option. Hence, a prudent government chooses those necessary steps with least opportunity cost associated. At the same time, sustained fixes to economic issues require addressing root causes, and they hold the promise of meeting the sufficient conditions of policy response. In this regard, the questions needing plausible answers are whether the government and the SBP have come true on meeting the best of necessary conditions made any reasonable strides towards meeting the sufficient conditions. Let's analyze. Firstly, Pakistan is a net importer of oil, and overall imports contribute significantly to economic growth in the manufacturing and agricultural sectors. It was not the best option then to narrow down current account deficit on the back of virtually market determined exchange rate because this led to causing a huge impact of import-related pass-through on inflation, significantly reducing imports of machinery and other related items, in turn severely dampening growth in the manufacturing and agricultural sectors. At the same time, keeping high policy rate for many months also meant that the cost of borrowing loanable funds increased substantially, leaving importers with inadequate working capital.



ARTICLE

On the other hand, high interest rates meant a substantial increase in domestic debt repayments for the government (where it remained the major borrower of loanable funds) that in turn pushed the fiscal deficit overall, causing curtailment of development expenditure and ballooning of deficit on the back of this. Bailing out the energy sector (where circular debt has reached great heights of Rs 1.7 trillion) and state-owned enterprises, resulted in a greater push to not reduce the burden of taxes on domestic consumers, importers and exporters, especially the proportion of indirect taxes/levies in petroleum products and energy tariffs; even the pass-through of falling crude oil prices globally has been delayed.

Hence, while it was 'necessary' to reduce the current account deficit, it was also necessary to not do this at the cost of growth in the real sector. The government was required to take the middle way to ensure that managed floating exchange rate is 'manage' to the extent as not to bring out the sharpest blade of stabilization for this narrow end of deficit curtailment. Rather, domestic production should have been encouraged through reasonable a) depreciation of exchange rate, and b) policy rate hike, which also rationalized to this end, at the back of both government and SBP showing understanding that Pakistan being a developing country, inflation was equally a fiscal phenomenon.

This approach would have allowed exports to be boosted on the back of reasonably ample domestic production which with lower cost of production would have been more competitive exports; not to mention the lowering of the otherwise significant cost-push element in the overall high inflation levels being faced. At the same time, institutional reforms - incentive and governance structure reforms mainly - in the external and real sectors would have allowed enhancement in exports volume, improvement in supply chain domestically, producing sustainable positive consequences for achieving the objectives of reduced inflation, and greater growth prospects for the manufacturing and agricultural sectors with brighter outcomes for the employment situation, equity and poverty concerns.

Secondly, the deep stagflationary situation - both stagnation in economic growth and high inflation - the country finds itself in as a consequence of correct policy choices for appropriately reaching the best possible necessary conditions, and reforming effectively to yield any meaningful solutions, is moreover not going to be resolved with 'solutions' such as providing subsidy to the utility stores and increasing the number of stores.



ARTICLE

As a necessary condition here, a 'price commission' for rationalizing prices, needs to be formulated (details of which the writer provided in these columns earlier) to check the working of cartels and economic agents who are involved in setting prices to their advantage in both real and financial sectors, and obstructing efforts aimed at reaching true price signals. At the same time, a sufficient solution, or a solution that strengthens the institutions, underlying organisations and markets, is the need for undertaking appropriate institutional reform so that an incentive and governance structure is evolved, which facilitates organisations and markets to effectively deal with the challenge of artificial prices.

Thirdly, increasing the savings rate depends more on the correction because only when inflation is on the lower side will the broad group of the people in the country be able to save more. Given the high incidence of income inequality in the country, disposable income after taxes and high inflation do not allow much space for savings therefore. A light monetary policy, if anything, allows only the minute rich class to save and invest more at higher interest rates and inflation levels to perpetuate or consolidate further their wealth, and exert influence over policy through conniving with political elite - through financing their election campaigns and sharing with them profits - earned through policy manipulated in favour of economic elites and formulated by political elites.

Fourthly, the policy of attracting portfolio investment through keeping policy rate high is a policy that cannot bring about sustained outcomes for narrowing down the current account deficit since high interest rates cause cost-push inflation, reduce volume of exports, dampen prospects of needed innovation, and overall make them uncompetitive. This 'hot money' is also very fluid and is likely to leave once the policy rate shows a downward trend. And recognition of this policy is not something new as well, as Napoleon Bonaparte pointed out that 'Money has no motherland; financiers are without patriotism and without decency; their sole object is gain. It is about time the PM took the bull by the horns and not allow his economic team - primarily hailing from Ministry of Finance and SBP - to a) hide behind each other; b) show reluctance, to challenge the IMF programme fundamentals in terms of more recent economic wisdom globally; and c) more broadly for the lack of reforms initiated in the real and financial sectors during the tenure of his government. One important step could be to include in his economic team policymakers who are well-versed in heterodox economics.

The PM is therefore required to correct the choices in terms of meeting necessary conditions of policy, and in increasing momentum and choosing better policy options for reaching sufficient solutions for the economy, and more broadly the quality democracy without any further loss of time. The PM should also realize that growth in itself is not a necessary condition; rather the quality of growth is more important. At the same time, the sufficient condition is not growth alone but equitable growth and human well-being; for instance a 'well-being budget' presented by the government of New Zealand last year. All economic policies should be geared towards achieving this goal.

(The writer holds PhD in Economics from the University of Barcelona; he previously worked at International Monetary Fund)

H.E Suhail Mohammad Al-zarooni

CPA- Pakistan Arranged Delicious lunch at Serena Hotel Islamabad in the honor of
H.E Suhail Mohammad Al zarooni

Other participants were

Mr. Ijaz Mohammad -V.P CEO Club world wide

Dr. Majed Rasheed-president CPA-Pakistan

Mr. Shoaib Aslam Executive Director CPA-Pakistan

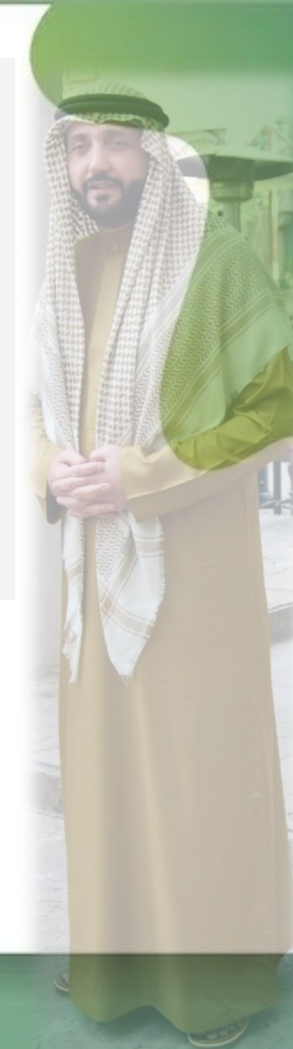
Mr. shafiq ur Rehman President CPA-Pakistan UAE Chapter and other associates

Mr. Shahzad Abbas Sr. Manager CPA-Pakistan

Mr. Asif Jah , Entrepreneur & Member CPA-Pakistan

Miss Shakeela Naz Entrepreneur & Member CPA-Pakistan

Dr. Fouzia Moghees Coordinator CPA-Pakistan





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H.E Suhail Mohammad Al-zarooni

CPA- Pakistan Arranged Delicious lunch at Serena Hotel Islamabad in the honor of

H.E Suhail Mohammad Al zarooni

During Lunch Discussed

Bilateral Relationship between UAE and Pakistan in respect of educational activities around the globe .

CPA-Pakistan and their Members Performance around the world





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H.E Suhail Mohammad Al-zarooni

CPA- Pakistan Arranged Delicious lunch at Serena Hotel Islamabad in the honor of

H.E Suhail Mohammad Al zarooni

Picture Gallery :



MOU Between CPA-Pakistan & IDC Good News for CPA-Pakistan Members

MOU Between IDC & CPA-Pakistan

The registered members of CPA - Pakistan (ICPAP) along with their immediate family members are now entitled to get the following discount from Islamabad Diagnostic Centre (IDC).



GOOD NEWS!

MEMORANDUM OF UNDERSTANDING

- Good News for CPA-Pakistan Members
- MOU Between IDC & CPA-Pakistan
- The registered members of CPA - Pakistan (ICPAP) along with their immediate family members are now entitled to get the following discount from Islamabad Diagnostic Centre (IDC).
- In-House Laboratory Services = 25%
- In-House Imaging = 20%
- Covid-PCR Test = PKR,6,000/-
- Outsourced Test = as per actual

For further detail in this regard send email to feedback@icpap.com.pk



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DIAGNOSTIC
CENTRE (PVT) LTD**

info@icpap.com.pk

www.icpap.com.pk

MOU Between CPA-Pakistan & Health Next Good News for CPA-Pakistan Members and Students

MOU Between Health Next & CPA-Pakistan

The registered members of CPA - Pakistan (ICPAP) along with their immediate family members are now entitled to get the following discount from Health Next Diagnostics and Labs (Pvt) Ltd.

- Good News for CPA-Pakistan Members
- MOU Between Health Next & CPA-Pakistan

**MEMORANDUM
OF
UNDERSTANDING**

HealthNext **HEALTH NEXT DIAGNOSTICS & LABS (PVT) LTD.**

HN/SALES/PANELS 2022(MASTER FILE)/009 March 18, 2022

To
The Secretary
The Institute of Certified Chartered Accountants
Of Pakistan.
Street 42, F-8/1 Islamabad Pakistan.

Subject: Discount Offer on our Radiology and Pathology services including PCR.

Dear Sir,

We would like to introduce ourselves as one of the leading Diagnostic Centers of ICT where under one roof patients can do their MRI, CT scan, x ray, Ultrasounds, Pathology tests and COVID PCRs. Our diagnostic center is very close to your building.

We feel pleasure in offering your esteemed organization special discounts to your employees and their families. These discounts shall be given on the production of employee cards or reference letter from your office. Detail of the discounts are as under:

1. Pathology Tests.....	35%
2. Radiology Procedures.....	25%
3. Covid PCR.....	3200/- Fixed

Kindly sign the duplicate of this letter as token of acceptance of this offer. We are looking forward to receive your employees and their families to enjoy these discounts.

Thanking you

Sincerely yours
For Health Next Diagnostics and Labs (Pvt) Limited

Abdul Hameed Awan
ps.

Manager Sales and Marketing

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104-East, Opp. Ufone Tower
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Islamabad Pakistan
+92 51 8498888
info@healthnextpk.com
www.healthnextpk.com

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HealthNext



Qualified Members List August, 2021

Agha Awais Ahmed	Pakistani	Al-Khobar	KSA	17/08/2021	M-2568
Usman Farid Malik	Pakistani	Fujairah	UAE	17/08/2021	M-2567
Muhammad Bilal Asim	Pakistani	Islamabad	Pakistan	17/08/2021	M-2566
Asfand Ahmed Khan	Pakistani	Riyadh	KSA	16/08/2021	M-2565
Asad Jan	Pakistani	Peshawar	Pakistan	16/08/2021	M-2564
Ahsan Raza Abdy	Pakistani	Muscat	Oman	16/08/2021	M-2563
Muazzam Ayaz	Pakistani	Charsadda	Pakistan	16/08/2021	M-2562
Muhammad Murtaza	Pakistani	Lahore	Pakistan	16/08/2021	M-2561
Muhammad Javed Akram	Pakistani	Dubai	UAE	16/08/2021	M-2560
Qazi Waseem Yousuf	Pakistani	Lahore	Pakistan	16/08/2021	M-2559
Anas Mahmood	Pakistani	Karachi	Pakistan	12/08/2021	M-2558
Syed Hassan Habib Termizi	Pakistani	Abu Dhabi	UAE	12/08/2021	M-2557

Farrukh Iqbal	Pakistani	Toronto	Canada	27/08/2021	M-2586
Munawar Ali	Pakistani	Lahore	Pakistan	27/08/2021	M-2585
Muhammad Raza Hussain	Pakistani	Muscat	Oman	27/08/2021	M-2584
Waqas Akhtar	Pakistani	Haripur	Pakistan	27/08/2021	M-2583
Shahzad Afzal	Pakistani	Lahore	Pakistan	26/08/2021	M-2582
Muhammad Arman Ayubi	Pakistani	Dili	East Timor	26/08/2021	M-2581
Sanam Naqash	Pakistani	Multan	Pakistan	26/08/2021	M-2580
Kenan Waseem	Pakistani	Karachi	Pakistan	25/08/2021	M-2579
Muhammad Gulzaib Alam	Pakistani	Lahore	Pakistan	25/08/2021	M-2578
Ahsan Bin Najeeb	Pakistani	Lahore	Pakistan	25/08/2021	M-2577
Muhammad Faizan	Pakistani	Ajman	UAE	25/08/2021	M-2576
Farooq Haider Syed	Pakistani	Dubai	UAE	25/08/2021	M-2575
Shaikh Ali Shahbaz	Pakistani	Dubai	UAE	23/08/2021	M-2574
Zeeshan Shafi	Pakistani	Lahore	Pakistan	23/08/2021	M-2573
Muhammad Asif Shaikh	Pakistani	Abu Dhabi	UAE	21/08/2021	M-2572
Iqra Wajahat	Pakistani	Lahore	Pakistan	21/08/2021	M-2571
Muhammad Saleem	Pakistani	Peshawar	Pakistan	21/08/2021	M-2570
Muhammad Abu Bakar Awan	Pakistani	Wah Cantt	Pakistan	21/08/2021	M-2569

Qualified Members List August, 2021

Nazir Ahmed	Pakistani	Manama	Bahrain	09/09/2021	M-2609
Shajar Hussain	Pakistani	Ajman	UAE	08/09/2021	M-2608
Muhammad Halder Bilal	Pakistani	Karachi	Pakistan	08/09/2021	M-2607
Farhad Ali	Pakistani	Dubai	UAE	08/09/2021	M-2606
Adnan Shafi	Pakistani	Manama	Bahrain	08/09/2021	M-2605
Muhammad Fawad Naseem Abbasi	Pakistani	Abu Dhabi	UAE	07/09/2021	M-2604
Arsalan Mahmood	Pakistani	Multan	Pakistan	07/09/2021	M-2603
Zeesan Ali Sikandar	Pakistan	Abu Dhabi	UAE	07/09/2021	M-2602
Ali Raza Hemani	Pakistani	Ontario	Canada	07/09/2021	M-2601
Ali Khan	Pakistani	Dubai	UAE	06/09/2021	M-2600
Maqsood Khalid Bawany	Pakistani	Karachi	Pakistan	06/09/2021	M-2599
Sajjad Akhtar Malik	Pakistani	Dubai	UAE	06/09/2021	M-2598
Arun Kumar	Pakistani	Karachi	Pakistan	06/09/2021	M-2597
Zalghum Naveed	Pakistani	Islamabad	Pakistan	02/09/2021	M-2596
Anas Tahir	Pakistani	Islamabad	Pakistan	02/09/2021	M-2595
Muhammad Habib Ullah Khan	Pakistani	Lahore	Pakistan	02/09/2021	M-2594
Khuram Shehzad	Pakistani	Dubai	UAE	02/09/2021	M-2593
Sartaj Ahmed	Pakistani	Dammam	KSA	02/09/2021	M-2592
Mubeen Zafar	Pakistani	Dubai	UAE	02/09/2021	M-2591
Muhammad Zahid	Pakistani	Rawalpindi	Pakistan	01/09/2021	M-2590
Mian Nasir Jamal Karimi	Pakistani	Dubai	UAE	01/09/2021	M-2589
Yasir Sultan	Pakistani	Abu Dhabi	UAE	01/09/2021	M-2588
Mahmood Jilani	Pakistani	Ajman	UAE	30/08/2021	M-2587

Afzal Ahmed Sroya	Pakistani	Dubai	UAE	29/09/2021	M-2632
Muhammad Atif	Pakistani	Dubai	UAE	29/09/2021	M-2631
Shaheen Khan	Pakistani	Nowshera	Pakistan	29/09/2021	M-2630
Muhammad Arslan	Pakistani	Almaty	Kazakhstan	29/09/2021	M-2629
Zafar Iqbal	Pakistani	Lahore	Pakistan	28/09/2021	M-2628
Malik Izhar Ahmed	Pakistani	Islamabad	Pakistan	27/09/2021	M-2627
Muhammad Junaid	Pakistani	Lahore	Pakistan	27/09/2021	M-2626
Samee Ullah	Pakistani	Abu Dhabi	UAE	27/09/2021	M-2625
Ali Muzaffar	Pakistani	Abu Dhabi	UAE	24/09/2021	M-2624
Muhammad Fayyaz	Pakistani	Sharjah	UAE	20/09/2021	M-2623
Zohaib Shahzad	Pakistani	Ajman	UAE	20/09/2021	M-2622
Muhammad Ali	Pakistani	DG Khan	Pakistan	17/09/2021	M-2621
Shahid Sharif	Pakistani	Multan	Pakistan	16/09/2021	M-2620
Adnan Khan	Pakistani	Sharjah	UAE	14/09/2021	M-2619
Shahmeer Afroz	Pakistani	Karachi	Pakistan	14/09/2021	M-2618
Comencia Danita	Pakistani	Dubai	UAE	13/09/2021	M-2617
Shahbaz Ahmed	Pakistani	Dubai	UAE	13/09/2021	M-2616
Muhammad Fahad Jilani	Pakistani	Multan	Pakistan	10/09/2021	M-2615
Muhammad Talha Memon	Pakistani	Karachi	Pakistan	10/09/2021	M-2614
Rizwan Ahmad	Pakistani	Islamabad	Pakistan	09/09/2021	M-2613
Muhammad Ali	Pakistani	Dubai	UAE	09/09/2021	M-2612
Ali Shah Abdul Rahim	Pakistani	Doha	Qatar	09/09/2021	M-2611
Muhammad Yasir Jamil	Pakistani	Riyadh	KSA	09/09/2021	M-2610

CPA-Pakistan Successfully conduct the Webinar



SHEHARYAR AMEEN (ACPA)
Bsc Honors Cardiff University
MBA FAST. Associate IBP.
Director Finance NHSD
CEO Lacompte

SPEAKER

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2022

■ 3:30PM - 04:30PM

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