**A roadmap to recovery**

On **Aug 27, 2022** [Muhammad Yasir](https://nation.com.pk/authorpost/columnist/muhammad-yasir/)

The war between Russia and Ukraine overstretched to an unimaginably prolonged period. It engulfed the entire world with its ripple effects. There is neither an immediate end nor a break in sight. As a result, global energy prices touched their peak once again. Logistics costs and commodities prices also shot up inexplicably, bringing economic hardship in many countries with the cost of living going up. Economic managers indicated that the serious financial woes would continue to prevail in the world at least for a year or so, thereby no respite is visible in near future for a significantly big population of the world. Different countries are struggling to maintain stability in the economy. Bangladesh is mulling and approaching the International Monetary Fund (IMF) for financial stability. Pakistan has already been looking to reenter an IMF programme. Many established and developed economies are also embracing the tough economic challenges, particularly the middle-income and lower-income segments.
Sri Lanka has already fallen into default for the first time in its history. The country is affected by more internal than external issues. The present situation was triggered by a political and financial crisis which has taken its toll on the Sri Lankan economy. In the last couple of months, various startup companies including Airlift, Vavacars, CarFirst, and Swvl have shut down their operations in Pakistan. Other startups Truckin, Retailo Technologies and Dukan laid off their employees. Many companies also rolled back their planned initiatives and operational verticals temporarily whereas a few implemented austerity measures in operations to prevent themselves from a crisis. These companies might have operations on a limited scale but the negative development not only affected the lives of hundreds of employees and their families directly, but it also negatively impacted the business climate and sentiments of foreign investors. In recent weeks, two major telecom operators sounded alarm bells for an inconducive business climate revisiting their business strategies in Pakistan for the future.
Major automobiles and mobile assemblers also slowed down or suspended their operations on the back of unfavourable business situations. Two high-performing sectors, textile and IT posted a quantum negative growth in exports. More worsening, thunderstorms and torrential rains, and flooding hit the length and breadth of the country during the last few weeks. Many people have lost their precious lives in different provinces. The infrastructure was damaged badly costing billions of Rupees to the national exchequer and suspended economic and business activities in major commercial cities. Similar to Sri Lanka, the poor state of affairs in Pakistan has not developed overnight but it has continued for the past six months with a political circus ongoing in the country.
And yet, there is no serious consideration or effort to stabilise the economy of the country, unfortunately. First, the government was toppled with the in-house transition at the parliament and then in the biggest province. Then, a reactionary movement had become activated against the new coalition government. The political drama is unending with a new episode coming every week deepening the crisis ever more deteriorated. Amid a political tug and war between the government allies and opposition parties, the economic uncertainty is looming with no direction from the incumbent government being put in place. Global rating agencies including Moody’s, Fitch, and S&P issued negative ratings about Pakistan. The country’s economic outlook changed from stable to negative.
A slight ray of hope could emerge if the coalition government and opposition agree to sign the charter of the economy to help take the country out of the financial crisis. The policy measures under the charter of the economy should be taken concretely with the input of stakeholders should be taken into account. In this regard, the representatives of businessmen, industrialists, and multinational companies should also join hands with the government to make a roadmap on a sustainable basis to navigate the crisis on the track of growth and stability. The Federation of Chamber of Commerce and Industries (FPCCI), Overseas Chamber of Commerce and Industries (OCCI), and Pakistan Business Council (PBC) should come forward to give expert opinions to the federal government under an agreed roadmap for the recovery of economic stability of the country. Tough measures have to be taken to stabilise the ailing economy but these should not be limited to the masses in general, but its focus should be concentrated on the elite class including the curb of imports related to luxury and non-essential items. Imports substitution should be given preference on a long-term basis. In this regard, an investor-friendly policy should be devised which could resume industrialisation in the country with the creation of new jobs and the transfer of technology at a local level. Our policymakers, economic managers, and the businessman fraternity must be on the same page. It is because our economy needs quick fixes, energy emergencies, and out-of-box solutions on a war-footing basis. However, medium to long-term economic plans should be devised and implemented in tandem.