Policy Brief

Enhancing FDI in Pakistan: The Role and Challenges of the Special Investment Facilitation Council (SIFC)

Dr Aneel Salman

Maham Naweed

Sheraz Ahmad Choudhary

July 2024

IPRI Islamabad Policy Research Institute
Research | Innovation | Dialogue | Policy

OIL & GAS DEVELOPMENT COMPANY LIMITED

OGDCL-IPRI Chair Economic Security

Executive Summary

This policy brief explores the investment opportunities and challenges associated with attracting Foreign Direct Investment (FDI) into Pakistan. Established in June 2023, the Special Investment Facilitation Council (SIFC) aims to streamline the investment process and create a more investor-friendly environment. By removing barriers and simplifying procedures, the SIFC holds significant potential to unlock new avenues for economic growth and enhance opportunities for both local and international investors. Achieving these outcomes requires addressing key challenges such as ensuring policy consistency and stability, simplifying regulatory requirements, and improving infrastructure. Strategic interventions, including enhancing the policy framework, building capacity within government agencies, and fostering public-private partnerships, are essential. With these efforts, Pakistan should significantly improve its investment climate, attract more investments, and achieve sustainable economic growth.

Policy Recommendations

- **Consolidation of Investment-Related Agencies**

  There should be a single effective institution at the federal level for managing investment-related issues instead of several institutions with overlapping jurisdictions. i.e. BOI, Trade Development authorities, Privatisation Commission, and provincial investment authorities.

- **Revival of Industries and IT Expansion**

  SIFC should push the government to come up with cutting-edge policies for industrial revival, smart agriculture, and scaling up IT services. Expanding it to new sectors will not be easy as it is a long-term proposition

- **Expansion of SIFC Scope**

  SIFC needs to remain focused on the facilitation of business transactions rather than developing and promoting business transactions. That latter should be left to the private sector. Both G2G and private joint ventures require very different skill sets and approaches. While the SIFC can facilitate government-to-government (G2G) investments, similar arrangements may not be as effective for private investments. Therefore, it is crucial to involve sector experts from the private sector in the SIFC.

- **Education and Vocational Training**

  SIFC should partner with prestigious research institutions for market research and with top-level professionals for business advisory services. The private sector's job is to offer projects and contracts for SIFC facilitation.

- **Investment Climate**

  SIFC should focus on the provision of an investment climate with the following elements as integral parts:

  - A competitive policy environment with SIFC ensuring policy.
  - Resolving issues of property rights and regulatory hassles.
  - Local financing at affordable rates.
  - Evolving a dispute resolution system under international law.
  - Ensuring timely repatriation of dividends as a priority.

- **Investment Priorities**

  The investment should prioritise the following

  - Job Opportunities for youth.
  - Increasing exports by 15% every year.
  - Enhancing productivity through technological transfer.
  - Building on regional connectivity infrastructure.
  - Moving towards the knowledge economy.

- **Marine Sector Inclusion on SPSL**

  The marine sector should be included on the Special Priority Sector List (SPSL) to spur significant economic development. Prioritise investments in transportation, energy, and communication networks.

- **Online Portal for Investors**

  Ensure accurate and comprehensive data sharing and collaboration between local entities to boost foreign capital inflow. Develop an extensive online portal that serves as a central hub for investors to access up-to-date information about investment rules, incentives, and business opportunities in Pakistan. This will facilitate informed decision-making by investors.

Introduction

The strategic mobilisation of Foreign Direct Investment (FDI) is critical for the economic revival of Pakistan, particularly in key sectors such as agriculture, Energy, information technology, minerals, and defence manufacturing. Effective policy formulation and implementation, driven by both national and global development ambitions, are essential. These strategies should consider various dimensions of mobilisation, including geographical scope, and time scale. However, the current approach has been hindered by issues related to predictability, continuity, and effective implementation of policies.

The investment process necessitates a consistent regulatory environment and robust institutional support.[1] The Special Investment Facilitation Council (SIFC) was established in June 2023 in response to the investment challenges faced by Pakistan. The SIFC, supported by the military, aims to accelerate project development through a streamlined "single-window" interface for potential investors and a unified approach to policy implementation.

The Prime Minister's Office (PMO) announced that the SIFC will simplify previously cumbersome and lengthy business processes through a collaborative "whole-of-government" approach, ensuring representation from all relevant stakeholders. The council is designed to foster horizontal and vertical synergy between federal and provincial governments, enabling timely decision-making, avoiding duplication of efforts, and ensuring efficient project implementation. The involvement of high-ranking officials from both federal and provincial governments underscores the national commitment to economic turnaround despite prevailing challenges. The SIFC seeks to ensure the continuity of economic policies across successive governments, providing the stability and predictability that are crucial for attracting and retaining FDI.[2]

Objectives of SIFC

The primary objectives of a Special Investment Facilitation Council include:

Objective	Details
Facilitating Investments	By providing a conducive environment for investment, the council aims to attract both domestic and foreign investors.

[1] Tahir, Pervez. 2023. "Understanding SIFC." Available at: https://tribune.com.pk/story/2425127/understanding-sifc. Accessed June 24, 2024.

[2] Pildat. 2024. "Update on the Performance of Democratic Institutions." Available at: https://pildat.org/wp-content/uploads/2024/01/Creationofthespecialinvestmentfacilitationcouncilsifc_Jan2024.pdf. Accessed June 25, 2024.

Reducing Red Tape	SIFCs often work to simplify bureaucratic procedures, cut through red tape, and minimise regulatory hurdles that investors may face.
Promoting Transparency	They promote transparency in the investment process by ensuring that rules and regulations are clear and easily accessible to investors.
Providing Assistance	SIFCs offer assistance to investors in various aspects, such as obtaining permits and licenses, navigating legal requirements, accessing financial incentives, and identifying suitable investment opportunities.
Resolving Issues	In case investors encounter any problems or challenges during the investment process, SIFCs may serve as mediators or facilitators to resolve these issues efficiently.

Current sectors in SIFC

The Special Investment Facilitation Council (SIFC) prioritises attracting Foreign Direct Investment (FDI) into several key sectors in Pakistan. Agriculture & Livestock, IT & Telecom, Mines & Minerals, Energy (petroleum & Power), Industry, tourism & privatisation are the main sectors.

Table 1: Sectoral Details under SIFC[3]

Sectors	Policies	Incentives	Regulations
Agriculture & livestock	• National food security policy • Punjab agriculture policy • Balochistan agriculture policy • KP agriculture policy • Sindh agriculture policy	• Equity Ownership • Corporate Agriculture Farming (CAF) • Streamlined Approvals • Capital Remittance • Full Foreign Equity • Customs Duty Relief • Tax Incentives	• Federal Seed Certification and Registration Department (FSC&RD) • Seed Act, 1976 • Seed Amendment Act, 2015 • Seed (Business Regulation) Rules, 2016 • Plant Breeders' Rights Act, 2018 • Seed (Registration) Rules, 1987
IT & Telecom	• National space policy • Pakistan's cloud-first policy • Broadband policy • Data governance policy • National cyber security policy • Framework for telecom and	• Tax Exemption • Foreign Ownership • Profit Repatriation • Reduced Income Tax (0.25%) • 100% Tax Credit for IT Startups • 50% Foreign Currency Retention	• Pakistan Telecommunication Authority (PTA)

[3] SIFC. 2024. "Investment Climate". Available at https://www.sifc.gov.pk/investment_climate. Accessed on 25 June 2024

	infrastructure sharing		
Mines & Minerals	• Sindh mine and mineral governance act • Balochistan miners & minerals development policy • National mineral policy • KP mineral development policy	• Customs Duty & Sales Tax Relief • Foreign Equity • Expatriate Facilitation • Export Processing Zone Incentives • China-Pakistan Economic Corridor Inclusion • Repatriation of Capital & Profits	• Constitutional Framework • Federal Guidance • Resource Collaboration
Energy (petroleum & Power)	• Upgradation of Brownfield/Existing Refineries • Establishment of greenfield refineries	• Decade-Long Impact • Tax Revenue Generation • Tax Exemptions • Import Concessions • Corporate Structure • GOP Guarantees • Protection • Hydrological Risk • Attractive Return on Equity • Tariff Indexation • FX Regime • PPA/TSA Term • Dispute Resolution • Governing Law	• Regulatory authority: National Electric Power Regulatory Authority (NEPRA)
Industry, tourism & privatisation	• EV policy • Mobile device manufacturing policy • Automotive development policy • Tourism sector profile • Auto industry development and export policy • Privatisation policy	• Government Permission • Capital Flow • Foreign Equity • Customs Duty on PME • Tax Relief on PME • Royalty & Technical Fee • Incentives Under Auto Industry Development & Export Policy (AIDEP 2021-26)	• Engineering Development Board (EDB) • Special Economic Zones Framework • Export Processing Zones Authority

SIFC Visa Process[4]

To obtain a visa to Pakistan, an investor must present a recommendation letter from the Special Investment Facilitation Council (SIFC). Once this letter is obtained, the application process can be initiated either through the National Database and Registration Authority (NADRA) website or by sending the necessary documents to the designated email address. Both methods require the submission of the SIFC recommendation letter along with additional documents, such as proof of business registration or a signed letter addressed to the Secretary of the SIFC.

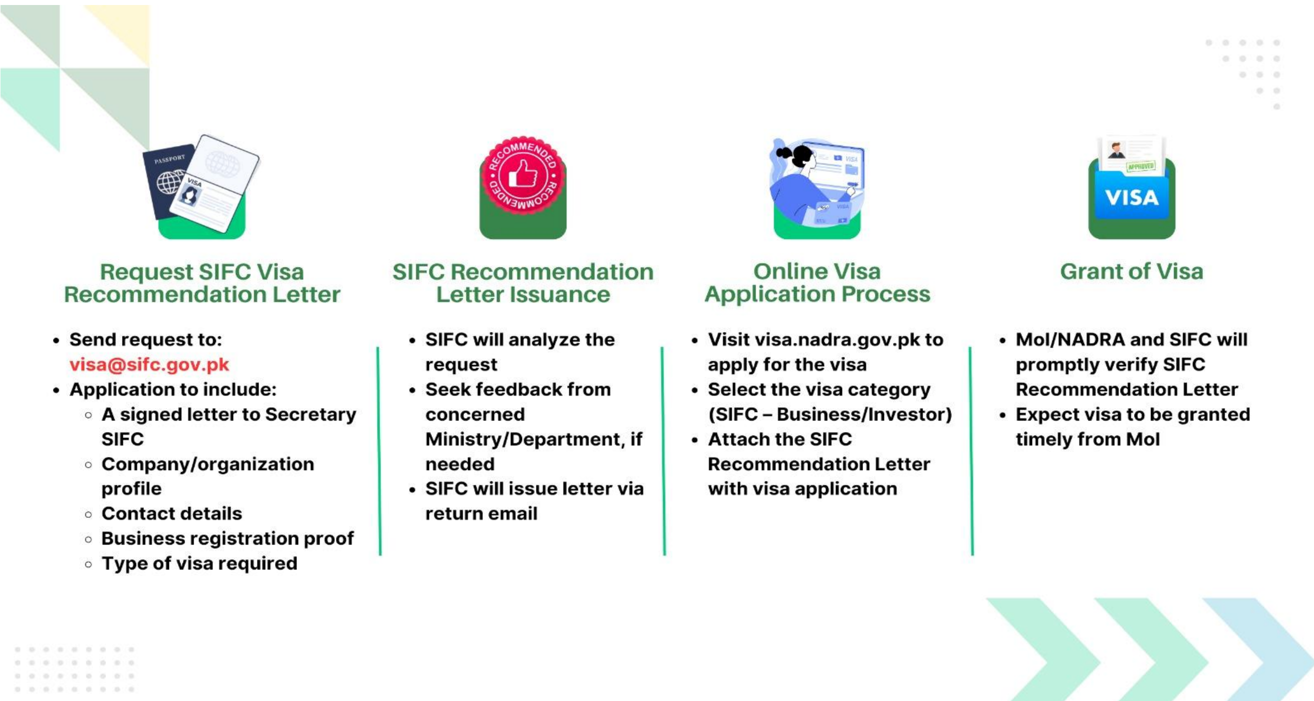

Figure 1: SIFC Visa Process

Current Investment Climate in Pakistan

Pakistan recorded a Foreign Direct Investment (FDI) of $258.04 million in March 2024, compared to $169.91 million during the same period last year in 2023. The primary objective of the Special Investment Facilitation Council (SIFC) is to attract investment from friendly nations, aiming to increase FDI to USD 5 billion in the short term and USD 100 billion within three years. Additionally, the SIFC seeks to boost Pakistan's nominal GDP to USD 1 trillion by 2035.

[4] SIFC. 2024. "How to Apply for SIFC Visa?". Available at: https://www.sifc.gov.pk/SifcVisa

The SIFC has launched twenty initiatives focused on various sectors, resources, and portfolios to capitalise on Pakistan's investment opportunities. One key area under consideration is the mining of rare earth minerals in the northwest and northern regions of the country, with ongoing viability assessments.

Several projects have been initiated to accelerate investment processes. These include nationwide and international agreements with oil refinery companies and energy departments, partnerships in the coal and mining industries, hydropower projects, cloud-based infrastructure development, solar project installations, and the enhancement of advanced telecommunication facilities. Noteworthy policy advancements include, progress in the delayed Reko Diq project, improvements in DISCOs' efficiency, and contributions to the privatisation of the national airline, PIA.[5]

Overall, these efforts reflect a strategic push to create a more attractive investment climate and achieve significant economic growth.

Date	Achievements
Feb 15, 2024	The signing of the MoU for the Machike- Thallian- Tarujabba White Oil Pipeline Project
Feb 20, 2024	Joint Venture on Pink Salt signed between Miracle Saltworks Collective Inc. (USA) & Pakistan Mineral Development Corporation
Mar 12, 2024	Signing of agreement with Najd Gateway Holding Company (KSA) in the Livestock Sector
Mar 13, 2024	Approval of the first IT Park in Islamabad under a Public-Private Partnership (PPP) Model
Mar 14, 2024	Pak-Russia Reefer Truck Transit initiated by National Logistics Cell (NLC) & SIFC
Mar 28, 2024	Import of cattle from Brazil under the Green Corporate Livestock Initiative, led by SIFC
Apr 3, 2024	Memorandum of understanding (MoU) signed between Northern Power Generation Company Limited (NPGCL) (GENCO III) and Ningbo Green Light Energy (NGLE) Pte Ltd
Apr 25, 2024	Special Technology Zones Authority (STZA) & Khyber Pakhtunkhwa Information Technology Board (KPITB) sign Pakistan Digital City Zone Development Agreement valued at PKR 8 Billion
May 09, 2024	Pakistani startup *Bookme* ventures into Riyadh market with landmark agreements
May 10, 2024	Special Technology Zones Authority (STZA) and National Radio & Telecommunication Corporation (NRTC) sign PKR 12.5 Billion Zone Development Agreement

[5] Mansab, Maria. 2024. "SIFC: Where Vision Meets Action." Available at: https://www.brecorder.com/news/40299539/sifc-where-vision-meets-action#:~:text=Additionally%2C%20the%20SIFC%20aims%20to,industries%2C%20resources%2C%20and%20portfolios.

Investment Possibilities: A Gateway for Economic Growth

Pakistan's export and import trends indicate a significantly improved trade balance in the first seven months of fiscal year 2024, from July 1 to January. During this period, exports fell by 45%, while imports were reduced by 25% to $33 billion, resulting in a trade deficit of $13.2 billion. This positive trend is due to various factors, including a 7.9% rise in exports to $17 billion, despite a decline in co-products and by-products exports to $8 billion. Imports decreased by 14.1% to $30.9 billion, which is almost 16% more than the same period last year. However, it is necessary to account for certain short-term fluctuations. For instance, the trade deficit in January 2024 was higher than in December 2023, despite a 24% increase in exports and a 1.8% decrease in imports.[6]

The Special Investment Facilitation Council (SIFC) can play a crucial role in identifying new avenues for FDI in Pakistan, contributing to both local and international growth. Pakistan's tech-savvy population makes it an attractive destination for IT sector businesses. In February, IT exports stood at $257 million, a 32% increase from the same period last year. IT exports grew by 15% to $1.977 billion in the first eight months of the current fiscal year.[7] The SIFC has achieved thirteen out of fifteen targets set in the last eight months, boosting the IT sector and increasing its exports.

The attempts made by Pakistan towards the recent investments from countries such as China, Britain and Middle Eastern states for instance, also show that such processes are not easy and can sometimes present numerous challenges. Even though foreign investments are usually advantageous to the economy, some of the drawbacks associated with the flow of FDIs in the past include distortions of the market and outflow of foreign exchange. The present economic climate can be described as highly unfavourable, with de-industrialisation processing at a fast pace, and multinational businesses leaving the country due to extortion and rent-seeking which have led to the stagnation of domestic and foreign investments. By containing these vices, the government has to take a systemic approach to solve them by guaranteeing the rule of law and environment that favours beneficial investment hence restoring investor confidence and in the long run promoting sustainable economic development.[8]

---

[6] Government of Pakistan.2024. "SIFC: News Update." Available at: https://www.sifc.gov.pk/news/88.

[7] Radio Pakistan.2024. "Increase in IT Exports Being Witnessed Due to Policy Initiatives of SIFC." Available at: https://www.radio.gov.pk/02-04-2024/increase-in-it-exports-being-witnessed-due-to-policy-initiatives-of-sifc.

[8] The Nation. 2024. "SIFC Needs to Look at Impediments to Investment." Available at: https://www.nation.com.pk/05-Jun-2024/sifc-needs-to-look-at-impediments-to-investment.

The demand for sustainable energy in Pakistan is driving a shift in the energy mix. The SIFC can attract significant investments in renewable energy projects like solar, wind, and hydropower. These projects meet growing energy needs and contribute to energy security and environmental protection. Large-scale renewable energy projects can reduce the country's dependence on fossil fuels, mitigate climate change, and create thousands of green jobs.

The agricultural sector, a fundamental pillar of Pakistan's economy, offers significant potential for growth in production and exports. Technology-based investments in cold infrastructure, food processing units, and precision agriculture can enhance this sector. The SIFC aims to attract investors to joint farming practices, strengthen supply chains, and improve manufacturing processes. Establishing the National Seed Authority is a major achievement, providing high-quality seeds to farmers at affordable prices and boosting international investor confidence in Pakistan's agriculture sector.

The textile sector is a significant source of income for Pakistan and presents rising investment opportunities. The SIFC supports attracting investment into high-value-added garments, technical textiles, and the development of a high-quality textile value chain. Modernising production lines, adopting the latest technologies, and improving product quality will help Pakistan's textile industry gain a larger share of the global market.

Pakistan's rich cultural heritage and spectacular landscapes offer immense tourism potential. Improving infrastructure, hotels, resorts, and ecotourism projects through the SIFC can stimulate growth in the tourism and hospitality sectors. Enhanced tourism infrastructure will attract both domestic and international tourists, driving economic growth through job creation and cultural exchange.

Investing in infrastructure is crucial for Pakistan's economic development. Projects in roads, railways, ports, and power plants can significantly boost economic expansion. The SIFC can generate investments in these areas through joint ventures and partnerships, ensuring successful project execution. Upgraded infrastructure will improve connectivity, reduce logistics costs, and positively impact economic activities nationwide.

Diversifying Pakistan's industrial base and increasing export revenues can be achieved by focusing on export-oriented industries, such as pharmaceuticals, electronics, and automobiles. The SIFC can attract top international companies to invest in Pakistan, leveraging the country's strategic location, skilled workforce, and lower production costs.

Investment in the health sector is essential for improving overall well-being indicators. The SIFC can enhance population health by investing in hospitals, medical facilities, and pharmaceutical production. Similarly, investment in education and vocational training programs is vital. The SIFC can attract investments in these areas, enhancing human capital and promoting the development of knowledge-based industries.

On May 25th, 2024, Pakistan's top leadership met to discuss initiatives aimed at boosting the country's economy. The meeting, chaired by the Prime Minister and attended by key figures like the Chief of Army Staff and Provincial Chief Ministers, focused on projects overseen by the SIFC. Ministries reported developments on projects and policies implemented through the SIFC framework and discussed strategies to achieve future objectives. The committee expressed satisfaction with the progress and commended the efforts of various government agencies. The macroeconomic analysis conducted during the meeting highlighted the positive impact of the SIFC's initiatives. The committee also discussed economic cooperation with friendly states and emphasised the importance of translating agreements into practical projects with tangible economic benefits. Discussions included the privatisation of state-owned enterprises (SOEs), with the committee expressing satisfaction with the ongoing process and urging remaining interested parties to meet the privatisation schedule. The government reaffirmed its commitment to enhancing long-term policies to encourage investments, with the Chief of Army Staff reiterating the military's support for these initiatives, essential for the nation's economic development and stability.[9]

Pakistan needs investments to address job opportunities for youth, increase exports by 15% every year, increase productivity through technology transfers, build regional connectivity infrastructure, and move toward the knowledge economy.

Bottlenecks: Impediments to Reaching Full Potential

A slow and ineffective justice system is a significant deterrent for foreign investors. Establishing a strong judicial system, supported by efficient justice and a well-functioning mediation procedure, is necessary to instil confidence in legal proceedings.

Despite the potential of the Special Investment Facilitation Council (SIFC) to attract diverse FDI, several impediments hinder its effectiveness. One significant issue is the bureaucratic red tape that investors must navigate, involving numerous government agencies for approvals.

---

[9] Press Information Department, 2024. 10th Meeting of Apex Committee of SIFC. Available at: https://pid.gov.pk/site/press_detail/25435

Simplifying these processes and reducing bureaucratic hurdles is imperative to create a more efficient and investor-friendly environment.

Political uncertainty, including fears of instability and insecurity, is another major deterrent for investors who seek stable and secure environments. Enhancing political stability, good governance, and providing guarantees to investors are crucial for addressing these risks and building trust among investors.

Inadequate infrastructure, particularly in transportation and energy, negatively impacts the investment climate by increasing operational costs and causing logistical difficulties. Investing in essential infrastructure such as roads, railways, ports, and energy projects is fundamental to facilitating economic activities and attracting foreign investments.

The lack of a sufficiently skilled labour force in specific areas poses a challenge for investors looking to establish or expand their operations. Focusing on industrial vocational training and skills development is essential to prepare a competent workforce for the industry.

Corruption remains a significant impediment to investment prospects in Pakistan, contributing to the deterioration of business conditions and a loss of trust among investors. Addressing this issue necessitates the implementation of stringent anti-corruption measures, the enforcement of business transaction transparency, and the imposition of strict penalties for corrupt practices.

High taxation is perceived by investors as a major obstacle, adversely affecting their willingness to invest in the country. To enhance the investment climate and attract foreign investments, it is crucial to simplify the tax system, provide clear guidelines, and offer targeted tax incentives.

The lack of transparency and inadequate investor protection measures present substantial barriers to investment. Without regulations that safeguard their interests, investors are unable to trust the system or make informed decisions. Ensuring transparency and robust protection measures is essential for fostering a trustworthy and attractive investment environment.

The establishment of SIFC has given good signals. However, it is still operating on the old-school model of leveraging investment through our geo-political positioning and diplomatic ties with friendly countries. The G2G deals with a larger volume and requires a longer gestation period. This transaction should focus on infrastructure development. The priority sectors should be offered to the private sector for joint ventures with suitable partners. The state's job is to provide incentives and reduce red tape.

Creating a competitive policy environment through the Special Investment Facilitation Council (SIFC) will ensure policy continuity, fostering investor’s confidence in climate investments. Addressing issues of property rights and regulatory hassles will remove barriers to investment, while access to local finance at affordable rates will enable broader participation in climate projects. Developing a robust dispute resolution system under international law will further safeguard investments, promoting a fair and predictable legal environment. Ensuring timely repatriation of dividends will be prioritised to attract and retain foreign investors, solidifying Pakistan's position as a favourable destination for climate-related investments.

Policy Recommendations

- **Consolidation of Investment-Related Agencies**

  There should be a single effective institution at the federal level for managing investment-related issues instead of several institutions with overlapping jurisdictions. i.e. BOI, Trade Development authorities, Privatisation Commission, and provincial investment authorities.
- **Revival of Industries and IT Expansion**

  SIFC should push the government to come up with cutting-edge policies for industrial revival, smart agriculture, and scaling up IT services. Expanding it to new sectors will not be easy as it is a long-term proposition
- **Expansion of SIFC Scope**

  SIFC needs to remain focused on the facilitation of business transactions rather than developing and promoting business transactions. That latter should be left to the private sector. Both G2G and private joint ventures require very different skill sets and approaches. While the SIFC can facilitate government-to-government (G2G) investments, similar arrangements may not be as effective for private investments. Therefore, it is crucial to involve sector experts from the private sector in the SIFC.
- **Education and Vocational Training**

  SIFC should partner with prestigious research institutions for market research and with top-level professionals for business advisory services. It is the job of the private sector to offer projects and contracts for SIFC facilitation.
- **Investment Climate**

  SIFC should focus on the provision of an investment climate with the following elements as integral parts:

- A competitive policy environment with SIFC ensuring policy.
    - Resolving issues of property rights and regulatory hassles.
    - Local financing at affordable rates.
    - Evolving a dispute resolution system under international law.
    - Ensuring timely repatriation of dividends as a priority.
- **Investment Priorities**

  The investment should prioritise the following
    - Job Opportunities for youth.
    - Increasing exports by 15% every year.
    - Enhancing productivity through technological transfer.
    - Building on regional connectivity infrastructure.
    - Moving towards the knowledge economy.
- **Marine Sector Inclusion on SPSL**

  The marine sector should be included on the Special Priority Sector List (SPSL) to spur significant economic development. Prioritise investments in transportation, energy, and communication networks.
- **Online Portal for Investors**

  Ensure accurate and comprehensive data sharing and collaboration between local entities to boost foreign capital inflow. Develop an extensive online portal that serves as a central hub for investors to access up-to-date information about investment rules, incentives, and business opportunities in Pakistan. This will facilitate informed decision-making by investors.

Conclusion

The Special Investment Facilitation Council (SIFC) is poised to enhance investment in Pakistan by effectively overcoming existing barriers with an evolving approach. The key to SIFC's success lies in the collaboration between private sector expertise and strategic coordination with GCC representatives. A well-developed regulatory framework that simplifies procedures, reduces bureaucratic burdens, and improves transparency will create an investment-conducive environment that attracts investors.

Consolidation, bringing synergy in different institutions, and cutting down on red tape enhances predictability and modernisation. Entrepreneurs and corporations will be better positioned to significantly increase their investments in the national economy. This influx of investment will drive stronger economic growth and improved social welfare.

Action Matrix

Action Area	Pathways to Solution	How to Implement Each Solution	Actor Responsible	Implementation Timelines
Marine Sector Inclusion on SPSL	Prioritise the marine sector for significant economic development	Integrate the marine sector into SPSL and allocate resources accordingly	SIFC, Ministry of Maritime Affairs	3-6 months
Investment in Infrastructure	Develop transportation, energy, and communication networks	Prioritise funding and strategic projects in key infrastructure areas	SIFC, Ministry of Finance	2-3 years
Education and Vocational Training	Address skill deficits and develop a skilled labour force	Allocate funds and design targeted education and vocational training programs	Ministry of Education	2-3 years
Online Portal for Investors	Facilitate informed decision-making by investors	Create a centralised online portal with up-to-date investment information	SIFC, Ministry of IT	2-3 years
Policy Innovation for Industrial and Agricultural Sectors	Implement cutting-edge policies for industrial revival and smart agriculture	Develop and promote innovative policies in the industrial and agricultural sectors	SIFC, Government of Pakistan	5 years
Expansion of SIFC Scope	Include new sectors in SIFC's mandate	Plan and execute expansion strategies for SIFC to cover additional sectors	SIFC	5 years
Investment Priorities	Focus on key developmental and economic areas	Prioritise job creation for youth, increase exports, enhance productivity through technological transfer, improve infrastructure and foster a	Government, Industry Stakeholders	5 years

Action Area	Pathways to Solution	How to Implement Each Solution	Actor Responsible	Implementation Timelines
		knowledge economy		
Revival of Industries and IT Expansion	Implement cutting-edge sector policies	SIFC to push for government development of advanced policies in industrial revival, smart agriculture, and IT services	SIFC, Government	5 years
Consolidation of Investment-Related Agencies	Establish a single federal institution	Merge existing bodies like BOI, Trade Development Authorities, Privatisation Commission, and provincial investment authorities	Government, Federal Agencies	2-3 years

About the Authors

Dr. Aneel Salman holds the distinguished OGDCL-IPRI Chair of Economic Security at the Islamabad Policy Research Institute (IPRI) in Pakistan. As a leading international economist, Dr Salman specialises in Monetary Resilience, Macroeconomics, Behavioural Economics, Transnational Trade Dynamics, Strategy-driven Policy Formulation, and the multifaceted challenges of Climate Change. His high-impact research has been widely recognised and adopted, influencing strategic planning and policymaking across various sectors and organisations in Pakistan. Beyond his academic prowess, Dr Salman is a Master Trainer, having imparted his expertise to bureaucrats, Law Enforcement Agencies (LEAs), military personnel, diplomats, and other key stakeholders furthering the cause of informed economic decision-making and resilience.

Maham Naweed is an dual qualified international lawyer who completed her Bachelors of Law from the Lahore University of Management Sciences and her Masters of Law from Yale Law School. Currently, she is the Chair, International Law at the Islamabad Policy Research Institute. Her areas of interest and research expertise include public international law, particularly international human rights law and laws of conflict.

Sheraz Ahmad Choudhary is a Research Associate at IPRI. He is affiliated with the University of Sussex and his areas of expertise are Macroeconomics, Trade, Public Finance, climate Economics, ESG, and Environmental Economics.

Acknowledgement

We extend special thanks to Mr. Harron Sharif, Former Minister of State and Chairman Board of Investment for his valuable comments.