

Press Release

For immediate Release

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Government to focus on achieving high economic target: Ishaq Dar

ISLAMABAD, June 15: The federal Minister for Finance and Revenue, Muhammad Ishaq Dar said that the government has prepared a future road map for next three years to achieve the GDP growth as high as 7 percent. According to this road map measures will be taken to raise the foreign reserves to \$30 billion, fix the fiscal deficit below 4 per cent of GDP and maintain the inflation with in single digits.

He was addressing at the SECP head office to facilitate all the stake holders of capital market on MSCI reclassification of Pakistan's Capital Market in the 'Emerging Markets' category.

Ishaq Dar said that it is a historic day that we have regained the status which we have lost after crises in stock market in 2008. He announce that the PML-N's government has achieved most of the targets on economic front which have been part of its manifesto and regain the emerging market status was one of them.

Finance Minister said that country will say good bye to IMF following upcoming 12th review of fund However, he said we recognize the IMF contribution and assistance towards stabilizing Pakistan's fiscal position. He proclaimed that the country's foreign reserves will hopeful be reached at \$22 billion by end July.

He said that Pakistan's macro-economic indicators have been stablished and world is recognized it. In future, the government will focus on achieving high growth and development. He said that Pakistan's economy has potential to reach at very high place in the world.

Ishaq Dar said that the politics and economic shouldn't be coupled together and invited all political parties to join the government in formulating a future economic roadmap for the country. He said the last three years decision of the government and operation Zarb Azb contributed in improving the country's repute and win the confidence of the investors.

Dar said that there were a lot of pending legislations but the SECP has revamped most of its laws to make them up to date. An another upcoming major achievement of the SECP in reforming its legal infrastructure would be the introduction of Companies Bill 2016 that will be introduced in the parliament in near future, he added.

The SECP Chairman Zafar Hijazi said that it is a land mark achievement and he appreciated the people from SECP and PSX who worked hard to attain this status. However, he said, the status come with more responsibilities and requires the regulator to become more vigilant and careful. He cautioned that the SECP will be more attentive and stringent to maintain discipline in market and confidence of investors.

The SECP Chairman said that next challenge ahead is the divestment of stock exchange. He said we have constituted a committee comprising of all stakeholders to search for an effective strategic investor for PSX. He hoped that PSX will be able to attract global strategic investors and financial institutions and form technological partnerships to fulfill the objectives of integration and become a major regional investment hub.

Counting the factors which contributed in achieving the status of emerging markets, Zafar Hijazi said that the recommendations made in the Shamim Ahmed Khan's report on Stock Exchange crises of 2008 helped SECP to overcome the flaws in the system. He said the SECP made the 2008 crisis report public despite opposition which restores the confidence of investors in the market.

He said the SECP also made significant improvement on the implementing the principles of International Organization of Securities Commission (IOSCO). He expressed the hope that Pakistan would achieve up to 80 percent compliance with the IOSCO principles from the existing level of 62 per cent. It may be recalled that before the last year assessment Pakistan's implementation level to IOSCO's principals was merely 34 per cent. Enhanced compliance with international standards helped Pakistan in graduating to MSCI Emerging Markets Index, he added.

Hijazi said the second major factor contributed in attaining this status was SECP's continued focus on strengthening its regulatory framework through introduction of structural and legal reforms. Our reforms agenda aimed at market development, ensuring investors' protection, increasing investor base and creating enabling environment for businesses, he said. The third major factor that cleared the path to MSCI index was the successful integration of three stock exchanges, he said and added that now the critics of integration admits that the merger has improved the investor's confidence and strengthened the market.

The Chairman Board of Directors of Pakistan Stock Exchange (PSX) Dr Muneer Kamal said that the market stakeholders were confident that Pakistan would regain the emerging market status that was why market index was rising from last few days on MSCI exception. He said that during the recent PSX's road shows in London, New York and Hong Kong big fund managers from all over the world were briefed on recent reforms in the capital market as well as on economic turnaround in Pakistan. The MSCI and the fund managers greatly appreciated Pakistan's economic reforms and improvement in country's capital market and that had improved likelihood of Pakistan's capital market being included in the MSCI's emerging market index, he added.

Muneer Kamal said the world has now recognized that the Pakistan economy is now stable and offer excellent opportunities for investment. He said the government, the regulator and the stock exchange is on same page and working to attain same agenda.

Speaking at the occasion, Minister of State for Privatization Muhammad Zubair said that the story of Pakistan's economy is a great story to attract investors. He highlighted positive achievements of the government and said that the PSX is one of the fastest growing stock exchanges which was an important indicator of economic growth.

