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'Pakistan to become 18th largest economy by 2050'

By Our Special
Correspondent

KARACHI: Pakistan to become 18th largest economy in the world by 2050 from its existing rank of 44th. The future growing economies includes are Nigeria, Indonesia, Malaysia and Pakistan.

This was informed by the federal finance minister Ishaq Dar while talking to World Islamic Finance Forum while quoting 'BBC Business Report for Growing Economy' here on Monday.

He said, "Generating funds from global Sukuk market, Pakistan entered in the international Sukuk market after a gap of nine years. We have been absent in the international Sukuk market for such a long time," he pointed out.

"Soon after I take oath as federal finance minister, he said, "I advised the State Bank of Pakistan (SBP) to establish centre of excellence on Islamic financing and set up a steering committee in this regard. We have now three centre of excellence established in Islamic banking in Pakistan, since the government promoting Islamic banking."

He lauded the guidelines of Deputy Governor, Saeed Ahmed and Dr Ishrat Hussain the chairman centre of excellence at Institute of Business Administration (IBA) for forming Centre of Excellence and appreciated the help of Islamic Development Banking (IDB) over the years through Dr. Mohammed Azmi Omar, Director General of Islamic Research & Training Institute (IRTI) at IDB.

"Islamic economic system is not only about the prohibition of interest, but it also promotes values, such as social responsibilities and accountability, though it is around for last five decades," he added.

Islamic finance system is today acknowledge as economic system that also provide answers to the current crisis and demands in the world which includes promote alleviate poverty, socio-economic system and equitable distribution of wealth. "In the history of Islamic banking, Pakistan among the pioneer country in Islamic banking that worked legal, regulatory and supervisory fronts been recognized at international level," he recalled, adding unfortunately, these efforts could not produce desired results, but the industry is growing at impressive pace when it was started in last decade.

The government is committed to actively promoting Islamic banking as our religious duty but also supremacy of broad-based growth.

Dar said, "This is my standing instruction to the finance ministry that whenever need to raise that funds or replace debts, preference would be to resolve through Islamic finance." The government is providing full-fledge support to Islamic banking for last three years, he added.

State Bank of Pakistan (SBP) has issued directives for complete Shariah compliance and we have given 2 percent cut of income tax to Islamic banking in budget 2016-17, he pointed out.

Additional liquidity in



Islamic banking will supplement some of projects, especially energy projects in \$46 billion, China Pakistan Economic Corridor (CPEC), he informed.

"We have also brought Islamic Sukuk funds at par with the conventional banking to promote the industry," he added.

Internationally, the Islamic banking size growing from \$1.3 two year to \$1.5 trillion in last year and now it is 1.8 trillion. It is expected to grow at a fast pace and may touch \$6.6 trillion mark by 2020," he informed.

In the global market, there was a race and interest for grabbing international share in the growing Islamic banking by many countries. "This industry (Islamic Banking) is going to lead the conventional banking by next decade or so," he said, while quoting the words of "British Prime Minister, David Cameron speech as key not speaker few years back at a Islamic Banking Conference in London. David Cameron said, Britain can grab its share as much as possible from international Islamic banking."

Dar asked the entrepreneurs of Islamic Banking that how much we can take advantage from global Islamic banking for our benefits.

Those countries lost in 2008 economic meltdown are now taking advantage of Islamic banking in global market, he informed.

Islamic banking is still in its evolutionary phase but we need collective and our relentless efforts for betterment as we cannot take it easy and we should work at a very fast speed to catch up fills the gaps.

"We have future and ability to work," he said, "Our country could do any work in half of time."

He informed that a summary received by the finance ministry for an implementation committee on Islamic Banking. He announced that a high-power committee comprised of Governor SBP, Federal Secretary of Finance, Chairman of Security Exchange Commission of Pakistan (SECP), and Chairman Federal Board of Revenue, Secretary Ministry of Law, Shariah Scholar Mufti Muhammad Tajj Usmani, Chairman Pakistan Banking Association, President Institute of Chartered Accountants of Pakistan (ICAP), President Institute of Cost & Management Accountants of Pakistan (ICMAP). The committee will be responsible for looking after the affairs of Islamic banking and will do things on fast track basis, he announced.

"All those who betrayed with Pakistan had faced worst end even their children were also not died naturally," he said.

Prepared by: