

BENCHMARKING PAKISTAN'S GLOBAL COMPETITIVENESS



The Competitiveness Institute's (TCI) Regional Conference
On Competitiveness and Economic Growth in Asia
Islamabad, May 14 - 16, 2006

EXECUTIVE SUMMARY

The conference was organized by the Competitiveness Support Fund (CSF), sponsored by United States Agency for International Development (USAID), under the auspices of TCI and the Ministry of Finance, the Government of Pakistan.



Introduction

The Competitive Institute's (TCI) Regional Conference on Competitiveness and Economic Growth in Asia was held in Islamabad, 14-16 May, 2006. Against the backdrop of Asia's place as the world's fastest growing region, the conference examined why and how the emerging Asian markets are improving their competitiveness.

China, whose growth rate will soon make it the world's fourth largest economy, along with India, have begun to dominate segments of the global value chain including those which are knowledge-based and where innovation and increased productivity are critical, such as in IT. The relatively quick emergence of Asia has created substantial opportunities and challenges both to countries in the region and to the heretofore dominant economies of Europe and North America. Asia is attracting the interest of business people, policy makers and academics from all over the world as a market, an investment location, a production platform and a competitor.

The conference took place in Pakistan to highlight Pakistan's determination to improve its competitiveness both regionally and globally.

Outcomes

The conference was very successful in achieving its stated aims:

- Increased the profile of competitiveness and competitiveness-related initiatives in Pakistan.
- Brought several of the world's leading experts on competitiveness to Pakistan to share their views.
- Generated ideas for the Competitiveness Support Fund (CSF).
- Brought together specialists working on competitiveness issues in South and Central Asia.
- Focused attention on some of the major competitiveness issues in Pakistan.
- Placed Pakistan's competitiveness initiatives on the international map.

The foreign participants were impressed by the smoothness of the organization of the conference as well as the degree of knowledge of competitiveness issues exhibited by local participants. The local participants were impressed by the range and depth of knowledge represented in the international group of participants. The combination of local, regional and global participants generated a great deal of information and discussion that can be useful in helping the Competitiveness Support Fund (CSF) plan its agenda. The conference also attracted a number of local and foreign individuals and organizations that can become allies in the CSF's efforts going forward.

Competitiveness Support Fund
Conference on Benchmarking Pakistan's Global Competitiveness

The ideas exchanged at the conference provided CSF with valuable input with which it will carry out a number of initiatives:

- The fund will produce a policy relevant analysis countrywide to identify the sectors that have competitive advantage. In this context, the CSF will initiate a study on value chain analysis for one industry as a pilot, such as the motorcycle industry, which may follow with the automotive and food processing industries.
- Another survey will follow to identify the practical constraints (i.e. administrative barriers, complex, lengthy and bureaucratic procedures, lack of coordination among authorities and problems in locating and developing sites for industry and commerce) related to paperwork at the Karachi port and how to speed up efficiency and delivery by improving and modernizing customs clearance procedures to enhance the competitiveness of business transactions.
- CSF will prepare the Annual Report on the State of Competitiveness in Pakistan, based on the latest data, international rankings and qualitative inputs from the Pakistani private sector. It will also use this report to help structure an extensive, in-depth private-public dialogue that allows the private sector to provide inputs to the government relevant to the budget process and assists the government in setting priorities and monitoring progress.
- CSF will establish a formal cooperation with the World Economic Forum (WEF) on the competitiveness process in Pakistan. As part of that relationship, the fund will conduct a number of meetings with private sector representatives and financial institutions regarding the Pakistan portion of the WEF's Executive Opinion Survey of the Global Competitiveness Report. CSF will make certain the surveys distributed at these meetings are completed and sent on time to the WEF's Evaluation Committee in Geneva. This report is expected to be published at the end of October or beginning of November, 2006.
- In close cooperation with the Pakistan Higher Education Commission (HEC), CSF will initiate a Competitiveness Learning Platform.
- Additionally, the conference provided momentum to CSF's growing activity in providing technical assistance and co-financing for initiatives related to entrepreneurship and private-sector-led initiatives with research institutes, universities and business incubators that contribute to creating a knowledge-driven economy in Pakistan.

Pakistan appears to have a number of positive features to draw upon. The Pakistan Government is committed to improving competitiveness. There is a large and vibrant population. There is a good deal of talent in the private sector that is starting to be unleashed by government reform efforts. Pakistan's geographic position, while challenging, also affords opportunities to serve South and Central Asian markets. The economy has responded positively to reform efforts so far. While there are clear challenges as well, there appears to be much that the Competitiveness Support Fund can utilize going forward.