

**Address by Dr. Salman Shah, Advisor to the Prime Minister on Finance, Revenue, Economic Affairs & Statistics**

Your Excellency The Prime Minister, Honourable Ministers, development experts, ladies and gentlemen,

On behalf of the Government of Pakistan and the Ministry of Finance, let me welcome you to the 2005 Pakistan Development Forum.

"Sustaining Growth and Improving Quality of Life" is this year's theme in line with PM's Shaukat Aziz's vision for development.

Pakistan has made substantial progress in the last few years in

- Reviving overall growth to an impressive level
- Bringing down Public and external debt ratios and fiscal deficits.
- Reducing inflation and driving down interest rates
- Creating comfortable levels of foreign currency reserves and stability in exchange rates.

This has laid a solid foundation on which we can build for the future. The real issue facing us is to ensure that we can sustain this stability and growth well into the next decade and beyond.

This growth and stability will only be sustainable if we are successful in achieving some critical goals of this government and society: including,

- A major reduction in poverty
- Making significant gains in the area of human development that have been identified in our Medium Term Development Framework (MTDF) and PRSP
- Honoring our commitments in achieving the Millennium Development Goals (MDGs)

We have tried to include in the deliberations those areas that are necessary for achieving the goals mentioned above.

In session II after the inaugural session we will provide an overview of the economy, the broad development strategy, and an exhaustive look at the commitments needed under the goals we have set for ourselves in the PRSP and the MDGs,

Session III, will provide details on some of the new major initiatives that we will be taking to ensure that we have a realistic chance of meeting our goals. These programmes, will focus on the rural economy, gender issues and the issues dealing with safety nets.

Sessions IV and Session V will focus on our human development initiatives involving Education, Skills Development and health. These are key strategic initiatives for sustaining our growth and we are devoting the maximum time to discussing these initiatives.

Session VI deals with issues of governance, especially those related to devolution and civil service reform. These being critical for provision of services to the people and better management of the economy.

We will also have a detailed discussion about physical infrastructure needs including our plans for ensuring water security, energy security (oil, gas and electricity) Transport and logistics and urban infrastructure.

There will be an interesting session on our growth drivers that will help us in ensuring growth. These have to do with trade, industry, agriculture, construction, privatization and urban renewal. At the end of the sessions, I am sure, we will all have a much better idea of where Pakistan is headed for.

Pakistan Development Forum (PDF) provides the government with the opportunity to

- (a) Engage in some medium term thinking on the goals identified above, on the whole and at the departmental level,
- (b) Evolve strategies for achieving these medium term goals,
- (c) Workout the financial and other commitments that will be needed to operationalize these strategies.

It is an excellent opportunity for us to share our thinking in this forum with our major development partners so that:

- (a) We can reflect on the goals together
- (b) Collectively Focus and improve the strategies
- (c) Generate commitments (financial and/or otherwise) of support for achieving these goals.
- (d) and devising mechanisms for implementing identified and agreed upon strategies

In the next two days we will put forward ideas that we have been mulling over and have worked on in the hope that in the dialogue that will take place, we will, together, examine each idea thoroughly and reach conclusions regarding priorities, programmes and projects that will form the core and backbone of our development strategy for the next year and beyond. Your criticism, your thoughts and your encouragements, at each step, will be essential for moving forward.

Pakistan's economy has to make a transition. A transition that allows our economy to alter its structure substantially. It has to now approach a level where its human resource and infrastructure can facilitate this transition into a rapidly growing and rapidly developing economy.

We have to ensure that we take the necessary steps for facilitating this transition now. We have to build up our human resource and our infrastructure to the point where the transition becomes almost automatic.

We live in a region where we are surrounded by rapidly growing and changing economies. We intend to be amongst the winners as we cannot afford to stay behind.

We cannot afford to lose the window of opportunity provided by the recent revival and stability. Let us make sure that we make the most of it.

We look forward to a fruitful two days of intense deliberations.

Let me welcome you again.