

## Headlines:

- **Falling Exports, Rising Imports and Debt Exposes Regime's Claims of Recovering Economy**
- **Increasing Consumption of Intoxicants is Consequence of Liberalization**
- **Sabotaging PSEs is to Justify their Privatization**

## Details:

### **Falling Exports, Rising Imports and Debt Exposes Regime's Claims of Recovering Economy**

Remittances dropped to \$4.7 billion in the first quarter, down 5.3% from the same period of the preceding year. Exports fell 10% in September 2016 compared to September 2015, reported the [Pakistan Bureau of Statistics](#) (PBS) on 14<sup>th</sup> October, whilst imports surged by 11.8% compared to 2015. And Pakistan posted \$7.1-billion trade deficit in the first quarter, which was \$1.6 billion or 29.2% more than the deficit in the corresponding period of last year. Owing to the falling remittances and exports, with increasing imports, coupled with shrinking foreign direct investment (FDI), the government has resorted to dollar borrowing to build its foreign currency reserves. The much-touted 'highest-ever' foreign currency reserves, approximately \$24bn, are not a cause of celebration but a source of sorrow. Despite decreasing imports and remittances, foreign exchanges have still grown, which means Pakistan is being plunged deeper into interest based debt. As if this were not enough, Pakistan's economy is now even more dependent on foreign commodities, with its own manufacturing base crippled to the point that it cannot provide for its domestic market, let alone foreign markets.

In its three-year stint, the PML-N government has obtained \$25 billion as fresh foreign loans in addition to borrowing Rs3.1 trillion (\$30 billion) from the domestic market for budget financing. [Pakistan's total debts and liabilities](#) swelled to Rs22.5 trillion by last fiscal year end as of June '16. Increasing external borrowing has severe repercussions. Persistent borrowing by the government to bridge budget deficit has resulted in inflation. Pakistan's debt obligations have crossed all sustainable levels as interest makes liberation from debt untenable. Worse, in recent years government has resorted to heavy borrowing from the central bank, which is called "monetizing" the deficit and because this method always leads to the growth of monetary base and of money supply and ultimately inflation, it is often referred to as just "printing money." Moreover, by devaluing the Rupee, the Pakistani government increased the costs of manufacturing inputs, which caused havoc in the agricultural, textile and other sectors that were already reeling from the policy of high interest rates. Hence, the high cost of borrowing, together with the increase in manufacturing costs, rendered many industries and companies unable to compete internationally and are being forced to abandon production of goods and resort to trading in imports. Incapable to find buyers for their expensive products, key exports declined and Pakistan's balance of payments deteriorated. The government's implementation of capitalism and dependence on interest based loans, of which the foreign loans represent the added danger of conditions from the international financial institutions, has destroyed the economy.

In Islam interest is forbidden on any loan, domestic or foreign. Moreover, it is not allowed to allow the colonialist institutions to have an authority over the economic affairs of the country through conditions. The currency will be based on gold and silver standards as stipulated by RasulAllah (saaw) rather than remain as a fiat currency whose devaluation devastates the entire economy. The Islamic State will focus on reviving the agriculture and industry, enhancing local production and the Shari revenues from it such as Kharaaj and

Zakah on merchandise. The Islamic State will restore the immense sources of revenues from the public properties, such as oil, gas and electricity, to the Baytul Maal so as to look after the affairs of the people. Thus, the Khilafah (Caliphate) on the Method of the Prophethood will set an example for the colonialist oppressed nations of the world by ending colonialist control of its economy.

### **Increasing Consumption of Intoxicants is Consequence of Liberalization**

The Dawn newspaper reported that the Sindh High Court on 18 October directed the excise and taxation department to revoke liquor licenses granted in violation of the Prohibition (Enforcement of Hadd) Order 1979. The bench gave the direction while hearing a petition seeking cancellation of the licences and closure of liquor shops operating in Muslim-majority areas. Under the guise of selling liquor to non-Muslims, there are 120 liquor shops across Sindh, of them, 59 shops are in Karachi alone, including 11 in DHA and Clifton areas. In Pakistan, the selling of liquor to Muslims is banned under law. However, it is being sold right under the nose of authorities all across Pakistan. The deaths of Muslims due to adulterated liquor have been on rise, whilst some of the increasing crimes are a consequence of being drunk and in some elite circles of Muslims, alcohol consumption is a constant feature. These is not an isolated phenomenon for officials to gain kick-backs, but it is just part of the liberalization campaign to attack our Muslim society and our Islamic values. And liquor is not the only intoxicant that is being allowed to grow in distribution. "The News" reported that the Dr Maria Sultan, Director General of South Asian Strategic Stability Institute (SASSI) presented a study to the Senate Standing Committee on Interior and Narcotics Control on 19 October 2016, stating that, *"The average age of students in the private schools, in which nearly 44 to 53 percent of pupils are taking either artificial or hard drugs or were addicted to heroin, is in the age groups 12-16 and 16-19... At some schools the intoxicants are available at canteens, while addicts also get them easily from street vendors."*

The rise in intoxicant use is the direct result of liberalization adopted by the government in a bid to please its Western masters. The Western liberal value of "personal freedom" is a poison to all societies, including the Western societies, destroying family values, modesty, chastity and dignity. According to "personal freedom" every human being has the right to live his private life as he wishes unless he transgresses against the private lives of other people, so he has the right to eat, drink and wear whatever he wants within the public laws. He has the right to marry or to have an extra-marital relationship with any woman as long as it is done with her consent. In secularism, the concept of Halal and Haram does not exist when it comes to personal conduct, as long as the person behaves lawfully, and "lawful behaviour" in the Capitalist societies is subject to disparity from one society to another and from one time to another, leaving man adrift and deprived of guidance. Yet, the regime is promoting "personal freedom" through electronic media, mixing of genders, music and dance festivals, corrupt extracurricular activities in many schools and the celebration of non-Islamic rituals at a state level. At the same time, the regime is suppressing the groups and individuals raising their voices for Islam, so that the Muslims are left defenceless before the liberal onslaught.

Hoping to please America using the land of the Muslims as an offering, the Raheel-Nawaz regime now maintains the bridges with the worst enemies of Islam, using our youth as another offering to satisfy America, even though Allah (swt) warned, ﴿وَدُّوا لَوْ تُكْفُرُونَ كَمَا كَفَرُوا﴾ **"They wish you would disbelieve as they disbelieved so you would be alike. So do not take from among them allies"**. [Surah An-Nisa 4:89]. In order to save the Muslim youth from the regime's liberalization campaign, the need of the hour is to establish the Islamic Khilafah on the Method of the Prophethood. The Islamic State will forbid the promotion of secular liberal culture and instead will build a society based on Islamic thoughts. The education curriculum will be derived from Islam, building the Islamic personality of individuals. The Islamic personality of our youth will mean that they will not only shun intoxicants, but will confront the corrupt liberal values globally. The duty of the Muslims of Pakistan, parents and children alike, is to discard this regime, that only serves the

interests of America, the way they discard seeds, and to work with the loyal sons of the Ummah to establish the state of truth, the Khilafah state.

## **Sabotaging PSEs is to Justify their Privatization**

As reported in the [Dawn](#) Newspaper of 17 October 2016, “*The losses incurred by three major public sector entities (PSEs) — the Pakistan International Airlines, Pakistan Railways and Pakistan Steel Mills — have surged to about Rs705 billion in three years despite continuous injection of funds into the organizations. This is in addition to around Rs660bn debt piled up in the accounts of power sector companies, of which Rs348bn has been accumulated in three years, even though consumer tariffs have repeatedly been increased.*”

Pakistan International Airlines was once a prestigious public organization, guiding many Middle Eastern countries in establishing and developing their airline businesses. Pakistan Railways has a wide network connecting rural and urban areas by land and a source of considerable revenue. Similarly, Pakistan Steel Mills has fulfilled a large portion of domestic demand since its inception. Yet, these three once profitable public organizations have been run into the ground by vested interests to justify their privatization. As reported in the [Dawn](#) newspaper of 21 October 2016, “*A Chinese firm has expressed interested in the sale of Pakistan Steel Mills (PSM) as the PML-N speeds up the privatisation process.*” And the IMF maintained a “score card” of selling off Pakistan's most valuable state owned assets under its three-year Extended Fund Facility, which concluded on September 30. The [Dawn](#) reported on 17 October that “*the IMF has stressed that restructuring and attracting private sector participation in ailing PSEs would be key to restoring their financial viability to reduce fiscal costs....the government committed to attract private sector participation in the company (i.e PIA) and finalise the transaction structure for a minority sale by the end of the year.*”

To prepare the grounds for IMF colonialist demands for privatization of revenue generating state enterprises, Pakistan's current rulers have sabotaged them. They have systematically interfered in matters of strategy, hired without merit, over-staffed to accommodate political patronage and established policies to halt progress including bureaucratic red tape. If this was not due to deliberate, malicious policy, then how is it that soon after privatization, private management is able to dramatically turn-around loss making firms? By handing-over these public organizations into private hands not only does the state lose revenue generating assets, it also exposes the masses to the greed of a few individuals. We have witnessed the case of privatization of numerous state and public properties previously, where having gone into loss just ahead of privatization, they suddenly report record profits, with the new owners profiteering over the necks to the masses through extortionate tariffs. And in some cases hugely profitable assets were privatized in any case, such as PTCL.

When Islam's economic is reestablished, it will prevent the privatization of public properties such as electricity, gas and minerals, including steel, as it is forbidden in Islam. It will ensure that the state will dominate in industries which are in origin private property, such as large scale transport and telecommunications, so that the Bayt ul-Maal has sufficient revenues to look after the affairs of the people. Thus Islam will ensure the distribution of wealth and prevent concentration of wealth amongst few individuals, which has been disturbing the economic equilibrium of the society. Allah (swt) revealed, **﴿كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ﴾** **“..so that it does not be a wealth solely within the rich from among you.”** [Surah Al-Hashr 59: 7]. Thus finally the Muslims will see the end of the privatization of state and public properties which leads to greater expense for the people, greater dependence on interest base loans and ever increasing taxation to meet short falls. Truly, the Khilafah (Caliphate) on the Method of the Prophethood is the need of the time.