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Creating an investment-friendly environment: The key to economic development



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By: Tariq khan Yousafzai

Economic development hinges on creating an investment-friendly environment. No country, regardless of its development stage, can progress without private investment. Investors, whether local or foreign, only invest when they feel their capital is secure. China has instilled this confidence through its reform and opening-up policy, especially in the last decade under President Xi Jinping.

Our natural ecosystems face critical threats, with about one million species at risk of extinction.

Biodiversity loss reduces global economic output by approximately 10% annually. The challenge is to mitigate environmental damage while expanding infrastructure. Construction companies can achieve this, but it requires substantial investment.

Promises of investment from friendly countries often remain unfulfilled, whether for climate change mitigation or economic recovery. This lack of follow-through raises important questions. The instability of the political situation is a primary concern. Power is concentrated in specific hands, diminishing the importance of political parties and leadership. Former Prime Minister Imran Khan, currently jailed, serves as an example. His social media activity has attempted to incite rebellion within the Pakistan Army, leading to serious charges under the PICA Act, 2016. This turmoil deters investors.

To attract investment, Pakistan's government formed the Special Investment Facilitation Council (SIFC), including military and government leaders. Following the Prime Minister's Gulf visits, Saudi Arabia and the UAE pledged \$15 billion, sparking economic optimism. However, China's interest remains tepid, and political instability continues to hinder progress.

Pakistan aims to alleviate economic difficulties through foreign investment. The Gulf countries seek to diversify investments away from oil, and Pakistan could be an attractive destination. However, high interest rates, security concerns, and lack of governance impede investment implementation. Political unity and immediate legislation are crucial to create a capital-friendly environment where investors are drawn on favorable terms.