Fiscal & Growth Impact of IMF Conditionality on Pakistan

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ABSTRACT

As we know Pakistan economic condition has not been stable for some time and Pakistan has gone to IMF for financial assistance and to stabilize its deteriorating economy. So, we will be discussing effect of IMF conditions on the GDP growth and economy of Pakistan. The study will examine the growth of GDP in the context of direct tax, indirect tax, development expenditure, total expenditure. The main purpose of this study is to compare the economic condition in the years when Pakistan approached for financial help from IMF, to the years without IMF programs. The study has covered the functions of IMF, its conditions and loan history of Pakistan with IMF. This study is the analysis of the five variables which are direct tax, indirect tax, development expenditure, total expenditure and GDP growth of Pakistan during the IMF programs and how have they affected, if they have deteriorated or benefited with the IMF assistance. For this a regression model was run that concludes that Direct and Indirect taxes pose positive impact while IMF conditions and development budget pose negative impact on GDP growth. Total Expenditure doesn’t impact GDP growth. In this study descriptive statistics and regression analysis technique was used. In this study, impact on the fiscal growth and how tax revenue and government expenditures will effect our economic growth are elaborated.

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CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The IMF was established at the United Nations Bretton Woods Conference in 1944. In order to monitor the international economic cooperation ,44 countries have formed a framework. The IMF promotes and ensures the economic stability and secures the international monetary system, exchange rate system and balance of payments. It is an organization consisting of 190 members and staff members are recruited from 150 countries. IMF have 24 Executive Directors and one managing Director who are elected by the member countries. IMF is accountable to its member countries and its operations and policies are evaluated by the auditing and it has a system of check and balance to ensure accountability.

It helps in enhancing global trade, promotes employment and sustainable monetary growth, and enables to decrease worldwide poverty. IMF through a proper system observes the policies of member countries and their national, economic and financial advancements.

1.2 IMF FINANCING

Three channels are used to by the IMF to finance its member countries and the purpose of these channels is to transfer reserve money to its member countries.

Non concessional lending from the General Resources Account (GRA), concessional lending from the Poverty Reduction and Growth Trust (PRGT), and the Special Drawing Rights SDR Department are the financing modes. The financial structure of the IMF evolved with the passage of time addressing the change in global economy and the needs of the people. Resources for IMF loans to its member countries on non-concessional basis is from its 190 member countries by a system of quota, which also give them the voting rights. Quota is the main source of financing of IMF. Concessional lending and debt department is financed through a special contribution-based trust fund. The amount member countries are required to provide the IMF is determined by the quota. The IMF allocated the quota based on the position of the member country in the economy of the world. IMF quotas total SDR 477 billion (about $685 billion). In order to evaluate the adequacy of the quota and its distribution to its member countries, IMF organizes the general reviews of the quotas. The rise in the quota system to SDR 477 billion and the conditions to implement the increase was agreed under 14th review. Quota determine the voting power of its member countries. The countries have their basic votes in addition to one vote per SDR 100,000. Along with quota, borrowed resources plays a vital role in helping other countries in global crises and provide supplementary to quota resources by multilateral and bilateral borrowing agreements, which serves as second and third line of defense.

In multilateral borrowing, new arrangement to borrow (NAB) set out as the second line of defense as a supplement to IMF resource to deal with the wrecked world economic system. The activation of NAB occurs with the consent of the members. Bilateral Borrowing Agreements serves as the third line of defense. Its recent round is effective from 1st January. BBA is activated when the countries don't have enough resources to finance the member countries and has fallen below threshold of SDR 100 billion.

1.3 IMF Lending and programs

IMF provides financial support to countries which are hit by macro-economic instability and countries implement policies to restore economic stability and growth.

The economic crises can come either through domestic or external factors. Domestic factors can be unsuitable monetary and fiscal policies, exchange rate fluctuations or current account deficit. External factors can be natural disasters or swings in commodity prices.

The policies of International Monetary Fund vary from country to country. For example,reduction in prices of key exports faced by a country will need financial support from IMF and in return it will implement such conditions that will strengthen the exports and economy. For example, if an investor is not providing new financing, then country would have no other option but to abruptly mend the economy through sudden compression of government spending, imports and budget deficit but this is not the case of IMF financing which works in a gradual and careful way to adjust the economy. It also provides an approval that corrective measures are taking place.

IMF lends to the countries through concessional and non-concessional arrangements. In non-concessional arrangement they give loan on the rates similar to the market loans rates while in concessional they lend money on generous terms than market loans

All members of IMF have access to Fund's resources in General Resources Account or non-concessional terms along with concessional financial support which aims at reducing poverty through poverty reduction program. IMF also provides assistance through Stand-By Arrangements to provide assistance for the short term or for balance of payments.

IMF has Standby Credit Facility which is specifically for low-income countries. The SCF gives the financial aid to meet the need of the short-term balance of payments of low-income countries (LIC). It provides financial support to the countries to meet the needs in the time of crises or shocks. Its purpose is to maintain the sustainable macroeconomic conditions and reduce poverty. This arrangement is limited to three years and ranges from 12 to 36 months. There is also IMF extended credit facility arrangement for the poor countries with the same purpose and to provide assistance for balance of payment issues. Its duration limit is from three to five years.

IMF RAPID CREDIT FACILITY: It provides loans to countries with the urgent need of the balance of payments in the circumstance like crisis, disaster, emergency with limited conditions. It focuses on the poverty reduction and growth objectives.

Extended fund facility: The financial assistance is providing through this arrangement when a country is facing serious medium-term balance of payments problems because of slow growth and structural weakness. Amounts drawn are repaid over 4 to 10 years. There are also strong policies like Flexible Credit Line (FCL) or Precautionary and liquidity line (PPL) for the countries to help them mitigate crises and flourish market confidence. There’s another Rapid Financing instrument and corresponding rapid credit facility for low-income countries which provide rapid assistance for urgent balance of payments.

For low-income countries there are two arrangements named Rapid Financing Instrument (RPI) and Rapid Facility Instrument for quick assistance to meet the need of urgent balance of payments.

1.4 IMF Surveillance

An oversees of IMF over the financial policies of 190 member countries is known as IMF surveillance. IMF also sees risks to stability and asks to take corrective measures that are required to maintain economic growth and to boost financial and economic stability. In today’s globally integrated economy, the problems and policies of one country can affect the other countries. IMF can resolve this problem. IMF includes surveillance of individual country as well as multilateral surveillance which is oversighting economy globally.

IMF Surveillance includes visiting the countries and meeting their government officials to discuss the policies to avoid risk of instability of economy. It also discusses exchange rate, monetary as well as fiscal policies and structural reforms. IMF officials also meet stakeholders including business community, labor unions and civil society. These meetings help IMF in reaching better evaluations of each country. After completion of such evaluation, IMF officials present such report to executive board for discussions and remarks of board are then conveyed to the respective country's authorities.

IMF doesn't focus solely on specific one country but also oversees the impact of one country over its neighboring countries. IMF issues periodic reports on the basis of analysis and trends. The report of IMF that analyzes key parts of IMF surveillance of economic developments in the member countries is called World Economic Outlook (WEO). This WEO provides detailed analysis of global economy. The global capital market and financial instabilities are assessed through a report called financial stability report. There's another report called Regional economic report that provides detailed analysis of major regions of the world.

The surveillance of IMF is periodically reviewed to better adapt the changes arising in the global economy.

1.5 Capacity Development

The IMF strengthens the economic institutions like central banks, finance ministries, revenue administrations, statistical agencies, and financial sector supervisory agencies so that they can implement right policies and ensure economic stability. The IMF provides training and technical assistance to member countries for strengthening these institutions. The capacity development helps the countries to work towards the growth and development of the countries and to progress towards their sustainable development goals (SDGs). The IMF gives hand on technical assistance, peer learning opportunities in capacity development to the countries to develop sustainable institutions.

The IMF capacity development work concentrated on climate action, gender equality, inequality and fostering inclusion to assists countries to tackle the development priorities. All the members are benefitted from the capacity development activities but main support is targeted to the weak states. This work is initiated on the request of member countries and is available to 190 member countries, fulfilling their specific needs.

1.6 Objective

The objective of this study is to analyze the impact of International Monetary Fund's conditions on the Gross Domestic Product (GDP) of Pakistan.

Pakistan has faced budget deficits and problems in its balance of Payments and thus needed help in form of external finance to counter the effects of imbalances on the economy of Pakistan. There are two major school of thoughts regarding the programs of International Monetary Fund:

a) IMF helps a country in improving balance of payments position and structural reforms

b) IMF supported programs don’t help in increasing output but creates negative impact in long term

Pakistan signed International Monetary Fund for the first time in 1958 and hasn’t get rid of it till now. After such long period and such strict conditions of IMF, Pakistan still stuck with the same problems that were decades before. IMF conditions have also remained same with new additions in every program over the period of time with Pakistan’s economy facing greater challenges with every passing year.

This study will analyze performance of Pakistan’s economy in last 40 years from 1981 to 2020. Pakistan has undergone many IMF programs during these years and we will be studying impact of IMF conditions on performance of Pakistan’s economy during IMF program with performance of Pakistan’s economy without IMF program. We will be analyzing how Pakistan’s GDP growth has been impacted with the IMF programs whether it has improved or deteriorated.

One of the major problems of Pakistan’s economy has remained its tax collection. In this study, we will be comparing the net tax collections (including both Direct Tax and Indirect Tax) during the tenure of IMF with the tenure without IMF programs.

IMF also stresses on reduction the expenditures in order to improve the budget deficit of the country. In the case of developing countries like Pakistan how this expenditure reduction has impacted the growth per capita of Pakistan. Also, how development expenditure is impacting the gross domestic product of Pakistan.

After conducting this study, we will be able to evaluate that what advantages and disadvantages Pakistan has received till now from International Monetary Fund and should Pakistan continue the programs of IMF or should Pakistan need to think of considering any other form of external finances.

1.7 Scope of the study

The main aim of this project is to study the analysis of the relationship, effect and contribution of taxes (direct and indirect), government spending, development expenditures and IMF conditions on the economic growth of Pakistan during the years with IMF programs and without IMF programs. For this purpose, we have collected the data from last 40 fiscal years. In this study, it is seen that whether tax collection, government expenditures are positively or negatively affecting the GDP growth of Pakistan.If IMF conditions are contributing in the growth or they are the cause of hindrance in the progress of Pakistan.IMF conditions impact on the GDP growth and fiscal growth is analyzed and in which years Pakistan has progressed in every aspect the more.

1.8 IMF And Pakistan Loan History

Pakistan has approached IMF many times since its creation to stabilize its deteriorating economy and to deal with other fiscal issues of the country. Pakistan became the member of the IMF in 1950s in General Ayyub Khan tenure. Pakistan has approached 13 times to the IMF for the loans and signed 22 agreements since 1958 consisting of 10 programs under PRGT (poverty reduction growth trust) and GRA (General resource account) and 12 bailouts program. For the first time, Ayyub khan signed an agreement for the loan on December 8,1958 and IMF gave the loan to Pakistan of 25 million under standby arrangement. This agreement was canceled and money was not withdrawn. Pakistan again went for loan to IMF in 1965 and was landed (SDR 37,500,000). In 1968 Pakistan again went to IMF and for which IMF gave SDR 75 million on October 17.

After that in Zulfiqar Ali Bhutto tenure, Pakistan went three times to IMF for the loans. After Bangladesh liberation war, Pakistan got SDR 84 million Of loan from the IMF, SDR 75 million in 1973 and SDR 75 million in 1974 to cater the needs of the economy and fulfill the loss caused during the separation of the East Pakistan. In 1977 Pakistan again got the loan under standby arrangement of SDR 80million. During his tenure Pakistan withdrew total SDR13million instead of agreed amount of SDR 330 million.

In Zia ul Haq period Pakistan approached IMF in 1980 and 1981 and got the loan of total SDR 2.18 billion out of which only SDR 1.07 billion was used.

From 1988 to 1997 Pakistan went to IMF for eight times. Benazir Bhutto government went to IMF and has got SDR 273,150,000 by standby arrangement in November and another SDR 383,410,000 under structural adjustment facility commitment in December, 1988.Total of SDR 576,890,000 was withdrawn and used for this period. In 1993 Benazir Bhutto again went to IMF and managed to get SDR 88 million by a standby agreement and then in 1994 under extended fund facility amount of SDR 172,200,000 was borrowed.

Due to the poor conditions of the economy, Pakistan has again knocked the door of IMF and got an amount of SDR 294,690,000 in 1995.

When Nawaz Sharif came into power, he reached to IMF and made two agreements and got the amount of SDR 265,370,000 and SDR 113,740,000 in 1997.

General Pervez Musharraf toppled Nawaz government and seek IMF and secured SDR1.33 billion in two attempts.

In 2008, Yousaf Raza Gillani secured the biggest package SDR 7.2 billion out of which 4.9

billion was withdrawn.

In 2013 Pakistan secured the loan amounted SDR4.3 billion under extended fund facility. This program improved the economy of Pakistan. Growth was increased and fiscal deficit decreased. Structural reforms were also improved.

The new and 22nd agreement between Pakistan and IMF started in 2019 under extended fund facility for three years (2019-2022) for the loan of SDR 4.2 billion. IMF gave loan to Pakistan by imposing different conditions on Pakistan such as increase in taxes, privatization of different sectors, hike in energy tariffs etc.

Facility	Date of Arrangement	Expiration Date 4/	Amount Agreed SDR 000’	Amount Withdrawal SDR 000’	Amount Outstanding SDR 000’
Extended Fund Facility	Jul 03, 2019	Oct 02, 2022	4,268,000	1,044,000	1,044,000
Extended Fund Facility	Sep 04, 2013	Sep 30, 2016	4,393,000	4,393,000	3,793,000
Standby Arrangement	Nov 24, 2008	Sep 30, 2011	7,235,900	4,936,035	0
Extended Credit Facility	Dec 06, 2001	Dec 05, 2004	1,033,700	861,420	0
Standby Arrangement	Nov 29, 2000	Sep 30, 2001	465,000	465,000	0
Extended Fund Facility	Oct 20, 1997	Oct 19, 2000	454,920	113,740	0
Extended Credit Facility	Oct 20, 1997	Oct 19, 2000	682,380	265,370	0
Standby Arrangement	Dec 13, 1995	Sep 30, 1997	562,590	294,690	0
Extended Credit Facility	Feb 22, 1994	Dec 13, 1995	606,600	172,200	0
Extended Fund Facility	Feb 22, 1994	Dec 04, 1995	379,100	123,200	0
Standby Arrangement	Sep 16, 1993	Feb 22, 1994	265,400	88,000	0
Structural Adjustment Facility Commitment	Dec 28, 1988	Dec 27, 1991	382,410	382,410	0
Standby Arrangement	Dec 28, 1988	Nov 30, 1990	273,150	194,480	0
Extended Fund Facility	Dec 02, 1981	Nov 23, 1983	919,000	730,000	0
Extended Fund Facility	Nov 24, 1980	Dec 01, 1981	1,268,000	349,000	0
Standby Arrangement	Mar 09, 1977	Mar 08, 1978	80,000	80,000	0
Standby Arrangement	Nov 11, 1974	Nov 10, 1975	75,000	75,000	0
Standby Arrangement	Aug 11, 1973	Aug 10, 1974	75,000	75,000	0
Standby Arrangement	May 18, 1972	May 17, 1973	100,000	84,000	0
Standby Arrangement	Oct 17, 1968	Oct 16, 1969	75,000	75,000	0
Standby Arrangement	Mar 16, 1965	Mar 15, 1966	37,500	37,500	0
Standby Arrangement	Dec 08, 1958	Sep 22, 1959	25,000	0	0
Total			**23,656,650**	**14,839,045**	**4,837,000**

1.9 Conditionality of IMF: Case of Pakistan

In last 40 years, whenever Pakistan started IMF program the key conditions of IMF were always same like reducing budget deficit, need for structural reforms and increase social nets for poor. Pakistan has undergone a lot of IMF programs out of which few were completed in terms of withdrawing full amount from IMF and many of them remained uncompleted as Pakistan failed to implement their policies or conditions.

As Pakistan fails to implement the policies prescribed by IMF and fails to cover budget deficit, IMF comes with additional conditions with every new program signed by Pakistan. These conditions are always stricter than previous ones as economy of Pakistan didn't improve. For instance, the program signed in 1995 had conditions of reducing budget deficit, structural reforms and increasing social nets but Pakistan couldn't fulfill this condition so the next time when Pakistan needed IMF, it added more conditions like reducing current expenditures, increasing taxes and Market determined currency. In a same manner, during the period of 2001-2004, Pakistan when again undergone IMF program, their conditions became stricter with additions of Liberalization of financial sector, reduction of public debt to GDP and regulation of gas and electricity prices. Pakistan failed to complete this IMF program.

In 2008 when Pakistan needed external finance, it again knocked the doors of IMF and later provided bailout package but with addition of more conditions with already previous common conditions like decrease in current account deficit, phasing out energy subsidies, tax administration reforms. This was not only because Pakistan wasn't fulfilling the conditions of IMF program but because Pakistan economy was facing challenges to gain stability.

In 2013, Pakistan again needed external finances to stabilize its economy and thus signed a bailout package with IMF and later added few more conditions to its previous ones like ease of doing business by creating a business atmosphere, protection of vulnerable from reforms impact and also further liberalization of economy. This program of IMF was completed by Pakistan fulfilling its conditions but stability of economy couldn't achieve as after mere two years later Pakistan's current account deficit was touching approx. 18 billion dollars. To overcome such instability and to get rid of balance of payments crises, Pakistan again signed IMF program in 2019 where conditions were again becoming stricter like increasing exports, free trade agreements, improving governance, increase investments, effective anticorruption institutions, increase financial coverage of SMEs and establish macroeconomic stability

From the above discussion we can say that IMF programs have helped Pakistan with external finances but despite of this Pakistan’s economy hasn’t gotten back on its track. Every time it is stuck in new crises which are more deepen and more critical than previous ones with IMF conditions becoming stricter and stricter. This study will discuss Pakistan’s economy by analyzing key indicator of economy i.e., GDP with the conditions of IMF

2. CHAPTER TWO: LITERATURE REVIEW

(Cheema, 2004) has conducted a study and the objective of this study is to see the impact of IMF conditions and economic stability of Pakistan. IMF has helped Pakistan in macro-economic imbalances but Pakistan always found it difficult to complete the strict conditions of IMF. It is also pertinent to mention that Conditions of IMF didn't help Pakistan in reducing poverty, foreign debt, circular debt and unemployment. This study states that Pakistan's future direction depends on three factors. Firstly, the reforms that could enhance performance of Pakistan's own institutions such as administrative, governance and banking sector reforms. Secondly, Pakistan needs democratic political stability and lastly Pakistan need to give its smaller provinces their fair, adequate share from the total tax revenue.

1988-2002 (Hussain) studies that why Pakistan opt for IMF programs, how was it different in 2001 from previous programs and also to study the lessons from IMF programs. Pakistan opt IMF for resolving Balance of Payments, secure funds from other international financial institutions. This IMF program was different from the previous programs as it was at the time of serious financial crises, a team solely made up of technocrats negotiated with IMF. There's an actual desire of both parties to solve outstanding issues as IMF doesn't show any serious reservation on short time deviations from policy but they are keen about social sector spendings. It is concluded that between 1988-1999 changing decision makers tried to get short term benefits such as misbalancing of payments and didn't made policies to get long term benefits such as reforms.

A study named Privatization in Ukraine: (Kartik Elborgh Woytek & Mark Lewis, 2002). The study was done to know the evaluation of Ukraine's Privatization and its background. Ukraine privatized 9240 medium and large enterprises. The purpose of privatization was to equitable distribution to the public and capital market while generation of revenue was second priority. Despite privatization, government had blocking minority stake. It was also influenced by political interference, difficult business conditions and arranged tenders. It can be seen in this study that after privatization, the environment in the country for private enterprises was still very difficult. A small portion of people were controlling the economy and industry. Issues of governance in economic and corporate sector remained critical.

IMF and Economic Reform in Developing Countries (Philp Abbot, Finn Tarp, & Thomas Barnebeck Andersen, 2009). The objective was to know the approach of IMF in reforming economy of developing countries. The usual conditions of IMF towards developing countries are price and trade liberalization, institutional reforms, privatization thus finishing monopoly and measures to curb corruption but this doesn't always post positive impact on the developing countries. From this research it can be deduced that the IMF needs to change its orthodoxy. There must be a strong collaboration between Governments, IMF and world bank so that development strategy can be easier for developing countries instead of following the core conditions of IMF. The real challenge is reforming the IMF. If reforms don't take place in IMF, then credit crises may continue.

A case study of Pakistan (Nawaz Hakro & Waqar Ahmad, 2006). The aim of this study is to discover the macroeconomic performance of funding programs in Pakistan. Evaluation Estimator Technique is used to find out the results. IMF has deteriorated the Current Account deficit because undifferentiated reduction in import tariffs has not given national industries enough time to coup with the foreign competition and also because Pakistan doesn't have diversified exports and mostly rely on textile and agriculture products. Devaluation of Rupee has not caused increase in exports but has caused inflation due to increase in import price. Reduction in public sector spending has caused the unemployment as by encouraging early retirement and ban on new recruitments. Unemployment is also increased because of privatization. IMF programs has encouraged the contractionary policies to coup with budget deficits and it has caused the reduction in GDP. IMF programs have brought reduction in budget deficits in recent years at the cost of increasing unemployment and poverty. Increase in interest rates caused increase of generation of funds from public but also put pressure on debt servicing. Privatization without safety nets has reduced the government roles and reduced government spending but led the country to greater unemployment.

(Dr. Abdul Ghafoor Awan & Ramla Hussain, 2021) analyzes the impact of the IMF programs in stabilization of the economy of Pakistan and its performance after seeking the IMF programs. The role of IMF was ineffective in stabilization of the economy of Pakistan. IMF programs has depreciated the Pakistani rupee and has declined the exports with the increase in the imports as the agreement proceeded. Narrow tax bases were the reason for the reduction in the tax revenues.

Pakistan had to go for external loans to cover trade deficit. Monetary policy by the IMF programs increased the inflation rate. By reducing the price level of goods and services at one point has stabilize the inflation rate, but then it again started to increase. IMF stabilization policy is helpful to minimize the budget deficit but cannot reduce unemployment rate. From this study we can draw that the IMF policies has not resolved problems of the Pakistan's balance of payments and devalued the currency programs were failed to fulfill the agenda of reducing poverty, unemployment and to increase tax revenues. Pakistan should stop seeking funds from the IMF to make their balance of payments favorable and shall opt for independent economic policies to strengthen the economic foundation of Pakistan.

External debt and economic growth: Empirical evidence from Pakistan (Muhammad Ahsan, Shahnawaz Malik, & Muhammad Khizar Hayat, 2010). To study the association between economic growth and external debt is the objective of this study. This study is about external debt and debt service is influencing the GDP growth. Time series econometric technique. Augmented dickey fuller test is performed to see the results of the study. Economic growth is negatively affected by the External debt. It shows that getting more external debt is declining the economic growth, so Pakistan should avoid seeking external debt.

Debt servicing also have a negative effect on the economic growth; it paves less chances for economic growth with the increase in debt servicing.

Pakistan has always depended on external debt and for this they have gone to IMF many times to finance its balance of payment and to fulfill its investment gap. External debt has helped many developing countries but that is not the situation with the Pakistan. External debt is responsible for hindrances in the economic development of Pakistan. Pakistan has lost his confidence in the eyes of the investors so it should make policies which shows credibility and again gain the confidence of the international investors, so reliance on external debts can be reduced.

IMF: A blessing or curse for Pakistan's Economy,(Mian Abid Qayyum) talks about how Pakistan for accelerating the economic growth has been approaching the IMF. If finances from the IMF have positive or negative effects on economy. The objective of this research is to see if going to IMF a blessing or curse and should we seek the loans from the IMF. IMF has a vital role in greatly influencing the macroeconomic policies. IMF loans have assisted in increasing the

foreign exchange reserves. Privatization of public sectors and reduction in budget deficit of government has enhances macroeconomic stability. It is also improving government revenues.
The conditions of IMF have been causing hurdles in the economic stability.IT causes increase costs for banks and devalue the Pakistani rupee, decline in GDP growth which increases poverty. It can be induced from it that Pakistan has signed more IMF programs than any other country in the region and these programs have only two objectives and they have tried to accomplish these in every agreement. They tried to remain the fiscal deficit in control and to bridge the gap between revenues and expenditures and secondly to raise the foreign exchange reserves.

Empirical and descriptive analysis of IMF loans (Nasir, 2020). The objectives of this study are to analyze the impact of IMF loans on the economy of Pakistan and the effect of IMF conditionalities and what measures should be taken to avoid IMF loans if it is having negative impact on the economy of Pakistan. Pakistan has gone to IMF many times but it has not been helpful in stabilizing the economy. IMF put high interest rates and severe conditions on Pakistan for getting loans and these conditions have detrimental effects on the Pakistan and are not helping Pakistan in the growth of its economy. Privatization causes the monopoly in the economy and effects the income distribution in the country. The relation between the GDP and IMF loans is negative that means that getting loans is decreasing the GDP per capita of the country. In this we conclude that IMF is more helpful to the developed countries and showing unfavorable results in case of the developing countries. Loans are not helpful in improving and making the conditions of the economy of the developing countries better. IMF loans are having adverse effects on the GDP growth of the Pakistan and the poor policies designed is not effective for the proper functioning of the IMF loans and deteriorating the economy of Pakistan. We should focus on improving the policies on our end. We should invest in the human capital and focus on our industrial and agricultural sector from where we can earn more and improve the standard of living.

Case of SADC countries (Carlos, 2021). In this we are examining if the IMF loans and its conditions is having favorable or no favorable effect on the economy of these countries. In this we are looking at the reasons and factors contributing in the positive or negative impact of the IMF loans. IN this the use of IMF credit is insignificant on SADC countries ’GDP per capita.

They approach IMF in the worst economic conditions. In this economic growth rises with the increase in the government spending and current account balance. High investment leads to the broadening of the economy. The IMF programs on meeting the conditions for the fiscal deficit decreases the GDP growth of the country and IMF makes the conditions favorable for itself so it can get the loan repayment.

In this we estimate the effect of the macroeconomic variables that matters for the conditions of IMF while lending out the loans. The IMF credit show no significant impact on the GDP growth and the conditions besides on fiscal deficit are insignificant on GDP growth

(Ismail, 2020) has conducted a study and the objective of this is to see if the programs of IMF cause harm or bring a positive outcome when applied. It has also been observed that a country who has policies that do not apply IMF programs, proves quite a challenge for the country itself. Sudan is a country which has a huge number of IMG programs being held which leads us to the objective of this study, which is to know the applying IMF programs in Sudan has been

effective or not and if these programs have helped Sudan to achieve desired economic outcomes. The reason this research is crucial because 40% of the years after the independence of Sudan was covered by IMF. To conclude, this study applied Synthetic Control Method (SCM) and Generalized Evaluation Estimator to assess the effect on the Sundanese economy by implementing. IMF programs associated with other methodologies; the above-mentioned approaches are the ones that address most of the shortcomings when evaluating the effectiveness of Fund programs. This also overlooks the effects of inadequate construction of counterfactual, control of reverse causality and external environment. This research has suggested that the programs of IMF implemented in the years 1960-2017 were effective as it reduced inflation to a certain extent. Regarding the effect on GDP growth while implementing the Fund programs and the current account balance as a percent of GDP, both the methodologies had provided divergent conclusions. The SCM methodology had found there to be positive and negative effects on current balance and growth, This study also shows and separates the exchange rate devaluations with different intensity taking place during the Fund programs. Irrespective of this, this study shows that implementing. IMF programs is an effective strategy to bring the country back to stable position

3. Chapter Three: Methodology

3.1 Nature of Research

This is quantitative study in which quantitative methods have been used. The study involves the analysis on the key economic variables of Pakistan's economy for the analysis of conditions of International Monetary Fund on Pakistan which is the basis of our results, interpretation and conclusion. In this chapter we will explain the type of data, study sample, data collection method, chosen variables and analysis techniques.

3.2 Sources of Data

The data and information used in this project is collected through secondary resources. The data is mostly collected from the official documents of State Bank of Pakistan, Federal Board of Revenue and World Bank which are available on their websites.

3.3 Study Sample

The Sample of study is taken of 40 years from fiscal year of 1981 to 2020.

3.4 Data Description

Series data has been collected for the chosen variables such as GDP, Tax collection, Development expenditure, total expenditure and dummy variable over the time period of 1981 to 2020.

Dummy Variable is the value of 0 or 1 to show the absence or presence of absolute effect that may be expected to shift the outcome. Here we are studying the impact on Pakistan with IMF conditions and without IMF conditions with the help of Dummy Variable.

3.5 Variables.

Many researchers used different methods on different variables. In this study, we chose GDP (Gross domestic product) as our Dependent variable while Tax collection (direct and indirect tax), Development expenditure, Total Expenditure and Dummy Variable.

3.5.1 Dependent Variable

Dependent variable, from its name is obvious that it is reliant on other variables and its value change with change in other variables. It is measured and tested in the research. In this we are using GDP as dependent and see the impact on it, how it is affected with the change in another variable.

3.5.2 Independent Variable

Independent variable is the variable that can be adjusted and change by the researcher and is not relying on any other variable. The change in this variable is directly affecting the outcome. In this tax, development expenditure, IMF conditions and expenditure are independent variables and will examine the effect of these on the economy of Pakistan.

3.6 Techniques.

In this study we have used statistical and regression analysis techniques to examine and evaluate the association between the different macro-economic factors and IMF with the economic growth of Pakistan. We tested the variables and their impact on the GDP during the years with and without IMF programs. In statistical analysis descriptive statistics is used.

3.6.1 Statistical Analysis

Statistical analysis is the process of gathering data and interpreting it to identify patterns and different trends. In statistical analysis, descriptive statistics is the technique used in which we analyze, summarize and provide summary of the data through different measures like mean. In this project we have collected the data of the variables and fine mean and average to compare the years we took IMF loans with the years without bail out packages. We have explained our data with the help of graphs.

3.6.2 Regression Analysis

Regression is the technique used in this study. Regression is a method used to examine the relationship between different variables in which one is the dependent variable and is compared to the other independent variables series. It tells you about which variable have a significant impact on the outcome and the factors that matters and how these influence each other.

In this project we draw the regression model and explained the relationship between different variables. For this we form the econometric model and run the regression to see the significance of direct, indirect tax, total expenditure, development expenditure and IMF conditions on the GDP growth of Pakistan.

4. Chapter Four: Analysis

The impact of IMF conditionality on the fiscal and growth of Pakistan is studied, for this, the data has been divided in two tenures.

In first tenure, we have analyzed the variables of those years when Pakistan signed IMF program and second tenure, we have analyzed variables of those years of Pakistan when no bailout package was signed.

With IMF Programs.

FY	GDP growth	Direct Tax	Indirect Tax	Development	Total expenditure
FY 1981	7.9%	36%	15%	35%	4%
FY 1982	6.5%	18%	9%	-29%	15%
FY 1983	6.8%	5%	17%	-7%	27%
FY 1989	5.0%	18%	20%	21%	8%
FY 1990	4.5%	7%	16%	-36%	4%
FY 1991	5.1%	33%	3%	-30%	17%
FY 1994	3.7%	18%	6%	-14%	9%
FY 1995	5.0%	42%	28%	86%	16%
FY 1996	4.8%	27%	15%	17%	20%
FY 1997	1.0%	9%	4%	-34%	8%
FY 1998	2.6%	21%	-3%	-8%	8%
FY 1999	3.7%	7%	4%	-14%	16%
FY 2000	4.3%	2%	18%	-13%	8%
FY 2001	3.6%	10%	14%	61%	-5%
FY 2002	2.5%	14%	-2%	131%	34%
FY 2003	5.8%	2%	20%	-19%	-9%
FY 2004	7.5%	11%	11%	65%	4%
FY 2009	2.8%	19%	16%	-7%	9%
FY 2010	1.6%	17%	31%	33%	23%
FY 2011	2.7%	10%	10%	-5%	-5%
FY 2014	4.7%	20%	14%	7%	9%
FY 2015	4.7%	17%	4%	-21%	0%
FY 2016	5.5%	18%	22%	7%	4%
FY 2020	-0.9%	5%	4%	-9%	12%
Mean	**4.2%**	**16.1%**	**12.3%**	**9.1%**	**9.9%**

In this we have seen that the mean increase in the GDP growth during the tenure of IMF program. The average growth during these years have remained at 4.2% The average growth of Direct Taxes has remained at 16.1%, Indirect Taxes at 12.3%, Development at 9.3% and Total expenditure at 9.9%.

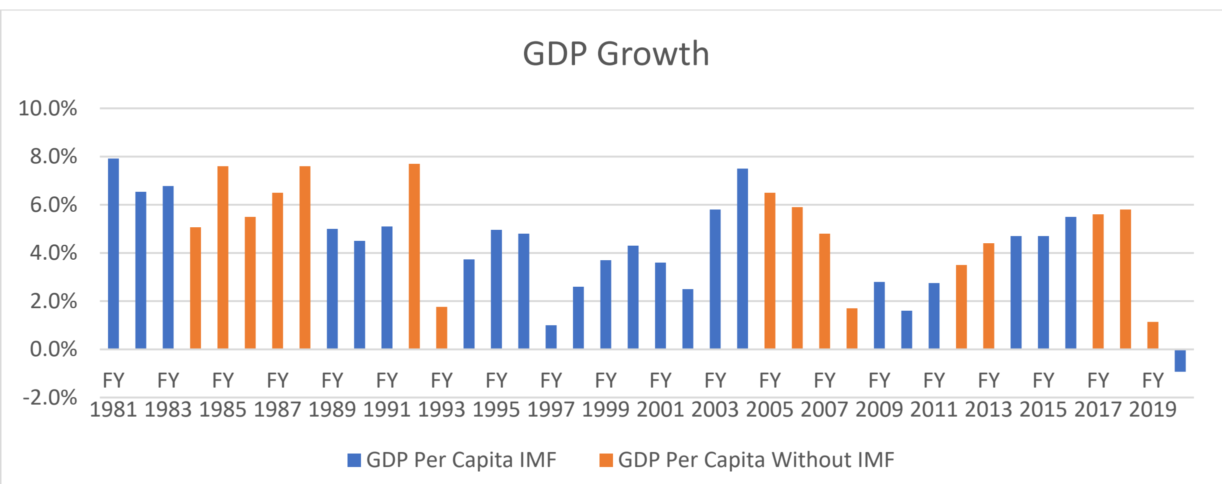
Without IMF Program

FY	GDP	Direct Tax	Indirect Tax	development	Total expenditure
FY 1984	5.1%	-1.2%	12.2%	-4.4%	16.5%
FY 1985	7.6%	5.4%	3.7%	14.5%	15.4%
FY 1986	5.5%	5.0%	14.8%	67.5%	21.7%
FY 1987	6.5%	8.0%	10.7%	54.0%	9.6%
FY 1988	7.6%	12.0%	16.3%	54.6%	24.3%
FY 1992	7.7%	45.4%	22.5%	32.1%	25.6%
FY 1993	1.8%	27.4%	8.0%	-7.0%	2.5%
FY 2005	6.5%	13.1%	16.9%	38.8%	11.4%
FY 2006	5.9%	23.2%	17.6%	86.9%	19.5%
FY 2007	4.8%	42.5%	8.3%	30.8%	14.1%
FY 2008	1.7%	20.9%	19.8%	27.3%	40.8%
FY 2012	3.5%	23.1%	16.7%	34.2%	7.0%
FY 2013	4.4%	0.5%	8.2%	102.6%	31.7%
FY 2017	5.6%	10.4%	6.8%	16.8%	11.2%
FY 2018	5.8%	14.3%	14.0%	86.9%	24.6%
FY 2019	1.1%	-5.9%	3.3%	-51.0%	3.0%
Mean	**5.1%**	**15.3%**	**12.5%**	**36.5%**	**17.4%**

The average change in the growth of GDP growth without IMF program is 5.1%. The Direct Taxes is at 15.3%, Indirect Tax 12.5%, Development Expenditure at 36.5% and Total Expenditure at 17.4%

4.1 GDP growth

Pakistan has posted better GDP growth in the tenure when there was no conditionalities of IMF on Pakistan as shown.

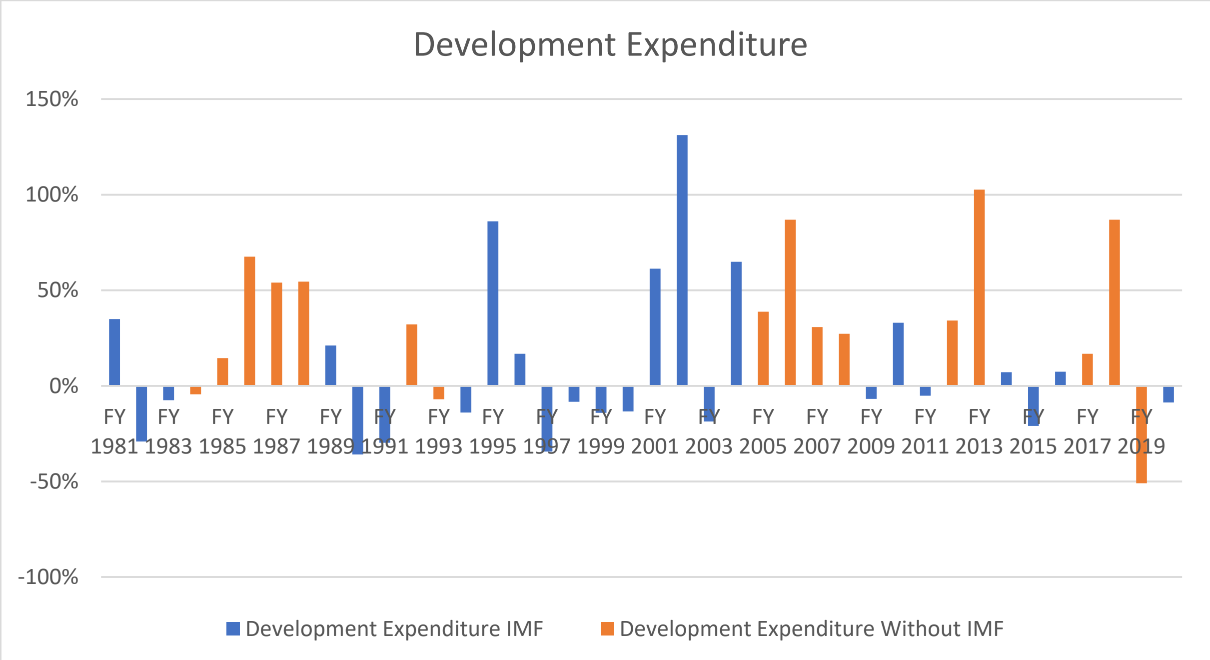


It is because the core demand of IMF from Pakistan is to reduce its budget deficits and circular debt which has increased over the years. The circular debt of Pakistan is created due to the short fall of payment from the DISCO (Distribution company) to Power producers. This short fall of payment from DISCO is because of multiple reasons such as recovering dues from end consumers. IMF forces Pakistan to reduce this circular debt by bringing reforms in DISCO so it could pay its liabilities but Pakistan in order to generate more revenue from DISCO hikes the prices of electricity for already compliant customers. Whenever this hike in the prices of electricity comes in Pakistan, business and investors lose their confidence and shifts their investments to other places causing reduction in industry which produces less products and unemployment which ultimately affects the Gross Domestic Product in negatively manner.

IMF also forces to reduce its budget deficit which is increasing with passage of time. Pakistan can either increase its income or reduce its expenses in order to coup with this problem. Pakistan interest's payments either domestic or external along with NFC also take major chunk from receipts of federal government thus there's a minor margin for the federal government to spend more on other places such as development expenditures, pensions and government institutions. IMF stresses Pakistan to cut its expenditures in order to decrease its budget deficit. These cut in expenditures including subsidies that causes direct negative effect on the development of infrastructure and inflation of the country. This inflation and less development in infrastructure loses the confidence of Investors and thus causing reduction in business and ultimately Gross domestic product.

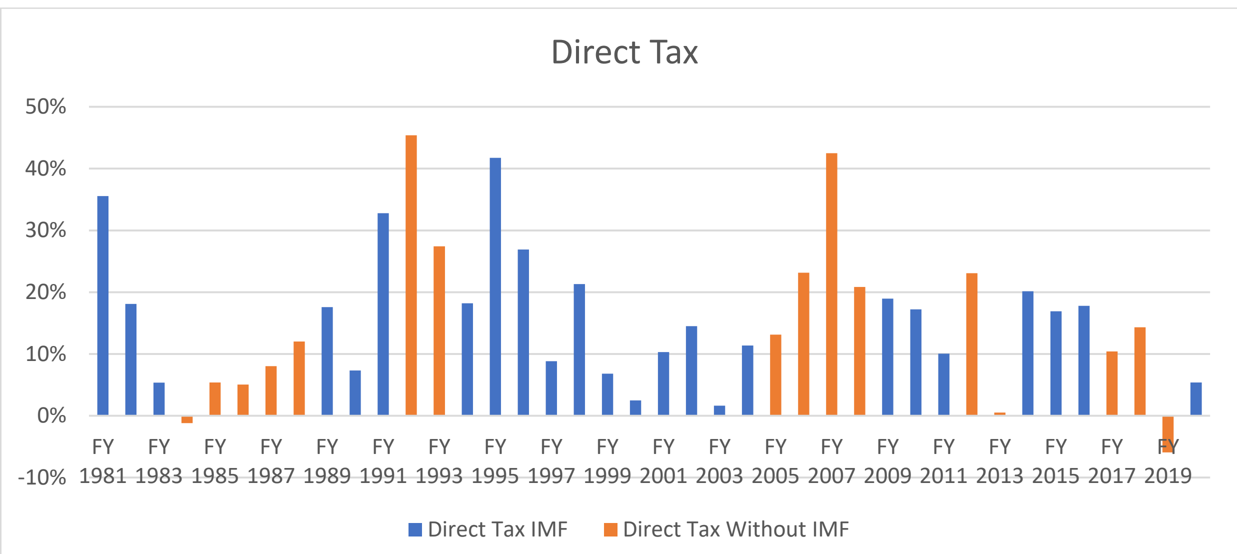
4.2 Development

The average growth of development expenditure in IMF program is 9.1% while development expenditure without IMF program is 36.5% which clearly shows that Pakistan spends more on development expenditure during the tenure without IMF program. It is because of the tenure when IMF package is signed the IMF forces the country to cut its expenditures so that country could pay its liabilities itself. IMF also stresses Pakistan to spend more on the social sector and to provide more social securities to poor, this causes less development as major chunk already goes to interest payments, defense budget and NFC award, which ultimately affects the country in long term because the country couldn't be able to make a major source of income. As the population of Pakistan is increasing thus Pakistan needs to increase its source of income with same pace but decrease in development budget cannot let this happen and Pakistan stuck back in the same cycle. The condition of IMF to spend more on social sector causes reduction in the Development expenditure. In the graph below we can see that IMF conditions have reduced development expenditure more times than the tenure without IMF



4.3 Direct Tax

The average growth of Direct tax increased during the tenure IMF program. The average of direct tax collection during IMF tenure stands at 16.1% while without IMF program it stands at 15.3% thus IMF conditions are affecting Direct Tax variable positively.

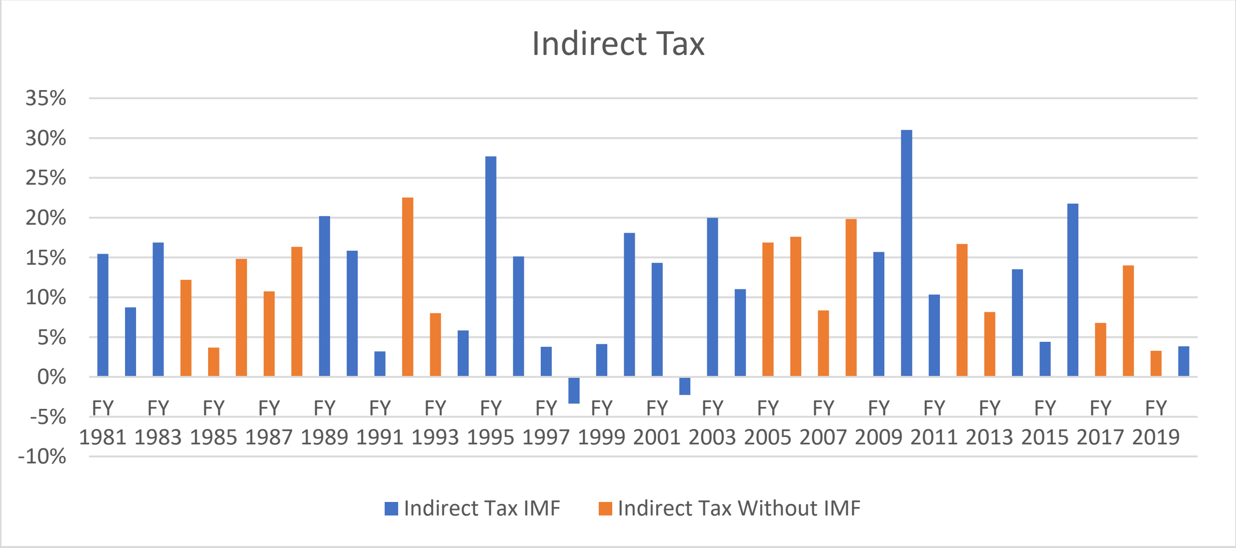


The reason behind this is IMF asks the federal government of Pakistan to increase its tax revenues in order to get maximum receipts to coup with expenditures itself. It forces Pakistan to impose new taxes on the direct taxes such as income tax which is levied on salaried class. In

Pakistan, most of the salaried people are middle class and thus the government is reluctant to levy more taxes on middle class but IMF conditions force them to do so that is why the direct tax collection growth is higher in the tenure of IMF.

4.4 Indirect Tax

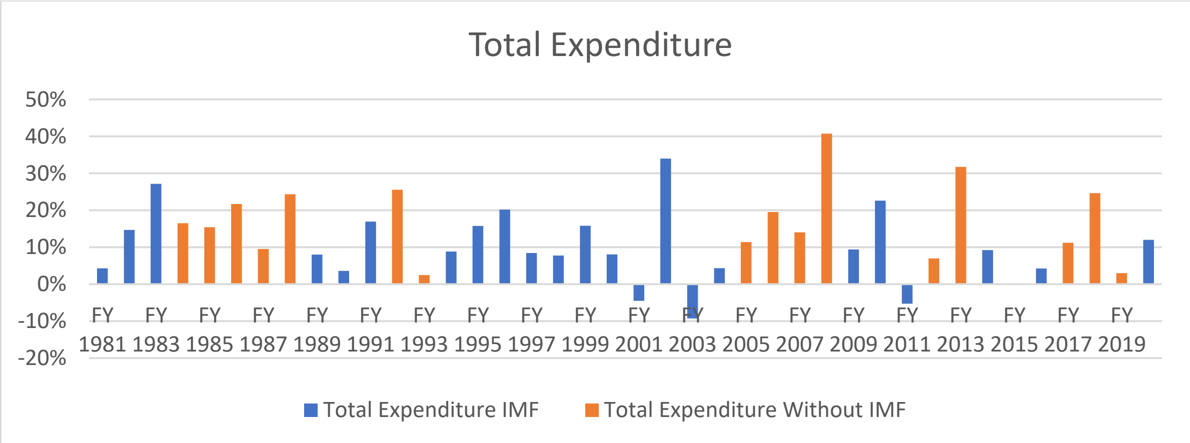
The average growth of Indirect taxes shows that Pakistan collects more indirect taxes in the tenure without IMF conditionalities. The average growth of Indirect taxes is 12.3% in the period of IMF program and 12.5% in the period without IMF program which shows IMF program negatively affects the Indirect taxes of Pakistan. In the graph below we can see that IMF conditions have reduced indirect taxes even below zero than the tenure without IMF



It is also because IMF stresses Pakistan for market determination currency which is then depreciated which results in expensive imports and thus amount of imports are reduced that ultimately decreases the custom duties which makes a major portion of Indirect Taxes. Another reason for this increase in indirect taxes is that the GDP growth without IMF program is also greater which shows more economic activity that directly contributes to the sales tax.

4.5 Total Expenditure

The average growth of total expenditure during tenure of IMF conditions is 9.9% as compare to the tenure without IMF conditions which is 17.4%. This can also be seen from the bar chart where reduction of total expenditure during IMF tenure is more and sometimes in negative.



The main expenditures of federal government come in the form of defense, salaries, pensions, losses from state owned enterprises, subsidies and development. IMF always forces the country to reduce expenditure and promote privatization. This privatization causes fewer current expenditures or decreases bearing of losses from state owned enterprises. Reduction of subsidies during IMF programs reduces the expenditures of the government while the tenure in which IMF program is not signed, government increases subsidies to help people and doesn't privatize state enterprises despite their losses as this results in unemployment while IMF focuses on its core conditions are stresses to take measures to control expenditures.

4.6 REGRESSION MODEL:

In this model regression equation is formed on the basis of which we form the hypothesis and show the relationship and effect of dependent and independent variables on each other.

Equation:

$$(\text{GDP growth})_t = \beta o + \beta 1(DT)_\tau + \beta 2(IT)_\tau + \beta 3(DE)_\tau + \beta 4(TE)_\tau + \beta 5(DV)_\tau + \varepsilon$$

Y=GDP growth (Dependent variable)

DI = Direct tax

IT = Indirect tax Independent variables

DE = Development expenditure

TE = Total Expenditure

DV = Dummy Variable (IMF conditions)

In this we have shown the relationship of direct, indirect tax, development expenditure, total expenditure and IMF conditions with the GDP growth. In this the emphasis is on the increase in the growth. With this model we will be able to see how much change is expected in GDP growth with the increase or change in independent variables. Impact of tax collection, Government expenditures and IMF conditions is analyzed and their positive and negative impact with the help of this. Impact of IMF conditions on the GDP and growth is examined if they are positively or negatively effecting the growth of Pakistan.

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5. <u>Chapter Five:</u> <u>Empirical Analysis:</u>

5.1 SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.999264
R Square	0.998529
Adjusted R Square	0.998312
Standard Error	528042.7
Observations	40

ANOVA

	df	SS	MS	F	Significance F
Regression	5	6.43E+15	1.29E+15	4615.25958	4.15E-47
Residual	34	9.48E+12	2.79E+11		
Total	39	6.44E+15			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-224450	183660.3	-1.22209	0.23007857	-597692	148793.2	-597692	148793.2
Direct Tax	8279.469	2878.598	2.876216	0.00690167	2429.454	14129.48	2429.454	14129.48
Indirect Tax	13632.59	2366.734	5.760083	1.77E-06	8822.802	18442.37	8822.802	18442.37
development	-2895.7	675.0315	-4.28973	0.0001401	-4267.53	-1523.87	-4267.53	-1523.87
Total expenditure	-185.913	471.8918	-0.39397	0.69606102	-1144.91	773.0868	-1144.91	773.0868
Dummy Variable	-407965	180196	-2.26401	0.03006779	-774167	-41763	-774167	-41763

5.2 R Square

In this R square that 99.85% of the data fit the regression model. In other words, 99.85% of variation in GDP growth is explained by independent variables such as Direct Tax, Indirect Tax, Development expenditure, Total expenditure and Dummy Variable.

5.3 F significance

It shows the joint significance of independent variables on Dependent variable.

Ho: $\beta1 = \beta2 = \beta3 = \beta4 = \beta5=0$ (Individual variables are insignificant or irrelevant)

H1: $\beta1 \neq \beta2 \neq \beta3 \neq \beta4 \neq \beta5 \neq 0$ (Individual variables are significant or relevant)

P value = 4.15E-47 < 0.05 that means we are not accepting Ho. It shows that independent

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variables are jointly significant in explaining dependent variable.

5.4 Hypothesis

Ho: Individual variables have insignificant impact

H1: Individual variables have significant impact

5.5 Direct Tax

P value = 0.0069 < 0.05 which says that Ho is not accepted. In other words, Direct tax is significant and relevant in predicting GDP. It is having positive impact on GDP growth. One unit increase in direct tax on average increases the GDP by 8279.469.

5.6 Indirect Tax

P value = 1.77E-06 < 0.05 which says that Ho is not accepted. In other words, indirect tax is significant and relevant in predicting GDP. It is having positive impact on GDP growth. One unit increase in indirect tax on average increases the GDP by 13632.59

5.7 Development Expenditure

P value = 0.0001401 < 0.05 which says that Ho is not accepted. In other words, Development expenditure is significant and relevant in predicting GDP. It is having negative impact on GDP growth. One unit increase in indirect tax on average decreases the GDP by -2895.7

5.8 Total Expenditure

P value = 0.69606102 > 0.05 which says that Ho is accepted. In other words, Total Expenditure is insignificant and irrelevant in predicting GDP.

5.9 Dummy Variable

P value = 0.03 < 0.05 which says that Ho is not accepted. In other words, Dummy Variable is significant and relevant in predicting GDP. It is having positive impact on GDP growth. Conditions of IMF pose negatively influencing the GDP of Pakistan.

5.10 Findings and Discussion

From this regression model, we conclude that Direct Tax, Indirect tax, development expenditure and Dummy variable that is IMF conditions are significant in explaining GDP. The other variable that is Total expenditure isn’t explaining or significant for GDP.
The Direct Tax and Indirect tax have direct positive impact on the GDP. It is because the greater tax is collected when people earn more income and greater income is only earned when the country poses good business and GDP

Development expenditure poses positive impact on GDP but in our study, we have discovered that development expenditure of Pakistan is posing negative effect on GDP of Pakistan. This is because of multiple reasons such as In Pakistan, development of expenditure is not utilized properly like the projects are not completed timely because of the long procedures to be followed as the process of government sector takes years to complete PC-1 and then it is time consuming to complete bidding and tendering processes which results in ineffectiveness of that particular project. It is also because of some of the rules of PPRA (Public procurement regulatory authority) demands the lowest bids for procurement which results in substandard quality which affects the effectiveness and life of project. Also, malpractices and corruption are huge factors that are not showing the good impact of Development on GDP.

Dummy Variable that is IMF conditionality also poses negative impact on GDP. This is because the IMF stresses its conditionalities and these conditionalities are implemented by wrong means such as instead of reforming energy sector, Pakistan hikes prices for compliant customers and also because instead of cutting current expenditures and increasing development budget for proper source of income, Pakistan cuts development budget. As the population of Pakistan has increased, later has failed to increase its income with same pace that has resulted in taking more foreign loans and cutting its development budget to repay its debt.

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6. Chapter Six: Conclusion

From the above analysis we draw the conclusion that Pakistan has performed better and its economic growth has improved in the years without IMF programs. During the years when Pakistan seeks for the financial assistance from the IMF, on average GDP growth is less than the years without IMF financial support. This is because the conditions imposed by the IMF are strict and Pakistan has to follow them, to cover its balance of payments with the help of loan. IMF conditions are to reduce the budget deficit, increase social spending privatization and improvement of allocation etc. There is a power theft as the distribution companies are not able to pay the energy sector and circular debt increase and to cover this IMF impose conditions but Pakistani government increases the prices of energy sector which effects the industrial and other sectors of the economy causing inflation which leads to decrease in consumer buying power and it will slow the economic growth decreasing the GDP growth. Pakistan interest rates and saving rates are high so major portion goes for the payments of loan and spend less on all the development projects and and decrease in infrastructure development effects the investments and cause decrease in the flows of income.

IMF inflict the condition of more tax collection, so direct tax collection is more in the years of IMF while indirect tax collection is less. During, in agreements with the IMF we can see the decrease in the imports, so the three is reduction in the collection of tax from the import duties. Although, Pakistan should reduce the indirect taxes as it causes burden on the low-income people but to overcome the fiscal deficit government impose excise duties and value added tax on the public. Pakistan should improve their policies for the tax collection and they should think about the general public. Direct tax collection is less because there are not strict policies for the collection of taxes and due to narrow tax base. Both the taxes have positive impact on the GDP growth, as the tax revenue of the government increases, then government will come up with the projects for the public which can also lead to the increase in the economic growth of Pakistan.

IMF conditions are negatively influencing the GDP of Pakistan. There are some conditions which cause devaluation of the currency and decrease exports and make the circumstances which leads to low investment and inflation. Therefore, Pakistan economy is not progressing the way it should with the IMF funding.

Pakistan should avoid the assistance from the IMF and should make the policies of managing the economic resources, so they can get enough resources from own country to deal with the

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expenses.

6.1 Recommendation

It is recommended that Pakistan should implement the policies of IMF, not by merely cutting development budgets or by increasing prices of electricity or gas rather Pakistan need to do structural reforms in its institutions by bringing accountability for non-compliant consumers, also by bringing increase in development budget in order to increase employment, income and GDP. Direct and Indirect taxes should be increased in order to coup with the budget deficit and balance of payments but this increase can be achieved by creating ease of doing business which can be done by attracting Foreign Direct Investments. Pakistan needs Political stability to get FDI which will ultimately help Pakistan in building its infrastructure. Pakistan needs to bring non-filers into tax net rather than increasing taxes on already filers that will ultimately achieve tax targets. In this way Pakistan can get rid of budget deficits, balance of payment crises, inflation and eventually IMF.

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Appendices

Fiscal year	GDP	Direct Tax	Indirect Tax	Development Expenditure	Total Expenditure	Dummy Variable
FY 1981	247,831	7.185	29.324	7.355	61.098	1
FY 1982	292,153	8.486	31.883	5.217	70.084	1
FY 1983	328,412	8.942	37.267	4.827	89.109	1
FY 1984	374,349	8.836	41.808	4.616	103.833	0
FY 1985	425,064	9.312	43.353	5.287	119.832	0
FY 1986	466,319	9.782	49.786	8.858	145.853	0
FY 1987	515,431	10.568	55.134	13.641	159.789	0
FY 1988	601,025	11.839	64.144	21.083	198.687	0
FY 1989	683,138	13.92	77.1	25.53	214.666	1
FY 1990	759,851	14.942	89.322	16.366	222.419	1
FY 1991	908,374	19.84	92.176	11.493	260.138	1
FY 1992	1,077,943	28.847	112.954	15.187	326.628	0
FY 1993	1,200,129	36.762	122.004	14.131	334.675	0
FY 1994	1,412,858	43.451	129.138	12.163	364.321	1
FY 1995	1,671,977	61.585	164.914	22.631	421.763	1
FY 1996	1,929,891	78.152	189.881	26.432	506.875	1
FY 1997	2,226,580	85.051	197.059	17.35	549.834	1
FY 1998	2,480,884	103.182	190.449	15.9	592.403	1
FY 1999	2,735,943	110.207	198.302	13.654	686.009	1
FY 2000	3,562,020	112.95	234.154	11.829	741.439	1
FY 2001	3,923,244	124.585	267.693	19.076	708.057	1
FY 2002	4,146,167	142.649	261.624	44.096	948.735	1
FY 2003	4,534,218	145	313.9	35.87	861.181	1
FY 2004	5,250,527	161.5	348.5	59.146	898.513	1
FY 2005	6,122,568	182.7	407.3	82.091	1001.006	0
FY 2006	7,715,777	225	479	153.434	1196.364	0
FY 2007	8,735,766	320.619	518.979	200.616	1364.482	0
FY 2008	10,355,255	387.5	621.919	255.303	1920.691	0
FY 2009	12,542,265	461	719.462	237.857	2101.546	1
FY 2010	14,248,547	540.4	942.646	316.446	2577.02	1
FY 2011	17,647,553	594.7	1040.1	300.1	2441.7	1
FY 2012	19,361,511	731.9	1213.8	402.7	2612	0
FY 2013	21,496,680	735.8	1312.8	816	3441	0
FY 2014	23,903,982	884.1	1490.4	874.3	3759.1	1
FY 2015	25,821,943	1033.7	1556.2	691.3	3761.7	1
FY 2016	31,970,000	1217.5	1895.1	742.6	3921.1	1
FY 2017	36,480,000	1344.2	2023.7	867.5	4361.8	0
FY 2018	37,680,000	1536.6	2307.2	1621.7	5435.9	0
FY 2019	41,700,000	1445.5	2383	795.3	5599.2	0
FY 2020	42,080,000	1523.4	2474.7	726.3	6272.2	1

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BS (A&F),
BS(Economics)

Bahria University
Islamabad Campus

ANNEXURE III: 1st Half Semester Progress Report

Name of Student(s)	Maheen Sohrab, Sohaib Mukhtar, Hamza fayyaz
Enrolment No.	01-112181-015, 01-112181-032, 01-112181-023
Thesis/Project Title	Fiscal and growth impact of IMF conditionali

Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	4th Nov 21	BS-37	Vacation / Discussion	
2	12th Nov' 21	BS-37	Introduction	
3	26th Nov 21	BS-37	Literature Review	
4	29th Nov 21	BS-37	Data Analysis	

Progress Satisfactory ☑ Progress Unsatisfactory ☐

Remarks: All three students has been working hard with full determination and with interest for completion of project to my satisfaction level

Signature of Supervisor: 25/1/22 Date: 25-01-22

Name of Supervisor: Tabassum Iqbal

Note: Students must attach 1st & 2nd half progress report at the end of FYP spiral copies.

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2nd Half Semester Progress Report & Thesis Approval Statement

Name of Student(s)	Maheen Sohrab, Sohaib mukhtar, Hamza Fayyaz
Enrolment No.	01-112181-015, 01-112181-032, 01-112181-023
Thesis/Project Title	Fiscal & Growth Impact of IMF Conditionality

Supervisor Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1	7th Jan'22	BS-34	Methodoly	[signatures]
2	14th Jan'22	BS-34	Implementation of Results	[signatures]
3	24th Jan 22	BS-34	final discussion/conclusion Referencing style	[signatures]

APPROVAL FOR EXAMINATION

Candidates' Name: Maheen Sohrab, Sohaib Hamza Fayyaz Enrolment No: 01-112181-015, 01-112181-033, 01-112181-023 Project/T

I hereby certify that the above candidates' thesis/project has been completed to my satisfaction and, to my belief, its standard appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 8% that is within the permissible limit set by the HEC for thesis/ project MBA/BBA/BS (A&F), BS (Economics). I have also found the thesis/project in a format recognized by the department of management sciences.

Signature of Supervisor: [signature] Date: 25-01-22

Name of Supervisor: Tabassum Iqbal

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