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## Pakistan's Economy Advances with Zero-Tolerance Policy and Revenue Gain

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Pakistan's economy is showing early signs of sustainable growth and governance reform under a zero-tolerance policy targeting corruption, tax evasion, and smuggling. Backed by the Special Investment Facilitation Council (SIFC), the policy has resulted in stronger enforcement, higher tax collections, and greater transparency across key sectors. The coordinated efforts between civilian and military leadership through SIFC are increasingly being viewed as a corrective measure to tackle the country's chronic informal economy and revenue leakages.

Now in its second year, the SIFC-led approach has produced tangible results. The Federal Board of Revenue (FBR) collected Rs. 1.114 trillion in March 2025, a significant jump from Rs. 841 billion in the same month last year. This rise reflects not only improved tax compliance but also an aggressive stance on accountability. The track and trace system implemented across the cement, tobacco, sugar, and fertilizer sectors has been pivotal in reducing under-invoicing and enhancing visibility in production and sales. These efforts have contributed to a steady increase in Pakistan's tax-to-GDP (Gross Domestic Product) ratio, a longstanding structural challenge for the economy.

The campaign against smuggling has been equally assertive. Authorities have seized over 23 million litres of smuggled Iranian oil, more than 10,400 metric tons of illegal fertilizer, and thousands of tons of wheat and flour in recent operations. These crackdowns not only protect domestic supply chains but also prevent price manipulation and hoarding issues that drive inflation and harm consumers. Additionally, major recoveries of hoarded essentials such as sugar, ghee, and fertilizer point to a more serious, structured commitment to enforcing market discipline. These steps are particularly important in safeguarding both food and energy security.



With enforcement beginning to yield results, Pakistan appears to be shifting toward a development model grounded in rule of law, regulatory oversight, and institutional integrity. While structural challenges remain, the recent gains in revenue collection, reduction in illicit trade, and greater sectoral oversight are positive indicators. This approach more aligned with centre-right economic philosophy emphasizes accountability, market order, and efficiency over populist spending or ad hoc policy. If sustained, the momentum could lay the foundation for genuine reform and long-term economic resilience, positioning Pakistan as a more attractive and credible destination for investment