

## The IMF Campaign to Destroy Pakistan's Economy

Ahead of June's scheduled budget announcement, the Raheel-Nawaz regime established its broad guidelines, according to demands of the colonialist institution, the International Monetary Fund (IMF). On 11 May 2015, the regime reached an agreement with the IMF for the disbursement of a tranche of \$506 million as part of a \$6.8 billion package. Pakistan's Finance Minister, Ishaq Dar, announced the withdrawal of tax exemptions totalling over Rs100 billion, adjustments in energy tariffs and a cut in subsidies during the next financial year. The IMF mission chief to Pakistan, Harald Finger, reinforced that, "Key priorities for the second half of the (IMF) programme include improving the energy sector, widening the tax net..." Ishaq Dar took care to add that institutions like the IMF "are Pakistan's development partners. They are not our masters". However, by depriving Pakistan of energy revenues through privatization and choking economic activity through excessive taxation, the IMF is ensuring Pakistan never rises to its actual potential.

Although the IMF claims to be an institution to help countries overcome their economic problems, in reality it is an American tool to dominate the global economy and prevent the emergence of any rival power, which is critical at a time when America's economy is weakened by a deep crisis, politically is being challenged in its interests by other major powers all over the world and its military is stretched beyond its capabilities. America has the greatest voting right in the IMF because she is its largest contributor, giving America a veto power so that no major decision can be taken in the IMF without US consent. The US Congress report by the US Treasury Department for seeking budgetary appropriations for United States International Programs for the year 2014, stated, "Since its inception, the IMF has been a critical tool for the U.S. in promoting global financial stability. The IMF supports U.S. jobs, exports, and financial markets. During crises abroad, the U.S. leverages the IMF to protect our domestic economy. As the world's largest economy, the U.S. is the only country with a veto to shape major IMF governance and resource decisions. As emerging economies play a bigger role and seek greater influence, it is critical that the U.S. maintains its influence in the global economy in the coming years. This requires ensuring the IMF remains the leading first responder with adequate quota resources and that the U.S. continues to preserve its veto power. Unless the U.S. acts now to honour its IMF commitments, we risk jeopardizing our leadership position."

The American tool is focussed on Pakistan because Pakistan has vast lands, immense mineral and energy resources, diverse agriculture, large and youthful labour force and so is a major potential threat to American dominance. Above all else, the people of Pakistan possess Islam, the world's supreme ideology and the essential matter to restore the Ummah into its rightful place, the world's leading state as it was for centuries previously under the Khilafah.

The IMF ensures the privatization of Pakistan's energy, which makes energy prone to shortages and make it hugely expensive. In its letter of intent to the IMF of 12 March 2015, the Raheel-Nawaz regime asserted its commitment to, "attracting needed private sector investment." Privatization raises energy prices so that the private owners can profit in their business, although this cripples industry and agriculture. In addition, to maintain profits in the face of the government withholding payments, the private interests are compelled to reduce production causing further crisis. In contrast to the IMF capitalist policy, Islam

ensures the distribution of wealth and one of its mechanisms is the public ownership of energy and mineral resources. These resources are neither owned by the state nor individuals. Instead, the state administers such resources to ensure that its benefit is used for all the citizens. RasulAllah (saw) said, «المُسْتَمُونَ شُرَكَاءُ فِي ثَلَاثِ الْمَاءِ وَالْكَلْبِ وَالنَّارِ» **“The Muslims are partners in three things, waters, feeding pastures and fire.”** (Ahmad).

The IMF ensures the strangling of Pakistan’s economy through huge taxation, further crippling industry and agriculture. Taxation is constantly being increased as a proportion of the total revenue and in its letter of intent of 15 March 2015, the Raheel-Nawaz regime assured the IMF that “efforts to broaden the revenue base by eliminating tax concessions, exemptions and loopholes are bearing fruit.” Unlike the IMF policy, in Islam, revenue generation takes into consideration the ability of each and every individual to fulfill their basic needs of food, clothing and shelter. Even when the Khilafah does tax, it does not penalize poor and under-privileged who are unable to secure their basic needs. And this is asides from the huge revenue that the state will generate from state owned and publicly owned enterprises such as energy resources, machinery and infrastructure manufacture.

Moreover, the IMF binds Pakistan to the capitalist interest based loan system, which sap its strength through a library of internal and external loans. So whilst the conditions weaken Pakistan's economy, the interest on loans means that Pakistan remains drowning in debt even though it has paid the principal debt of its loans many times over. Debt-servicing is now around one third of the entire budget, in the order of billions of US dollars a year, but year after year, decade after decade, Pakistan plunges further into debt. And this in a state which was established in the name of Islam, the Deen of Truth which forbids interest (riba) in all of its forms.

### **O Muslims of Pakistan!**

The Raheel-Nawaz regime is collaborating with the IMF to destroy our economy. Indeed, any regime that enters this corrupt system will do the same. It is high time that we abandoned any hope in Democracy, regardless of who comes to rule within it, for it is the guarantor of our destruction and misery. It is upon all of us to work to abolish democracy strive for the establishment of the Khilafah.

The time of the Khilafah has come and we must be confident of achieving this good news by our hands by the Help of Allah (swt), so that we may attain the honor in this world and the Hereafter, and that is the greatest bounty. It is upon all of us to work with Hizb ut Tahrir and join with it in raising a strong call to Pakistan’s armed forces to grant the Nussrah (Material Support) for the re-establishment of the Khilafah. Let us not tire or falter in our march to the day of raising al-Uqab, the banner of the Messenger of Allah (saw), and ruling by the Shariah of Allah under the Khilafah Rashidah on the model of Prophethood. Allah (swt) said,

﴿وَيَوْمَئِذٍ يَفْرَحُ الْمُؤْمِنُونَ ﴿٤٥﴾ بَنَصْرِ اللَّهِ يَنْصُرُ مَنْ يَشَاءُ وَهُوَ الْعَزِيزُ الرَّحِيمُ﴾

**“That day, the believers will rejoice with the victory of Allah; He gives victory to whom He wills, the Mighty, the Merciful.”** [Surah Ar-Rum: 4-5]

29 May 2015 CE

11 Shaban 1436 AH

**Hizb ut Tahrir**

**Wilayah Pakistan**