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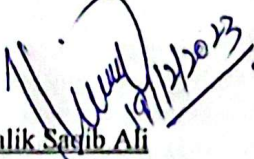
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To: Ministry of Planning Development & Special Initiatives/ Ministry of Maritime Affairs,
Islamabad.

Subject: **Research Findings**

1. National University of Modern Languages (NUML) is a premier University in conducting high quality teaching and research activities. We are currently working on various research projects which can improve public functioning/administration or in devising policies for the public interest in various domains. In this regard our faculty/students have carried out a research study titled "The Impact of financial development and ICT on total factor productivity: A panel analysis of BRI countries". The outcomes of the study are enclosed herewith for ready reference/perusal, please.
2. Forwarded for information, please.


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Policy Recommendations

The study analyzed the impact of financial development and ICT on total factor productivity in 45 low and middle-income countries. TFP growth and ICT have a positive association, according to the conclusions drawn from model estimations, which means that more ICT activities in the country can affect TFP positively, and thereby increase the productivity growth of the country. The empirical results of this study suggest several policy implications that can assist policymakers and government officials in selected nations to achieve sustained TFP growth.

Policymakers should design and implement programs specifically targeting the ICT sector in these countries, since ICT affects TFP positively, governments in BRI countries should improve the infrastructure required to enable information and communications technology (ICT). This could include building high-speed internet networks, improving access to mobile devices and computers, and providing training and education to help people develop the skills they need to use these technologies effectively. By improving ICT infrastructure and promoting digital literacy, governments can help increase productivity and efficiency in the economy, which can lead to higher levels of total factor productivity (TFP). Policymakers should also focus on policies regarding the financial development sector because development in the financial sector is essential in increasing economic efficiency. The government should encourage financial sector reforms to enhance transparency, strengthen the banking system, and foster a conducive environment for financial institutions to operate. There is a need to enhance access to finance for SMEs by establishing credit guarantee schemes and facilitating capital investments. Developing capital markets, such as stock and bond markets, can help to improve the allocation of capital to productive investments. This can help to improve TFP by enabling businesses to access the capital they need to invest in new technologies and expand their operations. These policy measures can help the BRI low and middle-income countries achieve a higher level of productivity and country's stability.

The study will contribute to the existing literature on the role of financial development and ICT infrastructure in enhancing the total factor productivity of developing countries. I highly recommend this study to anyone interested in understanding the role of ICT and financial development in enhancing the total factor productivity across different sectors of developing countries in general and BRI developing countries in particular. The research is expected to generate insight that can be used to design more effective policies that can intervene to improve the pace of economic growth of developing countries.