

Understanding Economic Potential of Erstwhile FATA and the Challenges Ahead

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Abstract

Having an agrarian economy Federally Administered Tribal Areas (FATA) has remained one of the world most under-developed areas. It had a tribal system of governance, known as Pashtunwali. When the previous Nawaz Sharif's Government announced the formation of FATA Reforms Committee in 2015, to propose reforms for FATA, it has two major options i.e. FATA-KP merger and the formation of a separate FATA province. After, prolonged consultation with all stakeholders, The Committee proposed FATA-KP merger in its Report, submitted to the government. The Committee ruled out the possibility of a separate FATA province on the ground that it could not generate the revenue required to stand as a separate province. In the light of the Report of FATA Reforms Committee the Government finally merged FATA with Khyber Pukhtunkhwa through 25th amendment to the constitution of Pakistan. In this paper it has been argued that FATA has the potential to generate the revenue, necessary for running the administration of a separate province. It has the capacity to generate handsome revenue from minerals, electricity, cross-border trade and tourism.

Key Words: FATA, Economy, Revenue, Income Sources, Minerals, Cross-border Trade, Separate Province

Introduction

FATA is a mountainous terrain stretching along the Pak-Afghan border. It consists of seven Agencies and six Frontier Regions. Since, the time of Mughal Empire no government paid heed to the socio-economic development of the region. It had been deliberately kept backward by various governments to exploit it for their geo-strategic interests. It is the main reason that FATA lags behind in socio-economic development than the rest of Pakistan. It could not modernize socially, economically and politically like other parts of the country. Traditionally, FATA has an agrarian and pastoral economy. The main income sources of the people of FATA were agriculture, livestock and handicrafts. The people of FATA worked as semi-skilled and un-skilled labors. Some of the people sought employment in various public sector institutions. Unfortunately, the War on Terror was like a bolt from the blue for people of FATA. It completely broke the traditional economic system of FATA. In the aftermath of this war a large number of people had been forced to leave their homes and live as Temporarily Displaced Peoples (TDPs). The war damaged the established infrastructure in FATA. It was in this scenario that Prime Minister Nawaz Sharif announced the formation of FATA Reforms Committee. The Committee was mandated to propose Reforms in FATA, after consultation with all stakeholders. Finally, the

Committee proposed the merger of FATA with KP in its Report submitted to the Government. The Committee in its Report stated that FATA has no capacity to generate the revenue required to stand as a separate province. This statement failed to convince a large number of tribesmen, who believed that FATA has the potential to generate the revenue essential for running the system of a separate province. The writer after thorough investigation found that FATA has large reservoirs of minerals. It can become one of the richest regions after exploration and extraction of these minerals. Besides this, FATA has the potential to produce cheaper electricity. It can generate handsome revenue from electricity taxes. The construction of dams for generation of electricity will enhance agriculture in the area, which will directly jack up its revenue generation capacity. Furthermore, FATA can generate huge revenue from cross-border trade and tourism. By connecting FATA to CPEC Western Route and Special Economic Zones, its revenue generation potential will increase. The writer has found that tourism can become the next major revenue generation source in addition to minerals and cross-border trade.

Demographic Features of ex-FATA

Federally Administered Tribal Areas (FATA) consists of seven agencies namely Bajuar, Mohmand, Khyber, Aurakzai, Kurram, North Waziristan and South Waziristan. It also includes Frontier Regions of Peshawar, Kohat, Bannu, Lakki Marwat, Tank and Dera Ismail Khan. FATA has common borders with Khyber Pukhtoonkhwa (KP), Punjab, Balochistan and the State of Afghanistan. All tribal agencies have common border with Afghanistan except Aurakzai agency. The area of FATA is 27,220 square kilometer (Altaf, 2013). According to National Census Report 2017, the population of FATA is 5.1 million. The largest agency by population is Bajuar and smallest by population is Aurakzai. The population of Bajuar is 1.09 million while that of Aurakzai is 0.254 million (Nawaz, 2009). FATA formally became a part of Khyber Pukhtoonkhwa on May 31, 2018 when President Mamnoon Hussain signed the 25th amendment to the constitution of Pakistan. That's how the draconian Frontier Crimes Regulation (FCR), a colonial era law, has been abolished (Hali, 2017).

Before the advent of British, tribal areas were completely independent. The Mughal Emperor did not venture into this arduous mountainous terrain. The Afghan rulers also adopted the policy of non-intervention in the internal affairs of tribesmen. However, during the ensuing British Raj the regional political scenario completely changed. Therefore, British attempted to use FATA as a buffer zone between India and Tsarist Russia. They wanted to use FATA as a bulwark against any external aggression. They were more concerned with the geo-strategic importance of the area than its development or governance. Therefore, they devised the cruel law, FCR for the governance and administration of the region. It has been framed with the intention to keep in check the turbulent tribesmen. The basic aim of FRC was exploitation of the region. It played no role in the modernization of tribal areas. A major defect in this system was that it had been implemented to a small portion of FATA, known as protected areas. The rest of FATA has been categorized as non-protected areas that fall outside the purview of FCR. These areas have been governed under a tribal code, Pushtoonwali. Until now, tribal system of governance has prevailed in tribal areas. The modern democratic institutions could not flourish in this region (Khan, Tauqeer, 2016).

After the inception of Pakistan, the same system of administration continued. Officially, FATA has been declared as an integral part of Pakistan. But, it was kept outside the pale of constitution. The government ignored socio-economic development of FATA. It remained the most marginalized part of Pakistan. The government used it for increasing the so-called strategic depth. It aimed to use it as an instrument of strategic security in ongoing tension with India. The government was concerned more with maintaining status quo. Consequently, no industrialization projects have been initiated for the uplift of tribal areas. The mainland economic system and institutions were not extended to FATA. Political Agent had been endowed with necessary powers to manage economic system in tribal areas. He had the authority to formulate economic policies and laws. He regulated trade, exploration and extraction of natural resources and utilization of developmental funds. As, there did not exist any accountability mechanism, the autonomy of PA in financial matters was absolute. He was even not accountable to the Auditor General of Pakistan (Khan, 2016).

Major Income Sources of the People of Erstwhile FATA

The economy in tribal areas depends on unstable sources of income. The major income sources of tribesmen are agriculture, livestock, trade and handicrafts. A large number of people work as skilled or unskilled labors within and outside FATA (Ishaque, 2016). In tribal areas people rely on single income source. Economic under-development shrank the chances of availability of multiple income sources. It makes tribesmen economically vulnerable. Tribal economy has been broken down in the ongoing counter militancy operations. Resultantly, a large number of people were forced to leave their homes. They have migrated to the adjoining cities living as Temporarily Displaced People (TDPs). They left behind their homes and hearths without any arrangement of alternative livelihood sources. Consequently, a large number of TDPs depend on ration provided by IGOs and NGOs. The military operations hit agricultural sector badly. It lost its important as an income source. Ultimately, the unemployment rate became alarmingly high (Artaza, 2015).

Agriculture and Livestock

In tribal areas agricultural activities have been carried out in the valleys where abundant water is available for irrigation. The mountainous nature of the tribal belt makes it unfriendly for canal system. The tube well system could not achieve the desired success. The non-existence of planned irrigation system reduces attractiveness of agriculture as a source of income. That's why agricultural activities have been carried out on limited scale in the area. According to some estimates only seven percent families rely on agriculture as an income source (Isa, 201). Fruits and vegetables cultivation is also an income sources in some parts of tribal areas. The fruit markets provide means of sustenance to some families. The dependency of tribesmen on agriculture as a source of income has been highest in Waziristan. Wana valley has been known for its apple orchards. The mode of life in tribal areas had been nomadic. The area has been inhabited by a mobile population for centuries. The people change their abodes in search of food and water frequently. People rear cows, buffaloes, camels, sheep, goats, horses, moles and donkeys. Consequently, livestock industry gradually developed there. It became a source of livelihood for many families. The livestock

ownership has been highest in Kurram district. Besides livestock poultry, has also been owned by the tribesmen (Matti & Pahar, 2014-15)

Shadow Economy

The tribal belt has remained a center of legal and illegal trade since 1980s. Some scholars call this type of economy as shadow economy. The shadow economy consists of legal and illegal trade activities. The legal activities consist of domestic and external trade. The illegal activities include the trade of drugs and ammunitions. The two tribal districts Khyber and Aurakzai produce poppy and marijuana abundantly (khan et al, 2009). The porous border with Afghanistan facilitates the flow of contrabands across the border. Opium cultivated in Afghanistan reaches the markets in tribal areas without any hindrance. From there it is supplied to other parts of the state and abroad (Aftab, 2014). The communication and transportation infrastructure has been considered as the backbone of socioeconomic development of an area. Unfortunately, neither British government nor the successor government of Pakistan paid any heed to the development of the former FATA (Kamal, 2009). The Pakistan government did not introduce reforms in economic system of the area. The lax trade regulating laws facilitated the burgeoning shadow economy. Besides drugs trafficking smuggling of ammunition, illicit transit goods and non-custom paid vehicles have become an important ingredient of tribal economy. This shadow economy constitutes the basic livelihood source of the people in the area (Ayaz, 2012). This legal and illegal trade resulted in the emergence of a business class. This business class had represented tribesmen at national and international level. Some of the scions of these families have gotten education in renowned educational institutions. Some of them have sought employment in civil-military bureaucracy thus becoming a part of state machinery. This business class has played the stabilizing role between the tribesmen and the government (Khan, 2008). In the tribal areas, industry has been developed on a small scale. The marble quarrying, coalmines and arms manufacturing industries had been gradually developed there. Some of the people working in industries have been categorized as skilled labors. However, majority of them are unskilled labors. The machinery, techniques of minerals exploration and extraction has been outdated. That's why large reserves of minerals and gemstones still stay unexplored (Kamal, 2017). Besides these arms industry also flourished, especially after the USSR invasion of Afghanistan. The arms industry mainly flourished in Darra Adam Khel and Aurakzai. Arms had been smuggled from there to Afghanistan, Kashmir, Punjab and Sindh (Taj, 2011).

Employment

Tribesmen work as short-term unskilled labors. They also seek employment in law enforcement agencies. They enlist themselves in Levis Force, Khasadar Force and Frontier Corps. Some even get employment in Khyber Pukhtoonkhwa Police and Pakistan Armed Forces (Farooq et al, 2009). The unfavorable environment for socio-economic activities has created socio-economic imbalance. The gap between rich and poor has been alarmingly high. The lack of middle class has contributed to the deteriorating situations in the tribal areas. The decline of livelihood expectancy has given rise to militancy in the area. A middle class is essential for the smooth functioning of a society which is lacking there (Javaid & Haq, 2016).

Economic Potential of ex-FATA

The British government did not introduce any reforms for the modernization of tribal area. It maintained administrative relations with the people through various treaties. It lacked initiatives for development and progress. The FCR has been specifically designed to keep the turbulent tribesmen in check and use the area as a buffer zone. The government of Pakistan continued with the same administrative system as devised by the British. No steps have been taken for mainstreaming FATA. The system of adult franchise has been introduced there in 1997. In 2011 the Pakistan People Party's government extended political parties act to FATA (Perveen et al, 2017).

In 2015, The Prime Minister Mian Nawaz Sharif announced the formation of "FATA Reforms Committee". It was given the task of conducting detailed meetings with all stakeholders in order to introduce reforms in the tribal areas. The committee after thorough consultations submitted its report proposing the merger of FATA with KP. The Committee ruled out the possibility of formation of a separate province on the ground that FATA lacks economic resources required for the sustenance of a separate province (Ali, 2018). Some tribesmen have been unconvinced that FATA does not have enough economic potential to survive as a separate province. They remained adamant on their demand of a separate FATA Province. Hamid Ullah Jan Afridi, a former senator from the area, believes that FATA could generate the required revenue to stand as a separate province. He says that a separate FATA province would be in position to give economic assistance to the neighboring Khyber Pukhtoonkhwa Province (Afridi, 2017). Some other supporters of a separate FATA province believe that FATA has huge economic potential. The main resources of revenue generation in FATA are mineral resources, water resources, cross-border trade and tourism.

Mineral Resources

FATA has great potential of revenue generation from mineral resources. Reservoirs of minerals have been found abundantly in FATA. The exploration of these resources will make FATA one of the richest regions in Pakistan. It would generate huge revenue from extraction of mineral resources. According to geological survey reports ample reservoirs of oil, gas, gold, silver, coal, emerald, silica, chromites, marble, limestone, soapstone (Maheen & Malik, 2017), alum, antimony, iron, manganese, magnetite, nickel, niobium, platinum, quartz veins, tungsten, rock phosphate and anhydrite have been found in FATA (Malkani, et al, 2017). Besides, these radioactive elements like tyuyamunite, carnotite and uranium have also been found in the area. According to some reports estimated production of marble in FATA is 570,519 tons, limestone 454,094 tones and coal 178,370 tones (Kamal, 2017).. Additionally, in North Waziristan gold and copper reserves worth 300 billion US Dollar have been discovered (Malkani et al, 2017).

Irshad Ullah Khan a mineralogist believes that FATA has more reservoirs of natural resources than Balochistan. He says that the overall reservoirs of oil and gas in FATA are more than that in Middle East. He has also claimed that North Waziristan could provide energy to Pakistan for forty years. Once peace has been restored and

minerals extracted, the fate of Pakistan in general and FATA in particular will change within few years (Wazir, 2015).

Dr. Fazal Rabi Khan believes that exploration and extraction of natural resources will result in economic development and prosperity in the area. He says that seventeen oil and gas companies have initiated exploration of resources in Khyber, Aurakzai, South and North Waziristan. Exploration work has also been carried out in frontier regions of Peshawar, Kohat, Bannu, Dera Ismail Khan and Tank. The oil and gas exploration companies like Mari Gas Company, HYCARBEX Inc, Oil and Gas Development Company, Tullow, Saif Energy, MOL Pakistan Oil and Gas, Orient Petroleum International, Pakistan Petroleum, ZHEN, ZAVER have become operational in FATA. Besides these companies Oil and Gas Development Company (OGDC) has also started exploration in various agencies (Zia, 2012).

It is believed that with the exploration of these minerals FATA may enter a new phase of industrialization and modernization. The industrialization of FATA would generate revenues for the government on the one hand, and will generate employment opportunities for thousands of tribesmen on the other. It will also facilitate the establishment of communication and transportation infrastructure which is the life blood of modern economy. This infrastructure would facilitate inter-regional connectivity. It will link all tribal agencies with one another. It will reduce the spatial distance. Thus, it will nullify the argument that FATA, a narrow belt, is geographically incongruent for becoming a separate province.

Water Resources in Erstwhile FATA

FATA can generate sufficient revenue from water resources. Water helps in revenue generation in many ways. Agriculture which is an income source is impossible without water. Additionally, water could be used for hydro power generation purposes. Electricity produced in the area, will subsequently make possible speedy industrialization.

FATA is a mountainous terrain. It consists of lofty mountains and some important rivers. The famous mountain ranges in FATA are Koh Safed, Sulaiman Mountains and Waziristan Hills. The important rivers in FATA are Gomal, Jandol, Kurram, Tochi, Bara, Khaisora, Seiko Khawar, Danish Kool etc. These rivers have irrigation and power generation capacity (Cheema, 2019). The FATA Development Authority (FDA) has constructed seven small dams namely Dargai pal, Dandy, Sheen Kach, Zao, Moto Shah, Ping and kand. The alpine FATA provides ample sites for the construction of large and small size dams. These dams could increase agricultural yields and alleviate flood risks in the area. The FATA DA has identifies 120 potential sites for the construction of small dams (Tariq, 2020).

Recently, sites for the construction of proposed Bara Dam and Mohmand have been identified. The power generation capacity of these dams would be 5.8 MW and 800 MW respectively. The Government has also chalked out plan of Kurran Tangi dam. It is a part of the larger developmental plan of the area. This dam will provide water for the irrigation of 16,830 acres of land. It also has power generation capacity of 18 MW.

Warsak dam and Gomal Zam Dam have already been constructed on River Kabul and River Gomal respectively. The power generation capacity of Warsak Dam is 240 MW, while, that of Gomal Zam Dam is 17.4 MW.

It has been estimated that various dams in FATA would generate approximately 1100 MW cheaper hydro electricity. This electricity can change the fate of FATA. It can play pivotal role in socio-economic development of the area. It will make possible materialization of industrialization plans for the area. It has been estimated that FATA can generate more electricity than its capacity of utilization. Furthermore, government can generate revenue from the consumption of electricity in the form of taxes.

Cross- Border Trade

FATA has a common border with Afghanistan. The people living on both sides of the Durand Line have close economic relations. In 1965, Afghanistan-Pakistan Transit Trade Agreement (APTTA) had been signed to provide the facility of using Pakistani sea ports to Afghanistan. In this agreement, various routes were identified that could be used for transit trade. There are eight trade routes between Pakistan and Afghanistan, out of which six passes through FATA. The border crossings located in FATA include Angoor Addah, Ghulam Khan, Kharlachi, Khyber Pass, Nawa Pass and Gursal. FATA as a separate province can generate huge revenue from transit trade. According to some estimates, transit trade of 3.12 billion US Dollar has been recorded during fiscal year 2010-11. However, due to rising militancy it slumped down to \$1.46 billion in the FY 2012-13. It jumped the highest watershed point of \$3.46 billion during FY 2015-16. In 2016-17 a trade of \$2.87 has been recorded. The average transit trade between the two states has remained around \$3-billion for the last few years (Altaf, 2018).

Under the Central Asia Regional Economic Cooperation (CAREC), Tajikistan, Afghanistan and Pakistan have agreed to enhance trade among the neighboring states. The Sherkahn-Ninjpayan Route has been identified for the transit trade among these states. The construction of a railway line has been planned between Miranshah and Khost under this Agreement. This transport corridor would facilitate transit trade between these regions. FATA as a separate province can generate revenue from this inter-regional trade (Khan, 2018).

Inter-connectivity of different parts of FATA with China-Pakistan Economic Corridor (CPEC) will enhance regional trade. By connecting different parts of FATA with CPEC Project will boost revenue generation capacity of FATA. The game changer China-Pakistan Economic Corridor (CPEC) could bring rapid socioeconomic development in the tribal area. The CPEC project would link Pakistan with Central Asia. As stated earlier the crossing points between Pakistan and Afghanistan mostly fall in tribal belt. The network of roads and railway lines connecting Pakistan with Central Asian Republics (CARs) would pass through FATA. It would ultimately, enhance the burgeoning trade between the two regions (Gul, 2016). The Pakistan-Afghanistan Joint Chamber of Commerce and Industry (PAJCCI) have demanded the inclusion of Pak-Afghan transit trade in the gigantic CPEC Project. They say it would facilitate the access of local traders to Central Asian markets. It would make the local

traders familiar with the mammoth CPEC project (Shah, 2017). Ayaz Wazir, the ex-ambassador of Pakistan to Afghanistan, believes that CPEC project would increase the revenue generation capacity of tribal areas many folds. The revenue generated at Torkham annually mounts to 45 Billion Rupees. If all the routes passing through tribal belt become operational as a result of CPEC the revenue generated would increase many times (Wazir, 2017).

Furthermore, the government of Pakistan has a comprehensive developmental plan for tribal areas. The government has planned to link FATA with adjoining districts of Khyber Pukhtoonkhwa through roads and railway lines. Initiating the plan, Prime Minister Shahid Khaqan Abbasi inaugurated National Logistic Cell and a Bus Terminal in Miranshah to connect it with Dera Ismail Khan. The goal of this project is to connect Miranshah to the western Route of CPEC which passes through Dera Ismail Khan. Later, other parts of tribal areas will be connected to the western Route of CPEC Project through roads and railway lines. This will connect FATA with Special Economic Zones, planned to be constructed under the CPEC Project. It will enhance its revenue generation capacity. Additionally, the provincial government of proposed FATA province could also launch such developmental projects in collaboration with Federal Government.

Tourism

Tourism is a revenue generation source in many parts of the world. FATA as a separate province could also generate handsome revenue from tourism. The British first identified the revenue generation potential of FATA. Ultimately, the British Government took some practical steps for the promotion of tourism in FATA. Initially, some cottages were built for the sojourn of dignitaries and tourists. The Governor Cottage established at Parachinar in 1895 was the first building of this type. Later the British rulers built Governor Cottages at Wana and Miranshah in South and North Waziristan respectively. After the inception of Pakistan, the Government built a spacious FATA House in the center of federal capital Islamabad. This building has been built to generate revenue from FATA through the concerned department (Faqr, et al, 2017).

The alpine FATA is home to scenic Shawal Valley, Tirrah Villey and Charmang valley. Many rivers flow through the area traversing the mountainous valleys. Some of the mountain ranges are as high as 16,000 feet (<https://www.dawn.com/news>). The government has planned to promote tourism in tribal areas. It has identified the potential tourist sites there. After the completion of developmental project launched by the government, the communication network has been improved. That's why the government has opened some parts of tribal areas for tourists. The area is also home to a variety of flora and fauna making it a potential health resort in future.

The tourists attraction areas across FATA are Leti Sar Pass, Pashat, Qilla of Khan of Nawagai (Bajaur), Grave of Haji Torangzai (Mohamnd), Khyber pass, Torkham Check Post, Warsak Dam (Khyber), Gulistan Fort, Zaira (Aurakzai), Shalozan valley, Chapri Rest House (Kurram), Shawal valley, Razmak valley (North Waziristan), Kaniguram valley and Zindawar valley (South Waziristan) (Rumi, 2016).

Challenges Ahead

The tribal belt remained the epicenter of militant activities for the last two decades. It has served as a safe haven for militants. A complex emergency broke out following the military operations to counter insurgency. According to some estimates, approximately five million people are living as Temporarily Displaced Persons (TDPs). The displacement put enormous economic pressure on the tribesmen, the host communities and the national exchequer. The economic activities of tribesmen came to a standstill for quite a long time. This resulted in large scale unemployment (Khalid, 2015-16).

Some people believe that tribesmen will face severe economic challenges in future. The amalgamation of tribal areas with Khyber Pukhtoonkhwa will have deep economic impacts. The mainstreaming of tribal area has altered the existing economic system. The government introduced reforms in the political system of tribal areas without reforming the economic system. The tribesmen will have to survive with their agrarian economy in an age of 4th industrial revolution.

Some scholars and area experts have opined that tribesmen would face serious economic challenges due to the rapid globalization. The world has entered into the phase of 4th industrial revolution. Now the unskilled and semi-skilled labor force would be replaced by machines and robots. Tribesmen would have to strive tooth and nail to compete with the world. A large number of unskilled labors working in Gulf Countries and major cities of Pakistan have lost employment. It indicates that unemployment would increase among the uneducated tribesmen. With a literacy rate of barely 22 percent it would be a great challenge for the tribesmen to survive in an era of Artificial Intelligence (AI) and Information Technology (Info-tech). For the illiterate tribesmen seeking employment in cut-throat competition would be like passing a camel through the eye of a needle.

The counter-militancy operations have completely devastated infrastructure in FATA. For instance, according to some reports militants have destroyed or damaged 1,195 schools in the region. Similarly, the war has damaged other communication and transportation infrastructures. For the future governments, establishment of well-developed infrastructure is a daunting task. Currently, FATA with its timeworn infrastructure could not gallop on the road to progress, development and modernization. It will be a great challenge for the government to establish apprenticeship centers to train tribal youth in using modern machineries and technologies. It is only possible through a firm commitment on the part of law enforcement agencies to restore normalcy in the region which is a prerequisite for all other activities of life.

The Way Forward

For the rapid socio-economic development of FATA, the formation of a new province is essential. It can only be brought on equal footing with the rest of country, given that government take some bold initiatives to bring major reforms in the governance structure of FATA. Some of the possible steps that could be taken in that direction are

- 1) FATA should be given a provincial status. The Khyber Pukhtoonkhwa province is under burden of three trillion foreign loans. The merger of war-ravaged FATA with under-developed KP will further hamper the socio-economic development of both regions.
- 2) The government should establish transportation and communication infrastructure in FATA which is essential for the economic development of an area. Mobile and internet services should be provided throughout FATA, without which the dream of modernization and development of tribal areas won't become true.
- 3) Under the Long-Term Plan (LTP) of CPEC, the Government has announced the establishment of Special Economic Zones (SEZs) in various parts of the country. The government should establish one of these SEZs in ex-FATA for the rapid socioeconomic development of the area.
- 4) The Government should take steps for the promotion of tourism in ex-FATA. Some of the scenic sites in tribal districts could attract tourists if the government improve communication and transportation infrastructure. The health resorts like Shawal valley, Parachinar valley and Tirrah valley could become the potential picnic points.
- 5) Some 120 sites have been identified for the construction of small dams. The government should materialize the construction of all these dams for the development of the area. It would improve irrigation system and would contribute to power generation on a smaller scale.
- 6) The Government should promote poultry and livestock industry in FATA. It has the potential to export meat, dairy products and leather products.

Conclusion

This study has revealed that FATA has the potential to generate the revenue required for a separate province. It has enormous reservoirs of mineral and water resources. It has precious natural resources like gold, silver oil and gas abundantly. It has also been found that FATA has the potential to generate more electricity than its requirements. It has the capacity to generate 1100 MW of cheaper hydro-power. It also has the potential to generate huge revenue from cross-border trade. It can also benefit from the CPEC Project by connecting various parts of FATA to its Western Route. In addition to this FATA has the potential to generate large amount of revenue from tourism. It has been home to some of the most scenic valleys in Pakistan. This potential picnic sites can attract large number of tourists, which will enhance the revenue generation capacity of FATA.

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