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Pakistan has been facing political turmoil and economic crisis. How Pakistan's government can reform structure of economy?

Ans 1

Introduction

"Pakistan is a 'country of concern'."
(~ USHR Report)

Pakistan has been facing a political instability from the last few decades. Unfortunately, due to political turmoil, Pakistan has been impacted by several economic crisis. However, by structure reformation, Pakistan can walk towards a better future.

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Political turmoil and

economic crisis in

Pakistan

Pakistan is a democratic country. Despite, Pakistan is revolving in a cycle of political instability. Controversy between PTI and PDM government has far reaching negative impacts on social development. Social crisis leads economic crisis in Pakistan. Resultantly, inflation is spread across country, foreign reserves are declined.

According to recent report, remittance has fallen \$ 20.5 billion. (Pakistani diaspora, 2023). Therefore, Pakistan has caught in a sphere of crisis.

3-

Structural reformation

a hope for a better

future

• Following are main sectors (where Pakistan needs to bring reformation:

a) Agriculture reformation

“Agriculture produces 19 pc of GDP in Pakistan.”

(~ Economic Survey)
Pakistan has a

sufficient capacity to improve its agriculture sector. Unfortunately, due to political instability, Pakistan has faced economic crisis. Pakistan imports 35 pc of agriculture in which 30 pc is wheat every year. (Economic Survey) (FY 2022, Pakistan imported wheat of \$ 1 billion. Thus, Pakistan needs to improve its

agriculture sector. By constructing dams, Pakistan can increase 24pc of agriculture. (Irrigation department). Following is a table which shows land cultivation data:

Dam	land cultivation (million acre)
Diamen	1.3
Dasu	more than 300ths
Mohmand	300ths

Therefore, Pakistan needs to improve its agriculture sector.

b) Industrial reformation

• Following are two main industrial reformations needed Pakistan:

i) Textile Industry Reformation

Pakistan is an agriculture country. After agriculture reformation, industrial reformation will be easy for Pakistan. However, in PTI government, there was not given focus to industry. The table below shows progress of industry in PTI government:

FY	cost of product
2019-20	\$13 bn
2020-21	\$15 bn
2021-22	\$20 bn

Therefore, Pakistan needs to revive its industry to improve its GDP. For this government needs to remove tariffs, reduce interest of bank, bank should provide loan on

The easiest policy, reduce GST, support ease of doing business. Hence, industrial reformation will be easy for Pakistan.

ii) Electronic industrial reformation

Along with textile industry, Pakistan should focus on its electronic industry. FY 2019-20, Pakistan imported \$3bn of mobiles and in FY 2021-22, Pakistan imported \$1.6bn of mobiles. Thus, Pakistan needs to manage its necessities from its own sector. As per recent reports, Pakistan needs to export minimum mobiles of 3bn \$.
(Industrial revolution, 2023).

Therefore, Pakistan
can still generate
its own production.

c) Energy reformation

"Pakistan has a
'tremendous potential'
to generate energy"
(~ World Bank, 2023)

Due to political turmoil,
Pakistan has been
facing crisis. Pakistan
fulfill its energy needs
from the most expensive
source, imported
hydrocarbon (HC). Pakistan's
60pc energy is imported
that contributes 25pc
of budget deficit.
(Pakistan Bureau of
statistics) - In FY 2022,
Pakistan purchase HC
of \$12bn. Hence,
according to the
WB, Pakistan needs

to move towards local sources. Only from hydal source, Pakistan can produce 60pc of energy by 2030. (PBS). The chart below shows energy generation from hydal source.

Dam (water source)	energy in (megawatt)
Karrot	730
Sukki Kinar	883
Dasu	4300
Diamer	4500

More-over, Pakistan has also enough capacity to generate energy from wind. Pakistan has generated 450MW of energy from its wind, especially in Sindh, Jampeer; and Balochistan. Therefore,

Pakistan can reform
structure to save
the country.

4)

Conclusion

"To reform its
(Pakistan) structure,
before getting
late..."

Pakistan is full of
natural resources. Unfort-
unately, resources
are depleted due to
no focus. This is
because of rising
wave of political instabil-
ity in Pakistan. However,
reforming structure
of country in agriculture,
industry and energy
sector, Pakistan
can come out from
political turmoil and
economic crisis.