

# Economic Condition of Pakistan

## Current Economic Situation of Pakistan:

- Economic growth / Condition of Pakistan is worsening day by day.
- According to Economic Survey 2022-23:
- Pakistan GDP growth rate for the FY-2022-23 is 0.29%, which were 6.2% in 2022, 3.4% in 2019, 5.8% in 2016, 5.4% in 2017.
- Investment to GDP ratio  $\rightarrow$  13.6% in 2023, 15.6% in 2022.
- Per capita income US \$ 1568 in 2023, US \$ 1765 in 2022.
- Industrial growth  $\rightarrow$  2.94% in 2023, 7.19% in 2022.
- Service sector  $\rightarrow$  0.86% in 2023, 6.18% in 2022.
- Agriculture growth  $\rightarrow$  1.55% in 2023, 4.27% in 2022.
- Fiscal deficit  $\rightarrow$  4.6% in 2023, 4.9% in 2022.

•	Inflation → 29.2% in 2023, 11.3% in 2022
•	Exports declined by 11.7% in 2023.
•	CAD → \$3.3bn in 2023, \$13.7bn in 2022.
•	So following are the key problems of Pakistan Economy.
i.	More Expenditure than Revenue
ii.	Low Growth and Investment rate:
•	GDP, Per capita income, Industrial growth, Service sector, Agriculture growth, large scale manufacturing.
iii.	Debt Trap:
•	Volume is exponentially increasing.
iv.	Depleting Foreign Reserves:
•	Less than \$4bn in May 2023.
v.	Trade Deficit:
•	Exports decline by 11.7% → 2023.
vi.	Current Account Deficit:
•	down by 76.2% in 2023 (\$3.3bn).
vii.	Inflation:
•	29.2% in 2023.
viii.	Poverty
ix.	Political Instability
x.	Unemployment

## • Recommendations:

- The following measures should be taken to avert the dwindling economy.

### i. Good Governance

### ii. Institutional Reforms:

- It's the institutions which decide the fate of the nation. (Why Nations Fail)

### iii. Political stability:

- Economic stability can never be achieved without political stability.

### iv. Increase Revenue & Reduce Expenditure

### v. Attracting FDI

- Political stability, strong sup.

### vi. Increase Foreign Exchange Reserves:

Increase remittances.

### vii. Increase Exports

### viii. Reduce Inflation

### ix. Reduce Poverty

### x. Reduce unemployment