

Is Pakistan on verge of economic collapse

Outline:

KEEP PRACTISING

1- Introduction:

Thesis Statement: Economic development is essential for any developing country. But Pakistan is facing economic deficit nowadays. This economic deficit is worsening country's development. This situation can be better by putting more focus on the internal matters. By resolving that internal matters can play a key role in the economic development or economic growth.

2. Economic situation in Pakistan

3. Causes behind economic collapse:

- (a) Rise in political instability
- (b) Reduction in availability of dollar
- (c) Imbalance in import and export
- (d) Continuous natural disasters effect in economy
- (e) Improper use of resources.
- (f) Decline in economic production at industrialist level.

4. Possible impacts due to which Pakistan is more on verge of economic collapse:

- (a) Economic collapse causes inflation
- (b) Increase in debt most frequently
- (c) Instability will rise in country.
- (d) Enclosure of industries in country.

- (e) Lessening in resources availability
- (f) Reduction in foreign direct investment (FDI)

5. Way forward to ~~stop~~^{save} economy from collapse.

- (a) Enhance direct foreign investment (FDI)
- (b) Take a initiative to make export better
- (c) Make surety in proper use of resources
- (d) Resolve political conflicts in country
- (e) Raise in production at industrialization
- (f) Properly managed budget for country.

6. Conclusion.

Introduction:

"The financial crisis should not become an excuse to raise taxes, which would only undermine economic growth required to regain our strength." (George W. Bush)

Economic development is essential for any developing country. But Pakistan is facing economic deficit now-a-days. This economic deficit is worsening country's development. This situation can be better by putting more focus on the internal matters. By

resolving that internal matters comply a key role in the economic development or economic growth. Fall down in the growth of economy is occur due to imbalance use of resources. There are a lot of availability of resources in Pakistan which are not properly using for economic growth. Industrialization is also one of they factor which will helpful in economic growth. As much as more production is the source of betterment and economic stability in the country. More investment and stability in export will raise better economic status.

Economic status of any country is based on that country's politics. Political parties and balance in politics play a significant role for economic growth. Current situation of economy in Pakistan is not in a good position due to lack of interest for the growth of country. Political parties are busy in their own agenda and playing blame games, instead of working for the GDP growth rate. Pakistan is facing severe consequences of economy loss.

"Enough has been said, written and read about the problems in the country. The blueprints are elementary text books. it doesn't require rocket science knowledge to uplift a debt-sticken country with a GDP per capita \$17,00 to a more respectable \$2,000 per capita." A. AH Soomro, "Self inflicted economic crisis," 23 January, 2023.

Pakistan is facing continuous decline in remittances which they are getting from outside and foreign investment also dropped. there is huge impact put on import because Pakistan is totally dependant foreign assistance. Pakistan is facing trade deficit, due to which dollar shortage occur in Pakistan and also as the dollar shortage occur Pak rupee devalued which put another bad impact on the economy of Pakistan. if Pakistan come to the point of political instability, this is one of major cause. they are not taking been interest for GDP growth. Pakistan is facing trade deficit and many foreign investment

stopped. Another major effect which is due to the natural disaster impact on the economy and infrastructure of Pakistan. Pakistan is at the 40th number among countries with \$305 billion. Pakistan faced economic loss in flood is \$30 billion USD and for reconstruction there is required 16 billion USD.

Pakistan is facing economic deficit after flood much more. As Pakistan raised voice in COP27 for assistance and for the reconstruction of Pakistan.

"Pakistan's situation of economy growth is falling down day by day, this is not a new tragedy and traumatic event for Pakistan. Pakistan is facing this situation from many years which was need to overcome but our leaders didn't participate much for the betterment of economic growth which push Pakistan now on the verge of economic collapse." Shahid Mehmood

4 "An economic collapse," 14 January 2022.

Pakistan is a land of many renewable energy resources. It is a land of a lot of opportunities. By using that opportunities Pakistan can attract foreign investment

and also can attract tourist inflation which is very beneficial for Pakistan's economic growth.

Due to decline in economic growth it puts pressure in the internal affairs, it raises inflation. Inflation cause another destruction in the country. People are facing in getting things which they need for their daily uses due to raise in prices. Many Petrol pumps closed in Karachi due to inflation and raise in taxes. their outcome of oil is less than the taxes which are putting on them.

"Pakistan is at it's worst condition than the history because economic fall down, shortage of dollar, remittances reduction, closure of petrol pumps and industries. These all circumstance pushing Pakistan at its worst condition and Pakistan is almost near to Bank-ruptices. Due to which Imf delaying debt." Shahid Mehmood, "Pakistan's economic Potential", 22 August 2022.

Imf is asking to fulfill recent promises upon which they have provided \$1.1 billion to Pakistan.

Now it's time to think political leaders

that they should have to stop fighting for their personal gains, they have to work country's growth and save Pakistan from default and they should have to take steps for the economic growth of Pakistan. Because as political conditions get better foreign investment will increase. "Governance should have to work for the country, they have to provide more job opportunities and also start more plants and industries for the economic growth of Pakistan." **Maleeha Lodhi, "failure of economic governance", 16 January 2023.**

As recently, Russia agreed to provide Pakistan oil on at lower cost, their energy minister "**Nikolay Shulginov**" visited Pakistan and signed an agreement to provide Pakistan oil at lower cost. Pakistan will get oil import from Russia after march. Like this, Pakistan need to encourage other countries to make agreement for country's production and growth. This step will be a huge favour for Pakistan's economy which is near to collapse. Pakistan

also need to resolve issue with (TTP) Tehrik Taliban Pakistan because as peace and security maintains in country, then more countries will come for investment. Pakistan governance need to set proper budget to resolve issues. **Imf** demanded from Pakistan that they should have to reduce overuse of gas and many other products and also increases prices of gas. "As the price of gas will increase, Pakistan inflation will rise upto 60% as it is already 30% present in Pakistan."

(Shaukat Faysal Ahmed Tarin)

He further suggested government should not accept all the demands of the **Imf** because it put pressure on the economy of Pakistan. As Pakistan is already facing a lot of trouble. Pakistan need to bring dollar in the form of debt or through export but this is necessary. Due to this Pakistan will be at safe zone and chances of bankruptcies will be decline. Pakistan should take initiative to check on smuggling of dollars, in

page: 9

this way, country will be safe from economic loss. Bank's situation will get better which will be a positive sign for a country.

Conclusion:

Pakistan facing economic collapse due to the internal conflicts and bad policies. As Pakistan cope up with them. This will be a positive sign for economic growth and more investment will increase, country's relation with other countries will be get better and import, export will increase which makes growth in economy and safe it from collapse.