

Q

Is Pakistan following the same path as Sri Lanka walked.

What are similarities?

Give your recommendations.

Ans: 1-

### Introduction:

"Pakistan is a country of concern"  
(USHR - 2023)

Pakistan has been walking on the same path of Sri Lankan government. Sri Lanka fell in economic crisis due to several reasons. Similarly, Pakistan is also following the same pattern. Therefore, Economy of Pakistan and Sri Lanka can be reformed by implementing certain policies.

2-

## An overview of Sri Lankan economic crisis

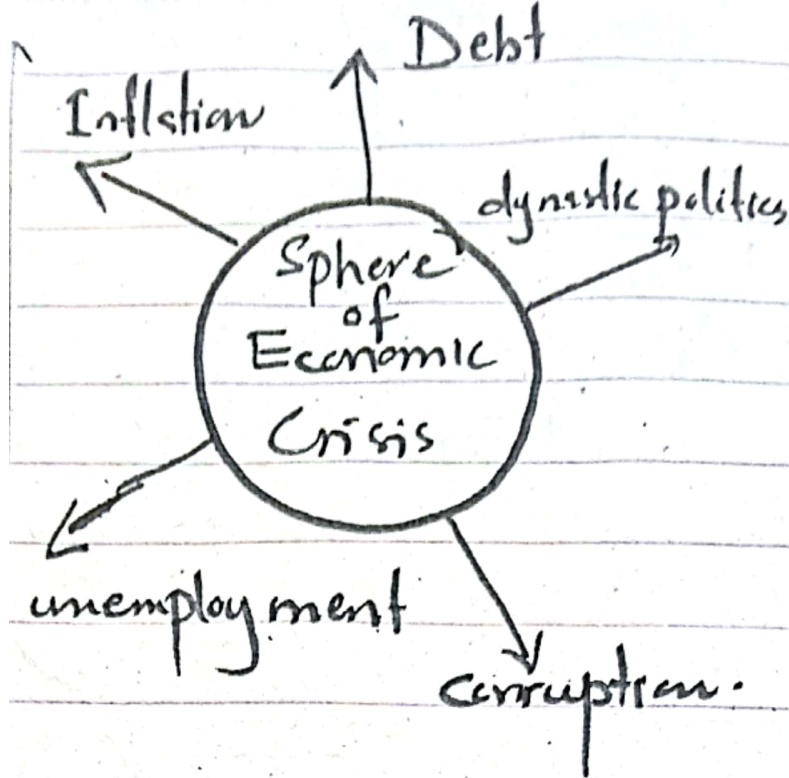
"Sri Lanka is caught in a vicious sphere of economic crisis."

~ Rajapaksa  
(Ex-PM of Sri Lanka)

Many factors such as rampant corruption, dynastic politics, tremendous external debt, surge unemployment, and skyrocketing inflation led economic crisis in Sri Lanka.

In 2011, external debt of Sri Lanka was \$21.7 billion, and in 2021, it became \$52 billion. (Think tanks, economy debate, 2022)  
Hence, Sri Lanka fell in economic crisis.





• Sihanakan Economic crisis

## Comparison of economic crisis of Sihanaks and Pakistan

"Poor governance is responsible for economic crisis."

(~Economic Survey)

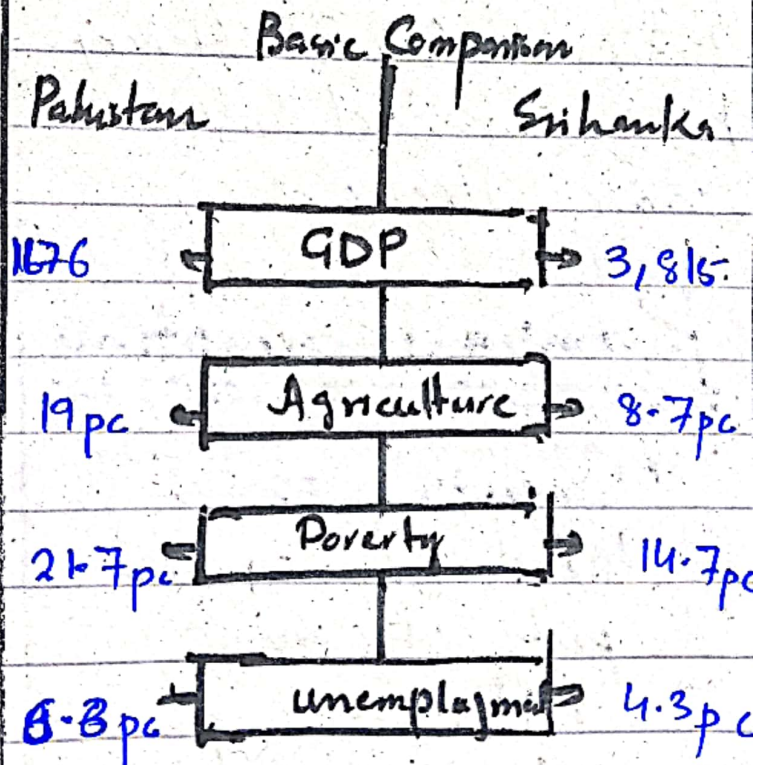
Following are main

economic comparable factors responsible for economic crisis:

a)

Basic macro-economic comparison - 2021

The data below indicates economic comparison of 2021.



Therefore, Pakistan and Sri Lanka is on the same path.



## b) Resurgence of terrorism

In War on Terror,  
Pakistan fell deeper  
in economic crisis.  
As per report,  
\$150 billion and  
70k people became  
loss. (Economic  
Survey) - Similarly,  
Sri Lanka also faced  
civil war from  
1987 to 2009. Hence,  
both faced the  
same issue.

## c) Rampant corruption

'Corruption is a  
disease, we must  
put it down  
with an  
iron hand.'  
(Quaid-e-Azam)

Pakistan and Sri Lanka

are continually revolving in a cycle of corruption.

## External debt ~

## dependency syndrome

Pakistan depends on friend countries, UAE, KSA, China etc for loan. As per report, \$53.5 bn is external debt.

(SBP - 2022). Similarly, Sri Lanka relies on Chinese loan.

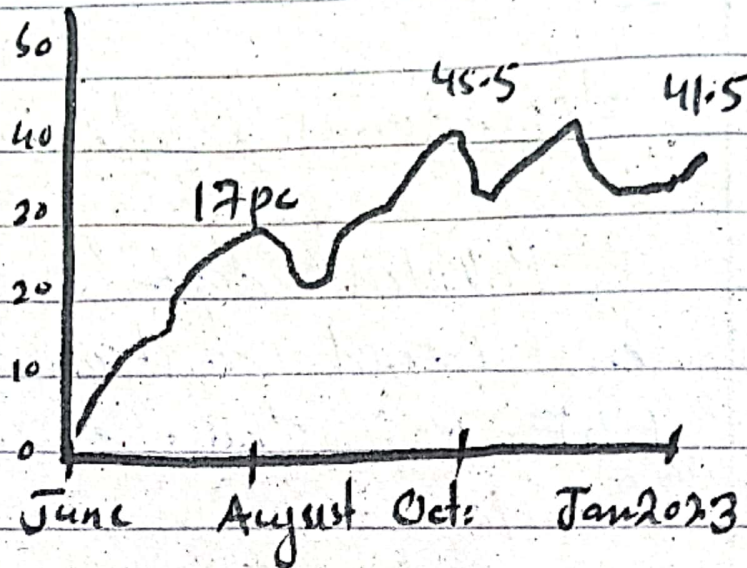
47% is from China. (think tanks). Therefore both are in the same phase.

## Skyrocketing inflation

In Pakistan, inflation is reached



at 35.5pc, since 1965, the highest rate. (Annual consumer price inflation, 2023)



• Sensitive Price Indicator  
/ 2023

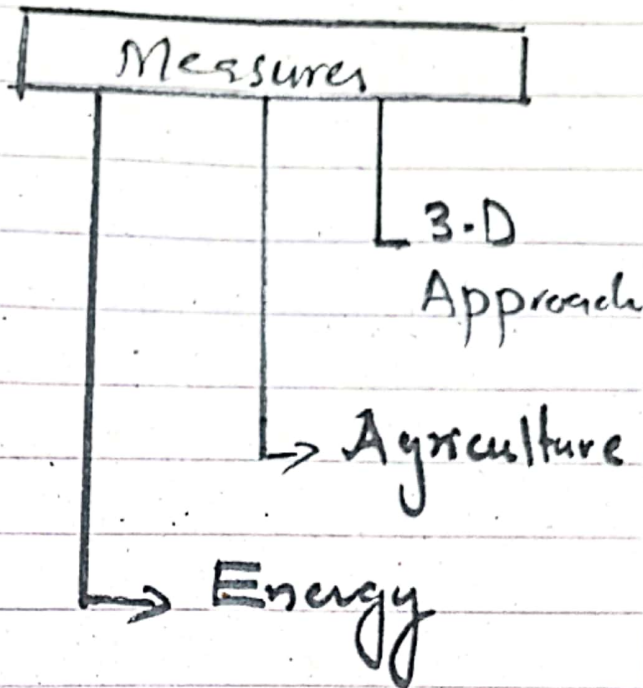
Similarly, Sri Lanka was also in hike, 64.5pc in 2021. (Economic Survey)

Therefore, both countries are in economic crisis.

4-

## Ways out to manage economic crisis

Following are measures:



a)

### 3-D approach

Both, Pakistan and Sri Lanka need to shift its policies as a long term goal. 3-D approach will ensure long term strategy.



D <sub>1</sub>	Derolve
D <sub>2</sub>	De-generate
D <sub>3</sub>	De-regulate

• 3D - Policy

b

### Agriculture focus

Pakistan needs to improve its agriculture. By focusing on agriculture, economic growth will increase by 24 pc. (Agriculture department.)  
Therefore, focus on agriculture.

c)

### Renewable energy

production

"Pakistan has  
a tremendous  
potential to  
generate  
energy."

(UN-Report 2023)

By focusing on energy  
both countries can  
improve its economy.

## Conclusion

"Economy is a  
basic indicator  
of sustainability"  
(UN-Report)

Pakistan and Sri Lanka  
are revolving in a  
cycle of economic  
crisis. But, adopting  
certain policies