

Economic Crisis in Pakistan: Needs for Institutional Reforms

① Introduction

② Thesis statement

③ Pakistan's Economic Crisis

a Fiscal Deficit

b External Debt

c Inflation

d Low GDP

e PKR Devaluation

f Energy Crisis

g Political instability

h IMF Policies & Demands

④ Institutional Reform for Economic Stability in Pakistan

(a) Fiscal Reforms

→ Fiscal discipline & responsible management system.

→ Rationalizing government expenditures & reducing wasteful spending.

→ Remove extra subsidies.

→ Strengthening tax collection mechanism & broadening the tax base to increase revenue.

→ Implementing effective budgeting processes.

(b) Monetary Policy Reforms:

- > Stable & well-managed monetary policy
- > Enhancing the independence & credibility of the central bank.
- > Implementing inflation targeting as main purpose
- > Control over money supply & interest rate.

(c) Exchange Rate Policy

- > Exchange rate to be determined by market forces.

-> Building up foreign exchange reserves

-> Manage currency depreciation

(d) Trade & Investment Facilitation

- > Simplifying trade procedures & reducing trade barriers.

-> Attracting foreign investment, friendly policies.

-> Reducing trade taxes.

(e) Public Debt Management:

- > Developing a comprehensive debt management strategy.

-> Reducing the reliance on expensive external debt.

-> Ensuring accountability in debt related transactions.

(f) Energy Sector Reforms.

Attract sector investment in energy generation & distribution

→ Reducing losses & theft in the energy supply chain.

→ Conclusion.