

Q NO: 1

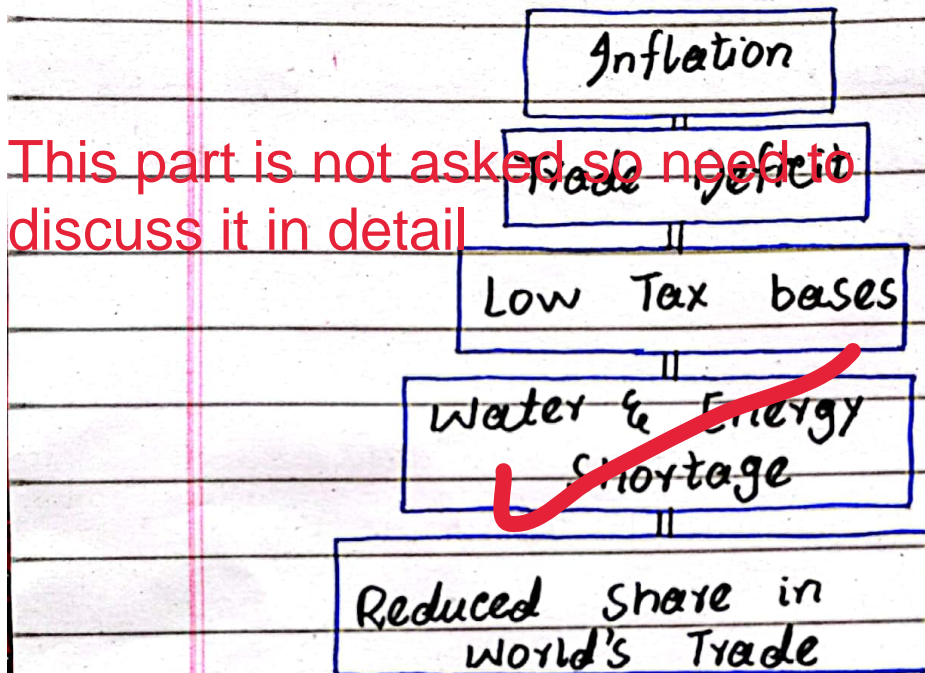
What measures would you suggest to improve the economy of Pakistan particularly in the areas of debt reduction and enhancing export capacity?

1 Introduction:-

Pakistan, today confronts multiple challenges that vary in intensity. Some of these challenges are multi-dimensional and complex and will certainly take many years to overcome. Some of these challenges are ~~multi-face~~ self-inflicted by the power-houses that has numerous socio-economic consequences. Poor economy remains chieftain among all the problems. Today, Pakistan is facing many economic challenges that will

take many years ~~to~~ and honest efforts to overcome.

2 Economic Challenges of Pak:-



Economic challenges of Pakistan are;
 Import-Export Gap:-

Pakistan is a country which import more and export less. Pakistan's trade deficit was ~~\$25~~ Billion in Jul-Aug 2021. Moreover our share in ~~World~~ world trade is also shrinking. According to

\$ Billion

Imports

Exports

8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0

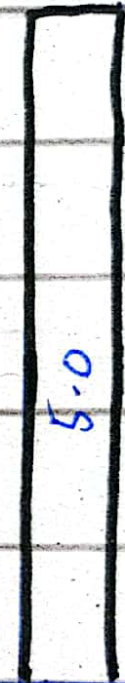
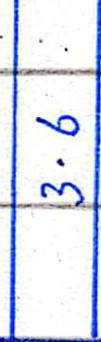
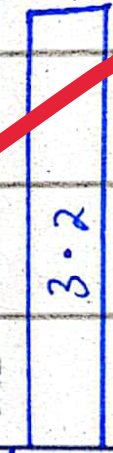
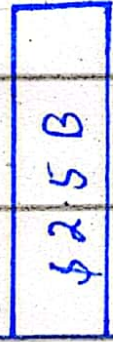
Feb-24

Mar-24

Apr-24

May-24

Jun-24



World Bank, Pakistan's share in world export has been reduced from 0.18% to 0.14%. Besides trade deficit, Pakistan also confronts fiscal deficit. Unfortunately, revenues are less and expenditures are more. Recently, UNIP shared a report claiming that Elite privilege consumes \$17.4 billion of Pakistan's economy.

ii LOW tax bases:

Pakistan has been grappling with tax-evasion. A large portion of our economy remains undocumented leading to low revenues. According to PPIE, Pakistan tax evasion is estimated at Rs. 5.8 trillion.

iii Inflation:-

Inflation remains a problem for Pakistan since its independence. Even now the inflation rate in Pakistan 16%. Pakistan has

not been able to control inflation.

iv Energy and Water Shortage:

We are facing shortage of energy and water as well which has badly effected our industrial sector.

3 Measures to be taken:-

The Pakistan government should take some immediate measures to tackle this problem. We should adopt such policies that can bring long-lasting effects to our economy instead of short term solutions.

Measures to enhance

Exports:-

i) Policy and Institutional reforms:-

Pakistani government should support our industrial sector. They should be offered tax-breaks, subsidies, and financial support to the industries that are export-oriented. Pakistan should adopt the "made in Pakistan" approach and reduce

it's dependence on the imports.

ii) Diversify Export Portfolio:

The major portion of our exports depends on textile.

But now our state have to move beyond textiles. There are many other sectors that can provide us more exports such as pharmaceuticals, IT

sector and agriculture. Secondly we should do value addition to our existing exports.

For instance, instead of raw cotton we should export branded clothes.

iii) Solve the infrastructure and Energy problems:-

Pakistan, today confronts energy and water shortages, and lack of infrastructure.

Due to the energy problems, many industries have been shut down in Pakistan. For example

the renowned brands Nishat and Toyota has stopped their manufacturing due to energy shortage and ~~the~~ very high energy prices. So it is the time our state should address the problems of industrial sector.

Add more arguments

Measures for Debt Reduction:-

i Fiscal Discipline:-

To reduce the debt of Pakistan, the government should address the fiscal deficit. Expenditure must be reduced and the revenues should be improved. The unnecessary ~~prod~~ expenditures by our state and its ministers should be reduced. Although the government of Pak recently vowed to do this but

no improvement has been made
yet.

ii Tax revenues:-

Tax evasion is hampering our development to a great extent. Tax bases should be improved to increase our revenues.

AS Finance Minister of Pak said; "Countries cannot be run on charity, but taxes."

So in order to increase our revenues, we should broaden the tax bases.

iii Strengthen the Foreign Reserves:-

In this case, our state should focus on remittances. Such policies must be introduced that can attract the remittances by gaining the confidence of overseas

Pakistanis. Furthermore investment from foreign investors should

Date: ___/___/20___

be increased by creating
a friendly environment for
investors.

Some other measures that
should be taken:-

- Political stability
- Improving law and order
situation.
- Transparency
- change in National Psyche.
- Institutional reforms.

End with conclusion.

A 20 marks answer should have
around 15 subheadings