

Inflation and public debt: Major risks to Pakistan's economy.

Outline

1- Introduction

Thesis statement: Undoubtedly, inflation and public debt pose major risks to Pakistan's economy. Several evidences including, repetition of poverty cycle, unemployment, and weak IT sector highlight dangling condition of Pakistan's economy. However, some rational steps will reform the economic sector of Pakistan for sustainable growth.

2- An overview of inflation and public debt of Pakistan

3- Manifestation of inflation and public debt of Pakistan

- Rise of fuel prices continuously
- A vicious cycle of mounted public debt
- Surging prices of commodities
- Power prices at hike

4- Inflation and public debt as a major risks to Pakistan's economy

- Repetition of poverty cycle throughout the country
- Long-prevailing unemployment in the country
- Weak and slow growth of IT sector
- Unending dilemmas of brain drain

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- e) Growing population explosion increasing expenditures ✓
- f) Tremendous shift towards foreign loan ✓
- g) Skyrocketing devaluation of rupees ✓
- h) Increase in taxation on goods and services ✓
- i) Decline of local entrepreneurship and industries ✓

5- Methodologies to reform economic sector of Pakistan

- a) Approaches different sources of loan ✓
- b) Reforms IT sector of the country to encourage employment ✓
- c) Improve quality of education to equip the youth with modern skills ✓
- d) Launch subsidy-based programmes throughout the country ✓

6- Conclusion

Attention Grabber

"Pakistan, unfortunately, has become the seventieth most expensive country of the world" (Pakistan Bureau of Statistics, 2003). Has Pakistan become the most expensive country in the world? Mounted public debt and inflation serve as a clear demonstration of ailing economy of Pakistan.



Rise of fuel prices continuously

Undoubtedly, inflation and public debt has posed major risks to Pakistan's economy, among them rise of fuel prices continuously is a chief evidences of it. Tremendous rise of fuel prices indicates conundrum of economic sector. As a consequence, rising prices pave a way for inflation and put Pakistan in public debt cycle. In January 2023, increase of 27.6 percent of fuel prices made the highest inflation of 76 years. (Pakistan Bureau of Statistics, 2023). The above evidence highlights that rise of fuel prices continuously poses risks to Pakistan's economy.

