

# Pakistan Rich in Natural Resources but Poor in Management

## Outline

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- a- Natural Resources are ultimate driving force
- b- Definition of natural Resources
- c- Thesis Statement

### 2. Pakistan's Natural Resources and their Mismanagement

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- i- Largest irrigation network but is in desperate need of repairing
- ii- Possession of fertile land but very low yield
- iii- 40 percent employed workforce but very low contribution to GDP

#### b- Loopholes in the Management of Animal Husbandry

- i- 4th largest milk producer but smallest <sup>Dairy</sup> Exporter
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#### c- Worst Energy crisis: Proof of Poor Management

##### i- Mismanagement of Thar coal project

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- d- Misuse of water Resources leads to water scarce country
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- f- Inefficient use of sunlight to generate Solar Energy
- g. Mismanagement of Pakistan's Mineral wealth  
Rikodeer Project
- h. Non Preservation of abundant forests.
  - Reduction of forests from 33 to 3%
  - illegal logging activities of timber mafia.
  - Extinction of Wild life.
- i - Non Capitalization of Human Resources
  - 5<sup>th</sup> largest population in the world
  - Youth comprising major chunk.

### 3- Impediments in Utilization of Natural Resources

- a. Political instability resulted in untapped natural resources
- b. lack of vision and planning.
- c. flawed policies
- d. Red Tapism
- e. worsened Law and Order Situation

## f. Weak Technological Base

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- a- Attracting <sup>Foreign</sup> Direct Investment
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## Essay

Life without conservation of natural resources would be like a deaf listening to music or a blind enjoying dance performance.

Natural resources affect the life of a modern man directly or indirectly. The impact is quite visible at consumer level, industry level and means of transportation. No one can deny the fact that natural resources in different manifestations are ultimate driving force. So natural resources are materials or substances that occur in nature and can be used for economic benefit or to satisfy human needs.

These resources are drawn from nature and used with few modifications. On earth it includes sunlight, land, mountains, all minerals along with all vegetation, wildlife.

Some natural resources are renewable and some are non-renewable. Renewable sources are the one which do not deplete noticeably due to human consumption while non-renewable resources are those which once consumed by human use are not replenished by nature. Pakistan is

undoubtedly most richly blessed by natural resources. This wonderful country has marvellous landscape varying from plains and deserts to lush green forests, snow clad mountains and varying plateaus. Not only the landscapes and scenery but very precious natural resources have also been gifted to this land in bounteous proportion. However the inhabitants of this blessed country have mostly not been able to manage its abundant natural resources to get maximum benefit from them due to poor management. This dismal situation is caused due to severe flaws which have led to poor governance of country since its inception except some brief periods of economic prosperity. Prevalent political rivalry and instability worsening law and order situation and rampant corruption have led to resource impasse.

In addition, Pakistan is basically an agrarian country with around 64% of its population living in rural areas. Above 43% of Pakistan workforce is associated with agriculture, yet Pakistan is

is very low in agricultural production. According to Pakistan Bureau of Statistics, the GDP has fallen from around 25.6% to 17.36%. Besides this Pakistan has one of the world's largest irrigation system founded some 5000 years ago during the age of Indus valley civilization and expanded from time to time. But now the situation has been worst as it is desperate need of repairing. In our country out of 77 million acres cultivable area only 55.5 million acres have been ploughed. The country is blessed with four seasons and variety of crops can be produced but we produced major four crops wheat, sugarcane, cotton and rice which run the wheel of economy. No attention is given (being paid) to high value products such as fruits, vegetables, oil seeds, pulses etc. Though 10% of imports comprise vegetable oil and animal fats and 7% of food and livestock. Pakistan did not utilize its arable land to plant high value crops and has not been

able to achieve any special advantage from its agricultural land.

Likewise, being an agricultural country it possesses tremendous scope of animal husbandry. Pakistan's breeds of cow like Sahiwal cow is the best breeds of world. According to FAO, Pakistan is ranked as the 4th largest dairy producer in the world. About 97% of milk consumed in the fresh forms and remaining 3% is processed. Such minimum amount of milk is processed due to absence of an integrated coordinated system of milk collection, chilling plants, refrigerated vans, and retail outlets for distribution. Moreover country still ends up spending Rs 20 billion to import milk and other dairy products every year. According to Economic Survey of Pakistan 2023-2024 live stock having 60.84% share in agriculture and 14.63% in GDP. The country produced at least 4.9 million tonnes of meat in 2020-21 as per the Economic Survey of Pakistan. Of it only 95,991 tonnes which is 2% of the

total production could be exported. Pakistan may capture a halal meat market as there are more than 50 muslim states in the world but foot and mouth disease (FMD) and lumpy skin disease are not letting Pakistani meat to be accepted in the international market.

Pakistan has very meagre share of less than 0.3%. In the global Halal meat share of market which stood at 1.2 \$ trillion in 2020 and is expected to expand to around 3 \$ dollar by 2026.

Poor policy making, government oversight, smuggling of living animals, slaughtering of female animals, destruction of animals at the hands of devastating diseases, substandard preservation and packing of meat products and loopholes in the management of this sector have made Pakistan incapacitated to accrue billions of dollars from the export of livestock products. How we are wasting lands and livestock because of poor management is a disappointing ground reality. On the other hand most of population of



coastal areas of Sindh and Balochistan depends on fisheries for livelihood. According to Economic Survey 2023-24 fishing having 2% share in GDP. The coast line of 814km provides ample opportunity to enhance this industry but water pollution, overfishing in breeding seasons and degradation of mangroves (breeding sites) do not allow this industry to flourish.

Though Pakistan is not an energy deficient country, we have been suffering from the worst energy crisis for decades. There are plenty of non-renewable energy resources like oil, gas and coal in Pakistan. Pakistan has world's second largest coal deposits of 285 billion tons. There are estimated to be equivalent to 618 billion barrels of crude oil. This is more than twice if we compare it with oil resources of Saudi Arabia. If it is converted into oil by gasification it will generate 650 barrels of crude oil which at an average market rate of eighty dollars per barrel, would gene-

rate 5.2 trillion dollars. Although the coal is not of good quality. China imports its 65 percent of coal requirements but despite being "all weather friend" this giant energy importing economy does not import coal from Pakistan. Moreover Pakistan is 6<sup>th</sup> largest gas producing capacity in Asia. It has more than 436.2 million barrels of oil, according to CIA World Fact Book, and 31.3 trillion cubic feet of proven gas reserves. The current oil production is 65,997 barrels per day while gas production is 4 billion cubic feet per day. Though it is not enough to meet the needs, it can save considerable outflow of currency. Moreover, there is resource potential of 27 billion barrels of oil and 282 TCF of gas reserves in the country which has not been explored due to lack of vision and flawed policies. In a report "In the Dark: How Much Do Power Sector Distortions Cost South Asia" the World Bank estimated that in Pakistan around 50 million people

still do not have access to grid electricity we burn furnace oil to generate electricity and our imports comprise 70% furnace and diesel products. District Thar Parkar in Thar desert of Sindh contains 175 billion tons of coal which can be used to produce 100,000 MW of electricity for more than 200 years. But poor management of this sector is evident from the fact that Thar Coal project has been managed so naively that instead of giving benefits it has caused us a loss of billions of rupees. Moreover Pakistan did not develop cheap hydroelectricity by constructing dams at the right time and let the huge gifts of water coming from the Karakoram and Himalayas ranges drain into sea without gaining substantial benefits in terms of electricity generation.

According to Economic Survey of Pakistan 2023-24 Pakistan is producing electricity 25.4% from hydropower, 59.5% from Thermal, 8.4% from Nuclear Energy, and most cheap but least 6.8% from Renewable resources (Solar, wind)

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Furthermore, water is undoubtedly the greatest of all natural resources for all life on the planet. Some experts believe that with three snowcapped mountain ranges (the Himalayas, Hindu Kush, and Karakoram surrounding Pakistan) spanning 11780 sq km with 7259 glaciers containing 2066 cubic km of ice, the country's water sources are infinite. However, the Pakistan Meteorological Department (PMD) has predicted that the country will become water scarce by 2025. In 1950 water availability per capita was 5000 cubic meters, in 2002 water availability per capita is 1500 m<sup>3</sup> and now water availability per capita is 860 m<sup>3</sup>. Whereas those countries who had 1000 m<sup>3</sup> availability of water are now scarce countries. The water consumed by metropolitan households in a country of above 220 million population is majorly coming from underground aquifers due to which table of water has been increased. In our country 40-50 million people do not have regular access to drinking water. Pakistan has

also mismanaged his precious natural resource. There are no laws regarding the usage of water. Anyone can install tube wells anywhere, at any depth, of any capacity and extract any amount of water. We use fresh water for washing automobiles, floors, pavements, horticulture. Overground water is also being wasted rampantly.

As Pakistan is an agrarian country which draws 45% of fresh water in agriculture sector. Moreover industrial waste contaminate sea water which also affects aquatic ecosystem. So all these factors are responsible for water stressed country.

Though, Pakistan is lucky to have a substantial amount of wind. Data based on preliminary site surveys carried out by Alternative Energy Development Board (AEDB) and Pakistan Meteorological Department have indicated that coastal areas of Sindh and Balochistan provinces, some areas in Punjab and some northern areas possess adequate wind resources. Pakistan's coastal line 1046 km long,

long has the potential to produce 40,000 mega watts of electricity by using wind power. Jhimpir power project has started producing 500MW electricity. The power project is in the Gharo Keti Bunder wind Corridor in southeast Pakistan that is a high Quality wind resource Capable of generating over 50,000 MW of clean and affordable electricity. But Pakistan could not add even 1000 MW in this project after its installation since 2009. In Sindh, district Thatta, Karachi, Hyderabad, and Badin and in Balochistan district Gwadar and Makran Coastal Belt possess prospective sites for the development, installation and Commissioning of wind power projects. China installed its first wind power plant in 2008 with 650MW capacity, in 2009 it added 12000MW, in 2014 20,000MW Capacity was added. But Pakistan is still stagnant, due to poor management. Management of natural resources means you are able to harness a particular resource for your benefit when

you need it most, but Pakistan is still not harnessing this resource to get timely benefits and is wasting billions of dollars every year by generating electricity from diesel and furnace oil.

Like the wind, sunlight is also the cheapest natural resource which Pakistan has in copious amounts. Renewable solar photovoltaics and wind are local resources ideally suited to meet our large energy deficit. We, who boast of making the nuclear bombs should have manufactured solar panels inside the country to meet the energy needs on time. However, this technology is not being developed at the right time and billions of dollars are being wasted on outdated hazardous and burdensome thermal power plants which supply 64 percent of electricity to national grid along with 30 percent of electricity coming from hydropower plants and 6% from nuclear power plants. At present high power prices of bills is another tragedy for Pakistani masses if we generate electricity through solar

power plants we can produce cheap electricity. But solar energy is unused lifeline of Pakistan. 1046 km long coastline gives potential of 4000 mw of electricity. The vast lands of Balochistan can be utilized for solar electricity generation. But unfortunately these resources have barely been used due to technological backwardness and lack of innovative policies.

Along with energy resources the minerals are also vital natural resources available in great quantity. Pakistan has fifth largest copper and gold reserves in the world. The Rikho Deq projects copper and gold reservoirs have been estimated to be worth of 260 billion dollars <sup>to \$3 trillion</sup> which is ten times the all financial aid received from USA in last sixty years. Rikho Deq has 12.3 million tons of copper and 20.9 million ounces of gold reserves. Pakistan has variety of precious gemstones like Ruby, Topaz and Emerald in various areas like Gilgit, Horzger, Swat Dir and Kallat. Moreover, Pakistan has



the world's second largest salt mine. In 2005 Pakistan produced 45 tons of uranium. But instead of exploiting own resources for independence country has been dependent on foreign aid. How rich Pakistan is, and how poor Pakistanis are! There are another partially untapped resources of rock salts, gypsum, limestone iron marble and silica in large quantities. These resources have not been exploited due to corruption and lack of mining technologies, as foreign mining companies exploit the situation in their own favour. At one time, the Chinese contractors of Saindik copper gold mine project started extracting far more than the agreed amount of copper silver gold, mine project endangering a decrease in the life of mine from 19 years to 20 years. However, the matter was noticed by government later on. But the case of Reko Diq gold mine did not go well for Pakistan. When Supreme Court of Pakistan invalidated the agreement between Balochistan Government and Tethyan Copper Company

Ptv Ltd (Tco) the latter went to the arbitral tribunal of the World Bank's International Center for Settlement of Investment Disputes which ruled against Pakistan. The company claimed a recompense of \$400 million though the matter was resolved on a give and take basis. Ptv the parties later on. Neither the provincial government nor the federal government of that time had any idea of what the terms of agreement should have done. Even today, we don't know the actual estimate of the minerals promised by Reko Dik. Our poor policy making and management have caused us heavy losses in such projects.

Putting it concisely, our poor management leads to another crucial disaster that is Deforestation. The ruthless erasing of our forests depicts a sad story of how mercilessly we destroyed such assets. At the time of the partition, the country's forest cover stood at 33 percent. By 1990, Pakistan's forest cover had declined

to only 3.3 percent which further decrease to 0 percent by 2015. Illegal logging is widespread in the country and smuggling across the border to Afghanistan has been a perennial headache. In 2016 Pakistan Tehreek-e-Insaf chairman claimed that illegal logging by the timber mafia was responsible for Rs 200 billion <sup>trees</sup> losses in KP. The greatest loss of forests is resulting in soil erosion, flooding, loss of habitat and an increased amount of greenhouse gases in the atmosphere. Moreover wildlife is in danger due to deforestation. Many species have been extinct from Pakistan. Also many birds migrated to other forests of the world. Pakistan's total land area having forests is 4.8 percent, while there should be 25% land for forests. In Pakistan one tree is available for four persons. How poor we are. At the time of inception, 33 percent area was covered with forests but now it is reduced to 4.8 percent. It is clear proof that we are wasting

our natural resources.

Apart from these natural resources the most important of the natural resources in this globalized world is human resource. According to United Nations Fund for population Activities total population of country is 24.5 million and it ranks 5th among populous countries, having large chunk of young people about 63 percent below age of 25 years. Human resource can prove to be the vehicle of prosperity

in 21 century if managed properly.

63 percent bulging youth have become a burden rather than a vital asset.

Lack of attention toward technical education is proving a roadblock for efficient human resources development.

The reason is that untrained labour has no value in technologically advanced and digital oriented job market. Moreover presence of entrepreneurship in our society, promotion of local business is merely a pipe dream. The Silicon valley of America is a living

example of entrepreneurship in our society, promotion of local business is merely a pipe dream. The Silicon valley of America is a living

example of the marvels the entrepreneurship brings to a country's economy. With enterpenorial expeditions like Apple, Facebook having no examples in the world, it is clear how they <sup>much</sup> contribute to the human resources, management of their country. Pakistan on the other hand lacks the culture of such ventures and hence no expertise. The failed policies have caused mounting unemployment of 8 percent. So the resources which could be used to enhance the economic activity is left to no use which is adding to the increase in poverty. The lack of opportunities leading to the brain drain of talented minds has further worsened the situation.

So, the above analysis reveals that Pakistan is not poor but poorly managed country. The factors which have caused the poor management of natural resources include political instability, political indecision making, divergence, lack of vision and planning, flawed policies, bureaucratic bottlenecks and corruption, lack of human resource development.

worsened law and order situation. These factors lead to poor governance of country.

However it would be unfair to put all the burden of poor resource management on the political factors, the bureaucratic bottleneck and corruption have been equally responsible for this undesired scenario.

So bureaucracy is still in clutches of colonial mindset and legacy. There is a strong centralization of power at the top of departments. Moreover hierarchical structure results in slow modus operandi. So Red Tapes discouraged Foreign Direct Investment which is a reason behind a lack of development and management of mineral resources in Pakistan.

In addition, the worsened law and order situation has caused severe blow to the economy in general and natural resources management in particular. The volatile situation in Balochistan is harmful to the exploitation of resources. The Gwadar Port despite being located at crucial

location has not been <sup>made</sup> fully functional. The terrorism in the northern areas has been harmful for the potential tourism industry.

These factors ~~are~~ poor management have placed Pakistan in an undebirable situation domestically and internationally. The socio economic situation remains gloomy as the GDP growth rate is one of the lowest in South Asia at 2.2 percent, trade deficit is estimated about \$16 billion, inflation rate continues to be 12.6%, population below poverty line is alarming around 35 percent and unemployment is at 8 percent. Also it does not enjoy a favourable position among the comity of nations. It is ranked 123rd out of 139 countries in Global Competitiveness Index; It is at 134th among 192 in Human Development Index by UNDP and it ranked fragile states index 27 out of 179 countries. Moreover country is economically dependent on foreign aid and debt which has adversely affected

her standing in international community.

However, due to participation in <sup>end of</sup> War on Terror, the allies end up donating small amounts of grants which make fraction of what could be obtained from exploiting own natural resources. The external debt and liabilities have nearly doubled from \$37 billion in year 2000 to \$59.5 billion in year 2011.

No doubt Pakistan has been endowed with abundant renewable natural resources and vast reserves of non-renewable natural resources, but our bad management has caused irreparable damage to our economic security, jeopardised our food security and threatened our survival. A realistic comparison of the current data on our natural resources like forests, agriculture, livestock and water with their data at the time of partition of subcontinent gives us a mind numbing picture of how ruthlessly we have destroyed our country's natural resources. Lack of



vision and commitment on part of various governments, poor planning and adhocism at provincial and national administrative systems lack of comprehensive policies, the backwardness of general masses and feudal lords have caused our country to suffer great economic crisis which could have been averted had we managed our natural resources in the right way. Pakistani people either squandered their natural resources mindlessly or exploited them at the wrong time or used them in the wrong way. Hence it is a bitter reality that Pakistan is very rich in natural resources but very poor in their management.