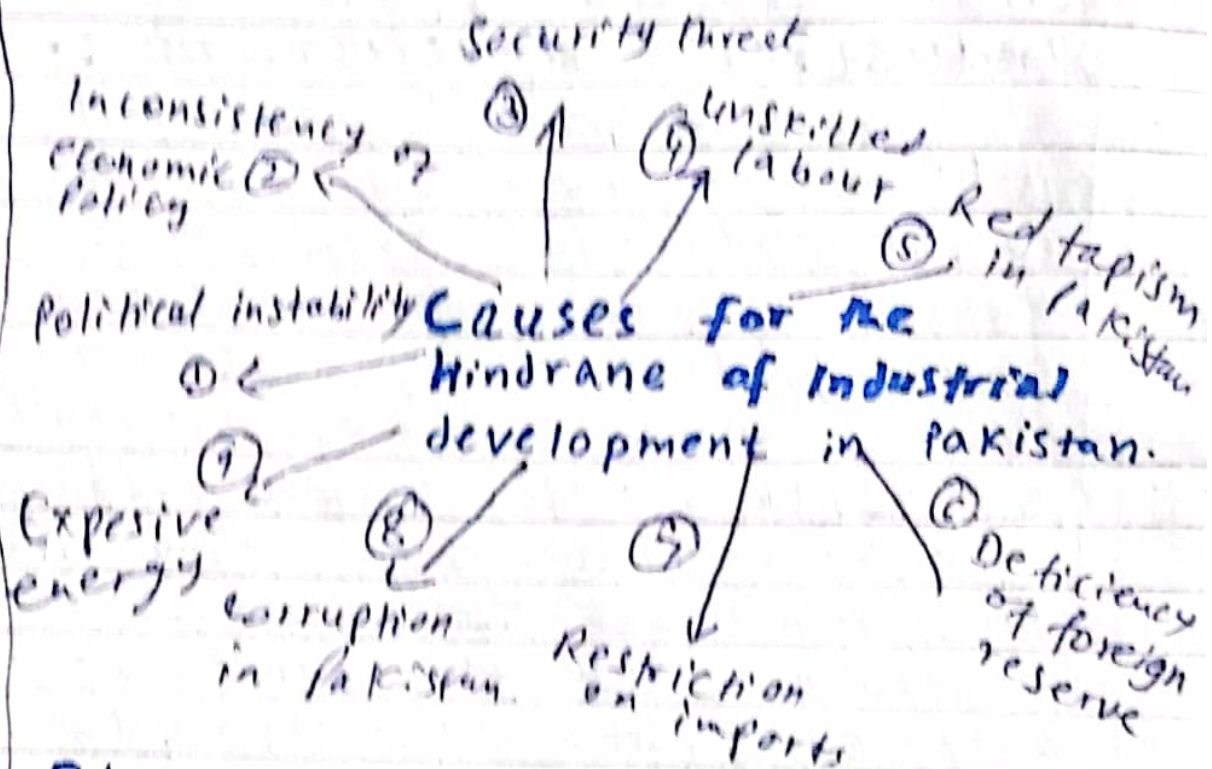


Q3 Industrialization is the backbone of the modern economic system
..... ?

Introduction of Pakistan's Industrial development :-

Industrial development is the most important in the world. Industrial development is the backbone of developed country. Industries are the place where raw material converts into finish goods at minimum cost, than hand made. Pakistan has large raw material resources such as copper, iron, gold etc, but Pakistan does not have factories where these raw materials convert in. Pure gold, iron etc. Pakistan faces hindrance in industrial development such as political instability, inconsistency of economic policy and Red tapism in Pakistan. It also includes security threat, unskilled labour, ~~brutto~~ deficiency of foreign reserves and costly energy prices. It also corruption involves in Pakistan's system at public and private sector. Thus Pakistan faces these challenges

which ~~has~~ reduced industrial development.



Elaborate causes for the hindrance of industrial development in Pakistan

1. Political instability in Pakistan :-
Political instability disharded investor from investment in Pakistan. In Pakistan, political instability is the main issue from the start of Pakistan. Political instability too raised after regime changed in Pakistan 2022. Due to political instability; inflation high, gov can not ~~take~~ ^{make} proper policy regarding economy, and some

time law and order situation creates such as when Ex-Prime minister was arrested in Islamabad high court ⁽²⁰²³⁾ then law and order situation was created and many public and private property were destroyed. Thus political instability breaks or reverse industrialization growth.

2 Inconsistency of economic policy in Pakistan :-

Inconsistency of economic policy in Pakistan is the major issue. Political government does not fulfill 5 year term period. The next government tople down previous government's economic policies. In 2018 - 22 the PTI government focused on Construction Industry and Textile industry. He used to follow expansionary economic policy but when his government exit from government the PDM government started contractionary economic policy. He raised high taxes on businesses. That is the reason investor does not come in Pakistan for investment.

due to short term economic policy.

3 Security threat in Pakistan:

Security threat in Pakistan is the big challenge which is faced by government and investor. Investor does not invest in the country where life and property are not protected. In Pakistan many attacks on foreign investors. Such as Dabul Dam where many Chinese employees were killed ~~March 2024~~ March, 2024 (Dawn). Recently in Balochistan many truck drivers were killed by Balochistan Liberation Army (BLA). When these message go on international level then investor will not come in Pakistan. If investor does not come then industries will not develop in Pakistan. So the security is high challenge to government.

4 Unskilled labour in Pakistan:-

When investor want to make industry in foreign country, he think there

will be available Skill labour
who will run his business.
Pakistan's education System is
very old fashion. University's
education does not meet
external technology environment
In ^{Pakistan} 2023 census report said,
" ~~Pakistan~~ 28 million child
is out of school." If
there are some skilled labour then
they ~~the~~ prefer to go
foreign country because there
is great opportunity for them.
Thus Pakistan's lack in
Skill labour force.

5 Red tapism in Pakistan:-
Red tapism is the
hierarch of buracrasy in
Pakistan. When investor wants to
invest in Pakistan he faces
approval of documents from
different department. This
is time consuming and investor's
time is very expensive so
that investor invest in
other country such as the
United Kingdom there is one
window operation. That reason

investors do not come Pakistan and Pakistan's industry does not grow.

6 Deficiency of foreign reserves
Pakistan faces deficiency of foreign reserves. Foreign reserves uses for payment to ~~external party~~ buy something and pay the dividend to Shareholder. when a country has high foreign reserves then investor ^{secure} feel and he take steps towards investment. Pakistan had \$3 bn in 2023 and now increased up to \$9.1 billion. Bangladesh has \$600 + bn. Dawn ^{year} 2024. That reason investor does not come in Pakistan and industries do not develop.

7 Restriction on imports in Pakistan :-

Investor wants free market where he can imports raw material and export, but Pakistan make tight policy and restriction on imports.

Investor can not import machinery and raw material that reasons he can not produce goods. If he does not produce goods then he will to exit the employees and industry growth will reduced. Monthly Economic ~~and~~ update ^{and out} look ~~June~~ June 2024 (Finance division) PK. The Largest scale manufacturing growth was 0.4% and previous year -8%. That reason investor does not come Pakistan.

B Corruption in Pakistan :-

Corruption is the big problem in Pakistan. Corruption means to ~~use~~ ^{misuse} own authority. ~~Pakistan~~ ~~has~~ ~~the~~ ~~to~~ investor does not come where high corruption because he has to pay for legal work other ^{with} his file will be missed. Pakistan is the 133 least corrupt nation out of 180 countries, according to the 2023 Corruption perception index reported by Transparency International. When investor

That reasons investors do not come Pakistan and industries do not develop. Costly Energy prices in Pakistan :-

~~Pakistan faces high challenges now days. Energy prices are very high.~~

Energy prices is very high in Pakistan. when energy price is high then cost of production will be high. Investor prefers those country where the cost of energy is low. in Pakistan electricity cost per unit is RS45, and gas price per unit is 40 (figures). That reasons investors do not come in Pakistan for making factories.

Conclusion :-

Pakistan's industrial growth has suffered and Pakistan faces different challenge such as political instability, Restriction on imports, high energy prices and so on. when government of Pakistan will have to take initiative to tackle all these problems.