

# ECONOMIC ISSUES

## IMF AND PAKISTAN

### OUTLINE

1. Introduction
2. Brief description about IMF
3. The IMF has three critical missions
  - (a) Furthering international monetary cooperation
  - (b) Encouraging the expansion of trade and economic growth
  - (c) Discouraging policies that would harm prosperity
4. Purposes of IMF
  - (a) To foster global monetary cooperation
  - (b) Secure financial stability
  - (c) Facilitate international trade
  - (d) Promote high employment and sustainable economic growth
  - (e) Reduce poverty around the world.
5. Role of IMF in developing countries
  - The IMF provides broad support to low-income countries (LICs) through surveillance and capacity-building activities, as well as concessional financial support to help them achieve, maintain, or restore a stable and sustainable macro-economic position consistent with strong and durable poverty reduction and growth.
6. Role of IMF in Pakistan
  - This is the strategy of the IMF to ensure sustainability and avoid the boom-bust that Pakistan has been experiencing for the last few decades. The primary focus on the stability of the prices in the country.
7. Why does Pakistan keeps going to IMF
  - Pakistan has been a member of the International Monetary Fund (IMF) since 1950. Due to the unpredictable nature of its economy and its dependence on imports, the IMF has provided loans to Pakistan on 22 occasions, with its most recent being in 2019 (Continued till now)

### IMF conditions on Pakistan

- (a) Hike in energy tariffs
- (b) Removal of energy subsidy
- (c) Increase in taxation
- (d) Privatization of public entities
- (e) Fiscal adjustments to the budget
- (f) To increase petrol levy
- (g) Debt management
- (h) To take austerity measures

### Pakistan economic outlook for 2023-24 (World Bank Report 2023)

- "As the country implements policy measures to stabilize macro-economic conditions, inflationary pressures dissipate, and rebuilding begins following the floods, growth is expected to pick up to 3.2 percent in FY2023/24, still below previous projections," the Bank's report said.

### How can Pakistan get rid of IMF?

- (a) By ensuring economic independence
- (b) By boosting exports
- (c) By reducing imports
- (d) By ensuring good governance
- (e) By expanding tax-net
- (f) By stabilizing the dollar
- (g) By reducing political instability

### Way Forward

### Conclusion

### SOURCES

- <https://www.imf.org/en/Countries/PAK>
- <https://pide.org.pk/>
- <https://www.dawn.com/news>
- <https://www.trtworld.com/>

⇒ IMF AND PAKISTAN.

Imagine a country which is striving for betterment of <sup>its</sup> ~~their~~ masses, Infrastructure and enhancing its trade but due to political instability, corruption and lack of Accountability and Transparency ~~and~~ it fails. So, ~~IMF~~ International Monetary Fund <sup>(IMF)</sup> is one of the institutions which support that countries like Pakistan as it may be stable. Pakistan is a country located in South Asia. It has strategic location on the other side, IMF is the institution which supports under developing countries ~~and~~ and give tranches. IMF has three critical missions whose main purpose is to; discourage ~~policy~~ policies that would harm

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prosperity, encouraging the expansion of trade and economic growth, Furthering monetary cooperation.

There are certain conditions of IMF on Pakistan: Debt management:

To increase in petrol levy, Privatization of public entities, increase taxation and removal of energy subsidies. Pakistan can be get

aid of IMF by boosting exports, by reducing political instability and stabilizing the dollar. It is clearly evident that IMF <sup>supports</sup> ~~shapes~~ the Pakistan.