

Economic challenges of Pakistan: Way Forward.

Outline

i) Introduction

Thesis statement: Pakistan ^{economy} is at the crossroad because it is facing numerous challenges. However, it is necessary to encounter these challenges. Therefore, Pakistan economy can grow through ^{some} changes in economic policies.

ii) Challenges of Pakistan economy.

- A) Low growth of GDP, which cannot absorb the flood of new youth for employment.
- B) Debt trap: highly budget used on debt repayment.
- C) Poor tax to GDP ratio and indirect taxes base ^{tax} revenue.
- D) Circular deficit due to deficiency of energy.
- E) Low investment on human capital.
- F) Decrease of Foreign direct investment

F) Relaying on remittance increased

G) Natural disasters : Floods 2021
and 2025

iii) Way forward for Pakistan
Economy

A) Knowledge Based economy

B) Export system change textile
into technical instruments and electronics

C) More investment on Research
and development.

D) Improve financial sectors and SME'S Access.

E) Climate resilient agricultural
Planning

F) tax collection system work effectively
and highly tax to GDP ratio.

G) Focus on blue economy & Renewable energy

H) Restructuring of bebt ^{Policy} and bailout

iv) Conclusion.

Pakistan is the country, which is connecting to the Middle east from western side, north-western side to central asia and eastern side to South asia. **Despite** of the fruitful location, Pakistan is not growing economically. Pakistan which is the fifth populated country of the world, it's people are facing poverty, unemployment and military issues. At the current situation, Pakistan is facing multiple economic challenges. Pakistan GDP is low, more budget used on loan repayment, and low tax to GDP ratio are the **main** problems of Pakistan economy. Further, Circular deficit, weak human capital, low foreign direct investment and natural disasters are affecting Pakistan economy. In addition to, Political instability and bad governance are pushing backward to Pakistan economy. **Therefore**, These challenges are bad impacting **on** Pakistan economy. It is necessary for Pakistan to encounter it timely.

However, knowledge based economy, investment on research and development, and export of information technological equipment can improve economy of Pakistan. Further, Stronger financial sectors and climate resilient agricultural planning are important ^{factor} ~~to~~ **encounter** economic challenges.

In addition to, effective tax collection system, review debt Policy, renewable energy **Policies** and blue economy are important ~~for~~ economic growth of Pakistan. However, **Economic** challenges are not decendent from heaven. It can be encounter through some reforms in economic Policy. At the conclusion, these challenges are effecting Pakistan economy. **Therefore**, these challenges must be eliminated for the economic development of Pakistan.