

Pakistan Affairs.

Q: Critically evaluate Pakistan's major economic challenges and also suggest some concrete steps to meet them out.

Economic Challenges

Introduction:-

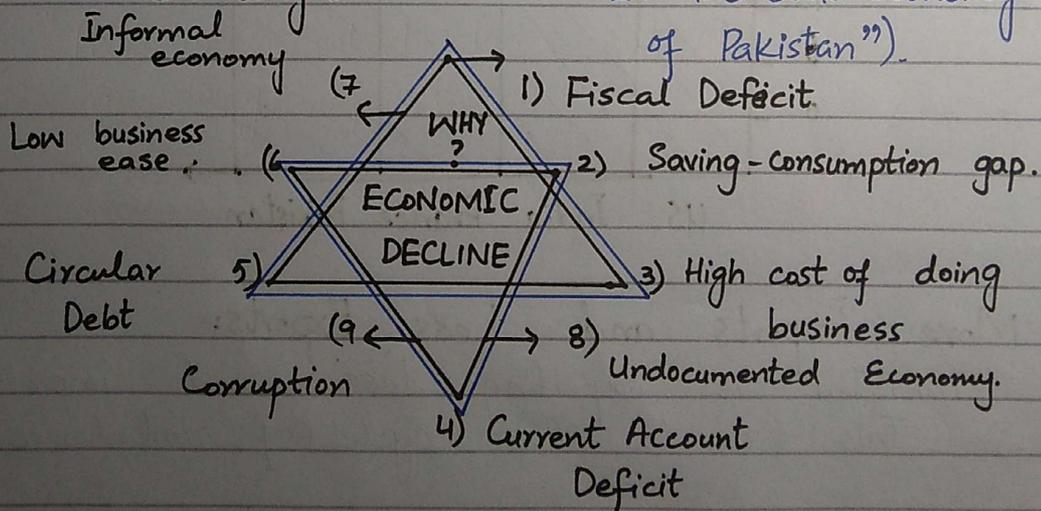
Without a doubt, Pakistan is suffering from various issues but still the most prevailing and pressing issue of Pakistan is the 'Economy'. Pakistan has suffered greatly in terms of poor economy.

The irregular system of economy of Pakistan is hampering the growth of Pakistan. For resolving the issue of economy. A prudent and concrete and constructive steps and determine to resolved the issue of economy.

"The biggest woes which is hampering the growth of Pakistan is the economy system of Pakistan"

Pakistan's Major Economic Challenges

(Akhbar S. Zahid
In the book "Economy of Pakistan")



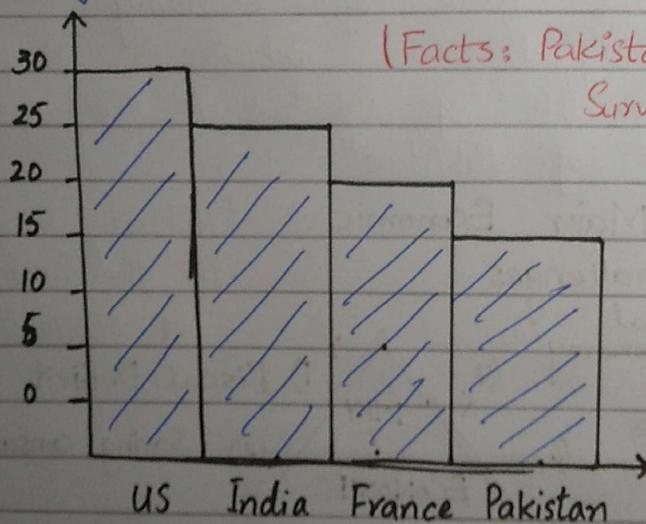
These are few of the major economic challenges of Pakistan.

1) Fiscal Deficit:-

The major cost Pakistan is bearing in terms of economy is the **fiscal deficit**. Pakistan is earning less and spending more. This concept is called as **fiscal deficit**. Pakistan fiscal deficit is increased 15% from earlier. (Pakistan Bureau of Statistics).

2) Saving - Consumption Gap:-

The other major challenge is the **saving - consumption gap**. Pakistan is only saving 15% while other countries are saving more than US. Even countries which follow our development plan is way head from us.



3) More Imports and Less Exports:-

Pakistan is exporting less and importing more. This creates a cycle of imbalance.

Imports 75%  (Pakistan Bureau of Statistics)  Exports 25%

This is quite opposite in case of other countries.

4) Increasing circular debt:-

The increasing circular debt is the major cause of failure of Pakistan's economy.

"2.43 Trillion circular debt is on Pakistan"

(Economy Survey-2024)
Akhtar & Zahid in his articles states that "the constant havoc of circular debt have imbalance and fragmented the economy of Pakistan."

5) High cost of doing business:-

Pakistan is not an ideal place of doing business as it has many costs involved.

"Pakistan ranked 108 out of 160 in doing of business"

(Pakistan Economy Survey).
This is also biggest challenge for Pakistan Economy.

6) Low ease of Doing Business and Corruption:-

Low ease of doing business and corruption is the biggest challenge for

Pakistan in doing business -

"We cannot grow until or unless we will resolve the issue of corruption".

(Ayesha Jalal).

Pakistan is among 5 top worst countries for doing business, states Maleeha Lodhi. Pakistan is considered as the most corrupt nations and standing at 107 position out of 160. (Corruption Index).

7) Informal and Undocumented Economy:-

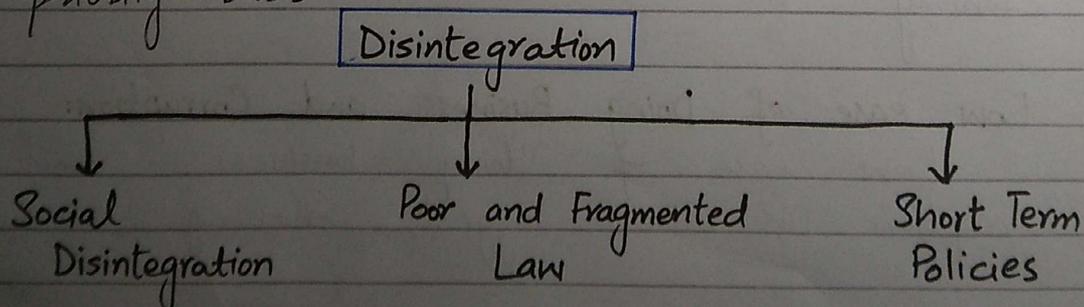
"Pakistan's 85% Economy is undocumented".

~ WTO -

Pakistan is facing an issue of undocumented economy and it needs the overall revamp for resolving this issue. Otherwise, the ~~reperc~~ repercussions will be worse.

8) Disintegration and Poor Policies:-

Disintegration and poor policies is another main challenging aspect of Pakistan's deteriorating economy. This must be resolved on priority basis.



STEPS FOR RESOLVING ECONOMIC WOES:

