

# Pakistan's Economic Future: Can the Country achieve Sustainable Growth?

## Outline

### 1- Introduction

a) Thesis statement:

Pakistan's economy, despite struggling with crisis, has the potential to achieve sustainable growth, which depends on addressing key challenges and leveraging opportunities effectively.

### 2 Current status of Pakistan's economy (An Overview)

### 3 Indeed, Pakistan's Economic future is bright and country can achieve Sustainable Growth (Thesis)

a) Pakistan's geo political and Strategic Location: A Gateway to sustainable Growth

b) Demographic dividend in Pakistan: Power of Youth

→ 64% population under 30

c) Pakistan: A ~~country~~ blessed Country, full of resources

→ 3.45 billion tons coal reserves

d) China Pakistan economic Corridor: A Game changer for Pakistan

e) Modernization of Agriculture

→ Sustainable Farming techniques

f) Potential of Tourism Industry

→ Rich cultural heritage sites.

4- Pakistan is struggling with economic crisis, which serve as hurdles in achieving sustainable Growth.  
(Antithesis)

a) High inflation discourages investment on sustainable agreements

b) Dependency on foreign aids and Loan restricts Sustainability

c) Insufficient Energy supply results in poor industrial productivity

d) Diversion of Resources away from sustainable projects

e) Economic crisis divert attention from environmental Conservation.

5. Despite several hurdles, Pakistan <sup>is</sup> ~~can~~ achieving sustainable Growth

a) Despite inflation, Pakistan has invested on various renewable Energy and other Sustainable projects

→ Quid-e-Azam Solar Park

b) Foreign aids and loans facilitates sustainable Growth.

→ China's loan for CPEC

c) Energy shortages created an urgent need for alternative solutions such as Solar power, wind power and Biomass Energy.

d) Diversion of Resources is justified for Strategic economic Growth

e) Despite economic crisis Pakistan is playing great

role in environmental  
Conservation

→ Participation in COP-29

6 Conclusion

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## Essay

Although the proverbial rabbit had all the speed and skills to win the race with tortoise, it took the race so easy and went to sleep on the way. On the other hand, the tortoise did not have speed but it had only one thing in his favor that is persistence. So, it kept on walking and won the race. Similarly Pakistan has all skills, power, resources to achieve sustainable growth but yet it takes its skills too easy and ignored the crisis developed in economy and sustainable

growth. Although Pakistan economy is struggling with crisis, it has potential to achieve sustainable growth, which depends upon addressing key challenges and leveraging opportunities effectively. The opportunities to achieve sustainable growth includes Pakistan's geo strategic location, demographic dividend, abundance of resources, CPEC, modernized agriculture and Tourism potential. There are several hurdles in achieving sustainable growth, for instance high inflation, dependency on foreign loan, insufficient energy supply, resource diversion and neglect of environmental concerns. Despite these hurdles Pakistan can achieve sustainable growth as these hurdles ~~can~~ are not stopping country to attain sustainable growth. Despite high inflation the country is investing on various projects, loans are assisting in building sustainable projects and energy shortages creates urgent need for alternative

solutions and diversion of resource is justifiable. Moreover despite economic crisis - the country is playing great role in environmental sustainability.

Pakistan's economy is struggling with several crisis such as high inflation, fiscal deficit, huge debt and currency devaluation. Which serve as a barrier in sustainable growth. Sustainable growth refers to the process of economic development that meets the needs of present generation without compromising the ability of future generation. Despite several challenges, Pakistan's economy according to latest reports published by World Bank is exhibiting signs of stabilization and gradual recovery following a period of significant challenges. In fiscal year 2024, the economy grew by 2.5% indicating

a positive trajectory. Further more the Asian development Bank forecasts Pakistan's GDP growth at 2.4% in 2024 and 2.8% in 2025, indicating a steady yet modest recovery. This shows the future of Pakistan's economy is bright and it can easily achieve sustainable growth.

Thus, currently Pakistan's economy is on a path to recover the economic losses hence ongoing efforts in Policy implementation and structural reforms are essential to ensure sustainable growth.

Indeed, Pakistan's economic future is bright it can achieve sustainable growth as it is blessed with a lot of opportunities. To begin with the great opportunity that is Pakistan's geo political and strategic location which serve as gateway to sustainable growth. Pakistan

has a great importance due to its geo political location. It provides trade route to china, india, afghanistan and Iran. The Prime position of Pakistan in south asia is a great opportunity in order to get sustainable growth. As it provides connectivity to the trade routes for china in central asian republics and Europe while giving access to india in Afghanistan and vice versa. Further more construction of Iran - Pakistan gas pipeline is an opportunity to achieve the sustainable growth. Thus, the geo strategic location of Pakistan ~~can~~ helps in raising sustainable growth in the country.

Second most useful opportunity for Pakistan to achieve sustainable growth is its demographic dividend that is its power of youth.



According to United Nations Development Program and 2023 Digital Census the population of Pakistan is comprised upon youth is about 64% making Pakistan one of the countries having great youth bulge. This can serve as opportunity to raise economy as powerful ~~economy~~ <sup>youth</sup> give rise to powerful workforce which contributes in increasing country's economy and assisting in achieving sustainable growth. Thus, demographic dividend is an opportunity to achieve sustainable growth in Pakistan, by enhancing its economy.

Moreover, Pakistan is a blessed country as it is rich in resources of all kinds. The presence of renewable energy resources in abundance significantly contributes to achieve sustainable growth, making future of Pakistan's economy bright. According to Government

of Pakistan, Pakistan possesses substantial coal reserves, particularly in Thar Desert which are estimated to be around 185 billion tons.

These reserves are crucial for energy production and industrial growth. Additionally, Pakistan has huge reserves of salts, metals, natural gas, oil, hydropower, fertile land and water resources. Which serves as crucial elements in attainment of sustainable growth in the country. Thus, availability of abundant resources serves as an opportunity to achieve sustainable growth.

In addition to, the CPEC serve as a game changer for Pakistan. China Pakistan economic corridor a great opportunity for Pakistan to realise sustainable growth. CPEC under flagship of BRI started in 2015, and has to be completed till 2030.

This project is based on infrastructure development aimed at enhancing trade and economic co-operation between China and Pakistan. It includes road networks, railways, Port development, energy projects, and industrial zones. This will make Pakistan economy stable and will help in achieving the Sustainable growth.

Moreover, modernized agriculture also serve as an opportunity to achieve sustainable growth and better economic future. Pakistan is an agrarian country. It contributes to 20-25% of Pakistan's GDP, and serve as backbone of Pakistan's economy. The usage of sustainable farming techniques such as precision agriculture, improved irrigation system and use of high yield variety of crops can enhance productivity resulting into

Sustainable growth. Further more Agribusiness such as food processing, packaging and export could significantly increase the value of agricultural products, which when export can open new export markets and increase economical benefit for the Country. Thus, to modernize the agricultural sector will serve as a great opportunity to increase sustainable practices in agriculture.

As Pakistan is hub of Cultural heritage sites, it has a lot of potential in its Tourism industry. Tourism industry potential also serves as great opportunity for Pakistan to raise its sustainable growth, by fostering economical development creating employment opportunities and promoting Cultural exchange. In 2022, the tourism sector total contribution to Pakistan's GDP

was 5.9% supporting approximately 4.2 million jobs. This shows that Tourism industry practices in Pakistan focus on employment generation. Moreover, Tourism practices in Pakistan emphasizes environmental protection and Cultural preservation. These efforts help maintain the country's ecological balance and safeguards its Cultural heritage for future generation. Hence, in achieving the sustainable growth, Tourism industry play a great role.

However, there are several challenges that serves as hurdles in achieving sustainable growth. Chief among which is high inflation which results into reduced investment on sustainable projects. Due to high inflation, the cost of raw material use to produce essential products is increase resulting in decrease of investment in sustainable growth projects.

Pakistan suffered from peak inflation in 2022, since then economic instability rises causing more difficult environment for sustainable growth. So, It is difficult to achieve sustainable growth and stable economy in Pakistan. According to Pakistan's economic survey 2023-24 inflation in Pakistan creates uncertainty for both local and foreign investors. Ultimately, this uncertainty leads to decrease investment. So, because of high inflation in Pakistan sustainable growth can not be achieved.

Moreover, dependency on foreign loan and aid restricts sustainability and the foreign reserves decreases cause fiscal deficit due to which it is nearly impossible to have sustainable growth. Pakistan's debt burden has been escalating posing significant challenges to its economic stability. According to Finance Division the public debt has reached to 620881 PKR

billion with domestic debt 38,1810 billion and 24,071 billion external debt. This restricts sustainable growth as a big chunk of Budget goes to debt servicing and the country left with no amount to be spend on sustainable growth. Thus, due to burden of loan on Pakistan, to achieve sustainable growth is nearly impossible.

Moreover, shortage of energy further exacerbate the situation as it leads to poor industrial production of sustainable growth products. For instance products like solar panels, biodegradable packaging and bamboo flooring requires energy or electricity to be made in industry. Due to inavailability of electrical energy, it is impossible to make sustainable production. Moreover energy shortages lead to higher utility costs, compelling manufacturers to stop making such valuable products. According

to Forbes, the rising energy expense hinders the production of sustainable goods as companies may struggle to balance environmental goals with economic realities. Thus, due to shortage of energy supply it is nearly impossible to make sustainable products, hence it affects overall sustainable development in Pakistan.

Furthermore, the diversion of resources away from sustainable projects leads to reduced or stunted sustainable growth. Due to high corruption, the resources are diverted away from sustainable growth. According to the Corruption perception index report, Pakistan rank 132 out of 180 countries, that illustrates that the country is struggling with high ~~iff~~ corruption. This corruption mainly in sustainable projects leads to diversion of resource away from sustainable



growth. Moreover, out of total 62 billion dollar investment, which were planned to be expended on CPEC, it is reported that about 20 billion has been used by corrupt stakeholders. This lead to diversion of resources from CPEC as it is one of the big sustainable project for Pakistan. Thus, due to corruption, attaining a sustainable growth in Pakistan is not possible.

Despite several hurdles and challenges Pakistan is achieving sustainable growth. This illustrates bright future of economy of Pakistan. There are various manifestations of country's efforts to in achievement of sustainable growth. The chief among which is investment on various renewable energy and sustainable projects. Despite severe inflation in Pakistan, the government is making remarkable contribution in renewable

energy infrastructure. For instance Qind-e-Azam solar plant is an example that shows, the government of Pakistan is spending on renewable energy infrastructures despite high inflation. So, Pakistan can achieve sustainable growth with stable economy very soon if going on right track, despite inflation.

As for as foreign loans and aids are concerns, they facilitates sustainable growth. Foreign aid and loan are invested on achieving sustainability. As china has given loan to Pakistan which ~~china~~ is being spent on china-Pakistan economic corridor.

This is showing that the aids and loan facilitates the sustainable growth. CPEC is Pakistan's game changer projects in terms of achieving sustainability ~~so~~ and Pakistan due to its weak economy, gets loan from china which helps in making the project

as soon as possible. Moreover the funds and loans provided by IMF, international monetary fund also contributes to achievement of sustainable growth. Thus, it has proved that loans and funds facilitates the sustainable growth. So, despite major <sup>debt</sup> burden on Pakistan, Pakistan can achieve sustainable growth and stable economical future.

No doubt, Pakistan has severe energy short fall, but this energy shortage results in creation of urgent need for alternative solutions such as solar power, wind power and biomass energy. 21<sup>st</sup> century is marked with sustainable growth as use of solar wind and hydro energy increases, this is because, the energy shortage was causing reduction of essential projects. So, Pakistan, despite getting solely reliance on energy (electrical energy) moved to solar energy, Hydro

energy and biomass production.  
It shows that the country is  
shifting to alternative sources of  
energy which is a good thing  
that leads to sustainable  
development. So, this shows  
that, despite energy shortfall  
Pakistan is reliance upon  
energy alternatives which are  
more sustainable.

Moreover, redirecting the  
resource <sup>or</sup> diversion of resources away  
from projects of sustainable  
growth ~~are~~ is justifiable under  
certain circumstances for example  
immediate economic crisis  
lead to government to put more  
focus on stabilizing economy by  
prioritizing sectors like energy  
infrastructure and food security  
as it helps to achieve short  
term stabilization which can  
create foundation of long term  
sustainable growth. For instance  
subsidizing energy price during  
an energy crisis to avoid

social unrest and economic collapse. Thus, redirection of resources away from projects of sustainable growth is justifiable as it creates foundation for long term sustainability. Hence it is proved that it is easy to have sustainable growth despite resource diversion.

Despite economic crisis Pakistan is playing great role in environmental conservation. Pakistan is participating in all forums where sustainable growth is discussed. The participation of Pakistan in COP 29 is an example that shows Pakistan is a country that will soon achieve sustainable growth and bright economic future. Moreover in recent 26th amendment, the inclusion of article "8" that says "inclusion of clean environment is a right of every individual. All these steps illustrates that Pakistan will achieve sustainable growth very soon. Thus, it is

undoubtedly said, that Pakistan will achieve sustainable growth very soon.

Conclusively, the above debate and arguments have proved that Pakistan can achieve sustainable growth despite several hurdles. As Pakistan has potential to address challenges and leveraging opportunities. The opportunities for Pakistan includes, its geo-strategic importance, demographic dividend, resources, CPEC, agricultural modernization and Tourism potential. While it has several challenges on its way that includes, high economic crisis, such as high inflation, foreign debt, energy shortage, resource diversion and economical barriers. Despite these challenges Pakistan can achieve sustainable growth as it is investing in energy, infrastructure, facilitating CPEC by China's loan, strategic economic

growth and participation in sustainable forums like COP 29. So, There is a light of hope that one day Pakistan will attain stability in its economy and sustainable growth. As Stephen Hawking said "However difficult life may seem, there is always something to get success. It matters that you don't just give up".

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