

# Essay Writing:

Pakistan Economic Future: Can the country achieve sustainable growth?

## Outline

### 1) Introduction

Pakistan has been facing persistent economic challenges in various sectors from agricultural, industrial to technological. Despite of such predicaments, Pakistan has irrefutably, immense potential for future economic growth which can be achieved by fixing loopholes in existing policies and by introducing new robust and achievable policy frameworks where necessary.

### 2) Historical reflection of Economic Development of Pakistan

3) The Persistent challenges Pakistan has been facing are

#### 3.1) decline in agricultural production

case in study: Import of tons of wheat from Ukraine, despite of relying on agriculture since Pakistan's inception

#### 3.2) lower industrial production and trade deficit

case in study: Trade deficit has reached to 44 billion rupees according to Pakistan Economic Survey

### 3.3) Digital gap due to limited access to capital

Case in study: India's economy is boosting owing to investment in technological sector according to UNDP

### 3.4) Inability to Combat Terror financing

Case in study: In 2018, Pakistan was labelled with grey list countries by Financial Action Task Force (FATF)

## 4) Why Pakistan has Immense Potential for Sustainable Future Economic Growth:

### 4.1) Introducing Agriculture Reforms

Case in study: Formation of governing body such as SIFC to boost agricultural production

### 4.2) Promoting Foreign Direct Investment

Case in study: Completion of one leg of BRI via CPEC led to development in various sectors

### 4.3) Boosting the technological development

Case in study: Launching of satellite Electrical Optics (EO)

### 4.4) Discovery of natural reserves by Pakistan Survey Geological Development

Case in point: Discovery of natural reserves in Balochistan, Atrak and Arabian sea



5) Fixing the loopholes in current introduced frameworks is possible by:

5.1) reforms in tax system

Case in study: strengthening the accountability and transparency measures while reporting filers and non filers.

5.2) Investing in processing and creation process

Line in point: discovery of natural reserves in Balochistan and other areas is a game changer in Pakistan's geostrategic position in global dynamics.

6) Conclusion

This is the point to ponder over for everyone, why global order is changing and how the world is transforming from unipolarity to multipolarity.

It is irrefutably such a huge transformation in human history. If only one factor could be underscored, responsible for all these dynamics, it is **economy**, yes! it is. In addition, USA, becoming global power after the disintegration of Soviet Union in 1990's is just because of its economic reforms. Similarly, now there are various countries emerging as power such as China, ~~India~~, and India due to their robust economic reforms. It is irrefutably, the economy which is the main contributor for rising geopolitical tensions and contemporary cold war.

In such conditions, Pakistan is also getting influenced. Pakistan is facing persistent economic challenges in various sectors from agricultural, industrial, to technological. Despite of such predicaments, Pakistan has irrefutably, immense potential for future economic growth which can be achieved by fixing loopholes in existing policies to address various challenges.

ⓘ Pakistan is ~~not~~ grappled with economic development hurdles owing to its historical background and unequal distribution of assets as well. The impacts of which have been exacerbated by decline in agricultural production, lower industrial production and trade deficit. Moreover, limited access to capital is



widening the digital gap and another challenge must to be mentioned here is inability to combat money laundering and terror financing. Despite of all such predicaments, which seems to be inextricably interwoven with Pakistan's economic structure, there are existing immense potentials as well which can contain the rising adverse impacts of existing challenges. Ostensibly, Pakistan is working on by introducing reforms in agricultural sector such as SIFC, promoting Foreign Direct Investment (FD) via partnerships with neighbour countries such as China. Furthermore, Pakistan geological development recently discovered natural reserves in its survey.

Pakistan is facing challenges in economic sector due to reasons which can be traced back to its roots. Pakistan received unequal assets while its inception. In **1947**, At that time subcontinent was possessing **300-400 industrial units** out of which only **30%** were given to Pakistan. Not only this, Pakistan's rulers after its birth failed to introduce robust frameworks to adapt with such assets and to boost economy. This can be illustrated firstly by political instability in post independence rules and military intervention during the time period **(1958-1969)** and **(1979-1988)** and



(1999-2008) and dynamics in economic reforms during the reign of **Benazir Bhutto (1993-1996)**, the time period which focussed on liberalization of economies and the reign of **Nawaz Sharif (1997-1999)** with the focus on privatization, infrastructure and industrial development. The lack of consistency in policy framework is irrefutably, immensely responsible for current situation of economy.

According to **Pakistan Economic Survey**, the total **GDP** of Pakistan is **374 billion rupees**. and the target estimated to grow is **3.6%**. These targets are only achievable when Pakistan is going to implement every possible way to curb challenges.

The first and foremost challenge for Pakistan must to be highlighted here is decline in agricultural growth. Isn't it surprising? Pakistan's backbone in economic production is suffering. Interestingly, there is not one factor responsible for it in fact there are many factors such as corruption, lack of investment, lack of effective technological instruments, seeds, and fertilizers and weather patterns. Moreover, **Pakistan water Dispute** among provinces exacerbating the challenges. It can be illustrated by wheat production in Pakistan according to **Pakistan Economic Survey** is **31.4 million**. Despite of this, the wheat was imported from Ukraine



of worth 180 billion Rs owing to negligence to save the domestic ~~country~~ production. It is another dilemma, in Pakistan economic sector. Therefore, it is ~~est~~ analysed that despite of agricultural sector, being the backbone facing hurdles in its growth.

Another main contributor in Pakistan which constitute about 13% according to **Pakistan Economic Survey** is **industrial sector**. Pakistan has been facing the challenge of trade deficit. Trade deficit refers to the gap between the governmental's total ~~revenue~~ <sup>export</sup> and its expenditure import and Pakistan import in energy, textile, and raw materials has been increased which raised the trade deficit to **\$44.5 billion** which is the main driver of its debilitating economy. Therefore, it is quoted that how Pakistan Industrial Sector, is escalating the challenges for Pakistan.

Furthermore, owing to lower GDP and fiscal deficit, Pakistan is lagging behind in the development of its ~~as~~ digital sector. The widening gap in its digital sector, due to lack of investment in technological development of the country in this advanced age of innovation. The case study of India is best to be quoted here, India is becoming another regional power with its rising economy due to investment in IT and technological sectors. The **UNDP (United Nation Development Program)** has predicted



As it is ~~also~~ already mentioned that agriculture is backbone as it constitute about **27%** of economy according to **Pakistan Economic Survey**. In addition, rural families which constitute about **60%** of the Pakistan's population immensely dependent on agriculture for their livelihood. So, it ~~is~~ <sup>is</sup> indispensable for the ~~state~~ government to address agricultural challenges. For this purpose, it can be mentioned here the governing body **SIFC** was established. **Special Investment facilitation council**, developed in July 2023 to attract **FDI** to ameliorate the current conditions by creating one window operation for sustainable development.

Moreover, Foreign Direct Investment (FDI) ~~is~~ <sup>has</sup> been accentuated lately by the government as it not only boost ~~the~~ economic development but also enhance the international prestige of in this multipolar world. For instance, **CPEC (China Pakistan Economic Corridor)** has invested in Special Economic Zones (SEZs) in Pakistan. It has invested in infrastructure energy and defense sector of Pakistan, which has made Pakistan ~~an~~ a major ally for rising global power that is China.

Furthermore, Pakistan is also focusing on technological development. ~~such as~~ to boost its economy which can be well illustrated by its investments. In various ~~of~~ educational institution to produce skilled human capital. In



that China's economy would decline (\$4.9 trillion - \$4.8 trillion), USA economy would decline to 1.9 trillion however India's economy would increase to \$5 trillion). India's economy is inevitably blooming owing to its capital investment in Artificial Intelligence and Information technological development which can raise various challenges in terms of geopolitical and geostrategic realms to compete rivals. It is hence, evaluated that how indispensable for Pakistan to immediately address challenges in technological department.

Furthermore, another factors ~~not~~ can't be ignored here are terror financing and money laundering. These are various actors in Pakistan responsible for aggravating the situation i.e. **Terrorist organizations such as (TTP) Tehreek-e-Taliban Pakistan and Lashkar-e-Taiba (LeT)**. Pakistan has failed to combat these which led to its addition in **Grey list by FATF (Financial Action Task Force)**. Therefore, it is analyzed that, such events not only threatening the economy indirectly but also worsening the International prestige which make it unattractive for Foreign Direct Investment (FDI).

Apparently, Pakistan is ~~is~~ entangled in plethora of challenges to combat against. The government is still working and trying to curb these challenges by introducing reforms which are mentioned as following.



Pakistan has successfully launched satellite **(Electro Optical)** lately on **17th January, 2025**. This satellite has been designed with the aim to predict about natural disasters by forecasting weather conditions, determining the potential for irrigation and agricultural production. Hence, it is elucidated well, Pakistan is trying to curb the challenge it has been facing in technological and digital sectors.

In addition, various efforts have been put forward by **Pakistan Survey Geological Department** in discovering natural reserves such as sur gas in Balochistan, crude oil and coal in Arabian sea (which has been claimed to be world's fourth largest reserves) and recently, gold reserves worth **\$ 800bn** have been discovered. Therefore, it is elucidated Pakistan is a blessed country, and has immense potential for future economic sustainable growth.

It has been analyzed well that how Pakistan is facing challenges in various sectors and Pakistan is facing various is still working on to curb those challenges. However, there are ~~still~~ existing loopholes in current policy frameworks which are needed to address immediately for effective implementation.

The first and foremost is reforming tax system of Pakistan. Pakistan economic survey was criticized by Pakistanis owing to its double standard nature which implicitly evaded the industrialists and land lords from paying taxes and has compelled the

middle class of the state to pay taxes through their teeth. Therefore, it is mandatory to bring accountability and transparency in implementation of reforms which is possible by strengthening **Federal Bureau of Revenue (FBR)** to take measures and effectively record **filers and non filers** in order to ameliorate the current tax system so that, the middle class, which constitute the major population of state could be prevented from such grievances.

Secondly, Pakistan need to invest in excavation and processing instrument to gain natural reserves. This is only possible by reducing the economic gaps. The discovery of natural reserves ~~and~~ in various areas of Pakistan could be a game changer in geostrategic position of Pakistan at global level. which could enhance its security and foreign actors interference.

#



It is to be concluded, here that Pakistan is facing persistent challenges owing to various reasons such as decline in agricultural production, industrial goods and limited capital investment in technological sectors. Moreover, Pakistan is still trying to achieve future economic and sustainable growth via agricultural reforms, promoting FDI and boosting technological development. However, the existing reforms ~~at~~ ~~are~~ ~~not~~ implementation is obstructed owing to minor loopholes which can be addressed by reforming tax reforms and investing in education and processing of natural resource which is a game changer for Pakistan to ameliorate its position in current global dynamics. Therefore, there is urgent need for Pakistan to fix these obstructing ~~etc~~ knots to attain ~~for~~ ~~the~~ future sustainable economy for security and development of the nation. As Quaid-e-Azam said:

“Pakistan's future depends on its economy and economic strength. Without a sound economic foundation, we cannot hope to maintain our independence and sovereignty.”