

4. Pakistan's Economic Future:

Can the Country Achieve Sustainable Growth

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The real growth of any country lies in its economic growth. Those states which lag behind in economic sphere are never considered major powers. Stable economy ensures fulfilment of carnal desires, then the public ^{shifts} focus on sophisticated ~~gro~~ development. Those who remain busy in earning daily-bread will never focus on actual progress of their country. The sustainable growth means utilization of the resources without compromising future generations. Pakistan is a truly a blessed state ~~it~~ whether it be geo-strategic location or its surplus natural resources. It has opportunities to attain achieve sustainable growth, such as, major ongoing projects, tourism sector, information technology, and other initiatives. These opportunities can be utilized through by addressing current challenges of political instability, continual dependency on foreign lenders, and ensuring state's security. ~~It~~ Pakistan can achieve sustainable growth but it needs to ^{take} compreh-

ensive reforms to achieve a stable and prosperous country.

Pakistan's economy is engulfed in an unending cycle of debt crisis. With the arrival of every loan, Pakistan is going deeper in depth of this vicious cycle. According to Pakistan Bureau of Statistics, Pakistan's budget in fiscal year 2024-25 was 18.87 trillion Rupees and total debt on this budget was 9.7 trillion, which is almost 51% of the total budget. This report highlights the dire condition of economy of Pakistan, which threatens the sustainable growth of the economy. To achieve real growth, economic independence is a basic tenet. Pakistan's achievement of \$7 billion loan from IMF (International Monetary Fund) in year 2024 was seen as a challenge. The conditionalities of the foreign lender and frequent challenges to achieve the loan reduces credibility of the country as well. Every new government has received loan for economic sustainability but almost every government remained unsuccessful

to achieve sustainable growth. Due to debt crisis, other state institutions are severely impacted. It is evident from country's current ~~to~~ socio-economic status, ^{higher} unemployment ratio (almost 6% according to Pakistan Bureau of statistics), poverty, ~~Hygiene~~ ^{Food} crisis, sanitation issues, political instability, and security challenges.

Another current challenge for the economy is ^{the} budget deficit and ^{the} balance of payment crisis. Pakistan has higher expenditures and low collection of budget. According to Pakistan's Bureau of Statistics, Pakistan collected 4.6 trillion rupees in 2022-24 but its expenditure was 9.1 trillion rupees. The gap between expenditure and collection was almost 4.5 trillion rupees. With every fiscal year, this deficit has increased and it has remained greater than 3.5 trillion rupees for ^{the} last 10 years. It is one of the major challenges of Pakistan's economy that threatens the future of sustainable growth. The country ~~receives~~ ^{imports} large amounts of value-added ~~imports~~ ^{products} and exports

Small quantities of low value exports and raw materials. These practices reduce chances of sustainable economic growth and present as a major challenge to the future of prosperous economy.

Similarly, economy is threatened by security challenges. Pakistan is facing terrorism, extremism, and attacks on foreign nationals. The unprecedented rise of attacks on security personnel, Chinese nationals, and important locations undermine the future of major projects. The attacks carried out by extremist organizations, such as Tehreek-e-Taliban Pakistan and Balochistan Liberation Army (BLA) provide a major security challenges for economic future of Pakistan. The great project (CPEC) which is necessary for sustainable development, has slowed down, ~~and~~ the security challenges have raised concerns in the Chinese officials regarding safety of their citizens. Hence, Pakistan's economic future is ~~is~~ facing serious challenges that undermine its future sustainability.

Despite above challenges, the question about Pakistan's sustainable growth has optimistic answer. The reason for this is Pakistan's significant geo-strategic location, which provide it an opportunity to achieve sustainable economic growth. The China-Pakistan Economic Corridor (CPEC) is an example that highlights Pakistan's geographic significance. Through effective and timely completion of CPEC, Pakistan will become ~~a~~ a transit between South Asian countries and central Asian ~~countries~~ and European countries. The construction of Gwadar Port is a win-win situation for Pakistan. It will act as crucial point from where major oil transport will occur. Through CPEC, Pakistan achieved other opportunities. The phase II has already started that focus on special economic zones (SEZs), industrial and agricultural sector, energy security, and job creation. With adequate utilization of this opportunity, Pakistan's economic future will achieve a sustainable growth.

Another factor for better

economic future is apparent from country's government's sustainable initiative such as formation of Special Investment Facilitation Council (SIFC). The main objective was to bring various investors in different sectors, such as agriculture, industry, information technology (IT) and other sectors. It has resulted in some key achievements such as reducing inflation and boosting up of industrial growth through initiatives like Shipyard container ship project. SIFC has also strengthened foreign relations particularly with Saudi Arabia and signed various memorandum of Understanding (MOUs). Hence, SIFC has provided an opportunity for sustainable economic growth and ensured smooth ~~grow~~ progress. These initiatives, if conducted with transparency and efficiency, will guarantee better economic future for Pakistan.

Additionally, recent step of coalition government for

better future ~~partner~~ pledges sustainable economy. The Project named "5Es" introduced to improve energy sector, exports, environment, information technology, and digitalization. It offers a tangible pathway for economic revival by 2035. Through effective implementation and formulation mechanisms, the current fragile economy of Pakistan can be transformed into sustainable one.

Already Pakistan's agricultural sector has shown adequate growth of 6.28%.

And more progress is expected. With the adoption of sophisticated practices, advanced farming and irrigated techniques, agricultural sector can revive. Country's major workforce depends on this sector. Working in livestock and farming. They depend on annual crop productivity. The natural disasters and climate change have severely impacted

the productivity. ~~but~~ Despite such damages, the agricultural sector revived. ~~therefore~~

Therefore, economic future of Pakistan can achieve sustainable growth, the need of the hour is optimum utilization of and management of resources and effective implementation of the initiatives.

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Another major challenge is the budget deficit and balance of payment crisis. Additionally, the government has taken major decisions to cope with budget issues, such as privatization of major state-owned enterprises. The Railway, Pakistan International airline (PIA), and Pakistan steel mills take major portion of budget and produce less ~~results~~ ~~in terms of~~ profit. Their privatization will reduce this burden on the budget and the state will be able to focus on other sectors, such as economy, social issues, health care, energy and research.

Privatization will not only reduce burden but also ~~ensure their efficiency~~ ensure their efficiency and skillful appointments. This initiative solidify the aspect of sustainable economic future of Pakistan. The country has also pledged to increase tax base to bridge the gap of budget deficit. The state should counter tax evasions and through proper documentation, digitalization, and registration of all businesses to ensure the tax collection from every individual. These steps will produce sustainable growth and better economic future for Pakistan.

Pakistan has another opportunity that nature has blessed it with. Through the revival of Tourism sector, the state can produce major economic benefits. According to a recent report by CNN, KPK was declared ~~as~~ among the top 25 places ~~of~~ worth visiting. The northern areas of Pakistan are attractive spots for ^{the} tourists. The state can utilize other places, such as opening of Kartarpur Sahib for Hindus, Sikhs, Muslims, Christians and the Moen-jo-Daro in Sindh. ~~and~~ Through facilitation of tourism by introducing one window procedure, Pakistan can achieve great benefits and ^{ensure} sustainable growth of economic future.

Additionally, information technology and science ~~are~~ present as a massive opportunity for economic growth. The advancements in science can benefit the state and stabilize the economy. According to ^{the} state Bank of Pakistan 2022-23, ~~it~~ freelancers and small businesses contributed \$400 million in exports. This ~~a~~ is a huge contribution despite

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Frequent internet disruptions. Digital economy ~~can~~ will provide sustainable growth in Pakistan because of greater bulge of youth. Pakistan is facing hurdles, such as outdated digital infrastructure, inadequate policies, limited direct monetization opportunities on major platforms, and limited international collaboration. Despite all these hurdles, the country has gained major economic support from IT sector. With the improvements of digital infrastructure, technological advancements, and addressing barriers faced by entrepreneurs, the E-economy can ~~to~~ revive. Last year, India produced more exports as compared to the oil exports of Saudi Arabia through IT sector. Therefore, economic future of Pakistan can achieve sustainable growth through revival of technology sector.

To conclude, Pakistan's economy is facing significant challenges, such as debt crisis, balance of payment crisis, economic

dependency, and budget deficit.

However, Pakistan's economic future can achieve ~~economic~~ ^{sustainable} growth. It needs to make reforms in the implementation of policies.

Pakistan's economy can revive through pragmatic use of its geo-strategic location, timely completion of projects, such as CPEC, and achievement of 5Es by 2035. There is need of improvement in agricultural sector and science and technology.

Pakistan should increase tax base and digitalize the revenue system to ensure transparency. Visa policies and safety of tourists should be ensured. These measures will revive the economy of Pakistan.

Therefore, Pakistan's economic future can achieve economic growth, but the state needs to take pragmatic measures to ensure sustainability.