

4. Pakistan's Economic Future: Can the Country achieve sustainable growth?

A. Introduction

B. Prospects for Pakistan to achieve sustainable ^{economic} growth in future:

1. Enhancement of agricultural export and modernisation of agriculture sector is a pivot for economic growth.

Case in Point: China has signed to reach \$100M agriculture exports by 2030.

(GPI-SIFC)

2. Industrialisation is the cornerstone of economic prosperity and government is focused on re-opening industries.

Case in Point: Allama Iqbal Industrial City Faisalabad is under consideration.

(CPEC 2.0 Agenda)

3. State has centred attention towards transparency of institutions that will lead to economic growth.

Case in Point: Pakistan has jumped 7 notches on CPI in 2024. (Ranks 140 now).

(CPI Report 2024)

4. Appointment of a technocrat Finance Minister has proved fruitful for sustainable growth.

Case in Point: Inflation reached 40 month low in October 2024, CPI downed to 6.9%.

(ESP Report)

5. Bilateral economic agreements are the backbone of Pakistan's future growth.

Case in Point: More than 20 MOUs have been signed between KSA and Pakistan. \$600 Billion investment promised. (FO)

6. The ouster of youth has resulted in massive Foreign Direct Investment Increase; fuel to economic growth.

Case in Point: Over \$90 Billion FDI has been collected in 2025.

(SBP Report)

7. Transition towards renewable energy is a step-ahead to sustainable economic future.

Case in Point: Deals with IPPs are almost closed. Solarisation agenda (30%) is achieved.

(Power Ministry)

8. The government is focused to cut carbon emissions by emphasizing Electric Vehicle usage.

Case in Point: 40% subsidy provided to EVCS by power ministry in Jan 2025.

9. Optimal water usage and prevention of losses falling into Indian ocean are key factors to development of Cholistan.

Case in Point: Seven Canals being dug to irrigate Cholistan Desert under Green Pakistan Initiative.

(SIFC).

10. Investment in social sector (health and education) is central theme of current budget which has alleviated HDI level.

Case in Point: Pakistan ranks
161st on HDI in 2024. Stepped
up from 164th in 2023.

(HDI Report 2024)

11. The government is inclined to utilize
IT potential of the youth which would
enhance IT exports.

Case in Point: IT Ministry is
focused to acquire Star-link
for better internet provision.

(IT Minister - Shaza Fatima)

12. ~~Bitateral Talks are underway for
producing quality education in Pakistan.~~

~~Case in Point: Confucious
Institutions and student exchange
initiatives by China.~~

C. Conclusion

There is potential with customised
economic plan - Uroan Pakistan
(2024-2029).

12. Expansion of tax-net and strict legislations on tax evasion ~~at~~ have been announced.

Case in Point: 40% higher tax collection agenda of FBR and Benjamin Franklin's quote.

13. Entrepreneurial setups are now recognized by state entities.

Case in Point: NASTP, NIC etc visits.

15.

C. Conclusion:

- Hope for Progress
- Customized Economic Plan - Uraan Pakistan Initiative (2024-29).

Pakistan is the 5th Largest Population of the world. The people of this country are affiliated to diverse fields of generating income. With the provision of accurate growing space to indigenous population and certain administrative reforms, the country has the potential to build a sustainable economic future for itself. The geographic and geostrategic location of Pakistan retains its political significance for global powers. With adequate bilateral ties, there is more than enough space for economy of Pakistan to expand beyond borders! The country has been focused on establishing the agriculture sector which contributes over 40% to its GDP annually. Industrialization is also a prevalent agenda of the economic sustainability. Previously, downtrodden by corrupt practices, the state now ensures better transparency of its institutions. The perils of inflation are also hindered to penetrate any deeper within the state of

economy. Breaking chains of economic isolation, Pakistan is actively engaging with friendly states to bind into economic partnerships. The inclination of youth to settle abroad, often propagated as brain drain, has also positively contributed to economic apparatus of Pakistan. Pakistan has the potential to achieve sustainable economic growth with certain adaptations in domestic and foreign relations.

Agriculture sector has been the backbone of Pakistan's economy ever since its inception. The country is blessed with fertile lands and irrigated plains that produce tonnes of agricultural exports every year. The government must invest its attention towards shifting to a more optimum irrigation technique (drip and sprinkler methods) to cater water needs of the country and use modern equipment to enhance agricultural yield. This requires a comprehensive policy planning

and its honest application. Currently, China is heavily investing in the **agriculture sector** of Pakistan to achieve its consumption goals. Under Green Pakistan initiative of SFC, the Chinese plan to extract whopping **\$100 Million agriculture exports by 2030** from Pakistan. Such initiatives can drive the economic growth of Pakistan.

Concurrently, Industrial growth is of pivot significance for economic prosperity. Certain targeted alterations within the operations of industries can establish their true potential. The state is determined to reopen the shutdown industries, provide them with incentives and attain fruitful results. Pakistan is the largest exporter of surgical equipment worldwide. Also, CPEC 2.0 lays much emphasis on creating Special Economic Zones (SEZs) to ensure stable industrialization. Currently, 230 industries are being developed in textile sector under tag of Faisalabad Industrial City. The

completion of such projects guarantee prosperous economic future to Pakistan.

Corruption has always been an Achilles Heel to economic growth of Pakistan. It has hindered the practicality of the country's true economic potential. The country can ensure economic growth by addressing loop holes of the system and eradication of corrupt institutional practices. It is no longer an illusion because recent **Corruption Perception Index** Report has depicted Pakistan to top seven ranks against the evil of corruption. The country now stands at **140th rank** on the CPI. Such improvements ensure economic growth in the right direction.

Progress is achievable only when the right man is chosen for the right job. For the first time in its near history, Pakistan has appointed a technocrat Finance Minister to overcome the shackles of economic decline.

This appointment, in itself, depicts the inclination of state authorities towards economic growth. According to recent Economic Survey of Pakistan Report, it has served its purpose.

The **Consumer Price Index** dropped to **6.9%** and inflation touched a 40 month low in October 2024. This appears to be another step up the ladder of economic growth for Pakistan.

The current era of globalisation does not allow any country to remain isolated and progress. This is the driving factor behind Pakistan's bilateral and multilateral economic initiatives. The country has centred its external correspondence on economic lines, rather than excessive tilts towards strategic partnerships in the past. The **GCC** countries and **Saudi Arabia** have always been fair weather friends of Pakistan. In 2024 alone, **20** plus ~~10~~ **MOUs** have been signed to invest around

\$60 Billion in Pakistan, spread over various sectors. The Foreign Office has issued public statements in this regard. Such incentives deepen foreign investment and economic prosperity for Pakistan.

The rising trend of shifting abroad in the youth of Pakistan is a silver lining to economic growth. It has been negatively associated to phrases like mishandling of youth bulge, brain drain and youth bomb. However, the recent hike in FDI's tell a different story. Not only did such mass exodus migrations result in better governance: lesser number of people to deal with but they also significantly contribute to economic growth. The domestic population could not match taxes combined to the amount of investment these overseas citizens of Pakistan sent back home. State Bank of Pakistan reports over \$90 Billion FDI in 2024 alone. The

continuity of such trends promise a sustainable economic future.

The transition towards ~~a~~ renewable energy is a step in the right direction for economic growth. The country has been marred by over-reliance on ^{hydro-}carbon imports to generate energy. Recent trends in shifting to solar, wind and biothermal energies is a positive move for sustainable ~~enereconomy~~ economy. This not only reduces the energy production cost but also, guarantees ecological wisdom and progress.

Power Ministry confirms successful negotiations with IPPs and also attainment of solar target (30%) in January 2025. The maintainence of such pace of transition can bore fruitful results in financial arena.

Transport Sector has been an uncertain avenue for economic growth in the past. The government has shifted attention to this sector during this decade. It now

focuses on increasing use of electronic vehicles that serve binary goals. They contribute to reduction in carbon emissions and simultaneously, lessen higher tariffs on automobile imports due to demand and supply principle. **The power ministry has announced 40% subsidy to EVCS.** Such incentives can promote economic sustainability in a systematic manner.

Blue Gold aka water is a diamond to economic growth of an agrarian economy. Pakistan has been in hot waters over wasting 7 million cubic feet of water in Indus Basin by world Bank. The country, in order to create an economic opportunity out of it, has shifted focus on irrigation of deserted but fertile lands. Work is under progress in Cholistan where **seven canals** are dug out to **irrigate** the areas. This would generate economy from the desert due to **crop yields**

that will be produced. Such diverse outlook of turning threats into opportunities drive economic revolutions.

Human Development is the core of economic sustainability. Unless the population is catered for, no economic outcome is possible. People who are equipped with better education and health care can take up employment and businesses in the country. They in turn pay taxes and the economy sustains. **The Budget for FY 2024-2025 revolves on Human Development.** This has already bore results since recent HDI Report shows three ranks progress (16th now) for Pakistan. Only contented population can bear economic growth stresses for Pakistan.

Information Technology is present-day necessity for economic uprising. Pakistan is home to world's second-largest IT graduates after India. The government is focused to utilize this youth as an asset

of generating income in this sector.

Much emphasis is paid to sort out issues of internet connectivity and provision of infrastructure to depict their abilities. The IT Minister,

Shaza Fatima, has announced interest of government in acquiring connection of Starlink for Pakistan.

The success of such an agreement paves way for stability in IT exports and safe heaven for freelancers, all contributing to economic growth.

"Two things are inevitable: death and Taxes", said Benjamin Franklin. Pakistan focuses on increasing tax-net and driving economic prosperity. Recently, the State focuses on taxing the untaxed and overcoming issues of shadow economy. Budget 2024-25 has 40% wider taxes collection agenda. Strict legislation against tax evaders shall ensure a smooth system of taxation. This shall positively impact economic future.

Entrepreneurship refers to self-driven business initiatives. The concept is the current buzz of Pakistani Youth. The state has laid focus on promoting such small set-ups and start-ups which is a green signal for economic future of Pakistan. Recent visits of political leaders to NASTP and National Incubation Centre, Islamabad gear depict avenues of progress. Certain start-ups have gained global recognition like the Avj-Formula Racing Initiative by NUST Start-up Society. These not only contribute to positive image-building but also generate income.

In a nutshell, Pakistan possesses every potential required for a prosperous economic future. It needs to remain steadfast on its planned reforms and agendas which concern the economic sector. Recent progresses in transitioning to renewable energy bore positive

economic outcomes. The government's attention to Electronic Vehicles ensures both environmental and economic sustainability. Initiatives are underway to pasteurize deserted lands and generate income out of it. Investment in human capital is the core of economic agenda. The provision of facility in IT sector also pave way towards increased exports. Tax legislation and expansion prove to be the foundation of economic progress of Pakistan. Lastly, the governments recognition of small businesses drive economic revitalization from the lower cadres of population. There is evident arenas for economic progress with the on-going agendas and agreements. A customised economic plan - **Uraan Pakistan (2024-28)** has been inaugurated that further instills hope in a sustainable economic future for Pakistan.