

TOPIC.

PAKISTAN'S ECONOMIC FUTURE:

CAN THE COUNTRY ACHIEVE

SUSTAINABLE GROWTH?

THESIS STATEMENT:

Despite few challenges that need to be addressed, the prospects for a "sustainable" economic growth in Pakistan are high.

OUTLINE

1- Introduction

2- The challenges in the Economic

Growth of Pakistan are:

2.1) lack of diversity in exports

2.2) lack of advanced equipment in industrial sector

2.3) Problems in the agricultural sector

3- Measures that can be taken to address the challenges are:

3.1) Diversifying the export industry

3.2) Ensuring technological advancement in the industrial sector

3.3) Bringing agricultural reforms

4- The factors indicating that the prospects for sustainable economic growth are high are:

4.1) Collaboration of Pakistan with different countries on economic efficient projects

- Case in point: GPEC and IP pipelines

4.2) ^{Initiation of} Projects of economic importance within the country

- Orange line Metro Train

4.3) Pakistan has improved its annual revenue collection

- Case in point: FBR annual report

4.4) Strengthened security and systems in Pakistan have increased investor confidence in the country
- Case in point: World Bank report.

4.5) Pakistan's important geographical location makes it an attraction for foreign investors
- Case in point: Link between Asia, Middle East and China

4.6) The education rate of Pakistan has also increased thereby leading the country to technological advancement
- Case in point: Amnesty International's report

4.7) Improved tourism industry of the country contributing towards economic growth
- Case in point: Construction of Swat Expressway

4.8) Strengthened law and order in the country has encouraged business confidence
- Case in point: SMEDA's report.

5. Conclusion

Pakistan is a country with immense potential for development in economic, political and other important sectors. Being a developing country, it also faces a few flaws in its economic sector that need to be addressed. Firstly, it lacks diversity in exports that needs to be rectified.

Subsequently, it lacks technological advancement in industrial sector. This hampers the rapid and sustainable economic growth of the country. Similarly, a number of challenges persist in the agricultural sector of the country that need to be addressed. Despite the foregoing challenges, Pakistan has the significant potential for sustainable economic growth. To begin with, it has collaborated with developed countries to work on projects of economic importance.

Similarly, it has also increased its annual revenue collection. Beside this, the security of Pakistan has significantly improved, thereby making it an attraction for foreign investors.

Moreover, the geo-economic importance also of Pakistan also makes it a country of economic importance.

Furthermore, the increasing rate of

education is also leading the country towards technological advancement. This is crucial for a country to grow economically. Other factors indicating the prospects for sustainable economic growth in Pakistan are the improved tourism industry and strengthened rule of law in the country. Thus, despite few challenges that need to be addressed, the prospects for sustainable economic growth in Pakistan are high.

Firstly, Pakistan lacks diversity in its exports. They are the major sector contributing towards the GDP of a country. The major exports of Pakistan include staple foods and raw material for manufacturing of different goods. According to the ~~exported~~ Pakistan Agriculture Research Council, the ^{export of} raw material makes up about 25 percent of the country's GDP. It also stated that in order to increase the export to GDP ratio, Pakistan needs to diversify its exports. Country's reliance on narrow range of exports restricted to staple goods and textile material has kept it from competing globally. Thus, the lack of diversity in exports has hampered the sustainable economic growth of the country.

Subsequently, the lack of advanced equipment in industrial sector has also added to the economic vulnerability of the country. This issue impacts productivity, quality and competitiveness, hindering industrial growth and the country's ability to meet global market standards. According to the report of the State Bank of Pakistan, the exports from industrial ^{textile} sector amount to 60 percent of the total exports. Due to the lack of required machinery and equipment for production, the exported goods are unable to align with international standards. This forces the manufacturers to sell their material at low rates, thereby worsening the economy of the country. Thus, lack of advancement in industrial sector leads to economic vulnerability.

Similarly, the problems in agricultural sector of the country have also diminished the economic growth of Pakistan. Agricultural produce makes up about 25 to 30 percent of Pakistan's total GDP. However, a number of problems in the agriculture persist. These include lack of land reforms, lack of incentives for small farmers, absence of quality seeds for production,

no means for post-harvest preservation and much more. This reduces the motivation of farmers to produce better quality goods. As a result, the exported goods are ~~not~~ unable to comply with international standards and are traded on much lower rates. Thus, agricultural sector's problems diminishes the economic growth of the country.

In order to address the ~~pre~~ preceding challenges, certain measures need to be adopted. Firstly, it is requisite to diversify the export industry. According to the university of Chicago's report, a country's exports should make about 60 to 70 percent of its GDP. However, in the case of Pakistan, it is only 30 percent as reported by the International Monetary Fund. To increase this ratio, Pakistan needs to include different materials to its export. These include surgical equipments, sports goods, manufactured ~~materials~~ ^{products} rather than raw materials. Hence, ~~to~~ Pakistan needs to expand its export industry to grow economically.

To add to it, the country also needs to ensure technological advancement in the industrial sector to foster economic growth. This could be done by replacing human labor with modern equipment and machinery. According to Mr. Ali, a foreign trade Engineer at BBM magazines, high quality products are only possible with high-quality machinery and raw materials. Therefore, in order to produce market competitive goods, Pakistan needs to incorporate modern equipment in ~~making goods~~ manufacturing processes. This would result in trade at reasonable prices. Thus, ensuring technological advancement in the industrial sector boosts economic growth.

Moreover, bringing agricultural reforms is also requisite to foster economic well-being of the country. Despite being a major sector contributing towards the Gross Domestic Product and exports of the country, the sector is extremely vulnerable and needs immediate reforms. These include incentivizing small farmers, imposing subsidies on pesticides and

good quality seeds to produce better goods, allocating lands equally among farmers to encourage small land owners and advancing post-harvest preservation techniques. This would result in production of crops that align with global market standards, hereby bringing more foreign exchange to country. Thus, introducing agricultural reforms is requisite to boost sustainable economic growth.

Beside the foregoing challenges and measures needed to address them, there are abundant factors indicating that the potential for sustainable economic growth in Pakistan are high. First of all, collaboration of Pakistan with developed countries on economic ~~pro~~ efficient projects has paved way for economic advancement in the country. Projects like (CPEC) China-Pakistan Economic Corridor and Iran-Pakistan gas pipelines have boosted the country's economic well-being. The former has facilitated rapid exports with global market, thereby promoting sustainable economic growth in the country.

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In addition to this, initiation of projects of economic importance within the country has also facilitated economic well-being of the country. For instance, the orange line metro train and tourist buses in Lahore. These transport means facilitate economic growth of the country by ensuring accessibility, promoting tourism and generating revenue in Pakistan. These major projects have also created job opportunities for individuals and increased local economies. Thus, initiating projects of economic importance have facilitated sustainable economic growth in Pakistan.

Moreover, the revenue collection of Pakistan has also increased. Collection of taxes is crucial to economy of the countries. According to the annual report of Federal Board of Revenue for the year 2023-2024, the overall revenue collection of the country has increased by at least 30 percent as compared to the preceding years. This increase in collection of revenue has encouraged the governments to facilitate

and focus on projects of economic importance. Thus, increased revenue collection has strengthened economic well being of the country.

Also, the improved and strengthened security systems in Pakistan have increased investor confidence in the country. For the past few decades, the incidents ~~and~~ of terrorism and extremism has caused much damage to businesses. This discouraged foreign investment in the country. However, the internal security conditions of Pakistan have become better for some years. According to the world Bank report on security and surveillance, the Pakistan has faced a reduction in the incidents of terrorism for the past few years. This has bolstered ~~economic~~ foreign investment in the country. Thus, improved internal security has increased investor confidence in the country, thereby facilitating economic well-being of the country.

Furthermore, the important geographical location of Pakistan makes it an attraction for foreign investors. Pakistan's location is strategically important and serves as a transit route and linkage between Asia, Middle-East and China. This strategic placement has made Pakistan a country of utmost importance. It has facilitated important projects like CASA-1000, TAP9, IP Gas Pipelines, CPEC, CARS and other. All these projects have brought foreign investment to the country. Therefore, the geo-strategic location of Pakistan has fostered the economic well-being of the country.

Taking the preceding discussion into account, it could be summed up that despite some minor challenges that need to be taken care of, the potential of Pakistan to grow into a sustainable economy is high. Speaking of challenges, the country faces lack of diversification in exports, lack of advanced equipment in industrial sector and some problems in the agricultural sector. All these problems

can be easily rectified by expanding export industry, ensuring technological advancement and bringing agricultural reforms. Beside these, the prospects for sustainable economic growth in the country include collaboration of Pakistan with globe on economic efficient projects and the internal projects of economic importance. Other factors indicating Pakistan's potential for sustainable economic growth are its increased revenue collection, strengthened security systems boosting investor confidence, its important geographical location, increasing education rate, improved tourism industry and strong law and order in the country. Therefore, by virtue of the preceding discussion it can be safely asserted that Pakistan has potential to achieve sustainable economic growth.