

Pakistan's Economic Future: Can the country achieve sustainable growth?

Outline:

1. Introduction

Thesis Statement:-

Pakistan's Economic future is making progress through maintaining policies, foreign direct investment and export led economy.

2. Prospects of sustainable growth in economic sector of Pakistan.

a- The export led economy becomes an integral part of future economy.

b- The Growing size of bilateral trade with China and regional countries.

c- Process of Privatization of State Owned Enterprises to reduce debt.

d- The investment in Public sector development Programs directly proportional to economic stability.

e- Focus on more renewable energy sources to counter energy crisis

f- Increasing size of agricultural products and textile goods.

g- Mitigation of climate change to maintain sustainable economic growth.

3. Hurdles in retaining sustainable growth of economic sector.

a- Political deadlocks and instability paves the way to economic disturbance.

b- Rising insurgency and security challenges lead to economic instability.

c- Expensive agreements with IPPs without evaluating consequences.

d- Brain drain makes the country's manpower vulnerable.

e- Large number of loss making State Own Enterprises

4. Solutions for sustainable growth of economic sector of Pakistan

a- Maintaining free environment to attract foreign direct investment.

b. Controlling internal and external security threat to build trusted economy.

c- Implementing new policies with neighboring countries on bilateral trade.

d. Reducing brain drain by providing employment opportunities.

4- Conclusion.

Rag: makes paper, paper makes money, money makes bank, bank makes loan, loan makes beggar, and beggar makes rag. Pakistan's economy is achieving sustainable growth, despite facing political, security and debt payment crisis. The future of Pakistan's economy is bright due to focusing on sustainable growth. This sustainable growth is achieved by export led economy, bilateral trade agreements, privatization of State Own Enterprises, and more importantly focusing on energy crisis. Two sectors are considered as backbone of Pakistan's economy which are textile and agricultural products. Along with investment in climate change mitigation and public sector development programs, Pakistan could develop a stability in economic sector.

Pakistan is also focusing on mitigate political and security instability. This will lead the economy to higher foreign direct investment in corporate sectors. In a nut shell, Pakistan's economic future is making progress through maintaining new policies, foreign direct investment and export led economy.

The export led economy is becoming an integral part of Pakistan's future economy.

The large number exports than imports make a strategic balance in foreign exchange reserves. It brings more stable value of currency with regards to hegemonic dollar.

According to a UN report, China's economy is relying 90% on exports. The size of China's exports is larger than collective exports of US, Japan, South

Korea and Israel. Pakistan can also become strategic partner of China by focusing on export led economy.

The growing size of bilateral trade with china and other regional countries make Pakistan's economic future bright. In past, Pakistan has to bear economic loss due to conflicts with neighboring countries. This approach now has come to an end and an environment of free trade is prevailing. For instance, Pakistan is developing trade of \$3 billion to \$5 billion with Bangladesh, after a long time of discontinuity. Along this, CPEC is also a blessing in disguise for Pakistan economy. This project have capacity of billion dollar trade among all regional partners. The process of privatization of loss making state owned enterprizes has reduced

debt size due to payment crisis. These state owned enterprises are huge burden on fiscal budget. For example, PIA has impacted Rs. 853 billion till now on financial exchequer. The government has taken steps to privatise all loss making SOEs. This initiative makes Pakistan's economy more strong and stable.

The investment in Public sector development programs is also directly proportional to well settled economy. Pakistan has been spending a large amount of fiscal budget on public health, education and food. In addition, developed countries like US, Britain and China have focused on public sector investment. This PSDPs investment ensures well educated, skillful and young bulge in making country's status strong in geopolitics.

The energy sector of Pakistan is most stagnant part of lagging economy. Pakistan is focusing on more renewable energy sources to counter energy crisis. The Green Pakistan initiative is one of steps taken by recent governments. Pakistan is shifting its energy sources on solar system and this provide a steady flow of energy to industrial, commercial and domestic use. According to a WTO report, Pakistan bears billion of rupees in yearly energy crisis. That's why, the use of renewable resources is the key to economic growth.

The size of agricultural products determine the fate of Pakistan's economy. After agricultural products, textile exports are contributor to Pakistan's economy. An estimation that \$13 billion by agriculture and \$07

billion by textile added by both sector annually. Pakistan's more investment in modern and organic farming retains sustainable economic growth. In 2024, only \$5 billion exports to US was noted by WTO. Gradually, the economic status of Pakistan is shifting to more and more stability. Furthermore, the political instability paves the way to economic disturbance. The government and opposition in Pakistan always dragging each other just for power thrust. In 2024, due to long marches of opposition and blockage of roads, highways, and urban centres lead to \$5 billion economic loss. Again and again rushing towards Islamabad, disturbed the socio-economic and diplomatic engagement with other countries. The march of 26th november is the recent example

of political clash over undeclared ambitions and conditions.

The rising insurgency and security challenges lead to economic instability. The insurgents' attack on the basis of ethnicity, caste and religion makes Pakistan's economic environment more vulnerable.

In 2024, several Chinese were killed by insurgent's attack in different areas of Pakistan.

China is also questioning about safety of citizens and Pakistan's security measures. Due to security concerns, Pakistan has lost its faith of foreign direct investment.

Moreover, the brain drain makes Pakistan's manpower more vulnerable. A larger number of well educated and professional person want to leave Pakistan for more sustainable growth. The average brain drain of last three consecutive years is about 4 to 5 million persons.

The process of retaining sustainable growth of economic sector is just a dream without well skilled, literated and professionals.

The expensive agreements with IPPs without evaluating consequences have impacted Pakistan's economy

badly. The installation of IPPs was to obtain affordable energy but they become a burden to fiscal amount. For instance,

from 1999 to 2022 IPPs enjoyed \$1.3 trillion tax exemption even for not producing energy.

These agreements are presenting the negligency of policy formators.

The 'poor' is becoming poorer and rich is becoming more richer by these ruthless policies.

About 40 major IPPs are belonged to those who are representative of this state.

The solutions for sustainable growth of economic sector of Pakistan are varied in nature to

different problems.

Firstly, Pakistan should maintain a free environment to attract foreign direct investment in the forms of developmental projects but not in the forms of aids and loans.

Secondly, Pakistan should control the internal and external security threats to build trusted economy. The steps to diplomatic engagement with insurgent and proscribed group should be encouraged by government and security officials.

Thirdly, Pakistan has to maintain bilateral trade relations with neighboring and regional countries and implement new policies without zero tariff on cross border trade.

Fourthly, Pakistan should focus on employment opportunities and poverty reducing steps to decrease the number of brain drain.

Undoubtedly, Pakistan's economic future is on the path to attain sustainable growth. The future of economic stability is moving towards stable phase. This stable phase is demarcated by exports led economy, privatization of loss making SOEs and foreign direct investment. The economic sustainability of Pakistan is an achievable process just by implementation of pragmatic solutions. These pragmatic solutions lead the socio-economic and cultural status of masses like developed nations. Conclusively, Pakistan's economic future will provide more opportunities to people in maintaining a well structured social life.