Report

1. Inflation

Pakistan’s inflation rates are significantly higher than the global average and that of lower-middle-income countries in recent years. The data highlights notable peaks during certain years, which stand out compared to more stable trends globally. While inflation in lower-middle-income countries and the world averages has been relatively steady, Pakistan’s trend suggests episodes of economic shocks or policy shifts.

2. Unemployment

Pakistan’s unemployment rate trends similarly to lower-middle-income countries recently. However, for reasons, it appears that its unemployment was significantly lower than both lower middle income and world average (Less than 1%) before 2011. Possibly because a significant portion of Pakistan's labor force works in the informal sector like unregistered enterprises and many women are not quite included in the labor force.

3. Real GDP per Capita

Pakistan's real GDP per capita lags behind global averages, which aligns with lower middle income country’s data. The stagnant growth probably suggests inadequate progress in sectors like industrialization and technology adoption. Sustained growth strategies focusing on innovation and productivity are vital to bridging the real GDP per capita disparity.

Suggestion

Possible ways to improve the economy: The State Bank of Pakistan should focus on inflation-targeting policies to stabilize prices, such as controlling money supply and adjusting interest rates effectively. Also, they can establish mechanisms to monitor and manage essential commodity prices, reducing speculative inflation in local markets. On the other hand, there should be an increase in public spending on education and healthcare to enhance workforce productivity and improve living standards, and thus a better GDP per capita might be achieved.