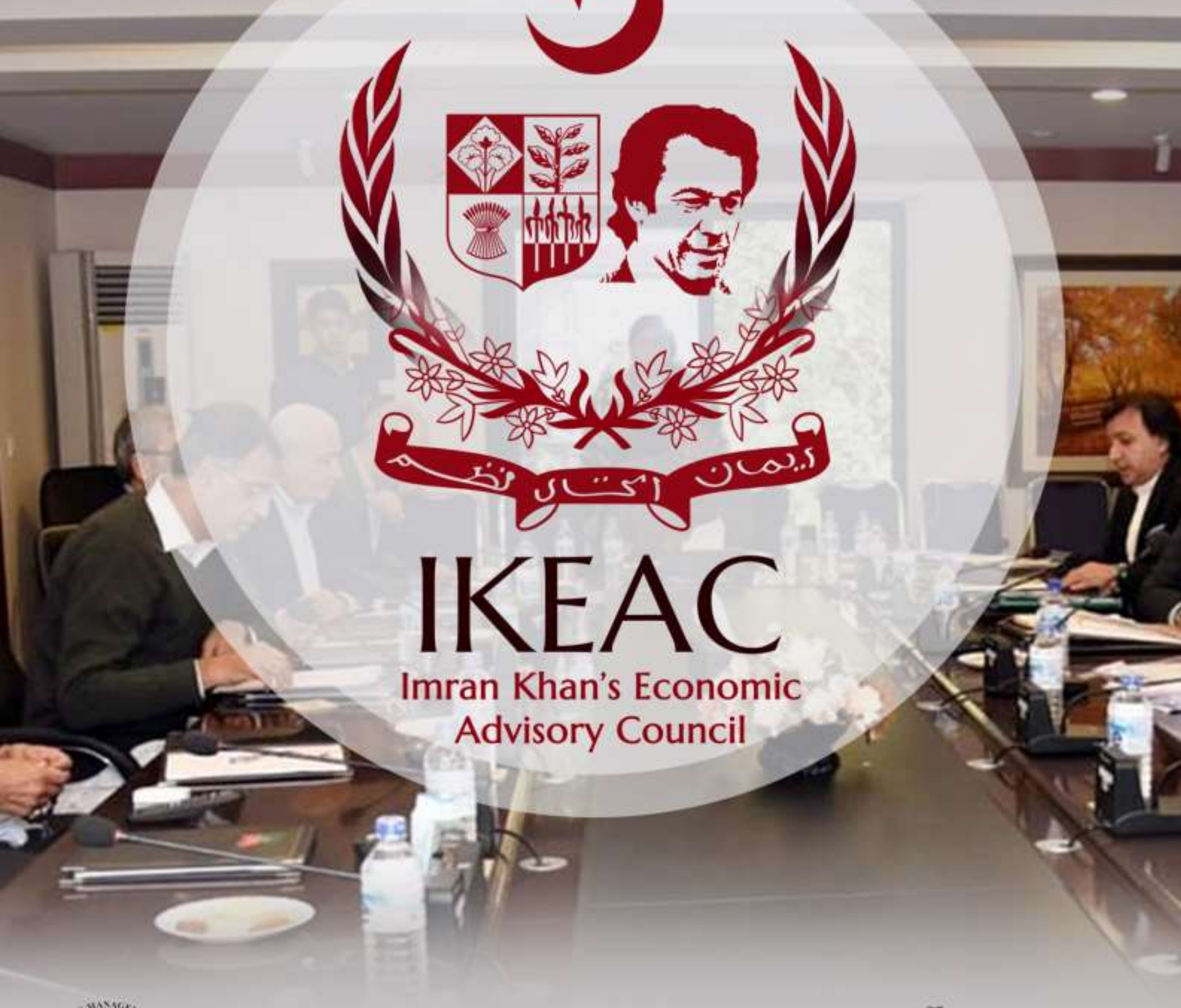
Study Guide



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Imran Khan's Economic Advisory Council

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Table of Contents

INTRODUCTION **4**
ECONOMIC SITUATION IN PAKISTAN THROUGH THE YEARS **5**
1950s and 1960s: A New Born Economy 5
The 70s 6
Era of privatization and stagnation: 1980s and 1990s 6
2000s and Onwards 7
CURRENT ECONOMIC SCENARIO **8**
The Diamer Basha and Mohmand Dam Fund 8
Education 8
Unemployment 9
Current Account Deficit 9
CHINA PAKISTAN ECONOMIC CORRIDOR **10**
Significance/Potential 10
Vision and Mission 11
FOREIGN RELATIONS **12**
INDUSTRIALIZATION **13**
History 13
- 1947-1950 13
- 1950s 14
- 1960s 14
- 1970s 14

Current Status 14
- Mining 15
- Fuel 15
- Manufacturing 15
- Technology 15
- Construction 16
- Energy 16

Problems Facing the Industrial System 17
- Political Instability 17
- Lack of Capital 17
- Limited Market 17
- People's Preference of Foreign Products 17
- Under Utilization of Labor Potential 17

- Communication and Transportation 17
- Technical Knowledge 17
- Energy Crisis 17
- Low Foreign Investment 18

SOCIAL ISSUES 18

Infant Mortality 18

- Prematurity 18
- Pneumonia 18
- Birth Asphyxia 18
- Diarrhea 19
- Neonatal Sepsis 19
- Injuries 19
- Congenital Anomalies 19
- Measles 19

Healthcare 19

- Infrastructure 19
- Transmitted diseases 20
- Poliomyelitis 20
- HIV/AIDS 20
- Obesity 20
- Cancer Care 20
- Mental Health 20
- Drugs 21

TOPIC AREA: SURVIVAL TO REVIVAL: PAKISTAN'S TEN YEAR ECONOMIC ROAD MAP

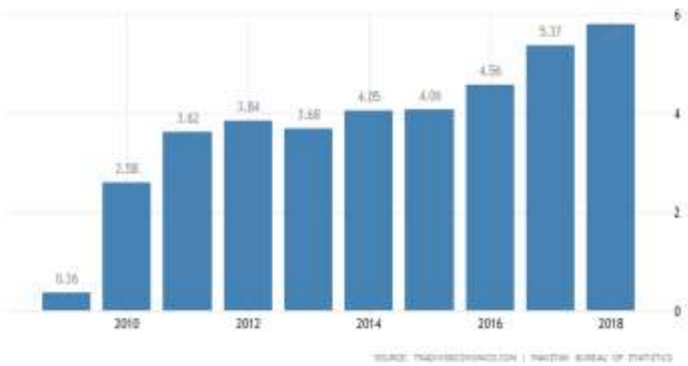
INTRODUCTION

In July 2018, the Pakistan Tehreek-e-Insaf (PTI) emerged as the largest political party in Pakistan and its chief, Imran Khan took the command as the Prime Minister. The newly elected government had made ambitious promises during its campaign, of providing 1o million jobs throughout its tenure of 5 years, to create a housing project of 5 million affordable houses, to facilitate the growth of the local industries to for increasing exports and to ultimately bringing economic stability to the country. However, immediately after coming into power, the new government faced tremendous challenges which required to be tackled heads on before paving a way of what is imagined to be the Naya Pakistan. One of the greatest concerns which needed to be addressed was of the underperforming economy of the country. The burden of the increasing foreign debts, the devaluation of the rupee, widening of the current account balance and the declining condition of our state- owned enterprises (SOEs) were some of the factors which aided to the problem. In the hopes of bringing Pakistan out of the economic crises which decayed the very foundations of this country, PM Imran Khan constituted the formation of his economic dream team. The team included 18-members, belonging to both the public and private sectors and is now known as the Economic Advisory Council. (EAC).

ECONOMIC SITUATION IN PAKISTAN THROUGH THE YEARS

Since its independence in 1947, Pakistan has faced major political, social and religious turmoil which has influenced our economy. Despite all the internal and external challenges faced by the country, its economy has proven to be unexpectedly resilient to the face of such adverse events.

In order to formulate an effective economic policy to address the problem, advisors must be aware of the economic dynamics of the country.



1. 1950s and 1960s: A New Born Economy

Pakistan's average growth rate since independence has been higher than the average growth rate of the world economy with the growth being averaged at 3.1% per annum and 6.8% in the 1950s and 1960s respectively. The overall conclusion which can be made from examination of several economic indicators is that the country continues to make significant economic progress with a rather disappointing record of social development. The country of a population of 30 million couldn't feed it itself and had to import all its food requirements. This consequently led to a correcting measure of imports substituting policy during the 1950s. The decade could also be marked as the first instance of economic planning with a series of Five-Year Plans being instituted after the recession of 1951.Imports for almost all commodities were regulated by 1953. Evidently, Pakistan came to be known as one of the fastest growing economies. However, after the military coup of 1958, a decline in exports was witnessed which led to foreign aid dependent growth. Balance of trade deteriorated from -831 million Rupees in 1950/51 to -1043 million Rupees in 1959/60 due to sharp decrease in exports from 1,038 million Rupees in 1950/51 to 763 million Rupees in 1959/60. The following decade of 1960s is often referred to as the 'golden age' of Pakistan where provision of subsidies and tariff protection to the local industry led to Pakistan sustaining high growth rates. The large-scale manufacturing grew at a rate of 16% per annum during 1960/61-1964/65 due to protection of domestic industry from imports and subsidies for exporters which was far outpacing than any other time in Pakistan's history. It can also be said that this period sowed the seeds of Pakistan's economy growing into the one with an increasing income inequality, a narrow and inefficient industrial base, and increasing loan dependence, for the next four decades. The GNP Per Capita was Rs.504 in West Pakistan and Rs.314 in

East Pakistan –depicting a widening of the regional economic disparity which would have consequences in the years to follow.

2.The 70s

The decade is more commonly known as the era of nationalization. The aftermaths of the separation of East Pakistan; now known as Bangladesh, which resulted from an increasing economic disparity as witnessed in the previous years. It also had a toll on Pakistan's economy as the industrial base shrank after the Fall of Dhaka. This resulted in the economy almost entering into a recession. The country experienced its worst inflation during 1972-1997 when an exponential increase of 15% per annum was experienced. Our import bill rose due to the October 1973 oil price shocks.One of the most prominent initiatives of the PPP government was the nationalization in 1972 of 43 large industrial units in the capital and intermediate goods sectors such as cement, fertilizers, oil refining, engineering and chemicals. Just three years later the government nationalized the cooking oil industry and then flour milling, cotton ginning and rice husking mills. Nationalization in this regime cannot be seen in terms of state intervention for greater equity. Rather the rapid increase in the size of the public sector served to widen the resource base of the regime for the practice of the traditional form of power through state patronage. Economic growth slowed in the wake of nationalization, with growth rates falling from an average of 6.8 percent per annum in the 1960s to 4.8 percent per annum on average in the 1970s. Most nationalized incurred losses because decisions were not market-based. Poverty and income inequality increased compared to the previous decade and the rate of inflation rose, averaging 16 percent from 1971 to 1977.

3.Era of privatization and stagnation: 1980s and 1990s

The beginning of the decade saw the continued process of denationalization, deregulation and privatization after the military coup by Zia Ul Haqq in 1997. It led to the revival of the private sectors industrial investment which naturally resulted in higher rates of growth. Unemployment rate saw a decline from 3.7% in 1980 to 2.6% in 1990.Owing to the rapidly growing debt servicing burden in addition to the slowing down of GDP growth and government revenues that had occurred at the end of the Bhutto period would have placed crippling fiscal and political pressures on the Zia regime if it had not been for these two factors: (a) the generous financial support received from the West following Zia ul Haqq's agreement to play a front line role in the US supported covert war against Soviet troops in Afghanistan. (b) The acceleration in the inflow of remittances from the Middle East which increased from US $ 0.5 billion in 1978 to US $ 3.2 billion in 1984. These remittances not only eased balance of payments pressures, but also potential political pressures, directly benefiting about 10 million people, predominantly in the lower middle class and working class. The increased inflow of foreign aid and foreign remittances eased temporarily the fiscal pressures on Pakistan's economy and enabled an increase in the GDP growth from 4.9 percent in the Bhutto period to 6.6 percent in the Zia period. During this period, the economic policies saw a rather market oriented approach than a socialist one. During 1980-1990, Pakistan's average annual growth rate of GDP was 6.3%. It was inevitable that when the cushion of foreign loans and debt relief was withdrawn at the end of the Afghan War, the underlying structural constraints to GDP growth began to present themselves: Debt servicing pressures resulting from the low savings rates, balance of payments deficits related with low

export growth and poor infrastructure, combined to pull down the GDP growth towards a protracted economic recession in the 1990s.
Pakistan's economy in the 1990s took a toll due to the poor governance and low growth as the democracy was restored in 1985. The government alternated between the Benazir Bhutto led Pakistan's People Party (PPP) and Pakistan's Muslim League(N) under Nawaz Sharif. During the decade, political instability, historically unprecedented corruption in governance, and the worsening law and order situation had a significant adverse effect on private investment and GDP growth. In the wake of declining growth rates of GDP, Pakistan experienced its second worst inflation in the 1990s. The GDP growth sank to 4% and Pakistan went into a serious debt crisis.

4. 2000s and Onwards:

Following the military coup in October 1999, Pervez Musharraf became the President of Pakistan in 2001. He had the responsibility of addressing the heavy external and internal debts, high fiscal deficits, the rising unemployment and poverty. However, owing to the strong structural policies along with the inflow of generous US-aid after 9/11, enabled substantial economic growth. Approximately 11.8 million new jobs were created during Musharraf's term from 1999 to 2008. The State Bank reserves reached an all- time high increasing from US $1.2 billion in October 1999 to US $10.7 billion in 30 June 2004. The rate of inflation fell, while the investment rate grew to 23 percent of GDP, and an estimated $14 billion of foreign private capital inflows financed many sectors of the economy. The exchange rate also remained fairly stable throughout this period.

After the restoration of democracy in 2008 and PPPs under Asif Ali Zardari, Pakistan witnessed extensive economic and constitutional reforms. She went through an exponential rise in violence, corruption and unsustainable economic policies which made her enter what is known as an era of stagflation. Although, after the independence it was the first time democratically elected legislature completed its tenure, the achievement didn't come off as fruitful for the people of Pakistan as it was expected. While the Musharraf government delivered a growth of 8.96% to 9.0%, the PPP government could only reach a 4.09%. The Global Economic Crises of 2007-08 proved to be unfortunate for an already under performing economy, the demand for Pakistani good dried down and unfavorable conditions led to a decrease in investments. Nearing the end of their tenure in 2013, Pakistan was left with a mountain of foreign debt amounting to USD 61.9 billion compared to the USD 45 billion in 2008.

In 2013, Nawaz Sharif, after sweeping the general elections came to inherit an economy which was in dire need of saving. energy shortages, hyperinflation, mild economic growth, high debt, and a large budget deficit were some of the tasks which the government promised to address. Right after the PML(N) government came into office, they faced a possibility of being default as the central bank foreign exchange reserves stood at a 10 -year record low of $6.5 billion. The only option was approaching the International Monetary Fund which gave a breathing space to Pakistan after approving a three-year $6.68 billion program to help stabilize the economy in September 2013. Some of the effects of the debt infused growth during this tenure started to manifest itself as the duration of this government came to its end. The external current account deficit reached $ 18 billion in FY2018 (5.8% of GDP), which is the highest ever in the country's history in absolute terms which is relatively higher than the $2.5 billion in FY2013 – the last year of PPP government in office. The outgoing government left only a minimal amount of $ 9.5 billion in the State Bank's foreign exchange reserves which is equivalent to less than 2 months of country's imports.

Indicators	2013	2017
National Output	3.7%	5.3%
Unemployment Rate	6.24%	?
Literacy Rate	60%	58%*
Health expenditure	0.56%	0.46%
Foreign Currency Reserves	$6b	$16.2b
External Debt and Liabilities	$61b	$83b
Country's Total Debt	Rs15.56t	Rs24t
Current Account Deficit	$2.5b	$12.1b
Exports	$24.5b	$20.42b
FBR's tax-to-GDP ratio	8.7%	10.5%

* 2016

CURRENT ECONOMIC SCENARIO:

The Diamer Basha And Mohmand Dam Fund

According to the United Nations Development Program (UNDP) and the Pakistan Council of Research in Water Resources (PCRWR), Pakistan will dry up by 2025. Water availability for each individual has decreased at an alarming level and previous governments did little or nothing to address the crises. Considering the urgency of the matter, in July 2018 then Chief Justice of Pakistan, Mr. Saqib Nisar initiated a first of its kind crowdsourcing to build the megaproject. The estimated cost for the Diamer Basha Dam is approximately $14 Billion and is expected to be completed in nine years. After being elected as the PM, Imran Khan took over the dam fund which is now named as the Supreme Court and Prime Minister's fund for Diamer-Bhasha and Mohmand Dams. As of February 2019, the dam funds total to of Rs. 9,694,926,302**.**

Education

Approximately 22.5 million children are out of school in Pakistan. According to the Education Minister, Shafqat Mehmood, the literacy has fallen to as low as 58% more than 41% of the enrolled children in primary school drop out before completing grade 5.

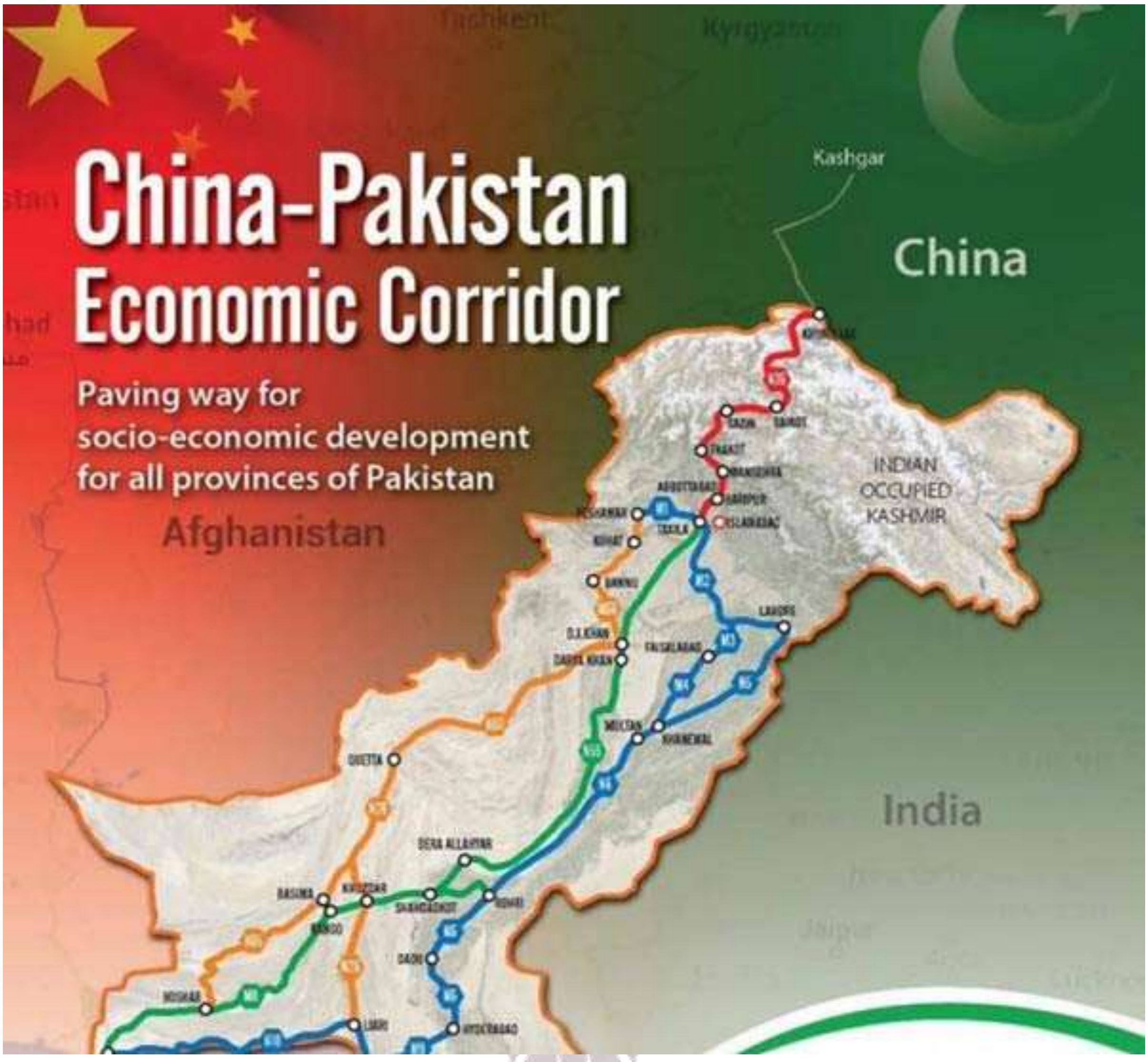
Pakistan's spending on education as a percentage of GDP remains among the lowest in the region South Asia which was 2.2 percentage of GDP in the fiscal year 2017 as compared to 2.3 percentage of GDP in the fiscal year 2016. The PTI government aims to change that which requires extensive reforms in education sector.

Unemployment

The Economic Survey of Pakistan 2017-18 did not compute the rate of unemployment for the ongoing year though it is of critical importance to the general public. Economic Survey 2016-17 gave the unemployment rate at 6 percent for rural areas and 8 percent in urban areas. Pakistan has been blessed with a youth bulge, with over 63% of the population under age 25. Out of these, 43 million are currently between ages 15-24. One of the trademark projects of the PTI government is of providing 10 million jobs over the next five years. It is in the hands of the current government to formulate a framework which would allow a sustainable increase in employment to achieve this ambitious goal.

Current Account Deficit

According to the International Monetary Fund (IMF), Pakistan's imprudent economic policies have contributed to a surge in imports and a wider current account deficit. When the new government took power, they were facing serious economic challenges with the country's foreign exchange reserves less than $9 billion, which barely covered for only two months of import and an unsustainable current account deficit of $18 billion and a trade deficit of $37.6 billion with $60.8 billion imports and $23.2 billion exports. According to a report published by the State Bank of Pakistan, government had a sigh of relief when the crucial current account deficit (CAD) slipped slightly by 4.4 per cent to $7.98 billion, driven by a fourth quarter decline of 10 per cent. However, one thing should be kept in mind that the improvement in the CAD was not because of a rather favorable of change of exports, imports or the overall trade balance but it owed itself to a $1 billion rise in workers remittances during this period.



CPEC:

Significance/Potential

China-Pakistan Economic Corridor has Significance for the development of the region. Potential areas of cooperation/development include:

- Regional Connectivity
- Transport Infrastructure
- Energy Hub/flows
- Logistic Hub/flows
- Trade & Commerce
- Peace & development of region
- Connectivity/Harmonization/Integration of civilizations
- Diverse Investment opportunities
- Industrial Cooperation
- Financial Cooperation

- Agricultural Cooperation
- Socio-Economic Development
- Poverty Alleviation
- Education
- Medical Treatment
- Water Supply
- Vocational Training
- Tourism including coastal Tourism
- Educational linkage
- Human resource development
- People to people contact
- Increase in livelihood opportunities
- Enhance Security and stability of the region

Vision and mission

To improve the lives of people of Pakistan and China by building an economic corridor promoting bilateral connectivity, construction, explore potential bilateral investment, economic and trade, logistics and people to people contact for regional connectivity. It includes:

- Integrated Transport & IT systems including Road, Rail, Port, Air and Data Communication Channels.
- Energy Cooperation.
- Spatial Layout, Functional Zones, Industries and Industrial Parks.
- Agricultural Development.
- Socio-Economic Development (Poverty Alleviation, Medical Treatment, Education, Water Supply, Vocational Training).
- Tourism Cooperation & People to People Communication.
- Cooperation in Livelihood Areas.
- Financial Cooperation.
- Human Resource Development.

China-Pakistan Economic Corridor is a framework of regional connectivity. CPEC will not only benefit China and Pakistan but will have positive impact on Iran, Afghanistan, India, Central Asian Republic, and the region. The enhancement of geographical linkages having improved road, rail and air transportation system with frequent and free exchanges of growth and people to people contact, enhancing understanding through academic, cultural and regional knowledge and culture, activity of higher volume of flow of trade and businesses, producing and moving energy to have more optimal businesses and enhancement of co-operation by win-win model will result in well connected, integrated region of shared destiny, harmony and development.

China Pakistan Economic Corridor is journey towards economic regionalization in the globalized world. It founded peace, development, and win-win model for all of them.

China Pakistan Economic Corridor is hope of better region of the future with peace, development and growth of economy.

FOREIGN RELATIONS

Islamic Republic of Pakistan maintains an extensive and large diplomatic network across the world. Pakistan, being the second largest Muslim-majority country in terms of population (after Indonesia) and its status as a declared nuclear power, being the only Muslim majority nation to have that status, plays a part in its international role.

Pakistan has an independent foreign policy when it comes to issues that are vital to its national interests. On the other hand, Pakistan's economy is rather integrated into the world with strong ties to the EU and economic alliances and agreements with many other Asian nations. Pakistan has a strategic geo-political location at the corridor of world major maritime oil supply lines, and has close proximity to the resource and oil rich central Asian countries. Pakistan has been maintaining a tensed relationship with neighboring Republic of India and close relationships with People's Republic of China and Arab nations. Pakistan is a member of the Organization of Islamic Cooperation (OIC), is ranked by the US as a major non-NATO ally in the war against terrorism and one of founding members of IMCTC.

Pakistan’s foreign policy is often visualized through the prism of the country’s off-again-on-again relations with its western neighbor Afghanistan, the love-hate relationship with the United States, and the unending rivalry and perpetual tension on the Line of Control (LoC) with its much bigger neighbor India. China, Iran, Saudi Arabia, and the rest of Middle East – while important – are not the point of discussion here.

From his conciliatory statements just after his election victory and the presence of former Indian cricketer Navjot Singh Sidhu during Imran Khan’s oath-taking ceremony on August

18, it was generally believed that the new prime minister, who is known for his independent mind, will be drawing clear lines on foreign policy regarding Afghanistan, India, and the United States.

INDUSTRIALIZATION:

Pakistan's Industrial sectorholds great importance in the economic function of the country. Also, as history shows; countries with an advanced industrial sector have shown to have higher economic growth and development. Pakistan's industrial sector as it stands today accounts for 24% of the GDP and is the second largest individual sector of the Pakistani economy.

History:

Pakistan began with an extremely small industrial scope at the time of the partition in 1947. Pakistan received only 34 out of the total 955 industries, the others being held by India. Such a small number of industries were simply not enough for Pakistan to survive as a new-born nation.

1947-1950

34 out of 955 Pakistan received only 4% of the total industries established in the Subcontinent. Pakistan's share of industries was relatively small in size and were mostly based on raw material e.g. small sugar mills, cotton factories, flour mills, rice mills and canning factories etcetera.

In 1947 the Industrial conference of Pakistan suggested that industries should be established based on locally produced raw material such as jute, hide, cotton and skins. An Industrial Finance Corporation as well as an Industrial Investment and Credit Corporation was set up in

1948 by the government. Thanks to investment from private entrepreneurs the industrial sector's GDP contribution was 6% by the start of 1950.

1950s

1952 saw the establishment of Pakistan Industrial Development Corporation (PIDC) to invest in heavy investment industries. PIDC's major investments include paper board, paper, fertilizer, cement, jute mills and the Sui gas Karachi pipeline. By 1971 PIDC had built 59 industrial units and had created self-sustaining growth. In addition to the new industries being formed older industries saw an increase in their production capacity. The Export Bonus scheme was introduced in 1958 resulting in an increase of export of goods manufactured in Pakistan. The GDP share of the industrial sector increased to 9.7% by 1955 and to 11.9% in 1960.

1960s

1960s saw the industry shift from producing consumer goods to more heavy materials such as machined tools, petroleum and chemicals, electrical and iron and steel. The GNP share of the industrial sector increased to 11.8% by 1965. However, the manufacturing sector could achieve a growth rate of 7.8% against the planned target mark of 10%.

1970s

The industrial sector's performance showed a decline in terms of growth, exports and production from the year 1971 till 1977. It was during this time that East Pakistan was separated, the country engaged in a war with India in 1970. Furthermore, foreign aid was suspended, a decline in exports and nationalization of industries were just some of the reasons for the downfall. Annual growth rate fell to 2.8%.

The government went into action from 1977 to 1988 in order to revive the economy as well as revise the economic policy**.** Industries such as rice husking and flour mills were denationalized and the private entrepreneurs were encouraged to invest in the large industries. As a result, growth rate of the manufacturing sector fell from 8.2% in 1989 to 2.5% in the late 1990s.

Current Status:

Pakistan as it stands today is ranked within the top 50 countries worldwide in terms of GDP and 26th in the world purchasing power parity. The industrial sector accounts for 24% of the total nominal GDP of Pakistan. Cotton textile and clothing manufacturing industries are the largest with 66% of the total national exports and 40% of the total employed labor force. Cotton alone accounts for 61% of exports earnings of Pakistan. Cotton consumption increased by 5.7% compared to the economic growth rate which was 7%. The spinning capacity had increased to 15 million spindles while the textile exports had touched $15.5 billion.

Mining:

Pakistan is a country well-endowed in terms of natural mineral resources. Gypsum, Limestone, Chromite, Iron Ore, Rock Salt, Silver, Gold, Copper, Coal and Graphite are just some of the important minerals found in Pakistan. Punjab Salt Range has the largest salt deposits found anywhere in the world. Balochistan is full of untapped oil and gas reserves holding immense energy potential. Balochistan has vast reserves of copper, chromite, iron, antimony and zinc in the south and immense gold deposits in the west. The RekoDiq area is estimated to have 2 billion tons of copper and 20 million ounce worth of gold. The estimated value of the deposits currently stands at $65 billion worth of resources. Khyber Pakhtunkhwa Province (KPK) account for an estimated 78% of the marble produced in Pakistan. Home to some of the finest grades of marble, slate and granite.

Fuel:

With the discovery of the first oil field in 1952 that too near Balochistan's giant gas field in Sui, Balochistan. Later in the early 1960s Toot oil Field was unearthed in Islamabad, Punjab. Sui gas field was also discovered in 1952. Large quantities and various varieties of coal such as bituminous coal, sub-bituminous coal and lignite are also found in Pakistan. Pakistan also generated around 45 tons of uranium in 2006.

Manufacturing:

The fiscal year of 2002-2003 manufacturing growth was 7.7%. By June 2004 large scale manufacturing had grown by 18%. The textile industry is the largest industry in the manufacturing sector of Pakistan to this day. 453 textile mills, 50 integrated units and 403 spinning units, 9.33 million spindles and 148,000 rotors show the impressive scale of this industry.

Automotive:

The automotive industry of Pakistan is also one of the fastest growing industries of Pakistan accounting for 4% of Pakistan's GDP and with over 1,800,000 people employed it is one of the largest jobs producing industries in Pakistan. As it stands today there are 3200 automotive manufacturing plants with a total of Rs. 92 billion worth of investment. Over 1.8 million motorcycles and 200,000 vehicles. It provides over 3.5 million people with employment and plays an important role in the promotion of the vendor industry.

Technology:

In a recent chain of events Pakistan Aeronautical Complex has begun production and manufacture of Tablets, E-book readers and notebooks in collaboration with INNAVTEK of China. There is still potential to be extracted from the software division.

Construction:

After the earthquakes in Kashmir 2005 Pakistan has developed stricter building codes. A 30 to 50% cost increase is expected since the demands for building stronger structures to withstand earthquakes of magnitude of 8 to 8.5. Since the ban on export of cement the cost of cement has increased by 50%.

Energy:

With a combination of natural gas reserves, oil reserves, coal reserves and a huge hydro-power reserve Pakistan has immense energy reserves at its disposal. Tapping these resources has been heavily limited due to an obvious shortage of capital and political dilemmas. The national production level of oil meets about half of the country's oil needs; importing oil has led to a depletion of Pakistan's foreign exchange reserves. Pakistan is the leading country in the usage of Compressed Natural Gas (CNG) for automotive use. The national demand for energy has grown exponentially since 2001 thanks to an increased usage of durable energy consuming goods such as refrigerators, washing machines and air-conditioners. Access Group International announced investment plans worth $1 billion over the next 5 years in solar cell and wind farm manufacture, in 2004. Alternate Energy Development has already signed MOUs for the future growth. 2005 saw the government approve a 25 years Energy Security Plan (ESP) to produce an eightfold increase in electrical capacity. A memorandum of understanding was also signed with the Canadian conglomerate Cathy Oil and Gas in late

2006 requesting as investment worth $5 billion in oil and gas exploration, development, production and commercialization in Pakistan.

Problems facing the Industrial System:

Political Instability:

The political instability has led to unstable policies being put in place and further erratic changes of policies thanks to new governments has an adverse effect on the industrial system.

Lack of Capital:

The lack of capital within Pakistan is a hurdle facing the country's industry since a very long time. In addition to a basic lack of capital a lack of funds is also caused by corruption.

Limited Market:

Pakistan's manufacturing sector has huge costs, low labor productivity and production processes that are simply inefficient. This has led Chinese and Indian manufacturers to ease into the Pakistani market.

People's Preference of Foreign Products:

Pakistanis have shown a keen appreciation towards foreign goods considering them being of a higher quality compared to domestically produced goods.

Under Utilization of Labor Potential:

The labor is severely underutilized in Pakistan. Most labors carry specific skill sets natural to them in life thanks to Pakistan's traditions, standardization of labor skills leads to labors being underutilized.

Communication and Transportation:

There is clear lack of infrastructure to support transport in highly resource rich areas. There is also a complete break-down of communication between different provinces resulting in problems not being reported.

Technical Knowledge

The technical knowledge is highly lacking considering that the majority of the labor force is highly uneducated.

Energy Crisis

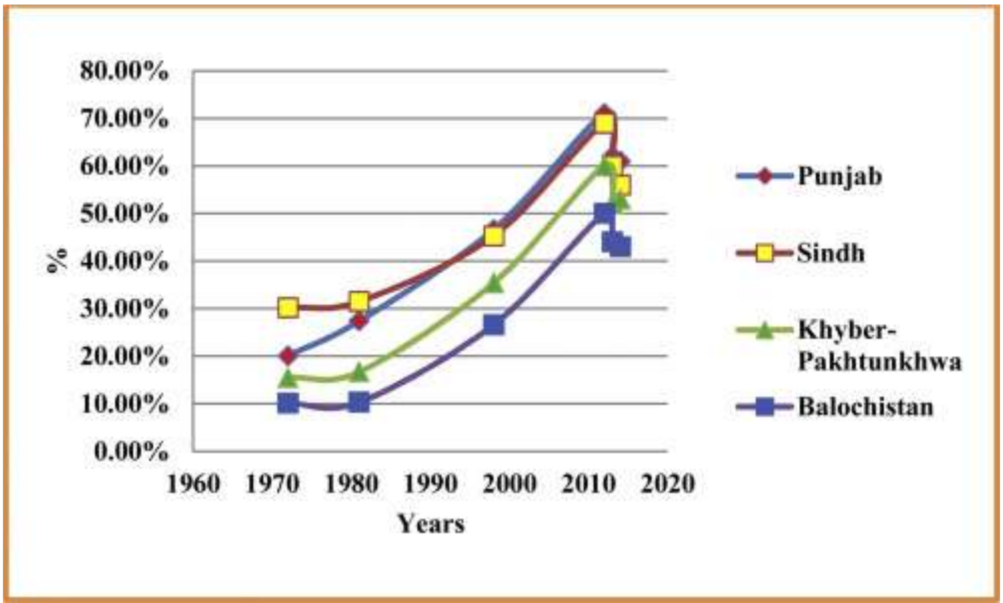
It is a well-known fact that Pakistan has a severe energy crisis despite a massive array of fuel resources.

Low Foreign Investment

Foreigners refuse to invest into Pakistan due to rampant terrorism and sever security crisis, the net foreign investment has been quite low and constitute less than 1% of the GDP.

SOCIAL ISSUES

Infant Mortality



1- **Prematurity:**
Prematurity is the number 1 cause of infant mortality. Prematurity is when a baby is born before the usual 37 weeks of gestation. The organs are unable to mature enough to survive.

2- **Pneumonia:**
Pneumonia is an inflammation inside the lungs caused by either bacteria, fungi, viruses or protozoa. 50% of deaths caused by Pneumonia can be prevented by vaccination. Pneumonia is the second highest cause of infant mortality.

3- **Birth Asphyxia:**
This occurs when the fetus is unable to receive the necessary oxygen required either before or after the delivery. Causes include maternal smoking, cord prolapse, placental infarction or cord occlusion.

4- **Diarrhea:**
This is an abnormal frequency and fluidity of stools. This results in dehydration and electrolyte disturbance. Causes include malabsorption and/or infections.

5- **Neonatal Sepsis:**
This is a bacterial infection in the blood stream and the fever it causes is a sepsis. It is either early onset or late onset.

6- **Injuries:**
Any damage caused to the body.

7- **Congenital Anomalies:**
These refer to the physical deformities in a developing fetus. Causes include genetics and infections. Antibiotics specifically sulfonamides and nitrofurantoin are known to cause congenital anomalies.

8- **Measles:**
They are caused by a viral infection of the respiratory passage ways. It results in a fever, cough, runny nose, red eyes and rash. It is highly contagious. Causes or risks include malnutrition, vitamin A deficiency and immunodeficiency.

Healthcare

Currently Pakistan stands at 122nd out of 190 countries when it comes to healthcare systems on World Health Organization (WHO) charts. The life expectancy of an average Pakistani citizen stands at an average 66 years both for male and the female. Furthermore, nearly 90% of the population doesn't have access to quality drinking water and sanitation.

Infrastructure:

Both government and non-government actors play a role in the health care infrastructure. Private sector health care systems are shown to be outperforming the public healthcare systems. There are also significant disparities between rural and urban healthcare systems. Healthcare delivery is significantly constrained in the rural areas of Pakistan. There is also a considerable lack of health managers, nurses and skilled doctors in the rural areas. Saad Ahmed Javed and Dr. Sifeng Liu proposed the first "Comprehensive structure of the Healthcare Delivery System of Pakistan".

Transmitted diseases:

These account for the majority of illness related mortality cases in Pakistan. The spread of these diseases can be traced back to unsafe drinking water, over populated cities, inadequate vaccination and an overall lack of health awareness.

Pakistan is one of the two countries still suffering from a polio epidemic, it also has a tuberculosis occurrence of 270 out of every 100,000 nationals. The occurrence of malaria and HIV is 12.8 for every 1000 and 2 per every 10,000 respectively.

***Figures as of 2006**

- **Acute Respiratory Infection** affecting 51% of the population mostly children.
- **Viral Hepatitis** affecting 7.5% particularly type B and C. Major cause is the over-use of therapeutic injections and reuse of syringes while administering these injections.
- **Malaria** affecting 16% of the population. A mosquito borne disease usually affects the poor population living in the slums.

Poliomyelitis:

Pakistan is still under the epidemic of polio thanks traditions preventing people from vaccinations. There were 89 reported cases as of 2008. Polio has been on the rise in Pakistan in addition to being discovered in new places. WHO experts indicated that the polio found in southern Punjab and northern Sindh are due to the disease migrating from nearby areas. FATA and KPK have the highest concentrations of the polio endemic.

HIV/AIDS:

The AIDs epidemic is on the rise in Pakistan. Factors such as high level of therapeutic injections (non-sterilized) and a low use of protection while intercourse. National AIDs Control Program and UNAIDs estimate that there are nearly 97,000 HIV positive individuals in Pakistan. However, national surveillance data suggests a number near 40,000.

Obesity:

Obesity being perceived as an issue has recently gained traction. Massive urbanization, life styles and the consumption of exponentially high caloric diets followed by little to no activity are some of the main causes of obesity in Pakistan. Pakistan was ranked 165 out 194 fattest countries on the Forbes list. Data suggests that around 22% of the individuals over the age of 15 have nearly crossed the threshold of obesity. Urban population stands at a higher risk of obesity compared to the rural population with women generally being more obese compared to men.

Cancer Care:

One out of 9 women in Pakistan are expected to develop breast cancer which is one of the highest occurrence rates in the South Asian region. However, there are many centers present for cancer research namely: Shaukat Khanum Cancer Hospital & Research Center Lahore and Peshawar, Agha Khan University Hospital Karachi and National Institute of Blood Diseases (NIBD) Karachi. The BRCA mutation (1 and 2) is one of the major genetic causes of breast cancer and early onset ovarian cancer in Pakistani women. W.H.O. suggests breast cancer is on the rise in Pakistan affecting children and adults alike.

Mental Health:

Mental Health as an issue has largely been neglected in Pakistan, considering nearly 14 million population suffers from some form of mental illness not withstanding those whom never even get diagnosed. The rise of terrorism, security issues, poor standard of living and a general taboo surrounding this issue as led to an escalation of mental health in Pakistan.

After partition in 1947 Pakistan kept following the Lunacy Act of 1912 from the time of British India. The act focuses on detaining mental health patients rather than treating them. The Act was later replaced by Mental Health Ordinance of 2001. In 2010 the Federal Mental Health Authority was transferred to province level placing administering mental health policies in the hands of the provincial governments. Sindh and Punjab being the only provinces currently adhering to the Act. The policy pertaining to mental health in Pakistan was last revised in 2000; 2006 was when emergency preparedness plan for mental health was last revised. However, there is no policy considering the rights of mentally ill criminals. Pakistan's top court has disqualified schizophrenia from falling under the definition of mental disorders.

Mental health has been allocated of just 0.4% of the total health care budget and there are only 5 mental hospitals in Pakistan. The burden that mental health poses to the economy of Pakistan according to the Disability-adjusted life years (per 100,000 people) is 2,430. These mental health problems later result into socio economic adversities, relationship issues and a lack of social support. Depression and anxiety disorders have the highest rate of occurrence including Bi-polar and Post Traumatic Stress Disorder (PTSD).

Drugs:

According to the United Nations Office on Drugs and Crime there are 6.7 million drug users in Pakistan. Addicts comprise of more than 4 million of this number with major drugs include cannabis and heroin. Drugs most often come from Afghanistan which produces nearly 75% of the drugs in the world. UNODC estimates the regular usage of heroin is rampant between the ages of 15 and 64, with the annual consumption of heroin is an estimated 44 tons. Pakistan generates nearly $2 billion thanks to illegal drug trade alone. In 2005 research data suggested that around 11% of the Pakistani drug users were HIV positive due to reuse of syringes. The treatment and rehabilitation centers are in short supply in Pakistan with the treatment being available for on 30,000 drug users. Anti-Narcotics Force is a government agency tasked to combat drug use in Pakistan.