# Cumulative Price Index and Regional Comparison

Since 1947, Pakistan's price index has grown nearly 90 times, meaning what cost 1 rupee in 1947 now costs almost 90 rupees in 2025. This pace of inflation is the steepest among SAARC countries. In comparison, India's price levels have increased roughly 30 to 40 times, benefiting from more consistent monetary management and stronger foreign reserves. Sri Lanka, despite its recent economic crisis, has seen a cumulative increase of about 70 times, still lower than Pakistan's surge. Bangladesh has performed even better, keeping cumulative price hikes well below Pakistan's trajectory, thanks to disciplined fiscal policies and robust export-led growth that stabilized its currency and curbed imported inflation.

The sharper price escalation in Pakistan stems from deep-rooted structural issues. Persistent fiscal and external deficits, combined with repeated currency devaluations, have amplified imported inflation. Chronic energy dependency and weak supply chains have led to frequent cost shocks that ripple across the economy. Political instability and inconsistent economic policies have discouraged productive investment, while lagging industrial and agricultural productivity has made the economy less resilient to inflationary pressures compared to its regional peers.

To moderate future price hikes, Pakistan needs structural reforms. Broadening the tax base, controlling fiscal deficits, and pursuing energy independence can stabilize the currency and reduce external shocks. Investments in agricultural modernization and industrial efficiency would help increase supply and ease price pressures. Above all, consistent economic policy and political stability are crucial for regaining investor confidence and ensuring sustainable, long-term control of inflation.