

Date

Summary

Summary: Task : No:- 02

From Swimming in Sand to High and Sustainable Growth

i. A road map to reduce distortions in the allocation of resources and talent in the Pakistani economy.

→ Pakistan's Country Economic Memorandum (2022)

ii. Executive Summary:-

1) → Over the past two decades, Pakistan's per Capita GDP growth has been slow.

• External Vulnerabilities that tends to result in balance of payment crises, leading to abrupt halts to growth

• A model of growth that is driven by consumption and government expenditure rather than by investment and exports is at the core

iii. Pakistan's growth challenge

→ 2019 in Pakistan to (100)
• Pakistan's goal of becoming an upper middle-income country by 2047 requires accelerated and sustained growth, but

the impact of COVID-19 and diverging from the outlined path necessitate a return to focused structural reforms

↳ 6 to 8% per year growth economic growth required

↳ need path of sustained & focused structural reforms

2. This report looks at how Pakistan can achieve this path of higher and sustained economic growth:

- Built on analysis & stakeholder discussions conducted as part of Pakistan's Shaping Future (2019)
- Systematic Country Diagnostic
- Leveling the playing field (2022)
- The Creating Markets in Pakistan
 - ↳ Country Private Sector Diagnostic (2021)
 - ↳ Wealth of local & international analysis.

→ These sources have informed the understanding of the current state of Pakistan's economy and have contributed to the identification of challenges and opportunities for its future development.

3. The premise of this report is that Pakistan's growth is stunted by its inability to allocate all of its talent and resources to the most productive uses:

- The report suggests that Pakistan's growth is hindered because it is unable to effectively allocate its talent and resources to the most productive uses.
- This inability is attributed to various distortions in the economy, which can be introduced by policy decisions or left unaddressed.

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- Examples of these distortions include taxes, subsidies, size-dependent industrial policies, trade restrictions, and gender norms.
- Collectively, these distortions create strong incentives for inefficient resource allocation.
- Addressing these distortions is crucial for unlocking Pakistan's growth potential & improving productivity.
- The report highlights the need for policy reforms to remove these distortions and promote a more efficient allocation of resources.

→ Distortions affect the way land and capital are allocated:-

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Talent is also misallocated in because of distortions:

- While females in Pakistan have made strides in terms of educational attainment, gender norms, often mean that this accumulated human capital is underused because females do not participate to their potential in the labor force.
↳ demand side → share of female (4%)

→ Figure E.1:

Pakistan's Growth Challenge: Swimming Out of Quicksand

Capital talent land

Resources



Productive

less productive

Allocation
process

Tradable / Non-tradable

(Real estate / Efficiency
limits)

Productive
structure



Demand imports
supply exports

Demand for imports?

outcome

External Vulnerability

Trade balance

External Vulnerability



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- 1) Productivity
- 2) Investments
& firms' growth
- 3) Female labour
participation

- why is Pakistan stuck in a cycle of repeated extenex (rise?)
 - Distortions → misallocation of resources

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4). This report focuses on how Pakistan has performed in three areas that are at the core of growth process: productivity growth of firms, and investment, and female labor participation:

→ It focuses on how the decisions of firms - farms - or individuals are shaped by some crucial distortions that exist in Pakistan and proposes several policy reforms or interventions to eliminate or reduce the extent to which these distortions lead to resource misallocation.

→ It is structured into seven standalone chapters (or Policy Notes)

- ↳ Seven background paper
- ↳ Main findings summarized below

(A) The first section focuses on productivity dynamics across sectors, and its main drivers.

→ 1) Aggregate Productivity in Pak has been stagnant or declining during the past decade, mostly driven by firms and farms becoming less productive over time. → 23% in 2020 & Covid 19.
→ Goods & Agriculture ↓

2) Allocation efficiency gains - visible in the reallocation of resources away from low productivity and into high productivity firms - have not been strong enough to compensate for declining within firm productivity.

↳ firms in Punjab → 30% → 18% due to improved allocation of resources

↳ 12% due to the entry of more firms into productive activities.

B) → A substantial portion of firms' productivity decline is related to Pakistan's inward turn

On the export side, the report uncovers a significant productivity premium for exporters that is linked both to the selection of better performers into export markets and to learning by exporting.

On import side, high import duties, particularly on intermediates have negatively affected firms' productivity, as well as sales and wages.

↳ import duties ↑

- c) The last chapter in the section turns its attention to productivity in a key sector from the point of view of employment, poverty reduction and export orientation; agriculture.
- The farm and district-level analyses for the agriculture sector show that climate change poses a threat to Pakistan's agriculture productivity.
 - ↳ Crop productivity in Pakistan is highly susceptible to elevated temperatures and rainfall variations, putting the crop segment at severe risk due to climate change.
 - ↳ Crop → due to high temperature
 - The second section turns its attention to the challenge of private investment, the role of FDI, and limits to investments and firms' growth in Pakistan.
 - Part of the decline in productivity is associated with low investment rates, particularly in tradable and productive sectors, which leads to limited growth of firms.
 - ↳ Private investment ↓
 - ↳ FDI did not contribute ↓
 - ↳ Manufacturing industries ↓
 - Pakistani firms are smaller in size than in most comparator countries, and struggle to grow.
 - ↳ Large firm less in number
 - ↳ Export small

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- Part of the borrowing of the Government that crowds out private investments is used to support firms that may be unviable without state support.
 - ↳ large share of firms known as 'zombies'
 - ↳ state owned enterprises → 6.7 & 3.9% lower profit
- High profitability, however, is not necessarily associated with high productivity but is instead with high protection.
 - ↳ firms; protected from import competition
 - ↳ open and protected sector firm example
- To increase investment rates and bring in large firms, that could add dynamism to markets, the country could leverage its untapped FDI potential - estimated US \$ 2.8 billion annually
 - ↳ FDI Policies

C → The final sections move focus away from firms & farms into individuals and examine how talent is being allocated. It focuses specifically on female labor force participation.

→ Fast and sustained growth requires tapping into all of Pakistan's talent & allocating it to best use

↳ Rate for lower female labor force participation (FLFP)

↳ 2017 data: nine overall & with lower FFLFP compared to the Pakistan.

↳ Constraints in Employment.

↳ Misallocation of talent

→ Pakistan can achieve GDP gains ranging by 5% to 23% by closing female employment gap relative to its peers, depending on the extent of implementation of complementary labor market policies. → ch 7

↳ About 7.3 million new jobs would be created if Pakistan would be close to its female employment gap with Bangladesh.

↳ share would 22% to 34% ↑

→ In Pakistan, educational attainment and FLFP shows a U-shaped relationship, which largely disappears when soft connectivity improves.

↳ demand & supply allocation / misplace

↳ more facilities should ↑

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→ Based on these results, this report outlines a transformative reform agenda that could offer substantial payoffs to Pakistan, and that focuses on improving the way resources & talent are allocated

- ↳ Global conditions
- ↳ Covid 19 affects
- ↳ Tightening monetary policies
- ↳ Russian - Ukrainian war

→ The proposed reforms agenda needs to be implemented in a sequenced manner to internalize Pakistan's complex political economy.

• The distortions in place in Pakistan are to a large extent the result of powerful insiders, albeit limited in number, who influence the policy making process to maximize their own benefits.

- ↳ In Agriculture
- ↳ In Industry
- ↳ In Trade
- ↳ In Services

• Distortions are often at the expense of a larger group of outsiders, and fundamentally, at the expense of fast & sustained growth.

- ↳ outsiders & insiders.

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These insider-outsider dynamics make reforms, to the level the playing field extremely challenging, requiring both strong political leadership and civil society

→ Key Recommendations

- 1) First- remove distortions to improve aggregate productivity through a better allocation of resources, by focusing on:
 - Tax policy
 - Trade policy
 - Export Schemes
 - Size-dependent policies
 - Agricultural Subsidies
 - Working conditions for women
 - Female transport

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ii) Second, to ensure maximum positive impacts of the alleviation of distortions, consider the following complementary reforms.

- fiscal space:

- credit

- Managerial practices:

- Business climate:

- Investment framework

- Insolvency regime

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→ Third: Subject all interventions that entail the use of public funds to rigorous impact evaluation and create a dynamic link from evidence to policy making:

- Costing of Expenditure

- Feasibility Analysis in PSDP process

- Impact evaluations in larger PSDP Projects & Expert Development fund (EDF)

- Academic- Public Sector Links

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Overall :-

Section : 1 Productivity

- Ch 1) → Distortions, Resource allocation & Productivity in Pak
- Ch 2) → Pakistan's Productivity Challenges
- Ch 3) → Making Trade Policy work for Productivity
- Ch 4) → Agriculture Productivity & Challenge of Climate Change

Section : 2: Investments and firm growth

- (Ch 10) → Firms, Size & Growth in Pak
- (Ch 11) → FDI in Pak: Achieving Potential, Maximizing benefit

Section: 3:- Female labor force participation

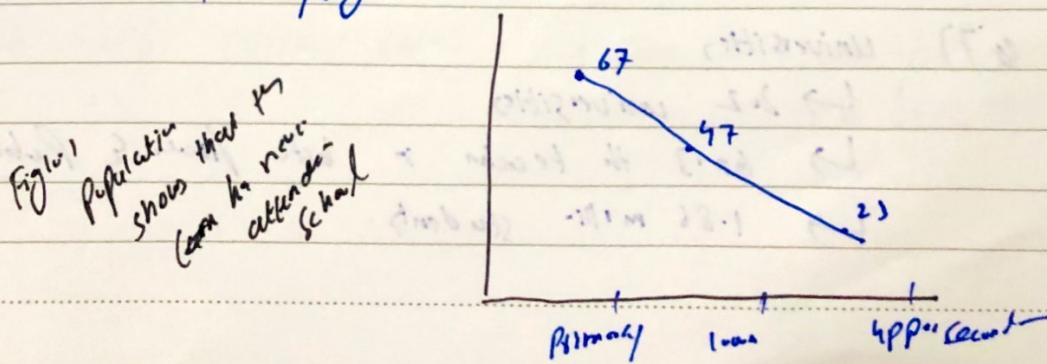
- (Ch 16) → Closing the Gap:- Overcoming Barriers to Female labor participation in Pakistan.

Date Chapter 10 Education

- No one can deny the importance of education in every aspect of life. Education is a tool for changing the patterns of thought in the individuals and nations.
- So far education has remained a neglected sector but now the importance of education in transforming the fate of nations.
- Efforts → to bring out of children to schools, improve quality of education, provide conducive learning environment etc.
 - ↳ Transformation of 63% youth into a real world wealth requires optimum capitalization.
- This chapter elaborates the progress on Goal 4 of Sustainable Development Goals (SDGs), important data sets, by provincial bifurcations, development of skilled labor (NAVTEC), the higher education prospects & major initiatives of government.

- Progress on Education Indicators Related to 4 Goals of SDGs:-

- Goal of SDGs, equitable education, removal of discrimination, provision, and up-gradation of infrastructure, skill development for sustainable progress, universal literacy, --- teachers,
 - ↳ Different measures by government
 - ↳ Progress as under



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- The participation rate in term of functional literacy & numeracy skills → 60%.
- Participation rate in organized learning → 19%.
- Fig 10.3 Population that has ever attended school → Pak total 60%, 70m, 56
- Fig 10.4 Population that has completed Primary School or Higher 51%. Pak, 60, 42
- Educational Institutions and Enrollment data.
 - 1) Pre Primary Education → degree of 5.9%.
 - 2) Primary Education (I-V) 186.2 thousand Schools, 476.5 th teachers
 - 3) Middle Education (VI-VIII)
 - ↳ 47.2 th with 433.7 th thousand teach 6.3%
 - 4) Secondary / High School Education
 - (Class IX-X) 34.2 th Schools, 592.3 th teachers.
 - 5) Higher Secondary / Inter Colleges (XI-XII)
 - ↳ 71 tho Schools/Colleges with 158.4 th th
 - 6) Degree Colleges (Classes) XII-XIV
 - ↳ 0.8L million students
 - ↳ 0.76 million colleges 300 degree colleges
 - 6.7) Universities
 - ↳ 202 universities
 - ↳ 60.3 th teachers in both from E Publ
 - ↳ 1.86 million students

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9) Technical & Vocational Education

↳ 37 th institutes, with 182 th teachers.

↳ 0.4L enrolment.

→ Table 10.2 → Number of mainstream Enrolment, Institution & by Teacher.

→ Literacy, Gross Enrolment Rate (GER) and Net Enrolment Rate (NER)

• Literacy = literacy rate 62.8 by Labor Force Survey (2020-21)

↳ males 73.4%, females 51.9%.

↳ Rural areas 54%, urban 77.3%

↳ Punjab 66.1%, Sindh 61.8%, KPK 55.1%, Bal 54.5%

→ Table 10.3: Literacy rate (14 years And Above)

• GER at (Primary, middle & matric) is 82.56 & 58%.

• In all provinces GER is in favor of male than female.

→ Table 10.4: Gross Enrollment Rate (GER)

• NER (Primary, middle & matric) is 51.21 & 13%.

→ Table 10.6 Literacy rates → Fig 10.5 out of School children
↳ 32%, M27, F37%

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→ Expenditure on Education:-

→ FY2022 at 1.7% of GDR (cumulative education expenditure)
↳ Rs 1161.7 billion from Rs 822.2, 373Y T.

→ Table 10.7 : Expenditure on Education
2016-17 2.0%, 2.1, 2.0, 1.9, 1.4, 1.7 (2+2L)

→ Fig 10.6 Expenditure on Education → upward trend.

→ Development Programmes FY 2023

• Federal Public Sector Development Programme (PSDP) / FY 2023

• Education sector is highly connected to poverty dynamics.

• In current financial year, around Rs 52 billion in PSDP 2022-23 were earmarked for education sector including higher education.

• Provincial Grants:

Rs

→ 273 projects

↳ Punjab → 56.7 billion to education (FY2023)

↳ Sindh → 34.2 billion (332 projects)

↳ KPK → 28.2 billion (145 projects)

↳ Balochistan → 19.6 billion (63 ongoing & 237 new projects)

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- Major Initiatives by Federal Govt:-
- Single National Curriculum (SNC) now National Curriculum of Pak (NCP).

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Technical & Vocational Education
National vocational & technical Training commission (NAVTTC)

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• Higher Education Commission (HEC) :-

↳ by govt in 2002

↳ research & development sector of High Education Institutions (HEIs).

• Key achievements in (July March) FY 2022-23

i) Public Sector Development Programme (PSDP-2022-23).

ii) Increase in Access and HEC Recognized Universities

↳ 247 (147 PS & PS 100).

iii) Human Resource Development (HRD) / Scholarship Division

iv) Research & Development

v). Prime Minister Youth Programme

• PM National Innovation Award (PNNIA)

• PM talent Hunt youth sports program

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→ Pakistan HEIs - Environment, Region sectors

Date Chapter 11) Health And Nutrition

→ Provision of quality healthcare services and ensuring nutrition security of the population are key to human capital development, which is an important determinant of economic development in a country.

↳ to meet global targets of well-being under SDGs 3 → Pakistan has been committed.

→ Presents a moderate picture (Health & nutrition profile)

→ Key health indicators, child and maternal life expectancy, i.e. neo-natal mortality rate, infant mortality rate, and under-5 mortality rate showed improvement in year 2021.

→ Maternal mortality with 154 deaths per 100,000 births in 2021 (179).

→ Other remains same.

→ (MIYCN) Maternal infant and young children nutrition only two targets have been met as per Global Nutrition Report 2022.

↳ 100 birth n. achieved

↳ 44.3% of women affected with anemia

↳ 37.6% of child affected from stunting → Asia (21.8%)

↳ 7.1% of (child less weight effect) Asia (8.7%)

→ Table 11.1 Health And Nutrition Indicators of Pakistan

• The human resource employed in health sector plays a critical role in efficient service delivery. → Medical & Para medical Staff ↑

→ Table 11.2 → Registered Medical & Paramedical Personnel

Doctors → 282,383 → 2022

Date SDGs Goal → Govt 1) No Poverty 3) Good Health & Nutrition
 2) End Hunger 4) Quality Education

→ Moreover, sufficient health care financing and optimal allocation of financial resources is necessary for quality health care service delivery.
 ↳ FY 2022 public expenditure was 1.4% (to in 2021).

→ For FY 2023 : health sector allocation under PAsDP was Rs 22,356.5 million.
 ↳ 2.8% of total developmental budget (Rs 800,000 million).
 ↳ 62 health sector projects

• Table 114:- Health sector projects share in federal PAsDP FY2023.

→ Key health Sector Interventions and Initiatives by Govt FY2023.

↳ available resource to achieve third SDG.

↳ Various initiatives have been undertaken by federal & provincial governments

i) Integrated Disease Surveillance Response System (IDRS)

ii) National Health Support Program (NHSP)

iii) Universal Health Coverage-Benefit Package (UHC-BP) or Essential Package of Health services (EPHS)

iv) Extended Program for Immunization (EPI)

v) National TB control Programme (Tuberculosis) by 2035 ↳ 57,000 TB cases

↳ 42,000 people die every year

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- vi). Polio Eradication Programme:-
- vii). Malaria Control Efforts (Epidemiologically)
- viii). National AIDS Control Programme. (NACP)
- ix). Cancer Treatment
↳ 80% Cancer burden by Pakistan Atomic Energy Com (PAEC).
↳ 40000 annual treatment.
- x). Regulating Health Care:-
- xi). Pakistan Flood 2022 . Post Disaster Need Assessment for the Health Sector. → 13x health facilities damaged
- xii) Narcotics Control and Drug Rehabilitation Efforts
↳ Drug Demand ↳ Drug Supply ↳ International Cooperation

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→ Efforts of the Provincial governments in improving health care services during FY 2023:-

→ i) Punjab

Primary & Secondary Healthcare Department (P&SHD) for FY 2023 was Rs 15,800 million.

→ ii) Sindh:-

FY 2023 Rs, 23,300 million allocated for health services

↳ 6.8% share of total development budget

→ iii) KPK:

→ Budgetary allocation, Rs, 13000 million for health sector in FY 2023, for 102 schemes.

↳ 64000 million improve basic service, 80000, improve service in category (hospitals)

↳ 35% more than previous fiscal year.

→ iv) Baluchistan:-

Annual development program → Rs 56,000 million to 211 schemes in 2023, out of 12,000 million has been allocated to health sector

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- v). Azad Jammu & Kashmir:- → overall status good
- ↳ 3 medical college
 - ↳ 2 CMH, 8 DHQ, 14 THQ health facilities
 - ↳ 712 nurses & 331 specialist doctors
 - ↳ total health expenditure 11,487.29 million with development expenditure Rs. 1806 million. 2023

- vi). Gilgit-Baltistan:-
- ↳ 89 schemes with Rs. 4000 million 2023.
 - ↳ with 1200 million for health sector.

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→ Nutrition Profile of Pakistan

- Nutrition Security, being an essential component of human capital development.

→ fig 11.1 Nutritional Status of Children under Age 5

- ↳ childhood nutrition
- ↳ Access to sufficient, safe, and nutritious food
- ↳ Mal-nutrition
- ↳ Micronutrient deficiencies & disparities

→ Food availability, total amount of food available for human consumption calculated using statistics on food Production, imports & exports is an important determinant of nutrition status of population

- Table 11.5 Food Availability (kg) per Capita per Annum

→ From July 2022, to March 2023, there was an increase in the cost of food basket per capita per month.

• Key Programs/Initiatives for Nutrition Improvement:

- Multi-Sectoral National Nutrition Policy (MS-NNP)
- Child Health Development (CHD) Policy framework.
- National Nutrition Schools
- Rural Programs
- Korea Aid Support (PKNC)

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→ Nutrition programs undertaken and committed under Provincial Annual Development Programmes, (ADPs) and Nutrition for Growth (NfG) summit during fy 2023:-

1) Punjab:-

- 6706.97 m (IRMNCH & NP)
- 10,13.1 m
- 70.16 m nutrition target
- 8993 mi stunting Reduction

2) KPK :- . Rs 7027.3 m

- 1500 million stunting Prever
- 643.6 m Poverty Alleviation

3) Sindh:- (APP)

i) ~~Baluchistan~~

ii) Baluchistan

iv) Jamm & Kashmir

v) Gilgit-Baltistan

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→ Education Ch# 10:

- Expenditures (1.7% of GDP)
- Literacy Rate (62.8%) M: 73.4%, F: 51.7%
- Universities 247 : Public: 147, Private 100.
- Higher Education Allocation 44.72 Rs billion
- Youth trained under NAVTTC 144,529
- Ph.D faculty members 35.14%

→ 6 Health and Nutrition Chapter 11:-

- Public Health Expenditure (1% of GDP) (2022)
- Health Sector Allocation (22.4 Rs Billion)
- Hospitals 1276
- Basic Health units 5559 (2021)
- Maternal Mortality Rate 154 (Per 100000 live births)
- Infant Mortality Rate 52.8 (Per 1000 Births) (2022)
- Prevalence of stunting 37.6% under Age 5. (2018)



Date Task 09:-

→ Executive Summary of Economic Survey of Pakistan

Q3) Global Economic Review

- Experiencing the accumulative effects of the severe and relentless shocks -
 - Russia-Ukraine war
 - Climate change
 - Covid-19 affects
 - Monetary & Policy challenges
- ↳ have driven many countries close to crisis.
- Highest ever inflation :
 - Strong consumer demand
 - Persistent supply disruptions
 - Surging commodity prices.
- IMF forecasted global growth at 2.8% in 2023, and 3% next year.
 - ↳ sharp economic declines
 - ↳ deceleration of global growth to about 2.5% 2023.
- Sharply shrinking global financial conditions could have an intense impact on credit conditions, & public finances, particularly in emerging markets & developing economies.
 - ↳ capital outflow ↳ appreciation of dollar
 - ↳ major declines in global economic activity
 - ↳ lower household spending & investment
- The sharp contraction of global monetary policy since early 2022 has intensified fiscal and debt vulnerabilities.
- Continued uncertainty → macroeconomic stability.

2) Pakistan Economic Review:-

- The geopolitical situation, difficult financial environment, and high inflationary pressures have all had a sustainable impact on prospects for global growth.
 - ↳ economic risks for Pakistan
 - ↳ Devastating floods & political unrest
 - ↳ 2022 high growth 6.1%.
 - ↳ excessive demand & overheating.
- Four major challenges in FY-2023:-
 - 1) ↳ regaining Sustainable macroeconomic stability
 - 2) ↳ reducing poverty
 - 3) ↳ fiscal consolidation
 - 4) ↳ weakness in external account
- Overall vision high & sustainable GDP growth with price stability.
 - ↳ Govt Policies
- unprecedented episode of torrential rains followed by flash flooding in July-August 2022, effected 33 million.
 - ↳ especially Sindh & Baluchistan
 - ↳ 17000 people died & 8 million displaced
 - ↳ 8.4-9.1 million more poor in poverty
 - ↳ loss of 4.8% GDP

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The present govt. came into power in April 2022

- ↳ Its policies for Awaam.
- ↳ BISP improved & other programs
- ↳ Public-Private Partnership
- ↳ removing unproductive Subsidies \rightarrow burden in budget ✓.
- ↳ rationalization of expenditures
- ↳ increasing tax & Non-tax revenues
- ↳ tight monetary policy to fight inflation

A decrease of fiscal deficit from 3.9% to 3.6% of GDP

- ↳ primary balance Surplus Rs 8038 billion from (deficit 4472 bill)
- ↳ current account Surplus of US \$ 750 million in March,
& US \$ 18 million in April 23.
- ↳ from 17.8 billion to 3.7 billion current Acc deficit
- ↳ but uncertain global security situation
- ↳ higher inflation, fuel prices ↑, bewildering stock market
foreign inflows ↓

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3) Executive Summary:-

3). Growth & Investment:-

- GDP growth 0.29%, Agriculture 1.55% ↑
- Industries -2.94% ↓, Services 0.86% ↑
- Per Capita income 1568 \$, Investment 13.63% of GDP
- Savings 12.60% of GDP

→ Severe macroeconomic imbalance, flood damages, domestic supply, shock & international economic slowdown have dampened the economic growth to just 0.29% in 2023.
↳ expected 5.0%.

→ GDP Rs 84,658 billion at current market price.

2). Agriculture

- Growth Agriculture: 1.6% ↑, Crops -2.5% ↑, Livestock 3.8% ↑,
- Forestry 3.9% ↑, Fishing 1.4% ↑.
- Inputs, Agriculture credit 27.5% ↑, Fertilizer uptake (3,311)
Improved Seeds availability 655.9 thousand tonnes.

• Pakistan faced a heavy monsoon spell in July-Aug 2022 which damaged two main sub-sectors, crops & livestock.
↳ spill over effect in industrial & service sectors.
↳ total damage 860 billion Rs.

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3). Manufacturing and Mining:-

- LSM Growth = 8.1% v, Textile Growth = 16.0% ↑, Wearing Apparel 31.7% ↑
Furniture 48.3% ↑, Leather Product 2.5% ↑, → others (footwear) ↑.
- Extraction of Principal Minerals
Coal 8661 (000 MT), Crude Oil 19.48 (million barrel)
Natural Gas (25.58 (000 M cu m))

→ These proliferation of risks, including the global economic slowdown and fuel damages, coupled with the SBI's restrictive policies such as high interest rates, import restrictions and the closure of LRS to correct the balance of payments & control inflation has created headwinds for businesses, consumers (confidence & investment).

↳ Slowdown performance in 2023.

→ Mining & quarrying sector remained negative at -4.4%.

7) Fiscal Development:-

Total Revenue: 6.94 Rs Trillion

Tax Revenue: 16% → Rs 5.62 Tr Tr

Non Tax Revenue: 25.5% → Rs 1.32 Tr Tr

Total Expenditure Rs Trillion (16.02)

Currenl. Expenditure: 25.3% Rs 9.24 Tr Tr

Devel.-Pment. Expenditure: -1.8% Rs 1.01 Tr Tr

Fiscal deficit (% of GDP) = 3.6% ↓

Primary Surplus (% of GDP) = 0.6%

The govt. is committed to reducing the fiscal deficit to ensure fiscal sustainability and macroeconomic stability.

Two major challenges

↳ 1) To support vulnerable segments of society

2) Meeting expenditure on rising interest payments.

→ FBR tax collection, 16-17 Rs 5637.9 billion.

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Net Foreign Asset Net Domestic Asset

5). Money & Credit:-

Policy rate 16.4%, Broad money Rs 11,93.7 bn (4.3%↑)

NFA Rs -2060.6 bn, NDA Rs 3254.2 bn, Private Sector Credit Rs 302.3 bn

Weighted Average Lending Rate 16.3%,

Weighted Average Deposit Rate 9.1%.

The economy faced many headwinds on account of rising government borrowing costs & Capital outflows which exacerbated fiscal & balance of payment pressures.

6). Capital Markets and Corporate Sector:-

MSCI-CM index 104.4, KSE-100 index 3.7%

Market Capitalization 6108 Rs Billion, Net investment in NSS -3082 billion
Incorporation of companies 5.9%, Commodities contracts 3.4% Rs Trn

→ The performance of major international stock markets remained volatile during the outgoing fiscal year, mainly due to global financial conditions.

7). Inflation:-

Consum. Price index (CPI) - 28.2%↑, CPI Urban 25.9%↑
CPI Rural = 36.6%, Food 39%, Non Food, 24%↑

→ Corden :- Urban 15.6%, Rural 19.4%.

→ Sensitive Price Indicator (SPI) = 31.7%↑

→ Wholesale Price Index (WPI) = 34.6%↑

→ FAO Food Price Index (FPI) = 14.3%↑

→ FAO Food Price Index (FPI) = -19.7%↓

The inflationary pressures are emanating from weaker exchange rates, supply disruptions, created by flood damages, higher global fuel prices, and broader tariff reforms for both electricity & fuels.

→ Global inflationary pressure

8) Trade and Payment:-

Current Account deficit → 3.4 (8 billion) ↓

Exports → 921.1 billion

Imports → 915.8 billion Trade balance Deficit → 20.49b ↓

Remittances → 20.5 4 billion, Foreign Direct Investment → 1.04

↳ Adverse global shocks, and domestic developments.

↳ International commodity prices are still above pre-pandemic level

↳ CAD 13.7 billion → reduced to 93.3 billion - 23% decline in exports

9) Public Debt:- Total Public debt = 59,247 Rs. billion , 485.26b

Domestic Debt - Rs. billion 35,676 , External dt. Public Debt - 24,171 Rs.
Govt Repaid to SSBP RS. 316 billion

Govt Repaid Int'l. commercial loans :- 5,541 US \$ million.

→ US \$ 3000 million in deposits each from China and Saudi Arabia

→ Govt strategy to reduce its debt burden to a sustainable level includes a commitment to run primary budget surplus, moderate fuel & slab inflation, prudential measures.

10). Education:- Expenditure (1.7% of GDP), literacy rate 62.8%, M 73%, F 51%

- Universities, 247, (Public 147, Private 100),
 - Higher Education Allocation 44.72 Rs Billion
 - Youth Trained under NAUTIC 144, 529
 - Ph.D faculty members 3514.
- 247 universities & 57,204 thousand teachers in Public & Private U.
- 44.71 billion budget for HEC (154 projects).
- SNC Single National Curriculum.
- Different measure at federal and provincial levels.

11). Health and Nutrition:- Public Health Expenditure 1.4% of GDP

Health Sector Allocation 22.4 Rs billion, Hospital 12%, Basic Health Units 3555,
Maternal Mortality Rate 154 per 100,000 Births, Infant Mortality Rate 53.8 per 1000
Prevalence of Stunting → 37.6% under age 5.

- Govt. is particularly focused on ensuring quality and equitable access to health and nutrition services for the people.
- ↳ stayed committed to meeting global targets of good health & well-being under 3rd Goal SDGs.
- PDP allocation for health sector 2023 was 2.8% of total development budget & 0.05% of GDP.

12) Population, Labour force and Employment:-

Population Size 229.22 million

↳ Rural :- 144.53 million

↳ Urban :- 84.69 million

→ Total labor force 71.76 million (21)

↳ Employed . 67.25 million

↳ Unemployed: 4.51 million

↳ Unemployment rate : 6.3%

→ Workers Regd. for Employment Abroad: 829,549 (22)

→ Prime minister youth Business & Agri loan sch

↳ Disbursement Rs 6965 million

↳ Beneficiaries 15,502

→ 5th most populous country in the world

→ Large labor force that stands among top 10 largest labor forces in the world

13) Transport & Communication:-

• NHA's Network length → 19,480 km

• Pak railways, Passenger traffic 225 mn Passengers

→ Modern transportation and communication infrastructure plays a pivotal role in attracting investments and achieving economic development in a country

→ Building road, rail, and sea transportation.

→ road density in rural & urban areas

PIA, Pakistan Railways, NHA, PNSC, Port Qasim Authority,
Karachi Port etc.

→ Pil. work

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Q14) Energy:-

Total installed capacity: 4,000 MW, Total electricity generation: 94,121 Gwh
Consumption: Total Electricity: 84,039 (Gwh), Petroleum products 130.7 million tonnes
Gas: 3,258 Mcfd, Coal: 15.42 million tonnes

- Demand for energy increases due to expansion of economic activities, population growth & rapid technological change.
- Russia-Ukraine War
-

Q5). Information Technology & Telecommunication:-

IT & ITes Companies: 5109, IT Exports 1.97 US billion

Trade Surplus of IT & ITes Industry 1.72 billion \$

Freelancer Remittances 269.8 US \$ million

- Crucial facilitator in the development of a knowledge society & knowledge economy.
- 'Digital Pakistan Vision' & Promoting digital economy

Date

16). Social Protection

- BISP Programme Allocations 400 (Rs Billion)
 - ↳ BISP Beneficiaries 9 million.
- BISP kafalat Disbursement 128.90 Rs billion
- Assistance for Flood Effects
 - ↳ Disbursement Rs 69 billion
 - ↳ Beneficiaries 2.76 million
- BISP Taleem Waqif 3.0 million
- Interest free loan Programme
 - ↳ Borrower 365,408 (Nos)
 - ↳ Disbursement Rs 14.93 billion
- PBM Programme 609 (Rs billion)

→ BISP

→ Pakistan Poverty Alleviation Fund (PPAF) (PPAF)

17). Climate Change:- A serious challenge

- National Clean Air Policy 2023
- COP27 Nov, 2022
- Ten Billion Tree Tsunami Programme
 - ↳ Plants generated/planted: 188.41 million
 - ↳ Amount Utilized: Rs, 3,296.88 million
- National tree plantation campaign 2022
 - ↳ Trees planted 181.79 million
- Water, Sanitation & Hygiene (WASH)
 - ↳ Allocated Rs 247 billion (22)
 - ↳ Allocation: Rs 265 billion (23)