

Topic 2:- Agricultural Sector and Its Issues

"The agricultural sector uninterrupted engages in recreation of Pakistan's economy since independence. In the early time, it considered a dominant sector but due to the declining its performance because of the political, social, environmental and climate conditions its production yield goes down gradually and now it is the second largest sector in Pakistan".

The magnanimity of the agricultural problems in Pakistan has undoubtedly crippled the economy. In 1947, agriculture's contribution of GDP was 53% that has shrunken down to 19.5% last year. Pakistan has great agricultural potential because of its alluvial soils. However, it is producing almost 60% below its potential. Neighboring India and Bangladesh have shown significant improvement in their agriculture sector unlike Pakistan. Where China is growing padi crops in Gobi desert, Pakistan is still relying on perennial canal system of irrigation. Let us make an attempt to study the agricultural profile of Pakistan followed by a brief discussion on problems in this sector.

42.3% of total labor force engaged with this sector. Around 55% of country's population live in rural areas is directly or indirectly attached to agricultural sector. Agriculture is the lifeline of Pakistan's economy, it is the 2nd largest sector accounting for 19.5% of the GDP employing 42.3 LF and providing raw materials for several value added sectors.

Importance of Agriculture in Pakistan:-

- ✓ Major contribution to GDP (19.5%)
- ✓ Provide food (3.2% population growth rate)

- ✓ Supply of raw materials to industries
- ✓ A big source of employment (55-60% rural people attached to it)
- ✓ Industrial development is based on agriculture owing to manpower
- ✓ Source of foreign exchange (45% F.E)
- ✓ Helps in the extension of markets i.e. the agri development in the country increase the income of farmers which were spent on purchase of goods like Tv, Motorcycles, radio, fans etc so, industries of these goods will develop
- ✓ Strategic importance i.e. because of severe increase in world population, demand for agricultural goods is rapidly increasing, and this demand is not likely to come down in future, this means that agri sector has occupy a strategic importance and the food stuff can be used as weapon like oil to put pressure in world politics, moreover, self sufficiency of food stuff will help in eliminating the danger of food insecurity

Pakistan lies in a semi arid sub tropical region. Pakistan has 1046km coastline in the south that impacts its climate and agriculture. Almost 90- 97% of showers in Pakistan are received during summer Moonsoon season. Very few showers are received during winters. Drought and floods formulate the permanent feature of the area. Pakistan receives seasonal showers due to which most of agri land must be irrigated and agri output is largely affected by the climatic variations and global warming. Total land area of Pakistan is 881,913(96.9%)km.sq and 3.1% comprises of water bodies. Total land area of Pakistan is 96.9% and 3.1% is constituted of water bodies. Total cropped area of Pakistan is 23.04 million hectares. 90% of the land is irrigated and only remaining 10% is rain fed. In Pakistan, Intensive Subsistence Farming is largely practiced Use of fertilizers and pesticides; and techniques of crop rotation are practiced widely in order to have larger yield. Among major crops of the country there is wet padi and wheat. Cash crops include

cotton, sugarcane, maize, jute, tobacco, citrus fruits, mangoes etc. Almost 44% of the labor is involved in it and almost 64.5% of the population is still rural in nature. In 2016-17, agriculture sector showed overall growth of 3.46% where as major crops showed 3.02% growth.

Issues:-

❖ Limited Cultivable area:-

The total area of Pakistan is about 79.6million hectare, out of which only 23.7 million hectare (28%) area is used for agriculture purpose. About 8 million hectare area is idle and unutilized.

❖ Water Logging and Salinity:-

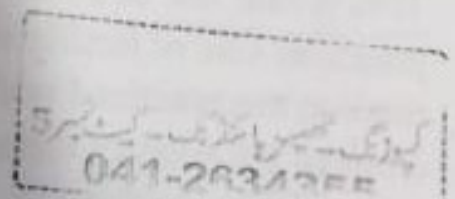
Water logging and salinity are twin problems of agricultural sector due to salinity, deposits of salt in land have appeared on the surface of land and they have adversely affected the performance of agricultural sector. Water logging and salinity affect about 0.22 million acre of land in every year. It is not only waste of land but also reduction in productivity.

"Due to excessive use of canal water, most of cultivated lands have become victims of these two dangerous diseases. Every year, salinity alone is turning about 135000 acres of arable land into marches and salt lands. Water-logging is no less injurious. About 33% of the irrigated area of Pakistan is affected by water logging and salinity problems."

❖ **Slow growth of allied products:** Allied products are those that indirectly helps in improving living standard of farmers

❖ Due to absence of modern technology and trained labor, per hectare yield is very low

❖ Inadequate infrastructure



- ❖ **Uneconomic (Very less) Land holding:** Due to increasing population and division of land under the law of inheritance, landholdings are subdivided over and over again. The result is that very large number of farmers has less than 2 hectares of area. Moreover holdings are scattered. It is difficult to use modern machinery on small pieces of land.

❖ **Water Issues:**

In Pakistan, construction of water reservoirs has become a matter of political tussle. Due to which construction of dams has been in halt since last major project of Terbela. Indus Basin Treaty 1960 has failed to stop India from constructing water reservoirs on the channels flowing to Pakistan. However, Pakistan consistently failed to establish its view point on international forums. The present canal water is not effectively used in our irrigation system. 35% - 45% losses of water are recorded out of total applied to fields. Out of 142 MAF, total quantum of water available to crops is only 30 MAF. Due to shortage of canal water farmers have to use tube well water. This water is brackish and having higher concentration of different salts and enhances the problem of soil salinity.

- ❖ **Unavailability of new methods of production**
- ❖ **Inadequate supply of agricultural inputs and agri inputs are costly too** i.e. HRV seeds, chemical fertilizers, pesticides etc. Only 10 fertilizers units are in Pakistan.
- ❖ **Inadequate Agricultural Research:** (Agri uni and colleges are just 16 in Pakistan)
- ❖ **Absence of land reforms:** During Ayub's era, first time land reforms was practiced. Mr. Zulfiqar Ali Bhutto introduced more reforms in 1972. The Law Reforms Act 1977 was also enforced by Bhutto's regime. The most important change was that individual

holdings, including shares in shamilat, if any, in excess of 100 acres of irrigated land or 200 acres of un-irrigated land.

Furthermore, notwithstanding the above, no land holding could be greater than an area equivalent to 8,000 PIU. However, these laws were declared in contradiction to Islam and have ceased to be in effect since 1990. Thus, absence of land reforms has always caused a lot of damage to the agricultural sector of Pakistan.

- ❖ More Subsistence farming, less commercial farming
- ❖ Low cropping intensity: Cropping intensity means the no. of crops grown on a piece of land in one year
- ❖ Improper crop rotation that reduce/ affects the fertility of soil
- ❖ Consumption Oriented: Our farmers have no proper records of their incomes and expenses. Mostly, they spend more when they have more due to illiteracy. A huge part of the farmer's income is consumed on occasions of marriage, birth, death and several other rural ceremonies and festivals in Pakistan.
- ❖ Joint Family System: Joint family system is also a big problem in agricultural sector. Our farmer is poor; on the other hand he has to support his big family. It creates deficiency in saving and investment. A huge part of farmer's productivity is consumed at his own house.
- ❖ Lack of R&D and neglect in education & training of farmers:

There are only five universities in Pakistan and around 15 research centers related to agriculture. Research conducted, techniques taught and skills imparted in these institutions rarely reach at the level of small farmers. Farmers need to know how to make optimum use of land. How to use fertilizers and pesticides and what amount of water is exactly useful and necessary for any crop. Techniques to fight water logging, old irrigation system and low yield must also be learnt. For instance, if take example of using fertilizers in Pakistan, per hector usage of NPK is 170

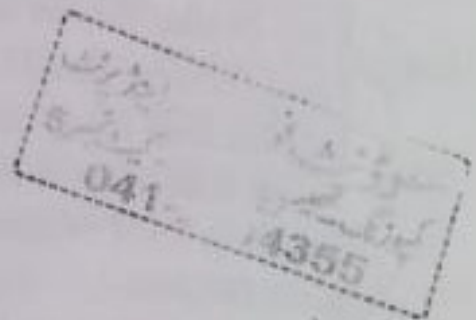
kg, but the recommended is 300 kg per hectare. Hence, in fertilizer application problem is poor nutrition application and incorrect fertilizer case. Lack of management on the part of farmer is a huge problem.

- ❖ Lack of credit facilities to farmers, however, non institutional sources available, but they are not reliable because of high interest rates, about 51% poor farmers borrow from landlords
- ❖ Poor financial position of farmers, more than 40% poor farmers are working as tenants under land lords without wages
- ❖ Role of Middlemen, middlemen earn most of the profit, farmers are not given the right prices of their produce
- ❖ International compulsions (IMF has told Pak to reduce agri subsidies and impose agri tax) and incompetent govt policies
- ❖ A major area is owned by feudals. It is difficult to manage such a huge area so only that part is cultivated which is easy to manage, the rest is left ignored.
- ❖ The rise of industrialization has given threat to this sector. People are migrating to cities and cities are expanding, thus new towns and colonies are constructed on fertile lands.

How to Overcome the problems of Agricultural Sector:-

- ✓ Easy availability of agricultural credit and loans to poor farmers
- ✓ Land reforms should be introduced
- ✓ Interest free loans for the farmers
- ✓ Taxes should be levied on Agricultural income but not without devising limit of land holding. Other wise it would directly effect poor farmers
- ✓ Easy/access to agri inputs HRV seeds, fertilizers, pesticides etc
- ✓ Increase fertilizers plants
- ✓ Manage the issue of water crisis
- ✓ Preventing the mismanagement of water
- ✓ Provision of education to farmers

- ✓ Different Agricultural zones should be introduced. As Multan is famous for its Mangoes and citrus fruits so it must be made Mango, citrus zone by which Perishable products should be exported. This would enhance agro based industry and increase foreign reserves. Pakistan Agricultural storage & Services Corporation needs to take steps in this regard.
- ✓ - Corporate farming like giving lands to Mitchels, Nestle and Multinational companies is also a good idea that will also help those who own a large area of fertile land but can't manage it.
- ✓ - Surplus vegetables and fruits must be exported. A Rs 39 million scheme has been approved for the current fiscal year for establishment of agro export processing zone for fruits, vegetables and flowers. This will also help in commercializing agriculture
- ✓ Latest Machinery should be introduced
- ✓ Research institutions should be increased
- ✓ Training of farmers
- ✓ To root out water salinity and water logging



GREEN REVOLUTION IN PAKISTAN

In Pakistan, the green revolution started during the start of 1960s, although some of the modern inputs introduced in the late 1960s. The main ingredients or inputs of green revolution are HRV seeds, fertilizers, pesticides and irrigation. It significantly contributed and still contributes in increasing agricultural growth and enhancing agri. Production.

■ :- Poverty

Poverty is about not having enough money to meet basic needs i.e. food, clothing and shelter. Poverty is the scarcity or the lack of a certain amount of material possessions or money.

"Poverty is hunger, it is lack of shelter, it is being sick and not being able to see a doctor, it is not having access to school and not knowing how to read, it is not having a job, is fear for the future". (World Bank)

Poverty is a deprivation of basic necessities of life i.e. food, shelter and clothing. It can be understood simply as a lack of money or more broadly in terms of barriers to everyday human life. Poverty is a very wider concept.

Poverty is "A certain level of material deprivation, below which an individual suffers physically, emotionally and socially."

A person is considered poor if his income level falls below some minimum level necessary to meet basic needs. This minimum level is usually called the poverty line.

Poverty is a condition experienced by people who lack sufficient income and wealth to meet the basic needs of life. There is a close relationship between poverty and income inequality, poverty occurs more often in areas with low average income and highly unequal distribution of that income.

Types of Poverty:-

1- Absolute Poverty:-

It is when people are unable to meet their basic needs i.e. food, shelter and clothing. It refers to a situation in which individuals lack basic necessities of life. A common universal measure of extreme poverty is receiving less than 1.25\$ a day. Absolute poverty refers to the state of severe deprivation of basic human needs.

2- Relative Poverty:-

It is the situation in which a person has enough income to sustain the life but the income and living standard is lower compared to the rest of the community. It is also the condition of less income in a country compare to the worldwide average income. It is defined contextually as economic inequality in location or society in which people live. The condition of having fewer resources or lesser income as compared to others within a society or a country or as compared to worldwide averages. It is when people have enough to meet their basic needs but not much more. Their living standards are relatively low as compared to other people within the locality or people living in another country.

Poverty in Pakistan:-

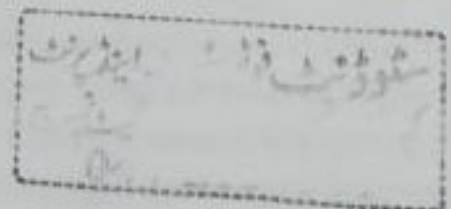
More than a third of Pakistan's population is living below the poverty line. Baluchistan and FATA has the highest rate of poverty, Sindh comes second followed by KP and then Punjab.

Some reports reveal that more than 40% population of Pakistan lives below the line of poverty. According to Pakistan's first ever official report on multidimensional poverty, 4 out of 10 Pakistanis are living in acute poverty with the population of Balochistan faring the worst among the provinces. The report found that over two thirds of people in FATA and Baluchistan live in poverty.

The Economic Survey 2018 revealed Pakistan's percentage of people living below the poverty line has fallen to 24.3% in 2015-16 from 50.4% in 2005-06.

Causes of Poverty in Pakistan:

➤ Govt. Bad Policies:



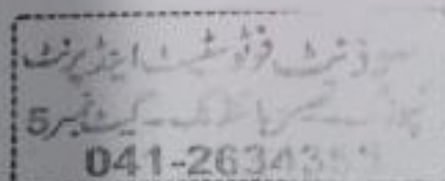
Govt. is not well aware of present conditions of the country. The policies of Govt. are based on the suggestions of officials which do not have awareness about the problems of a common man. After implementation, the policies do not get effective result. After the failure of one policy Govt. does not consider its failure and announces another policy without studying the aftermaths of last one. Heavy taxes and unemployment crushes the people and they are forced to live below poverty line. The suitable medical facilities are not provided to people and they are forced to get treatment for private clinics which are too costly. I have collected some bad policies of Pakistani Govt. which are given below:

- **Pakistan's Gold and Copper reserves sold in pennies**, Reko Diq (Balochistan) having the World's largest copper and gold reserves has been sold to the Zionist controlled regimes by the Pakistani Govt. at a price of 21 billion\$ while rough estimate suggests that the gold and copper at the surface accounts for \$65 billion worth of deposits.
- **Pakistan's UPS and batteries import** is \$10 billion but we require only 7 billion\$ on KALABAGH DAM project by which we can generate 7500MW electricity at .60 paisa's/unit only but our Govt. is not willing to pay attention on this.
- **Privatization** i.e. Govt. is unable to manage the departments and country has low reserve assets, so to meet the requirement some companies run by Govt. are sold to foreign investors. The commodities or services provided by the companies are becoming costly. For example, if Govt. sold a gas plant then prices for gas in country rises. Not only this, but privatization is made on very cheaply basis i.e. Pak. Steel Mill cost's RS.300 Arab but it sold in RS. 21 ARAB, HBL cost RS 140 Arab but sold in RS 14 Arab, PTCL cost RS 700 Arab but sold in only RS 120 Arab.

➤ **Govt. Extra Expenditures:**

I have collected some facts and figures about high expenses of Govt officials which are given below:

- 5 crore per year is spend on the security of President and PM.
- Monthly expense of 1 minister=30 lac, so, monthly expense of 34 ministers is 10 crore approx.



- NA+Senate+Provincial Assemblies=1076 members. Almost every member has luxury car some have 4 to 8 vehicles security squad too, so, $1076 \times 4 = 4304$ cars approx, if each car consumes fuel of 500 daily then per year of their fuel consumption is 78 crores approx, and this is only the estimate of fuel, now you can think yourselves about their eating expense, their salaries and visits etc.
- Flags and banners are used by each political party for their publicity. It is a rough estimate that only in Karachi a party put atleast 50 thousand flags and change after two months so if each party has 50 thousand then there will be some 2.5 lacs flag only in Karachi. Then what will be the amount of flags throughout the country????? Each flag costs up to Rs 100 approx, why should this money not be used for the help of the poor people?

This is the direct and visible way of wastage of nation's money but there is an invisible way as well to collect the money and left people in the Web of Poverty which is called "Corruption."

➤ Corruption:

It is to earn money through corrupt practices or by unfair means. It is the condition when there is no morality. Only one relationship that exists in society is money. One has to pay a heavy cost to get his right. Law and order conditions are out of control and institutions are failed to provide justice to a common man. Justice can be bought only by money. But Govt. is unable to control such type of things. In this whole scenario, some corrupt people has been occupying the resources and the common man lives in a miserable condition.

➤ Population Explosion:

The one of the prime reason of poverty in Pakistan is rapidly growing population of the country. Population wise Pakistan is the 6th largest country in the world and its population growth rate is 2% which is the highest in the region. By 2050, the country will surpass 350 million people. There are more mouths to feed than there are hands to earn. One's income is limited and he can't afford to maintain a large family. He works hard and he consequently he fell ill and dies. Then his wife steps in works in village, field or city, homes to bring up her children, this cycle of poverty goes on. Poor remain a poor the whole of his life. The main cause of

poverty in Pakistan lies in difference b/w the resources and the population increase. Due to high level of demand and less production, poverty prevails.

➤ **Illiteracy:**

About half of Pakistan's population is illiterate. 56% is literacy rate of Pakistan which is very low in the world. Due to the few technical, engineering and research institutions, the productivity of labour is very low and our human resources are outdated, both qualitatively and quantitatively. Women are not given the chance to participate in national, economic, social and educational activities. Due to the scarce access to education, the majority of people have a low level of income, directly or indirectly, resulting in poverty. 7.26 million children are out of school in Pakistan due to poverty and Pakistan has the 2nd highest no. of out of school children in the world after Nigeria because Pakistan spend lowest on education in South Asian countries.

- Unequal distribution of land is also the reason of poverty, poor farmers has no access to modern inputs and technology.
- Unequal distribution of income (Income Inequality) is also the reason of poverty in Pakistan. The richer is becoming more richer and the poor is becoming more poor, there are few families in Pakistan who has control of the majority of nation's income. Actually, the non adoption of Islamic economic system and the capitalistic system are responsible for such an undivision of wealth.
- **Inflation:** which is a kind of regressive tax on the fixed income class. Due to inflation, the salaried and fixed income group is more affected than the business class. The employees' salaries are not increased by the government in proportion to inflation, but their expenditures are increasing, day by day, due to dearness.
- **Industrial Backwardness:** our industrial sector is very backward the share of this sector in national income is less than 20%, which is very low as compared to the developed economies. Due to industrial backwardness, our exports are less, rather we have to import electrical and industrial items at high rates. A huge portion of foreign exchange reserves is consumed for industrial imports. The low level of living and poverty is related to the backwardness of this sector directly or indirectly.

- **Poor Governance:** Poor governance is responsible for creating poverty. Good governance is an essential and important pre-condition for growth and development. But in Pakistan, such a scenario is different. People have less access to justice and national decision making. There is corruption, political instability, a disturbed law and order situation, terrorism, bomb blasts and delay in the system etc. Such things are hurting the public's confidence, and they take less interest in the different economic activities. Due to low production, there is general poverty.
- **Weak Taxation System:** If the taxation system is not in favour of the general public and the investment sector, then output and economic activities would be sluggish. Indirect taxes like general sales tax, customs duty, excise duty etc, affect the investment climate and poor consumers greatly. Ultimately there will be poverty.
- **Unemployment** is also one of the reasons of poverty.
- Black marketing, hoarding, smuggling, profiteering, nepotism, corruption of a specific community is exploiting the poor people of Pakistan, making them more poor.

Effects of Poverty in Pakistan:-

- **Child Labor:** The first and most immediate effect of poverty in Pakistani society is that people are not sent their child to schools. As we know that Child is the Father of Tomorrow, if our child is wasted in this way then not only our society but country will face problems in the future. Today in Pakistan 7.26million children in age group 5-14 are working. This is poverty which force them to work in the formative years at very risky places i.e. Underground mines, work with dangerous electrical wires, Cement and Tobacco Industries etc. The International Labour Organisation (ILO) suggests that poverty is the greatest single cause behind child labour. A middle class person in Pakistan earns around \$6 a day on average. The average Pakistani has to feed nine or ten people with their daily wage. There is also a high inflation rate.
- **De-Track from Moral and Religious values:** What is good for them is that which satisfy their needs and necessities.
- **Crime and Violence:** It is the direct effect of poverty in Pakistan. According to the reports many women become victims of trafficking. The most

common form of human trafficking is for prostitution (violence) which is largely fueled by poverty. "Poverty is the worst form of violence". (Gandhi) According to survey, most of poor men violence on their wives for income purposes. They force their women family members to earn something even by selling their bodies. Extreme poverty are plunging poor women into vicious cycle of domestic violence. Most of the women avoided reporting domestic violence because of fear. Those who report about husband or in laws ill treatment are not accepted back in the family. So, they keep silence. Ignorance about family planning on the part of poverty-stricken people also caused the number of children due to which men were unable to fulfil children's needs and resorted to violence against their wives. Bad customs, such as Swara, forced marriages, selling of women by people to pay off loans, human trafficking etc are results of poverty.

- **Health Problems:** Poor people in Pakistan are suffering from so many diseases. They haven't any resources for treatment. This is the reason that Pakistan is ranked 135th out of 194 countries in the index of life expectancy at the time of birth. In Pakistan, the life expectancy rate at the time of birth is very low i.e. 65 years whereas in developed countries it is 80+ years. Diseases are more widely spread because poor people can't afford hygienic foods and pure drinking water which is much expensive. There is high infant mortality rate and number of deaths during pregnancy in Pakistan due to poverty.
- **Poor families** experience much more stress than middle class families. Besides financial uncertainty these families are more likely to be exposed to series of negative events and bad luck including illness, depression, eviction, job less, criminal victimization etc.
- **Homelessness** carries with it a specifically strong set of risks for families especially children. Homeless children are less likely to receive proper nutrition and immunization They experience more health problems. Homeless women experience higher rate of low birth weight babies, miscarriages and infant mortality due to poverty.

How to Tackle Poverty?

- Adoption of Islamic Economic System
- Break the Vicious Cycle of Poverty

- Control an Inflation
- By increasing Investment and FDI
- Development of agricultural and industrial sectors
- Easy Access to Credits
- Reduce the Tax Rate and increase the rate of capital formation
- Allocate more funds for Education to increase literacy rate
- Zakat
- Generation of Employment
- Transparency in Govt. Spending
- Govt. cut off their un necessary expenditures

"PM Imran Khan with the dawn of a new year on Tuesday resolved to battle poverty, injustice, illiteracy and corruption in 2019". So, we as a nation hope for the best for future.

Inflation

According to many economist, inflation upto certain level (2 to 4%) is beneficial for the economy as it keeps the economy in an optimistic mode with vibrant and active economic activity beyond which this inflation has the potential to create some problems for the economy.

"Increase in the general price level of goods and services in the economy and decrease in the purchasing power of money (currency) is called inflation." In short, increase in general price level of goods and services over a period of time, is called inflation.

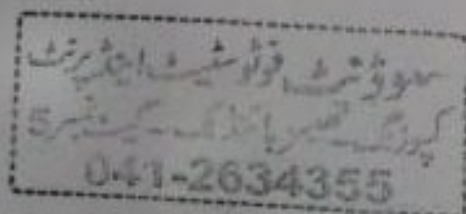
It is measured by CPI (Consumer Price Index) and PPI (Producer Price Index).

Inflation is rate at which the general price level of goods and services raise causing purchasing power to fall. This is different from the rise and fall in the price of a specific good or services. Individual prices rise or fall all the time in the market economy showing consumer choices/preferences and changing costs. So if cost of one item says a specific model car increases because demand for it is high it is not considered inflation. Inflation occurs when most prices are rising by some degree across the country.

In 2017, the average inflation rate in Pakistan amounted to about 4.15% compared to the previous year. It was the highest inflation rate since September of 2014, amid a falling rupee and higher gas prices. Inflation rate in Pakistan averaged 7.76% from 1957 until 2018 reaching an all time high of 37.81% in December of 1973 and a record low of -10.32% in February of 1959 (Deflation). The one of the new challenges for Pakistan's economy would be a rising inflation.

TYPES:-

1- Demand Pull Inflation:-



A rise in the prices which is caused due to increase in the demand for goods and services in the economy is called as Demand Pull Inflation. When money supply increases in the economy people have more purchasing power that resulted in more demand for goods and services. So, in response to rising demand prices are increased that lead towards demand pull inflation.

How to reduce it?

The most effective way to reduce it is by reducing the money supply in the economy through monetary policy which will reduce the purchasing power of the people and hence the demand will fall further reducing the prices of goods and services.

2- Cost-Push Inflation:-

When there is a decrease in the aggregate supply of goods and services because of increasing costs of production we have cost push inflation. It means prices have been pushed up by increase in costs of any of the four factors of production. When companies are already running at full production capacity with higher production costs and productivity maximized, higher production costs are passed on to consumers causing a rise in general price level.

The rise in the prices which is caused due to reduction in the supply of goods and services in the economy is called as cost push inflation. Increasing costs of production of goods and services (due to increasing prices of inputs or raw materials or factors of production) supply will reduce and increasing costs of production put a burden on consumers in the shape of increasing price level i.e. inflation.

Causes:-

- * Increase in the prices of raw materials
- * Increases in taxes i.e. excise duties
- * Increasing the amount of salaries to workers

How to tackle it:-

Adopting measures to carry out cost effective production and provision of better education and training to work force which increase the supply.

CAUSES OF INFLATION IN PAKISTAN

- Excess of money i.e. more money supply will increase buying power, prices end up rising at an extremely high speed to keep up with currency surplus, as shortages are created and prices are raised owing to high demand
- Rise in production and labour cost
- International lending and national debt, as Pakistan borrowed and still borrowing money to international organizations i.e. IMF, World Bank etc so she have to deal with interest i.e. raise prices to keep up with debts
- More Taxes

Effects of Inflation in Pakistan:

- ❖ Currency purchasing power is decreasing
- ❖ Depreciation has hard on retired people with fixed income as spending power is decreasing each month
- ❖ Weakening the function of money as storage of value
- ❖ Enhancing poverty, unemployment, crimes and terror activities too

Pakistan publishes four different price indices:

- ✓ CPI (retail level)
- ✓ WPI (Wholesale price index, primary and secondary level)
- ✓ SPI (Sensitive price index)
- ✓ GDP deflator

How to control inflation???

- Through effective monetary policy (to control money supply)
- Focus on fiscal policy
- Better govt policies
- Focus on agricultural and industrial sector
- Increase exports
- Reduce taxes