The pandemic has affected countries all across the globe and will have a long-term effect in the future. Similarly, the economy of Pakistan is in a severe downfall. With the pandemic, the government has focused on managing cash transfer programs and providing favourable monetary conditions to sustain economic growth. Recently, the entire finance team had been in talks with Washington to restore the loan facility, but all their efforts were deemed to fail. Although the finance ministry has denied their fiasco, IMF will soon issue their statements clarifying everything. Dependency on foreign loans combined with mismanagement of funds has severely crippled economic growth, resulting in an increase in inflation such as oil, electricity, and goods. The current account deficit shrank from 1.7 % of GDP in FY20 to 0.6 % in FY21. However, the government must not be wholly blamed for this failure. The current financial crisis in the West emerged ripple effect across the globe, and Pakistan was the one to be affected as the banks, and giant firms are under pressure from depositors and shareholders on West regarding their economic policies. As a result, the rupee is not performing well. The State Bank of Pakistan (SBP) has around $20 billion in reserves. These reserves can be used to strengthen the rupee value by selling some of them in the market. However, then, It will not be able to pay for imports and return foreign loans. The artificially strengthened rupee also subsidizes imports and hurts domestic manufacturing as well as export growth. So how can government tackle these obstacles? It must enforce strict laws against those who are damaging its economy. Government should carry out a detailed analysis of Afghan policy to ensure that this policy does not affect Pakistan’s economy. The government should also strengthen its energy and food items purchasing power to save people from rising inflation. Until then, people of Pakistan will have to live with this inflation.