

Maktab Competitive Exams Services

Current Affairs Workshop For CSS 2025

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Pakistan's Economic Recovery in 2024: Genuine Progress or Mere Illusion?

Key Macroeconomic Indicators for Evaluating Economic Performance

1. GDP Growth
2. Inflation
3. Fiscal Imbalance
4. Trade Performance
5. Employment

A Glance at Pakistan's Genuine Economic Progress in 2024:

1. Successfully Manage Pakistan's IMF SBA \$7 bn Program for 37 months
2. Pakistan Post fiscal surplus of 1.7 tr Rs for first time in 24 years
3. State Bank's revenue 2.5 tr Rupees because 22% Interest rate
4. Inflation dropped to 77 months low to 4.9% from 32%
5. Stock Market gain with boost of 75% investments. Pakistan raised 8.4 bn \$ from 7 IPOs
6. Pakistan records record monthly Current account surplus of \$729 million in November 2024
7. Remittances increased to 3 bn dollars in October because of strict crack down on illegal channels like hawala and hundi system
8. Record Rice exports of 4 bn \$ as compared to 2.15 bn dollars in last year. (Prime reason is Indian Export)
9. Achieved 26% year on year increase in tax revenue in 1st quarter of year 2025
10. Achieved a primary surplus of 3 tr Rs
11. Pakistan's credit rating Improved Moodys (caa2 Positive), S&P (CCC+ Stable)
12. Record highest growth of 24% in IT exports amounting 3.2bn \$
13. Stabilize Exchange rate
14. Allocated 500 bn for flagship social protection programs
15. Pakistan's exports exceed to 30.7 bn\$ in 2024

Challenges at Hand:

1. Internet disruptions: Pakistan could lose 300 million dollars caused by national firewall: Pakistan Software house Association. Its ironic when Govt aims to expand IT exports up to 25 bn \$
2. Incessant Dependence on IMF (Surcharge policy, strict conditions related to right sizing, privatization, tax on retailers and real estate, SEZ and EPZs)
3. Loss making SOEs and Structural issues in Economic Sectors
4. **Export Oriented Issues:**
 - i. Small Scale Family Owned Enterprises
 - ii. Limited Economic complexity
 - iii. Domestic focused large firms (Anti export bias)
 - iv. Limited compliance with international standards
 - v. Limited access to capital for SMEs

What needs to be done?

Pakistan National Economic Transformation Plan - Uraan Pakistan

5Es: Exports - E Pakistan – Environment and Climate Change – Energy Infrastructure – Equity Ethics and Empowerment

Exports:

1. A robust need of Domestic Commerce policy and Macro economic reforms
2. Tariff rationalization Measures
3. Promote foreign investment in export oriented local manufacturing
4. Bring transparency in Tax procedures
5. Promote advanced agriculture and industrial practices to align with global practices and innovation landscape
6. Encourage global trade agreement to attract investments in local industry (Pakistan Uzbekistan 1 bn trade agreement)
7. Facilitates SMEs through Export Development Fund
8. Strong academia industry linkages (Banana Fibre Interloop)
9. Promote Pakistan's National Brand – Make in Pakistan Initiative

E Pakistan:

1. Improve Digital Infrastructure to Improve Techno Economy
2. Financial Inclusion through Digital Means
3. Enable National Incubation Centers to enhance entrepreneurship capabilities
4. Developing Ecommerce action plans in provinces to align with National E commerce policy 2019
5. Develop an artificial intelligence framework through integrating AI research and development across economic sectors
6. Enhance cyber security capabilities
7. A huge potential of Creator Economy in Pakistan around \$2 bn

Environment and Climate Change

1. Build a water secure Future of Pakistan (Decades of Dam Project)
2. Ensure Water Security through Green Revolution 2.0 (US Pakistan Green Alliance Framework 500 million dollar investment in Climate resilient Agri infrastructure)
3. Develop an Integrated and coordinated Disaster Risk management Framework

Energy and Infrastructure:

1. Transition to Green Energy – Solarization
2. Promote multimodal regional connectivity – CPEC, CAREC, INSTC, Trans Afghan Railway
3. Focus on Blue Economy – Marine Tourism – Fishing Industry

Equity Ethics and Empowerment:

1. Promote Technical and Vocational Education Training (TVET)
2. Sustainable Population Growth
3. Health coverage across all the population
4. Ensure social programs through flagship initiatives (BISP)
5. Accelerating the achievements of SDGs

Institutional Framework for Pakistan's Economic Recovery

1. **Pakistan's Centennial 2047 Lab:** will develop a roadmap for vision 2047 to become a regional technological and economic hub
2. **Champions of Reform Network:** Bring together Pakistani citizens from diverse backgrounds in contributing to structural economic reforms. Team Pakistan
3. **Special Investment Facilitation Council:** Facilitates FDIs from Middle Eastern Countries
4. **National Economic Transformation Unit:** Ensure strong coordination between federal govt, PM office, Provincial govts, Pakistani society with the aim of implementing economic policies

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