

# Economic system of pakistan economics essay



**ASSIGN  
BUSTER**

Pakistan is among some of developing countries who have achieved an average growth rate over 5. Pakistan economy has been emerged as an economy with 27th largest in world in term of Nominal. Pakistan has a mixed economy, major decisions are taken by Government and private enterprise, and also economy is exercised by these both sectors. Pakistan economy also depends on its industrialized sector like agriculture, textile etc. Pakistan came in being in 1947 and that time to the fifth decade of it the growth rate of it higher than the world's economy at that time. In the decade of 1960 Pakistan was considered as a model of economic progression throughout the world. It was so much appreciated due to its economic development. Its yearly average growth rate at that time was 6.8%. Karachi was the most dominant city who was participating a role for increasing the GDP rate and many other cities copied him and South Korea was one of them. Pakistan economy was down in the decade of 1970 to 1990 due to mismanagement of fiscal policy. But again it was recovered by policy of deregulation.

This is a chart of trend of gross domestic product of Pakistan at market prices estimated by the International Monetary Fund with figures in millions of Pakistani Rupees.

**Year**

**Gross Domestic Product**

**US Dollar Exchange**

**Inflation Index**

**(2000= 100)**

**Per Capita Income**

**(as % of USA)**

1960

20, 058

4. 76 Pakistani Rupees

3. 37

1965

31, 740

4. 76 Pakistani Rupees

3. 40

1970

51, 355

4. 76 Pakistani Rupees

3. 26

1975

131, 330

9. 91 Pakistani Rupees

2. 36

1978

283, 460

9. 97 Pakistani Rupees

21

2. 83

1985

569, 114

16. 28 Pakistani Rupees

30

2. 07

1990

1, 029, 093

21. 41 Pakistani Rupees

41

1. 92

1995

2, 268, 461

30. 62 Pakistani Rupees

68

2. 16

2000

3, 826, 111

51. 64 Pakistani Rupees

100

1. 54

2005

6, 581, 103

59. 86 Pakistani Rupees

126

1. 71

2Government of Pakistan has made considerable economic policies and also made new jobs and also trying for reduction the poverty using their scarce resources. Government are working effectively and collecting the taxes from all types of communities whether they are elite or middle and by using these taxes making the new products hence unemployment is decreasing, output growth rate is increasing and poverty is also decreasing. Pakistan is exporting more than before, they are producing double than 1990, they are trying to improve their ports and there roads in which easily transactions can be transported. Pakistan is getting benefits from agricultures trade, and country expects to get more and more profit from trade. Pakistan is also progressing by using their resources effectively like using CNG instead of petrol, Hence the import of oil from other countries has been decreased and the cost f many other things also be decreased. Now CNG has taken place in many fields like automobiles.

Pakistan has become the 85th country among 181 countries in flagship report. Pakistan is better than china and Russia and also comes highest in South Asia. Pakistan Government investing more in IT department and making their business more mobile. But Now Pakistan economy is going to dogs due to inflation and other economic crisis, Pakistan Economy has to face a crisis like Balance of payment. In year 2008 Pakistan had been bailed out by monetary funds to repay your loans that were increase \$ 7. 6 billion to \$ 11. 3 billion. Pakistan economy condition in 2000 was the best condition that it had ever because that time it was emerged due to its spectacular growth, average GDP was 7% between 2003 to 2007. In October 2007 Pakistan revenue increased and become \$ 13 billion due to increased in

exports to \$ 18 billions. Hence it was a turning point for Pakistan economy because \$ 8. 4 billion had been invested by foreigners. Depression phase of Pakistan economy was 2008 because this time was a great terrorism. Terrorism had very bad impact on the overall economy, value of money decreased, growth of output rate decreased. Everyone felt threat and investment f foreigners also decreased hence devaluation of rupee occurred. Political environment also the reason f this situation, the average of inflation n 2011 was 5 % to 7 %.

### **3Economic comparison of Pakistan 1999-2008**

#### **Indicator**

**1999**

**2007**

**2008**

**2009**

GDP

\$ 75 billion

\$ 160 billion

\$ 170 billion

\$ 185 billion

GDP Purchasing Power Parity (PPP)

\$ 270 billion

\$ 475. 5 billion

\$ 504 billion

\$ 545. 6 billion

GDP per Capita Income

\$ 450

\$ 925

\$1085

\$1250

Revenue collection

Rs. 305 billion

Rs. 708 billion

Rs. 990 billion

Rs. 1. 05 trillion

Foreign reserves

\$ 1. 96 billion

\$ 16. 4 billion

\$ 8. 89 billion



\$ 17. 21 billion

Exports

\$ 7. 5 billion

\$ 18. 5 billion

\$ 19. 22 billion

\$ 18. 45 billion

Textile Exports

\$ 5. 5 billion

\$ 11. 2 billion

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KHI stock exchange (100-Index)

\$ 5 billion at 700 points

\$ 75 billion at 14, 000 points

\$ 46 billion at 9, 300 points

\$ 26. 5 billion at 9, 000 points

Foreign Direct Investment

\$ 1 billion

\$ 8. 4 billion

\$ 5. 19 billion

\$ 4. 6 billion

External Debt & Liabilities

\$ 39 billion

\$ 40. 17 billion

\$ 45. 9 billion

\$ 50. 1 billion

Poverty level

34%

24%

—

—

Literacy rate

45%

53%

—

—

Development programs

Rs. 80 billion

Rs. 520 billion

Rs. 549. 7 billion

Rs. 621 billion

Major part Pakistan income consists of its agriculture products and it produces a huge amount of following objects presented by FOASTAT and the ranking of producing these products are given below:

No of objects

Food

Rank

01

Seed

3rd

02

Sugarcane

5th

03

Rice

11th

04

Wheat

10th

05

Onion

4th

06

Dates

5th

07

Cotton

4th

08

Mango

6th

09

Buffalo Milk

2nd

10

Oranges

11th

11

Chickpea

3rd

12

Apricot

3rd

4Pakistan foremost Natural resources are its land and rivers according to a survey Pakistan's 25 % land for cultivation and it is watered by the canals, rivers and some other ways.

Pakistan merchandise exports are the part f industrial sector and according to the accountants Pakistan 24 % GDP and 64 % merchandise export relies

on this sector. There are some others industries involve like cements, chemical, surgical etc. 250px-Manufacturing\_by\_Province. jpg

Small business has great impact on the overall economy of a country; here is also same thing SME has contributed more than 40 % in the economy of the country. It also reduced the unemployment, use the skilled people and increased the growth rate of output. Small businesses are running almost 90 % enterprises and also make the jobs for people about 80 percent. Pakistan is also improving auto mobile industry and investing in it. It also contributes the GDP like 2. 8 percent. In 2010 Pakistan is on number one that used CNG. Almost 3000 CNG pumps are running in the country and more than 2000 are in under construction.

Pakistan is a country that is rewarded by its natural resources like rivers, cultivated land, mountains and many other minerals. Among them one of the significant mineral is mining, using their own resources like labor; It etc Pakistan has been found a most dominant country in this field. According to a survey at least 6, 00, 000km<sup>2</sup> areas have metallic and non metallic commodities. Recently, a mining survey explores an ample which is the evidence of great minerals. In 1995, minerals policy took a step and said we will explore ourselves and call foreigners investors and it was favorably answered and now four projects are going for finding some new minerals.

[5]250px-Service\_Sector\_by\_Province. jpg

Pakistan serves sector is also trying to improve GDP yet also they are contributing about 53 percent. Pakistan is also improving their IT department by investing more because it can make them more efficient and effective.

The massive part of economy is gradually grow towards telecommunication according to a survey Pakistan has more than 18 million internet networks and 91 million mobile users in 2008. Banks are also providing massive amount to the people and industries for investing more and more, it is a good sign because money is continually flowing and the value f money could be increased. There was a very horrible situation in banking sectors in 2008; inspite of that Pakistan banking sector was massively enough determent at that situation. Pakistan is not using their resources rightly in case of electricity, due t this disease a lot of small business has to shut down and hence unemployment also increase. Like other countries Pakistan also has not good planning how to secure our increasing population.