

Economic outlook

These days there is little surprise when the economic predictions for Pakistan's future are turned downwards. If anything, when someone manages to put a positive spin on the poorly performing economy, there is a tendency to overreact like a miracle has occurred. But it is exactly because of such growing self-congratulatory behaviour that one must take a more sombre picture. Only two years ago, before the PTI took power, global reports were indicating that Pakistan could be amongst the top 25 economies in the world within two decades. While the tendency for hyperbole should be kept in check, such predictions reflected a growing positive feeling about the Pakistani economy. There were serious flaws to those glowing reports, which were quickly shown up in the outgoing year of the PML-N government. The current government has continued to present this as the most important reason for why it has had to pull the handbrake on Pakistan's economy. The trouble is that it is not yet clear whether the attempt to save the economy is us just digging a deeper hole in the name of getting out.

It would appear that the consensus of independent experts remains pessimistic. The latest report by the Centre for Economics and Business Research has predicted that Pakistan will lose its position as the world's 44th biggest economy by 2034. Instead of growing, Pakistan's economy will fall to the 50th rank. In comparison, next door neighbour India is set to be fifth. Not only is Pakistan's economy predicted to get weaker in the next decade and a half, the same research think tank had predicted that Pakistan would be 27th by 2033 only a year ago.

The downturn from potentially the 27th biggest economy in 15 years has been quick. On the one side, the inflated figures continue to reflect on the fact that our economy remains one that most of the world wants to be optimistic about. Pakistan's population, strategic position and natural resources make it an ideal economic hub – but the same position has been occupied by India currently. Instead of building on each other's work, successive governments in the country actively work to sabotage what the previous one has done. The report says that, while Pakistan remains marred by political instability and security issues, the biggest issues have to do with the ongoing financial crisis in the country which has turned it towards the IMF. While one must also fault such reports for over exaggerating both good and bad performance, the government should take such reports as seriously as it did the World Bank's positive rating on its Ease of Doing business rankings.