

Monitoring Country Progress in Pakistan

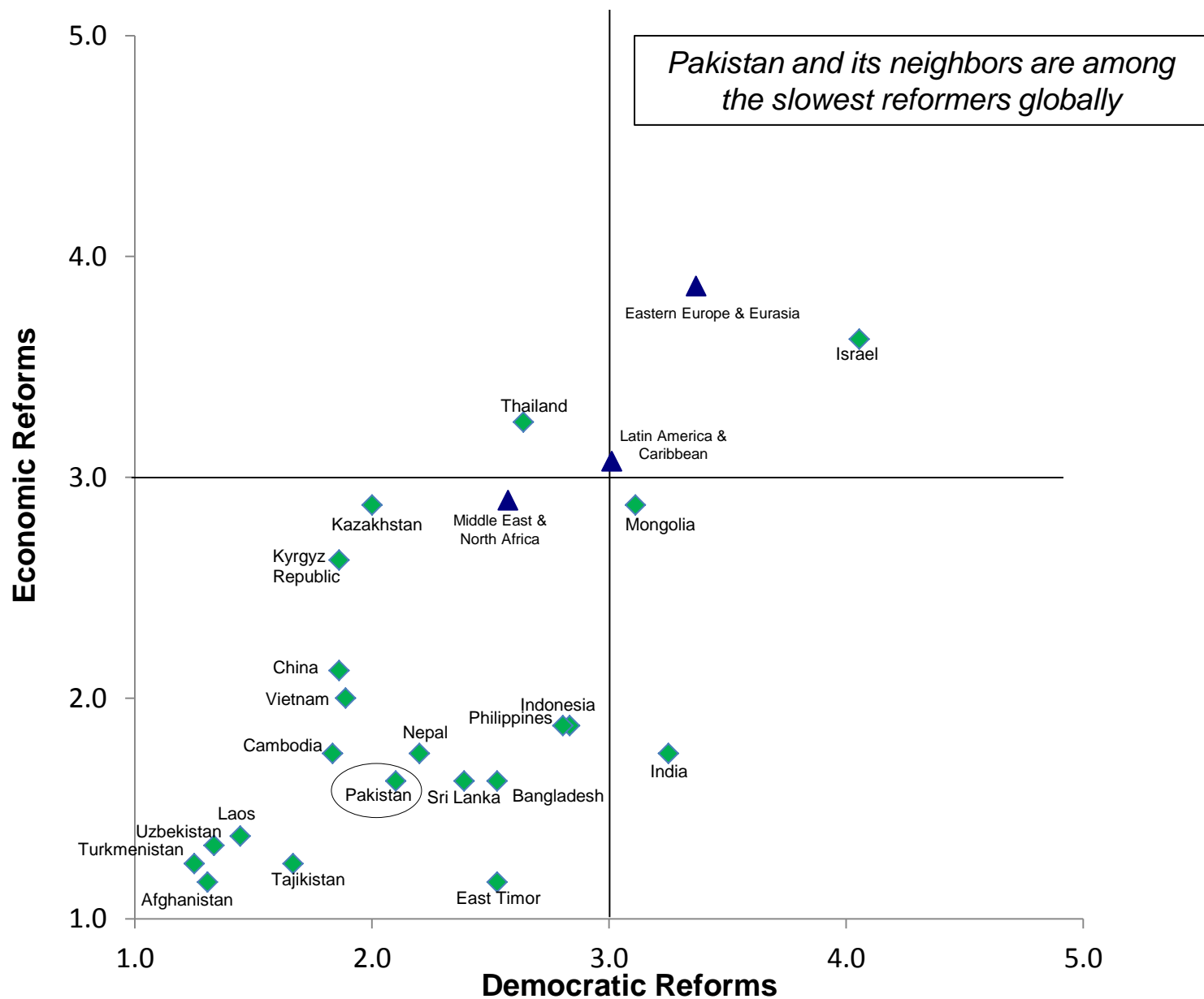
Program Office
OAPA & USAID/Pakistan
U.S. Agency for International Development

Pakistan Institute for Development Economics
September, 21st, 2011



Economic Reform vs. Democratic Reforms

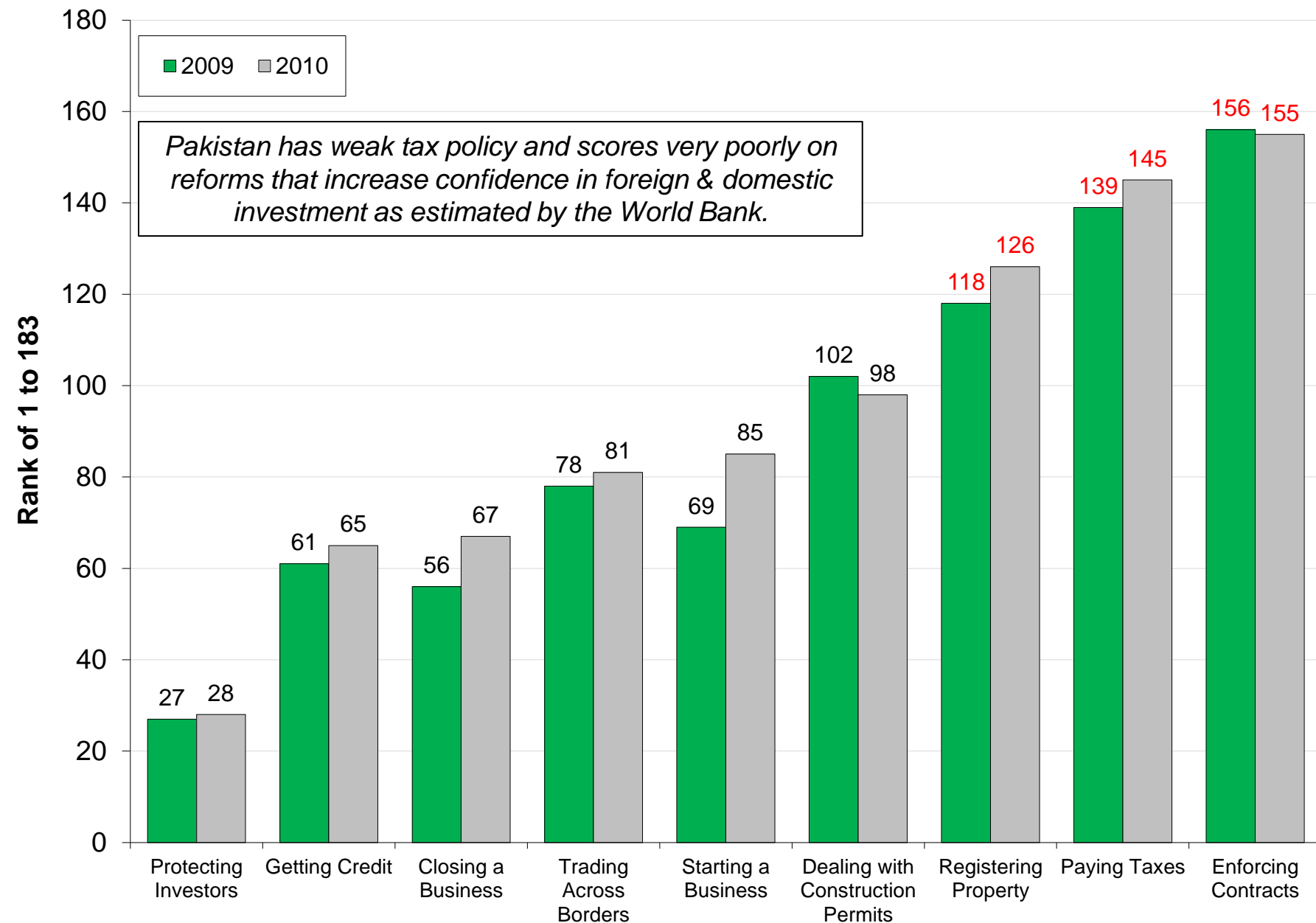
Figure 1



Regional averages are estimates. World Bank, *World Development Indicators* (April 2011); *Doing Business in 2011* (November 2010); Freedom House, *Freedom in the World* (2011 and earlier editions); *Freedom in the Press* (2010); and World Bank Institute, *Governance Matters Indicators* (2010).

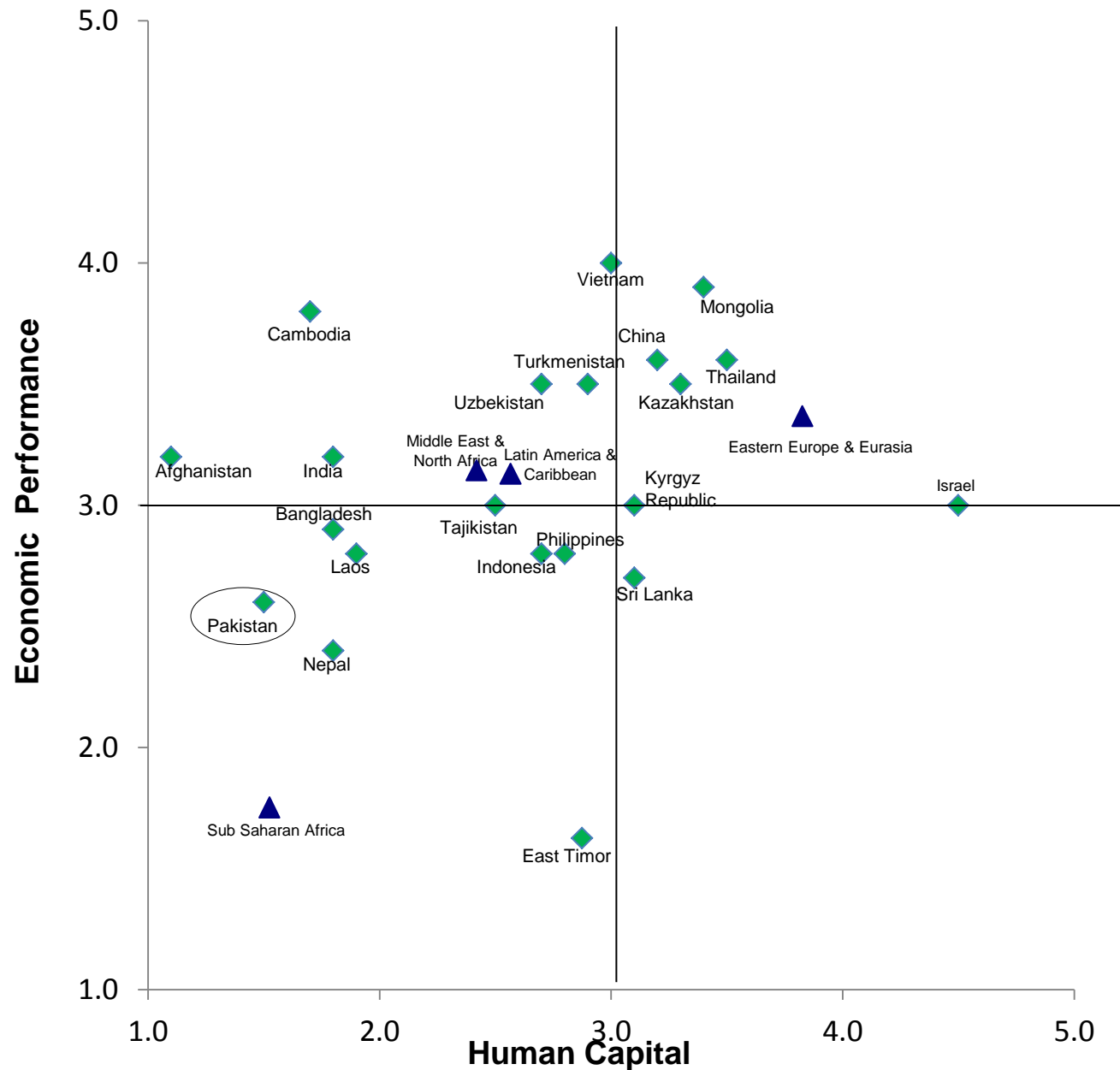
Doing Business in Pakistan

Figure 2



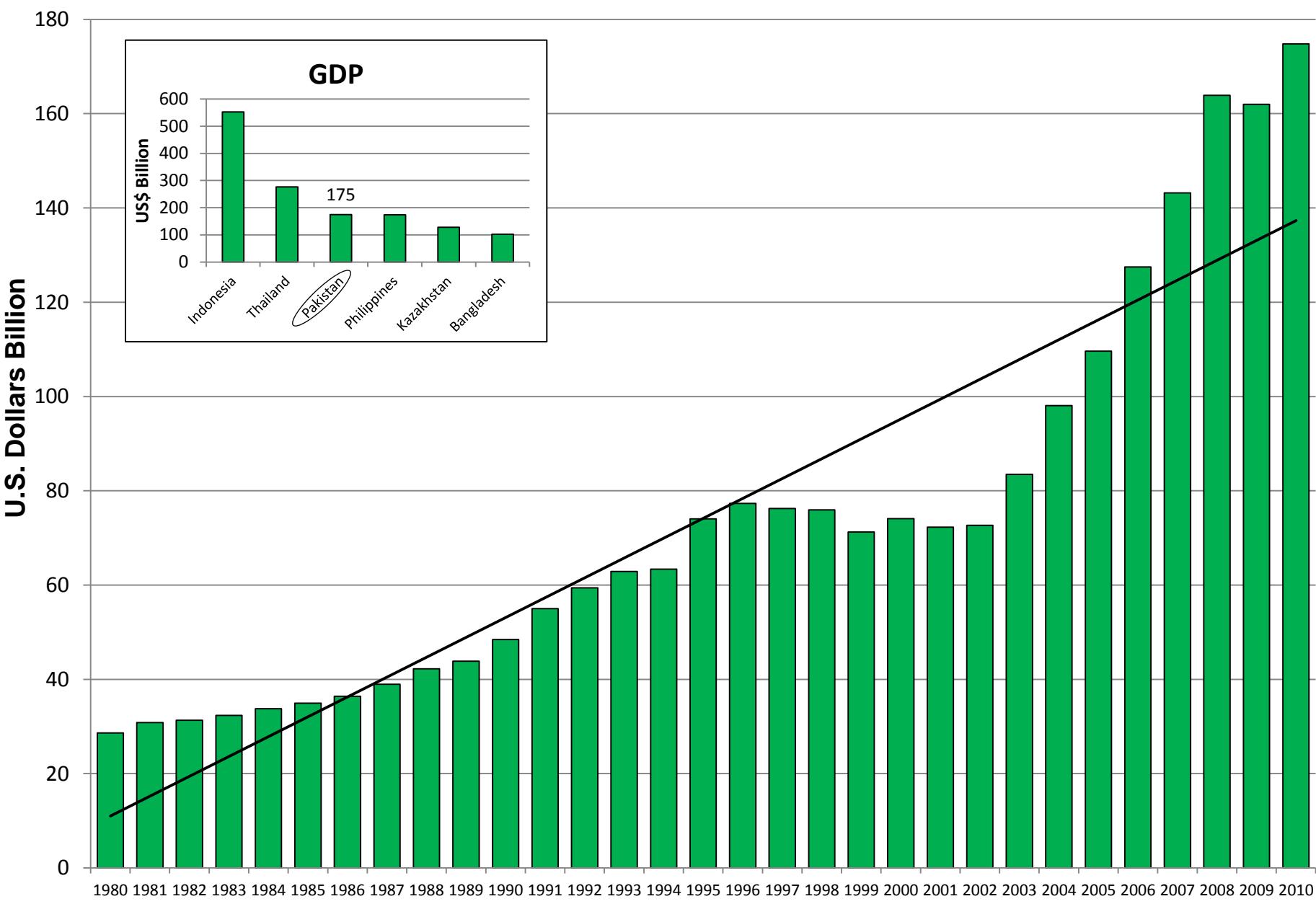
Economic Performance vs. Human Capital

Figure 3



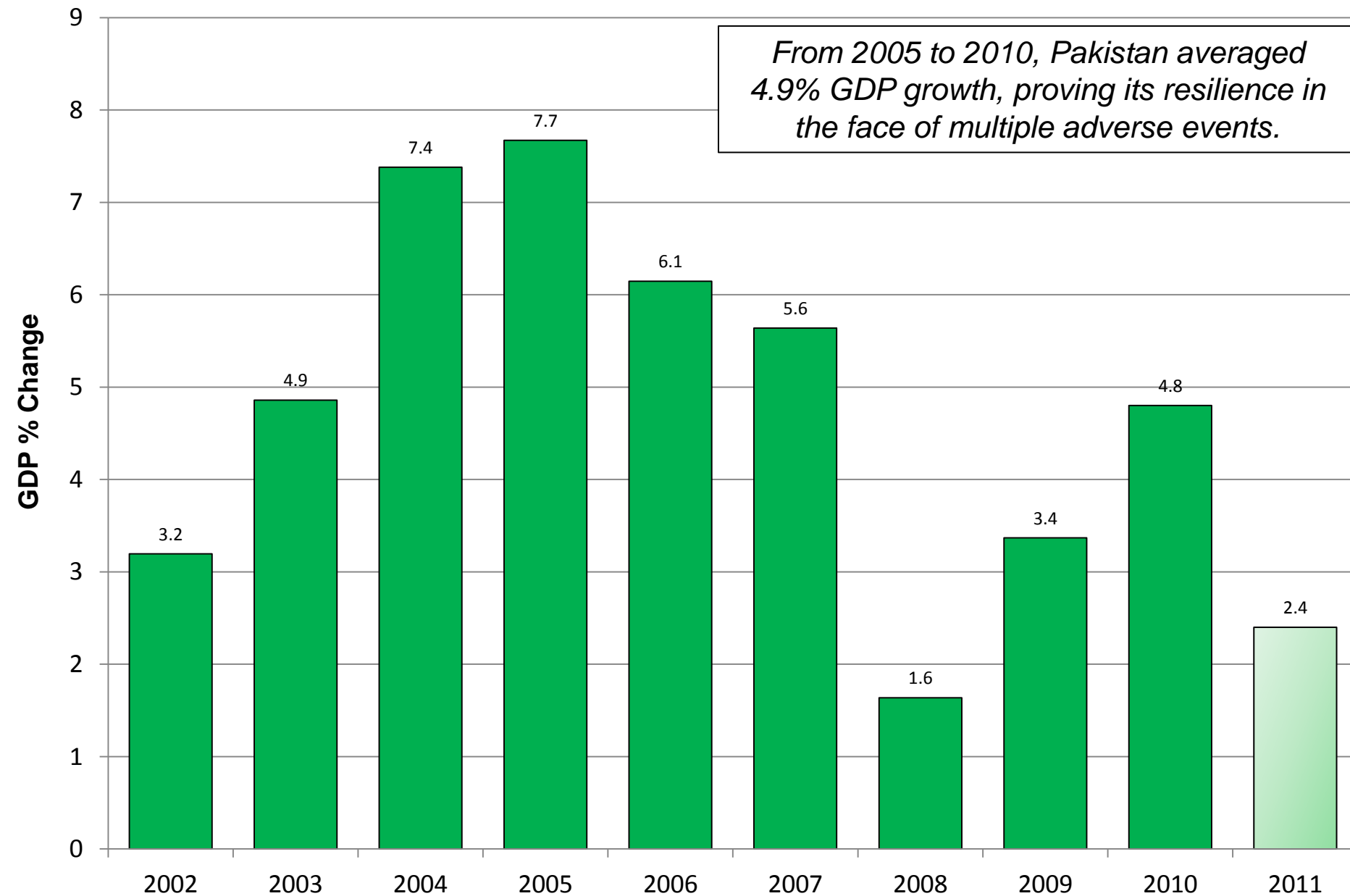
Size of Pakistan's Economy

Figure 4



Pakistan Economic Growth

Figure 5



Population in Pakistan

(in millions)

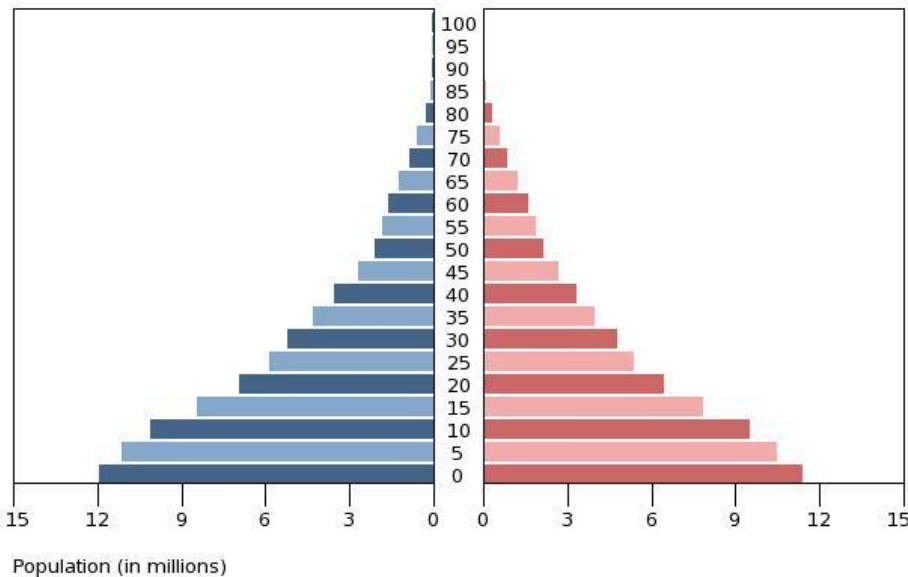
Figures 6-7

Pakistan is currently the 6th most populous country

2000 – 152.4 Million

Male

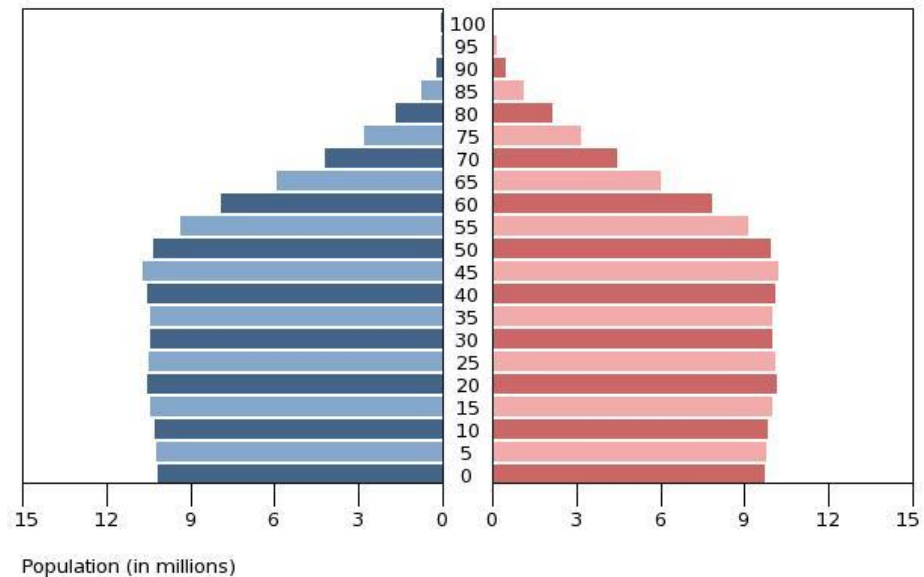
Female



2050 – 290.9 Million

Male

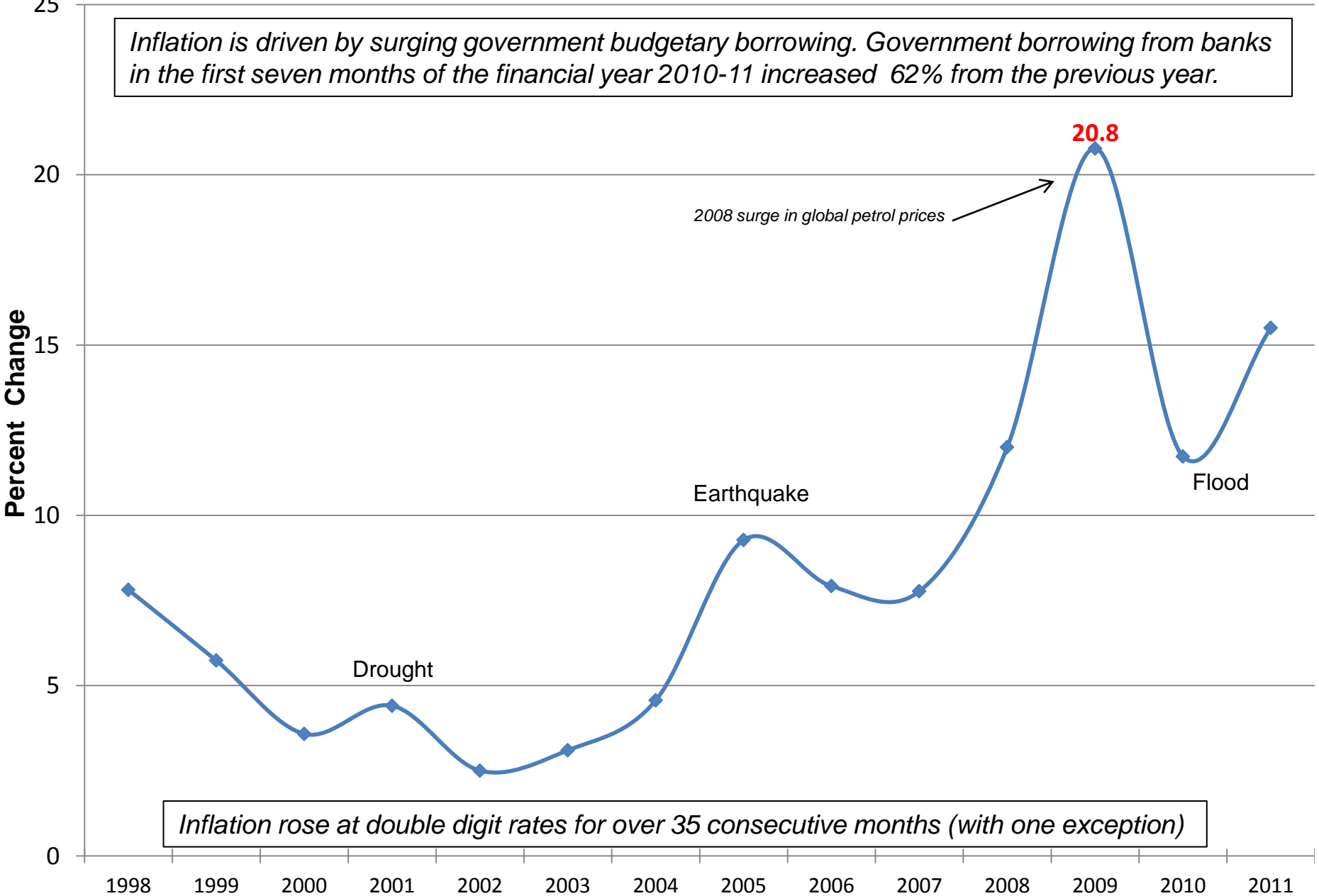
Female



The population is estimated to nearly double in 50 years

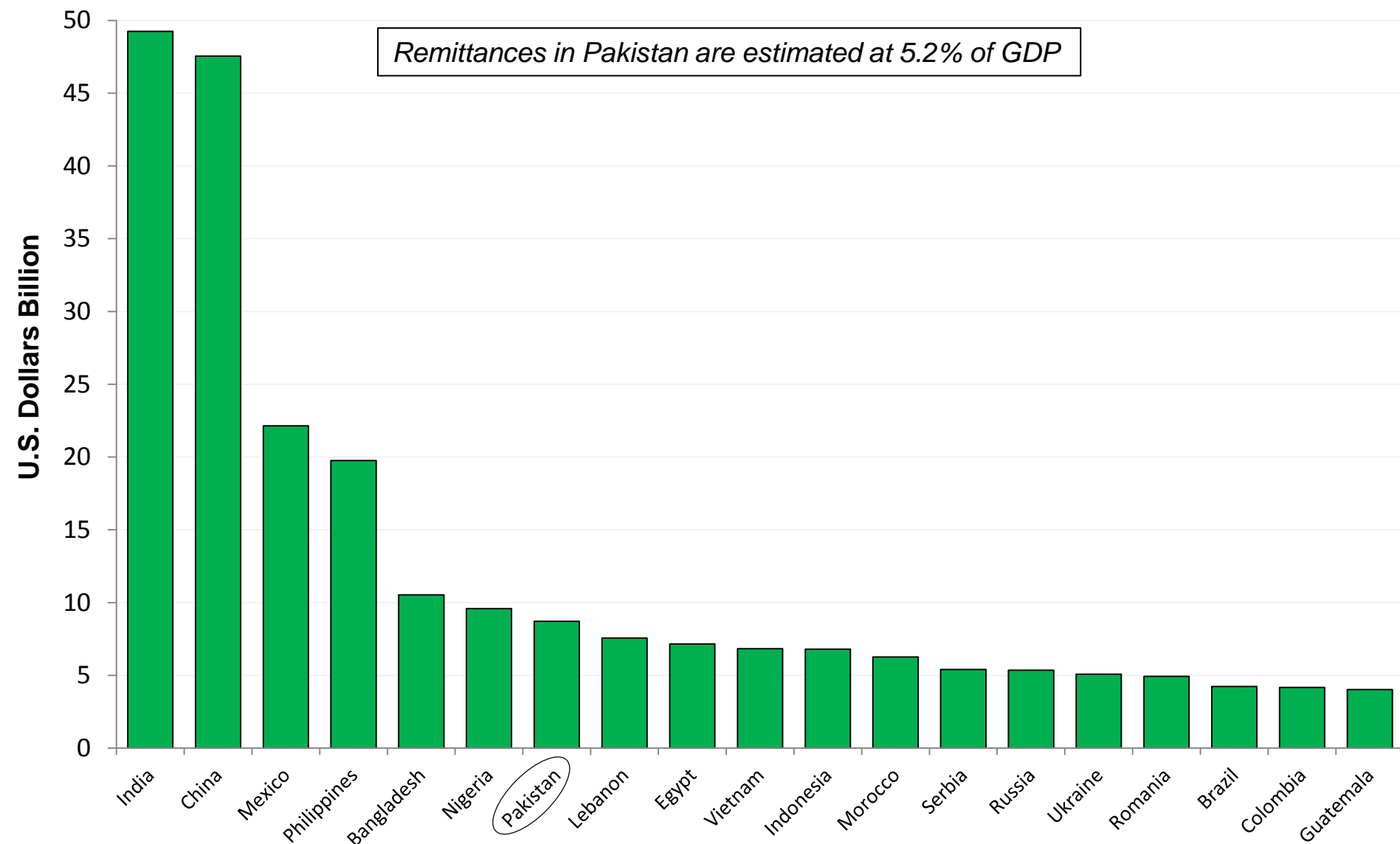
Inflation in Pakistan

Figure 8



Top Remittances Receiving Developing Countries

Figure 9

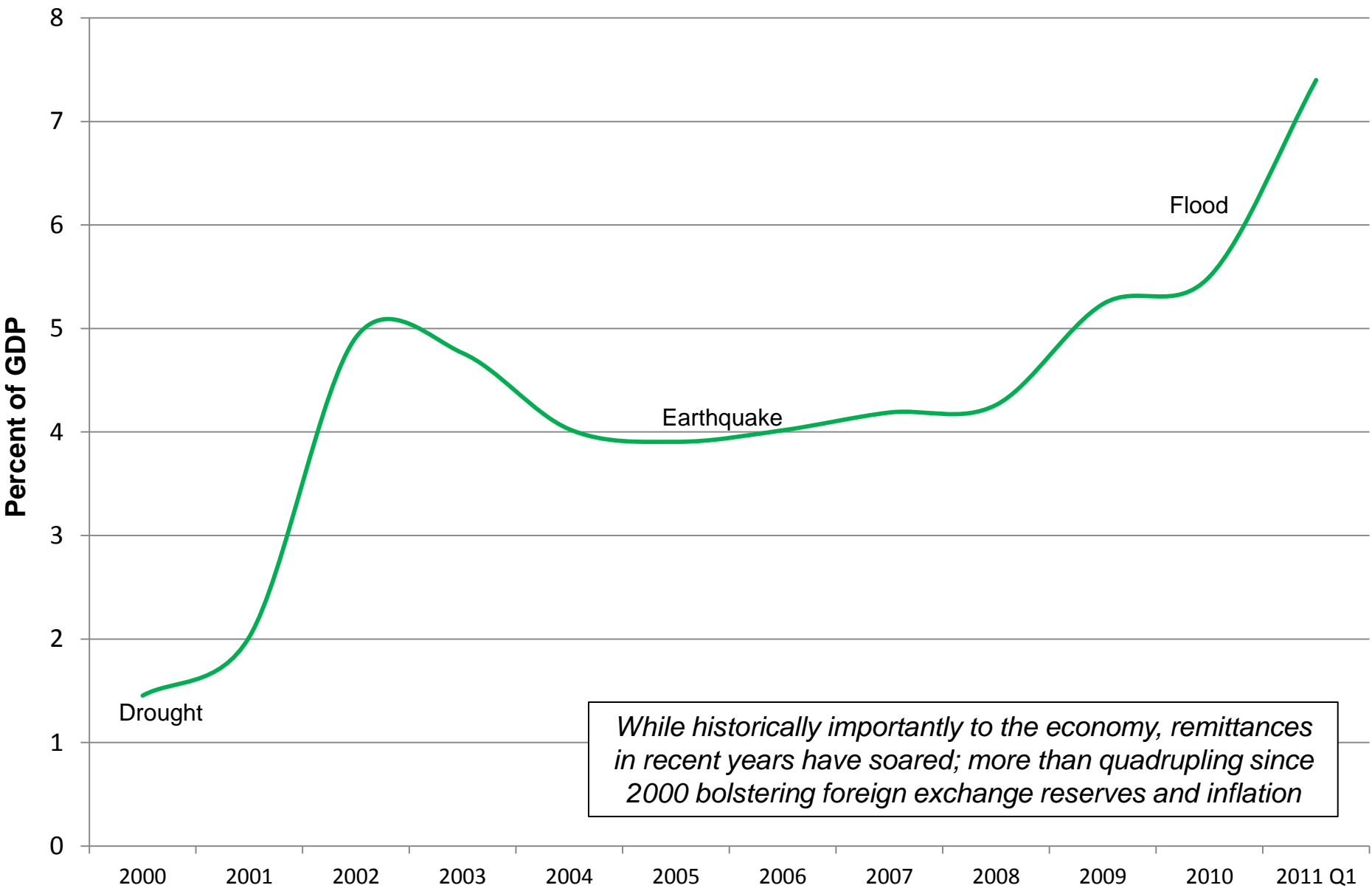


World Bank, *World Development Indicators* (April 2011); State Bank of Pakistan, *FY 2010 Annual Report-Statistical Supplement* (2010).

*State Bank of Pakistan reports remittances at \$8.9 Billion US for FY 2010.

Remittances in Pakistan from 2000-2011

Figure 10

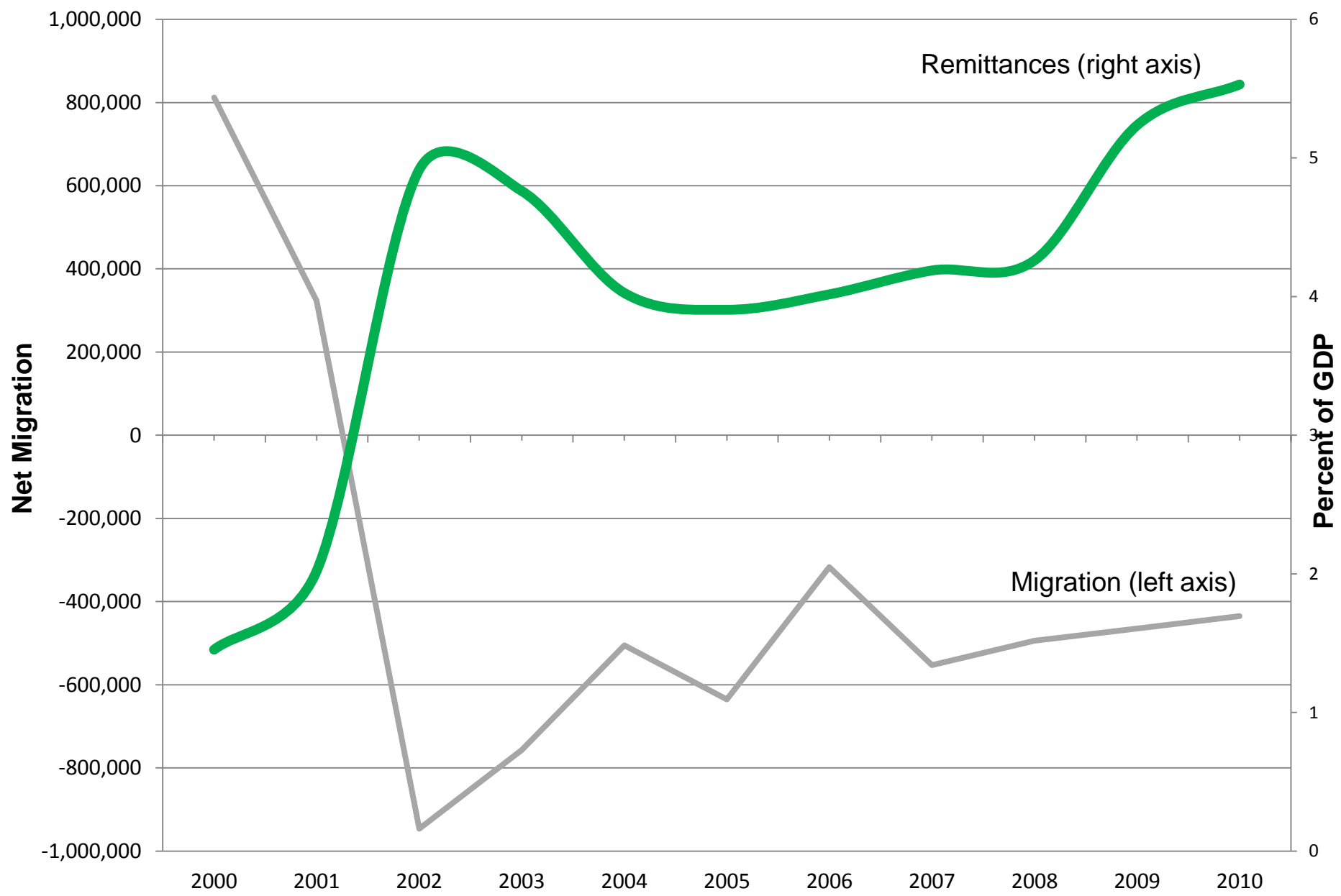


While historically important to the economy, remittances in recent years have soared; more than quadrupling since 2000 bolstering foreign exchange reserves and inflation

World Bank, *World Development Indicators* (April 2011). Research in Pakistan shows that remittances are predominantly used to meet daily expenses such as food, clothing and health care; however, funds are also spent on building or improving housing, buying land, cattle or durable consumer goods, the repayment of loans for migration and to fund pilgrimages to Mecca (Suleri and Savage, *Remittances in Crisis: A Case Study from Pakistan* (November 2006)).

Remittances & Migration in Pakistan

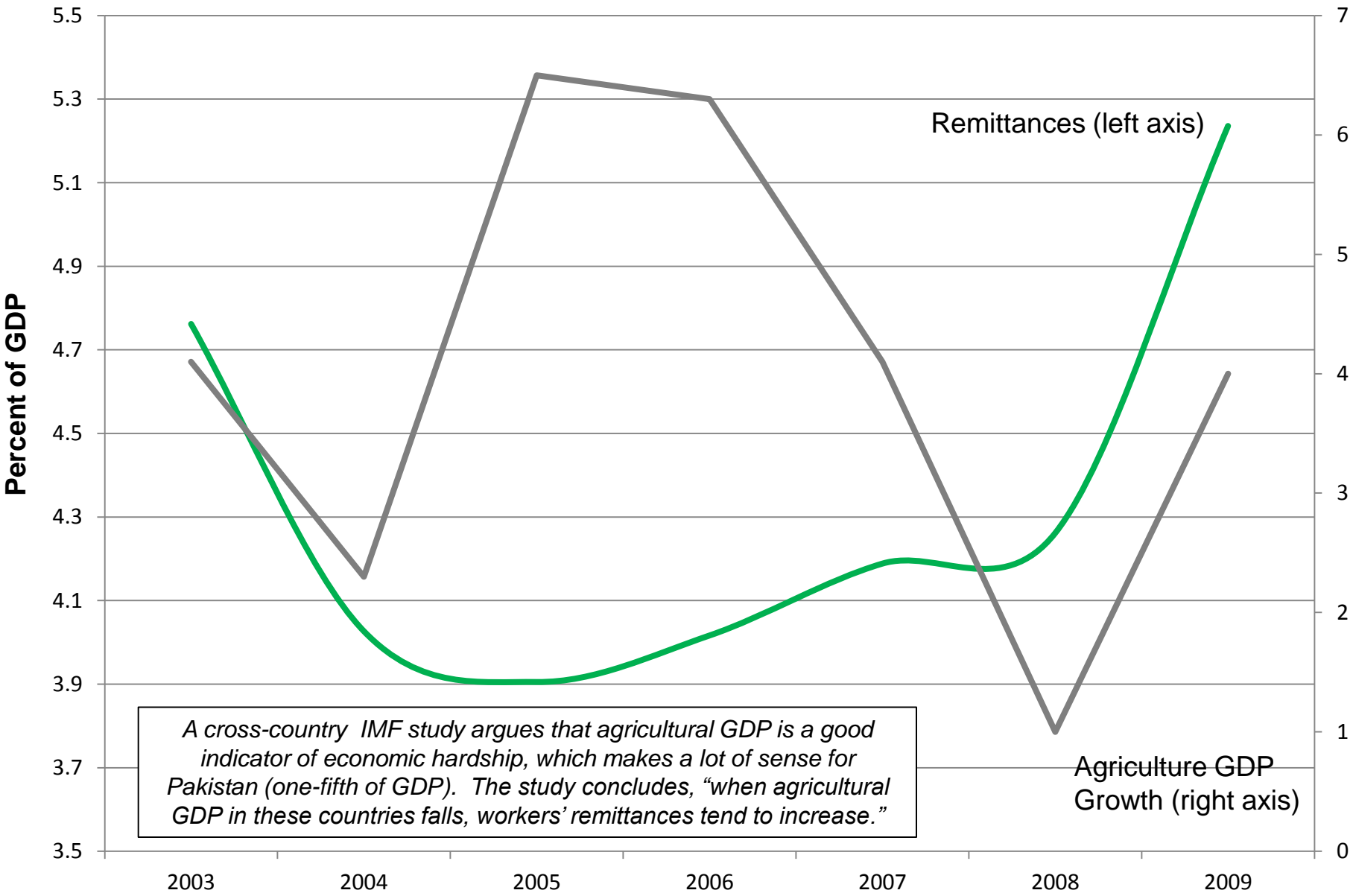
Figure 11



World Bank, *World Development Indicators* (April 2011).

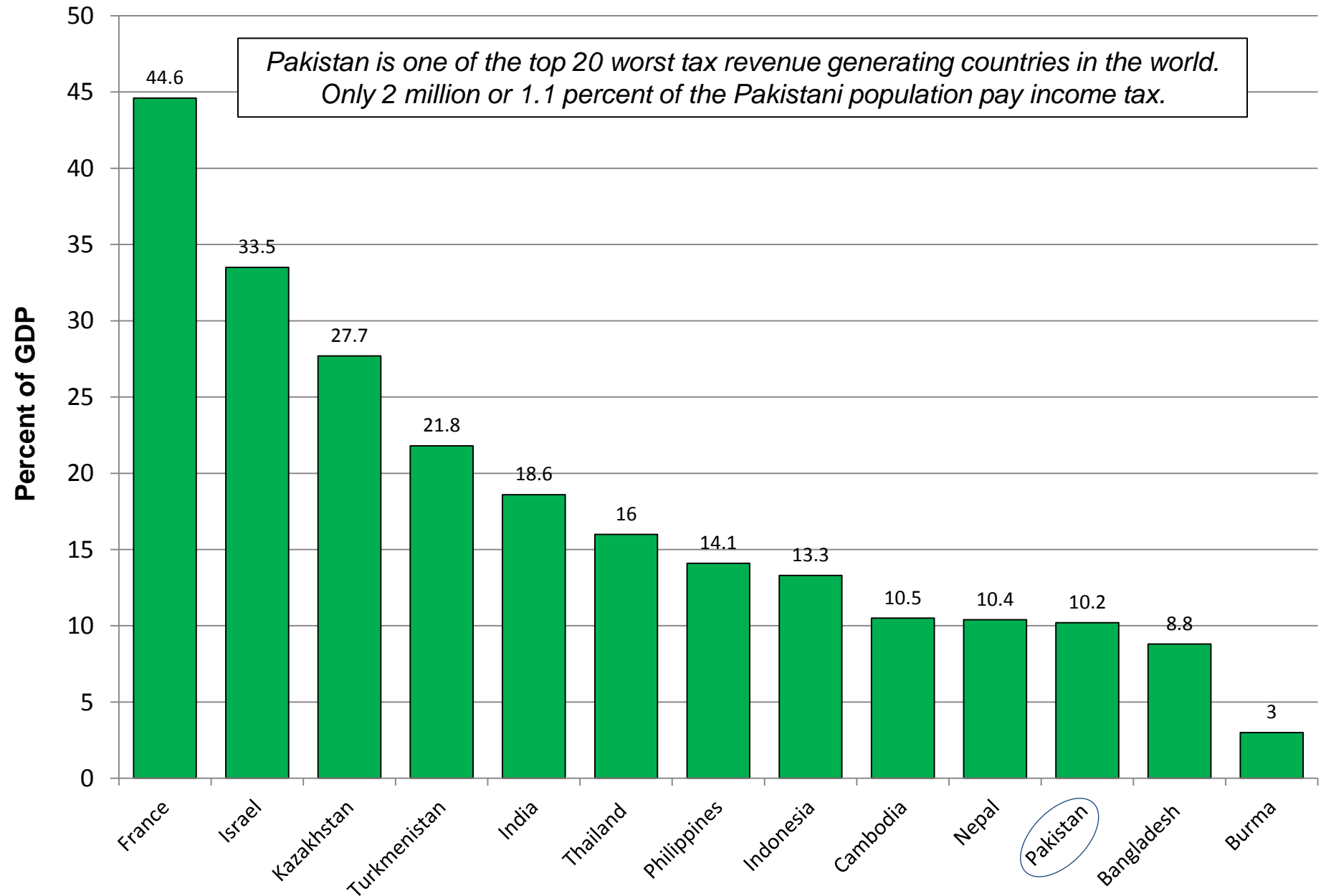
Figure 12

Growth in Remittances & Agriculture GDP in Pakistan



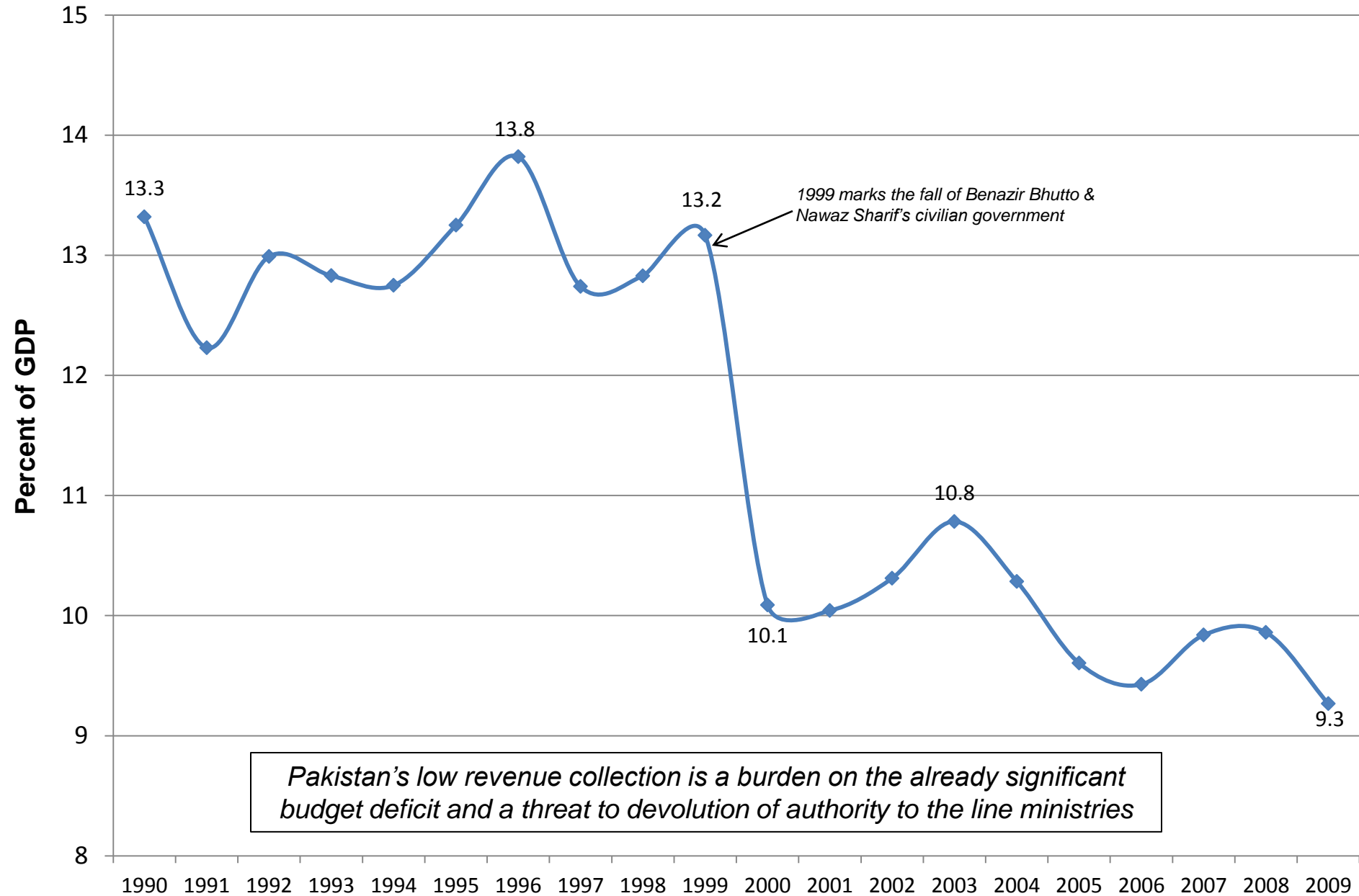
Tax Revenue in 2009

Figure 13



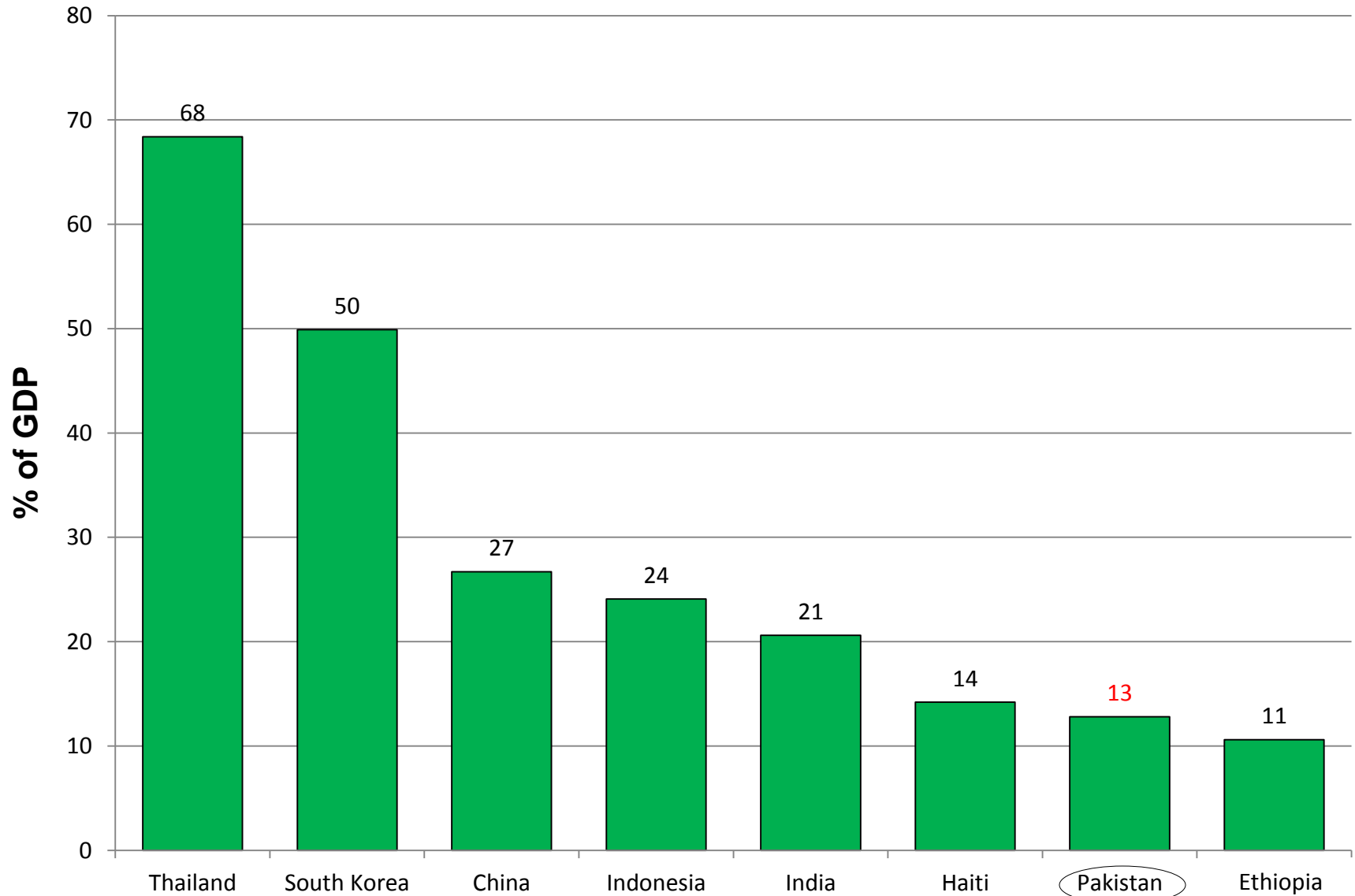
Tax Revenue in Pakistan

Figure 14



Exports Earnings in 2009

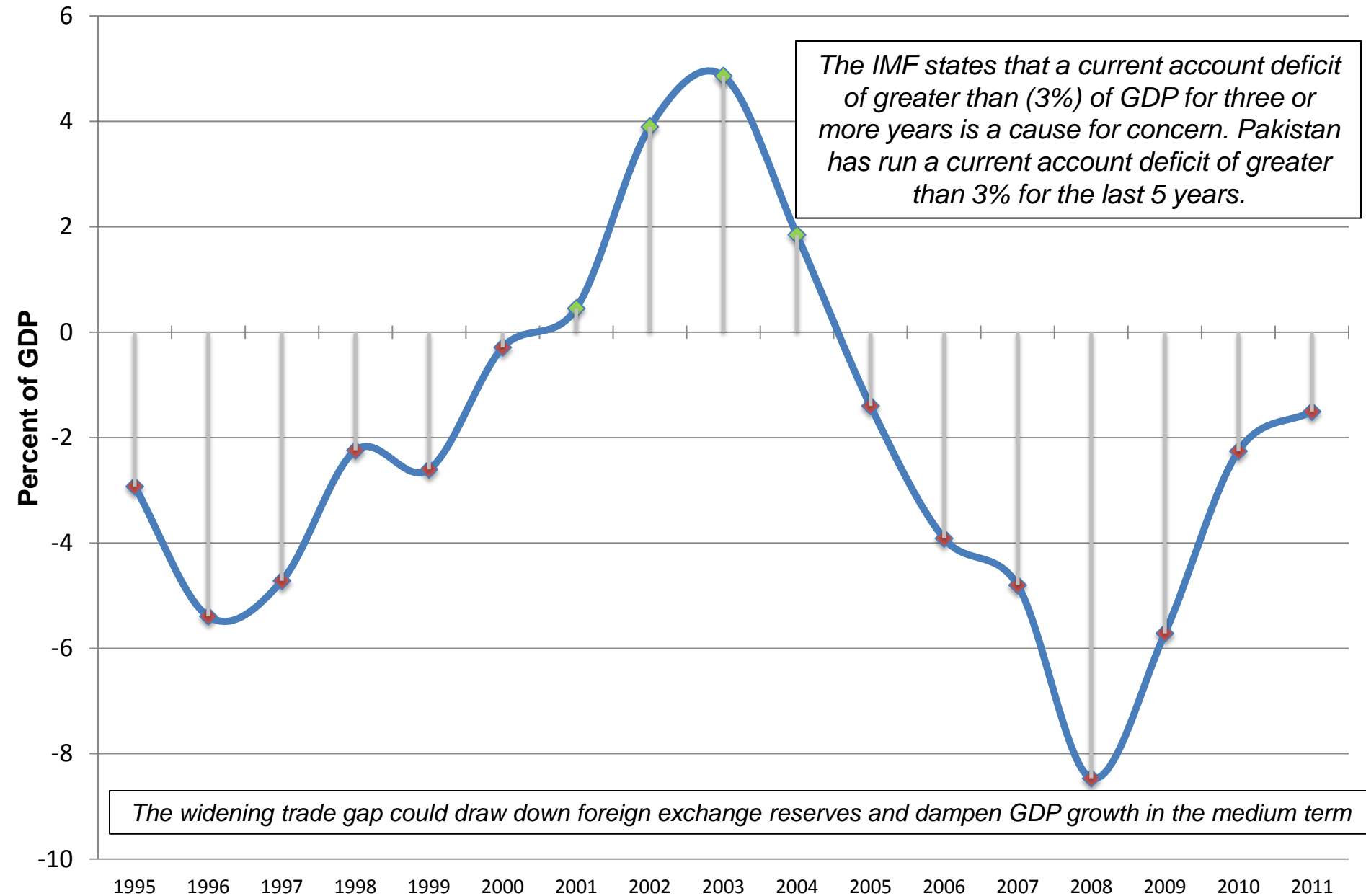
Figures 15



In July-April 2010 Pakistan's Exports only accounted for 9% of GDP.

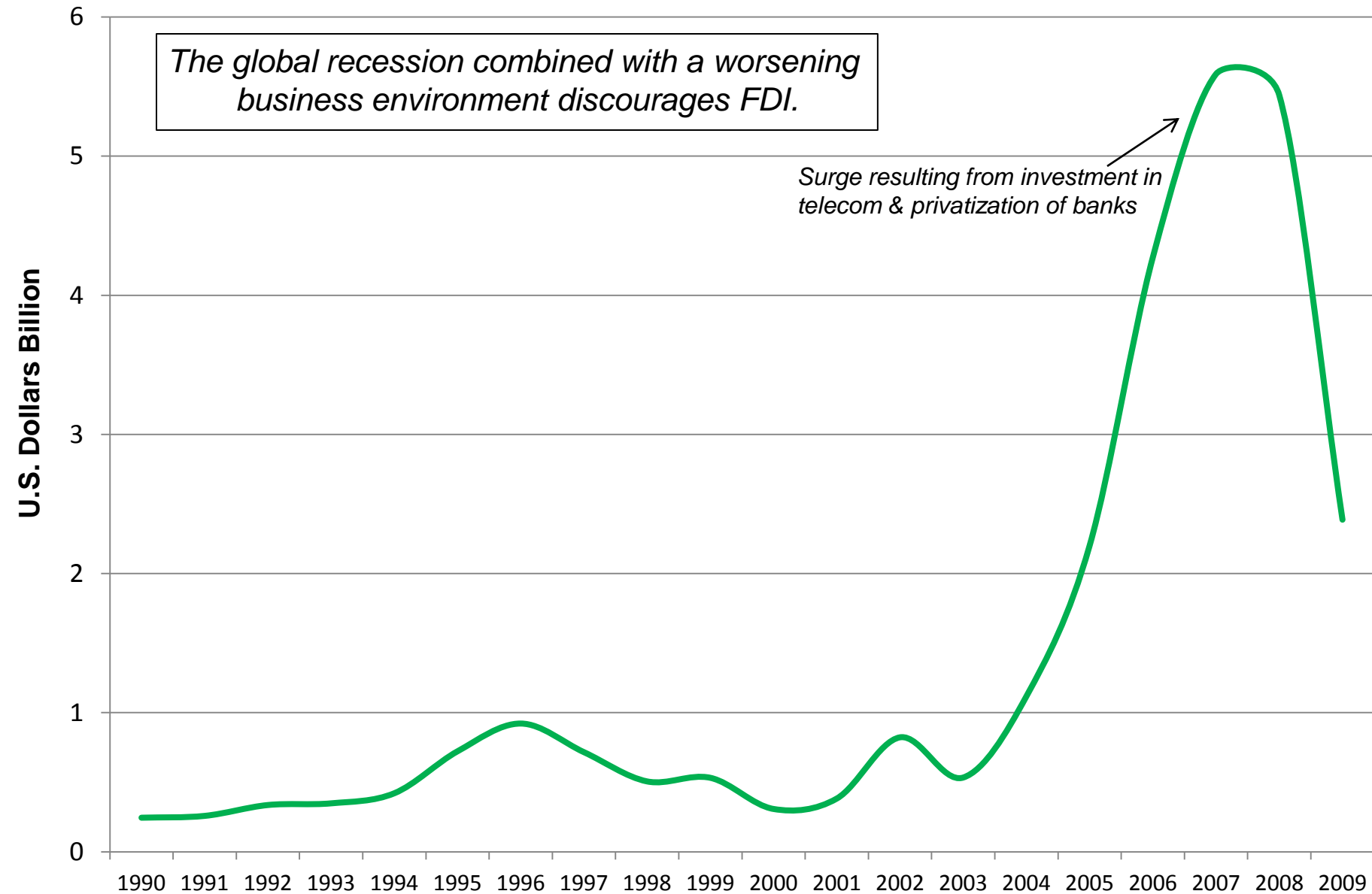
Current Account Balance in Pakistan

Figure 16



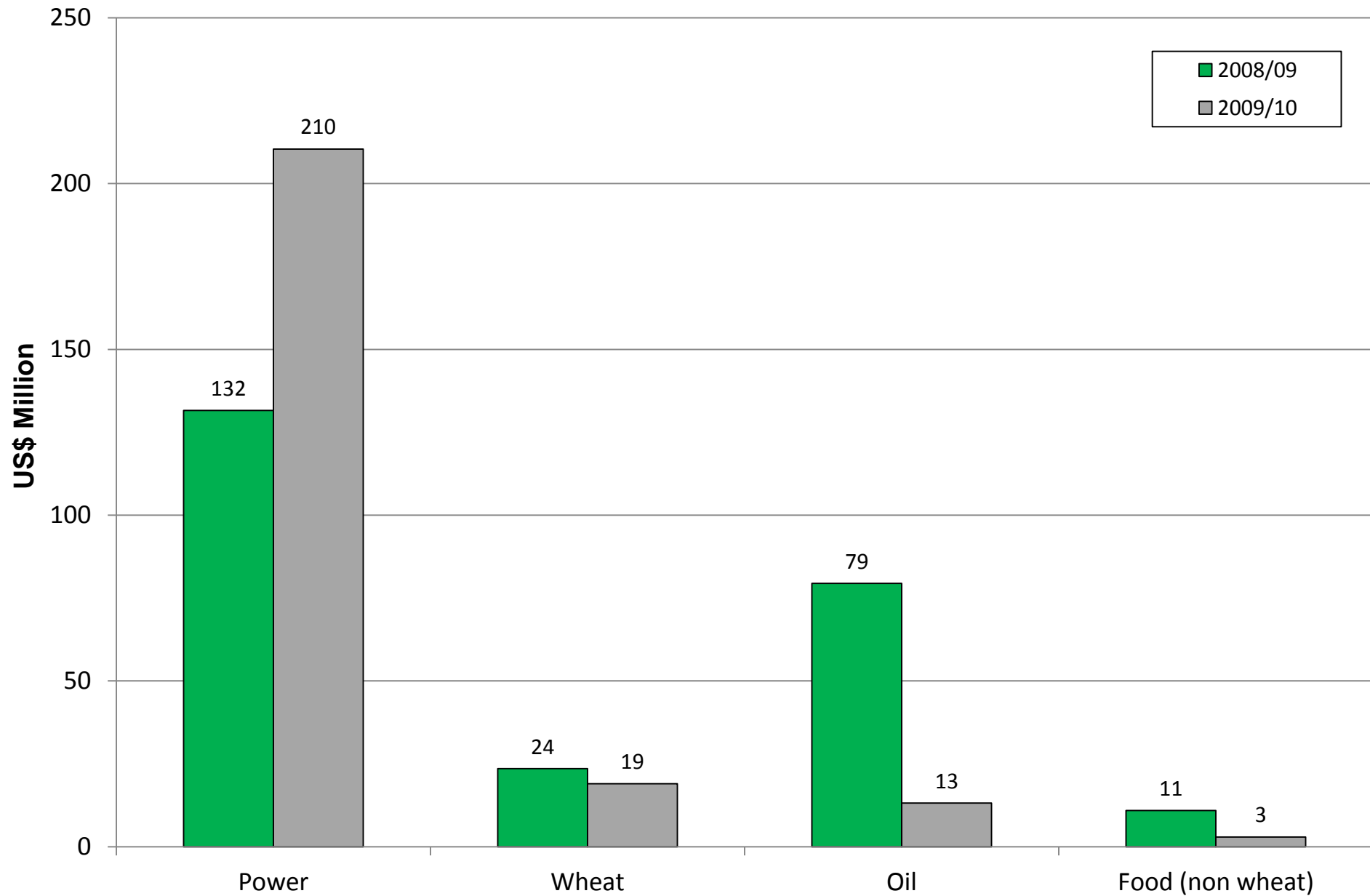
Foreign Direct Investment in Pakistan

Figure 17



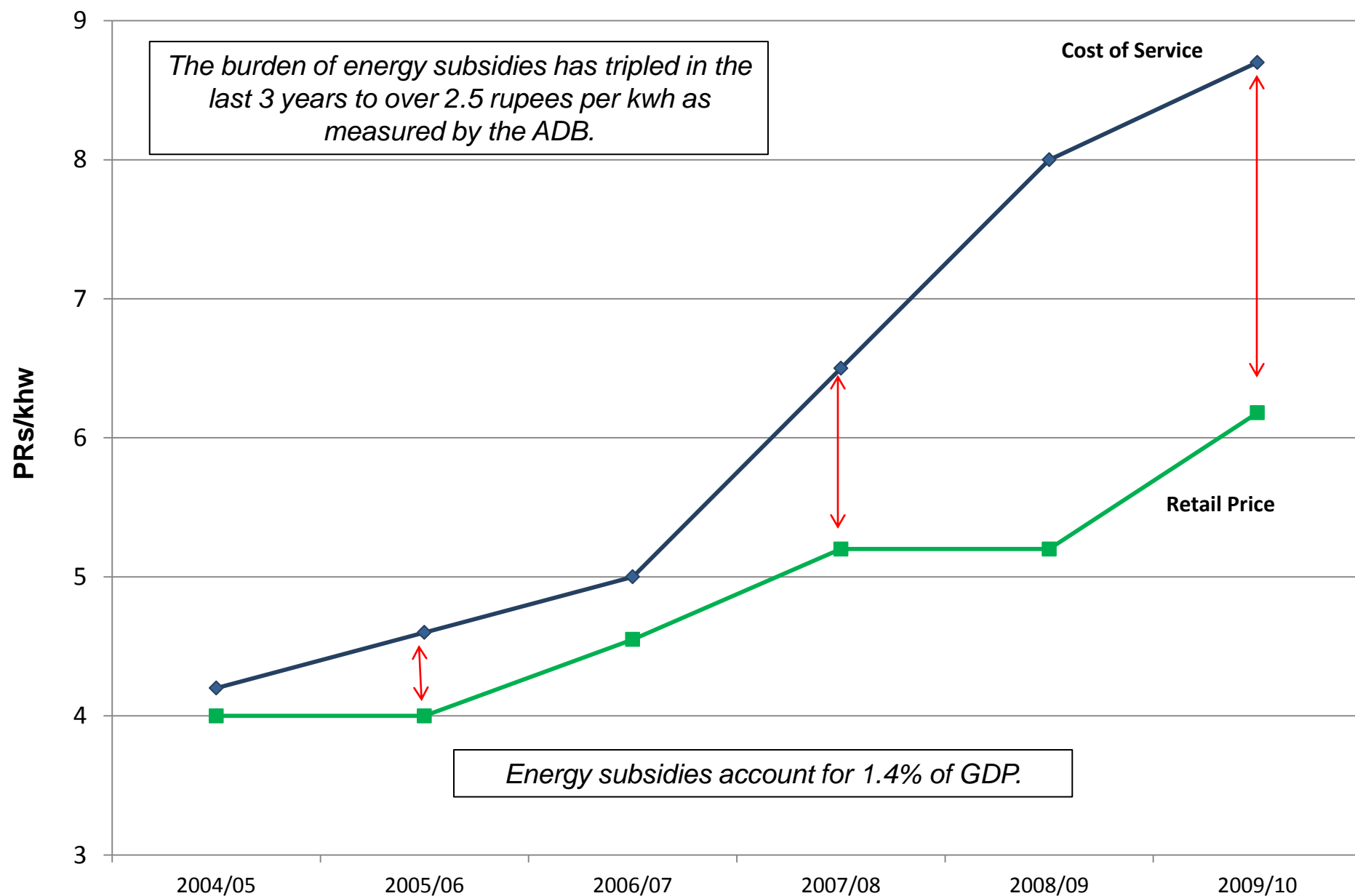
Subsidies in Pakistan

Figure 18



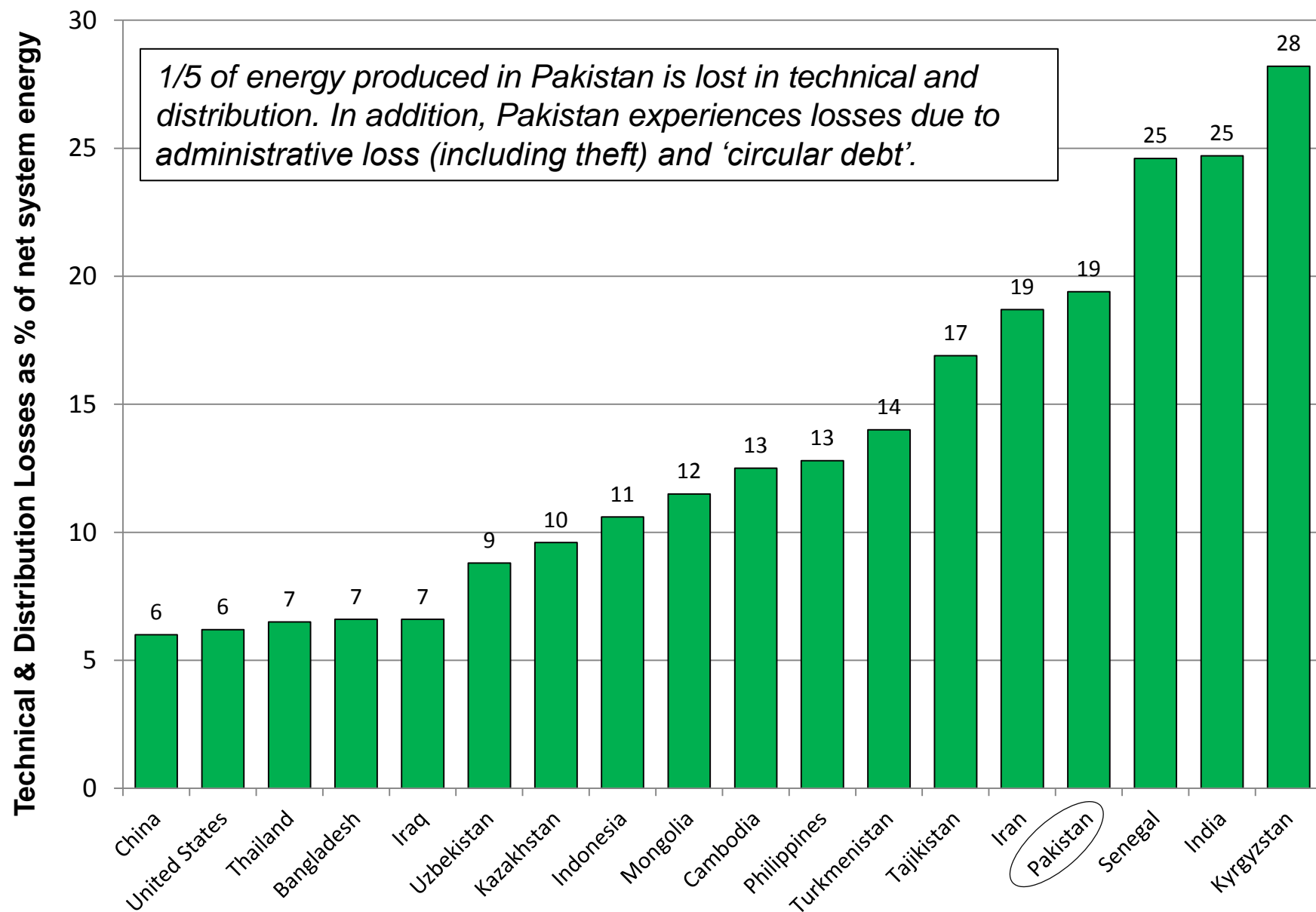
Electricity Subsidies

Figure 19



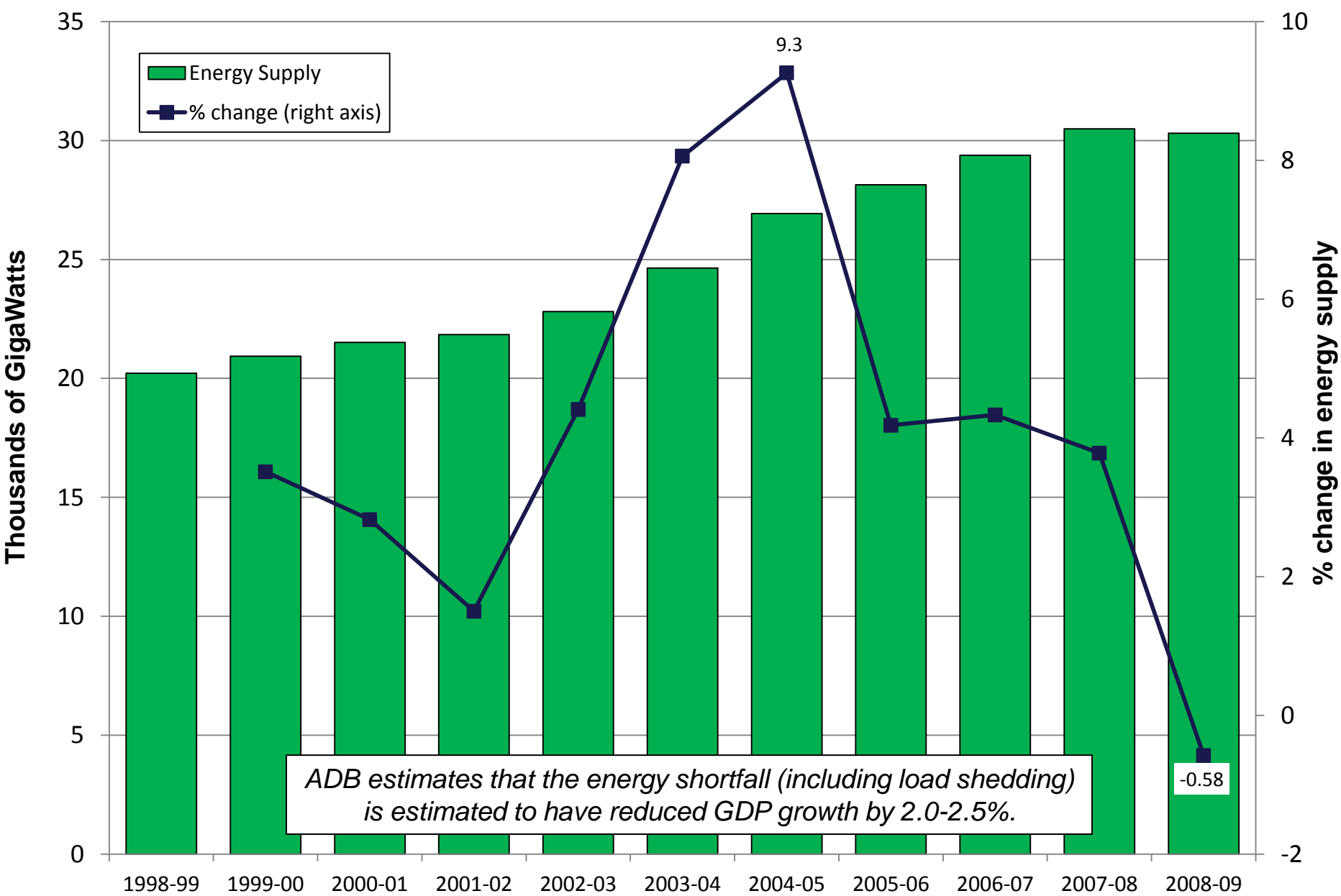
Energy Losses

Figure 20



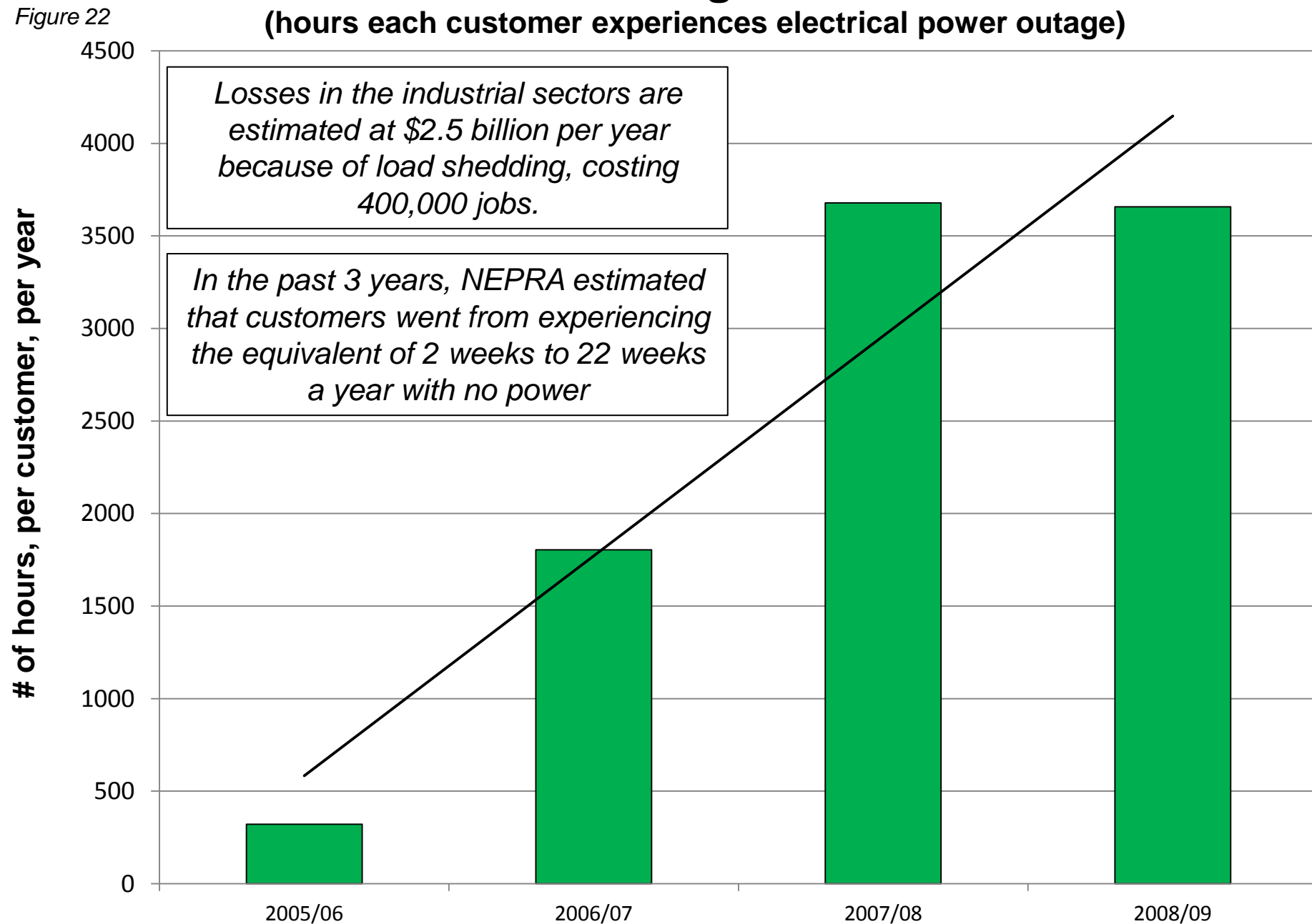
Energy Supply in Pakistan

Figure 21



Load Shedding in Pakistan

(hours each customer experiences electrical power outage)

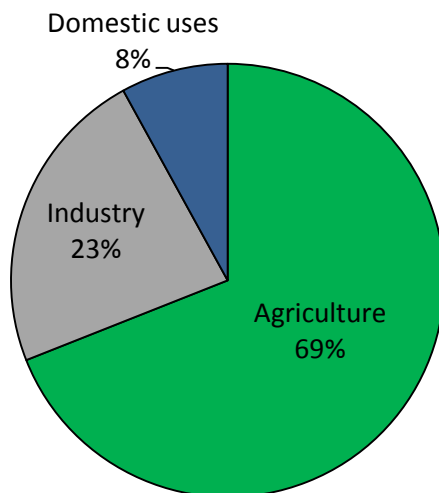


National Electric Power Regulatory Authority, *State of the Industry Report* (2009-10). This crisis is in part due to T&D losses, theft, and pricing policy that does not generate enough revenue to cover power generation costs (GoP 2010).

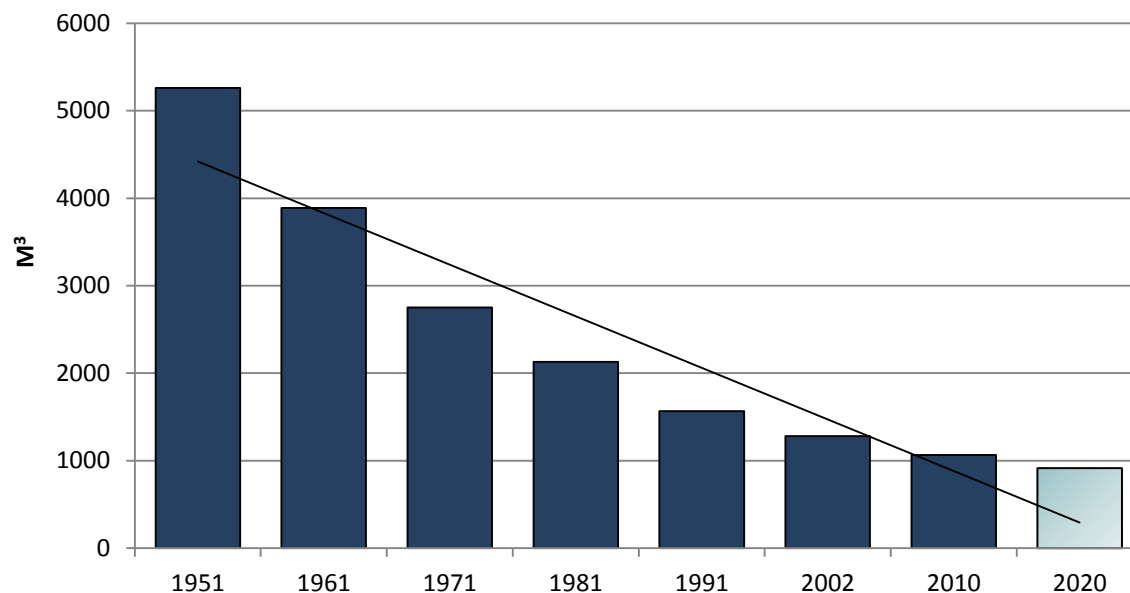
Water Vulnerability in Pakistan

Water availability has fallen 80% in the last 50 years

Water Uses



Water Availability Per Capita

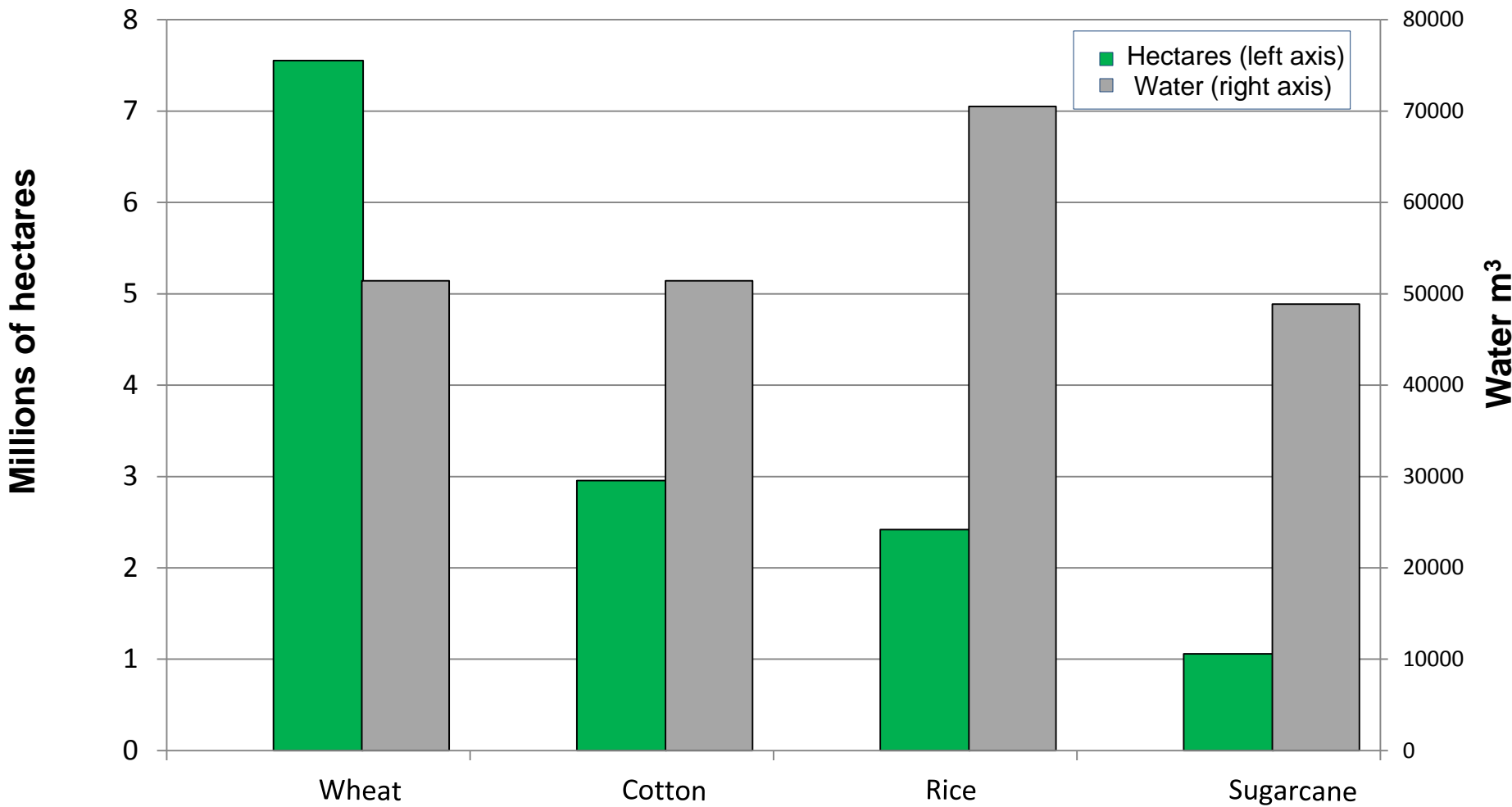


Agricultural dependence on a sharply declining water supply will lead to crop competition over water and will exacerbate food insecurity

Water Consumption of Major Crops in Pakistan

Figure 25

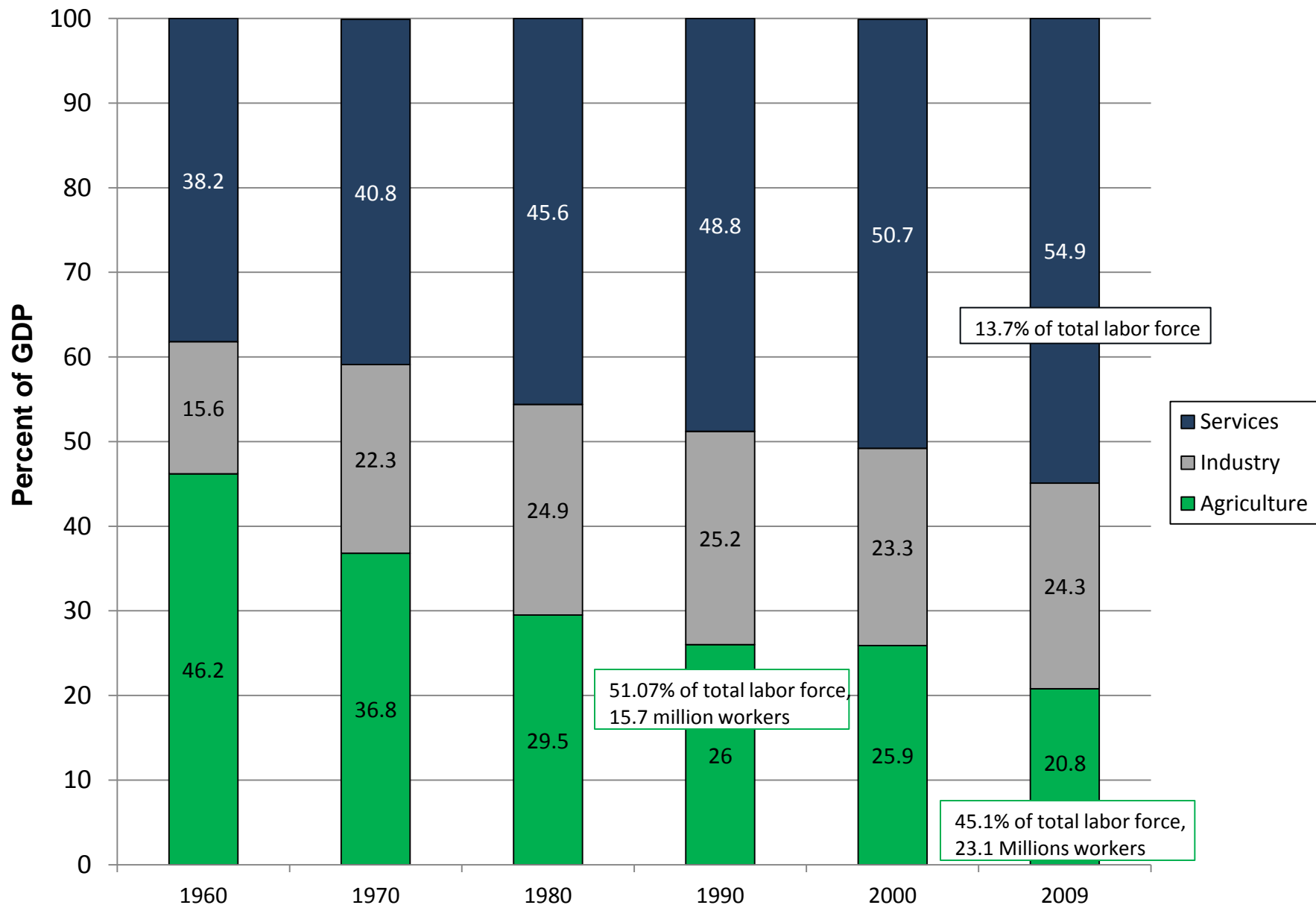
Pakistan is the 10th-largest sugar producing nation but sugarcane is an extremely water-intensive crop



Water intensive crops driving food insecurity

Woodrow Wilson International Center for Scholars, *Running on Empty, Pakistan's Water Crisis* (2009). Nearly 50% of the population was affected by food insecurity in 2009, and is likely substantially higher after the 2010 floods.

Composition of GDP over Decades in Pakistan

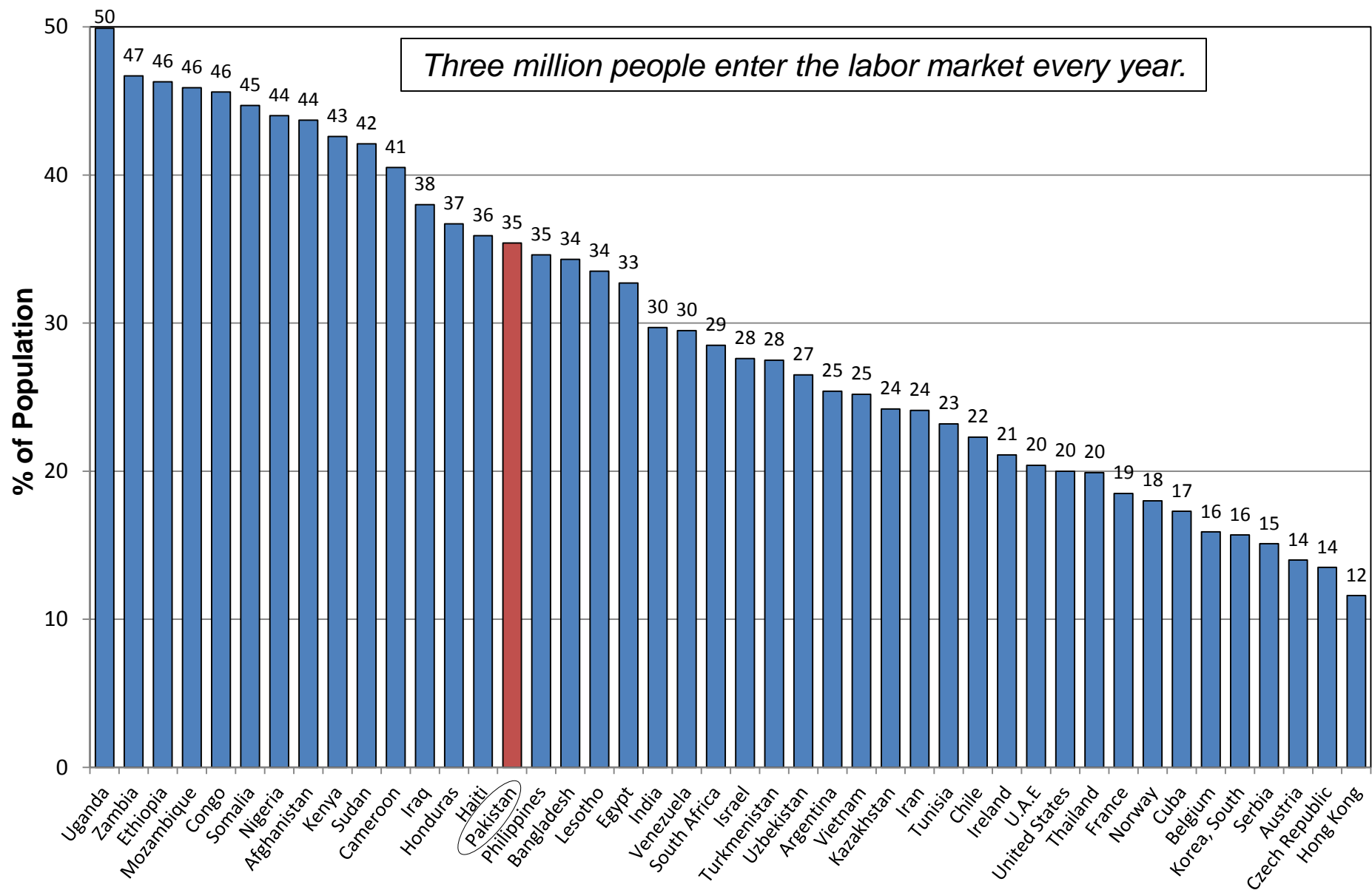


World Bank, *World Development Indicators* (April 2011). ADB, *Key Indicators for Asia and the Pacific 2010 Country Tables* (2010).

Agriculture is constrained by insufficient investment over many years, inappropriate policies, and an impending water crisis.

Proportion of Population Under 15

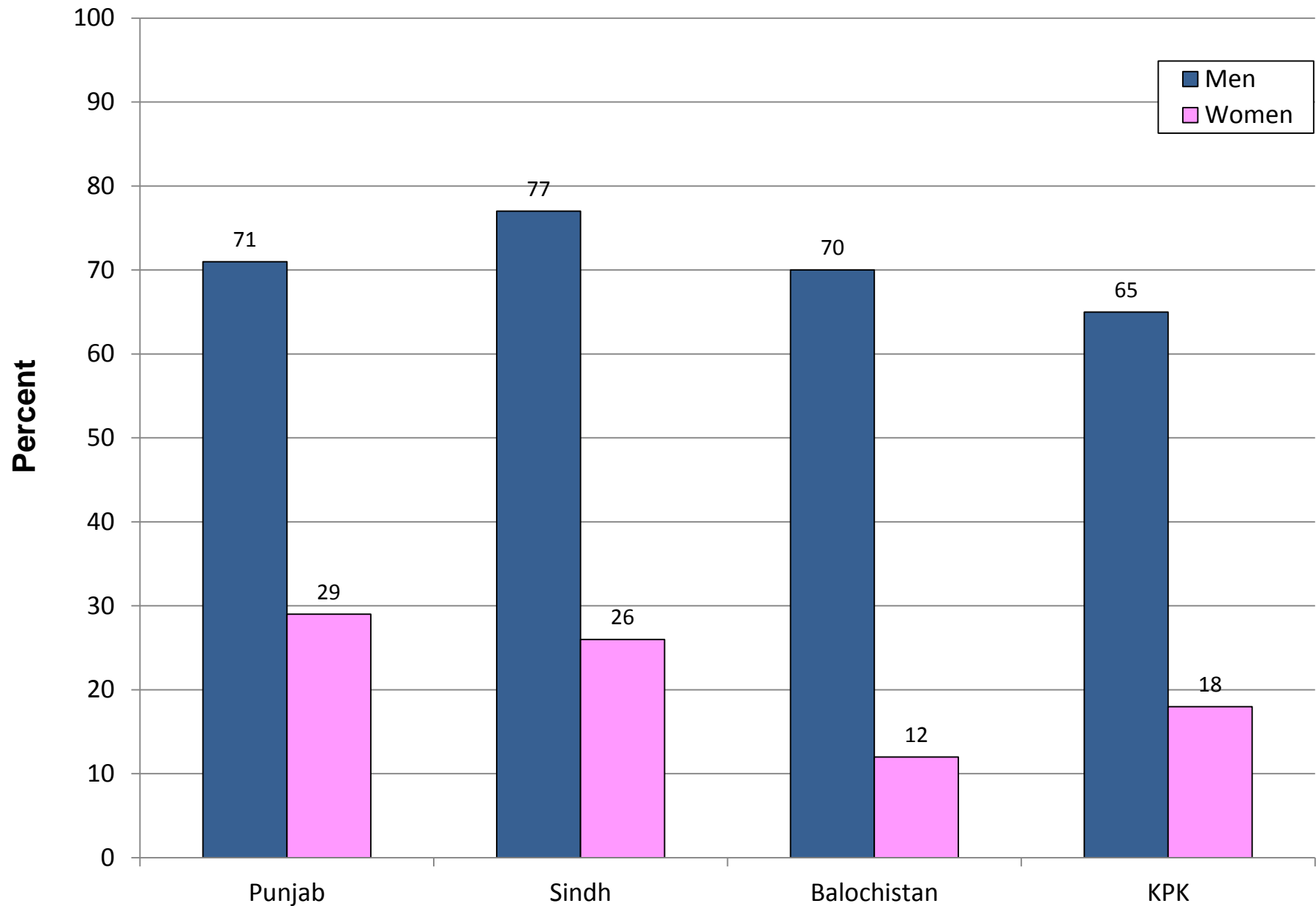
Figure 27



US Census, *International Database* (August 2011). 57% of the population is under 25.

Labor Force Participation Rates

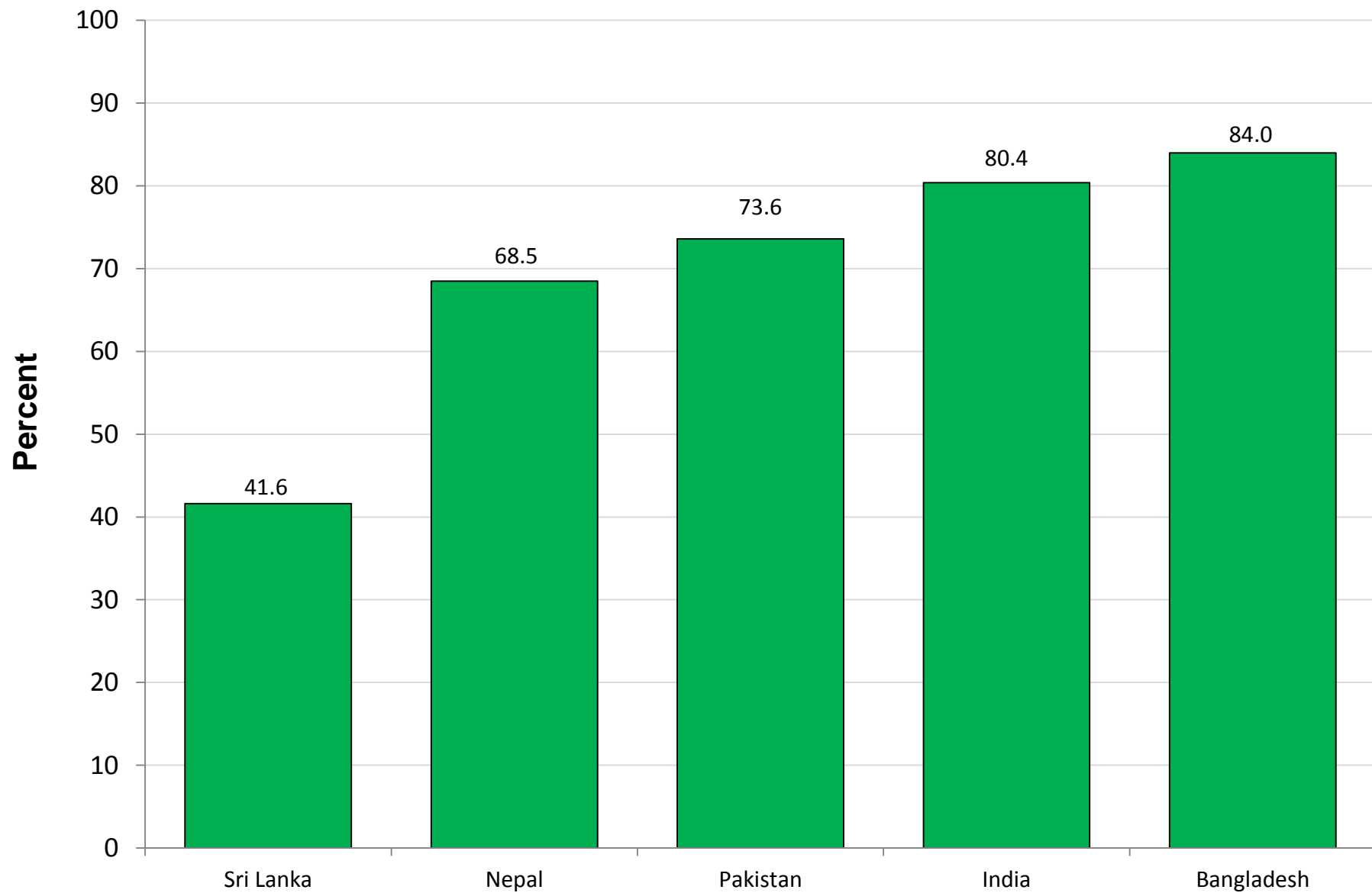
Figure 28



Poverty Rates in 2006

(population living under 2\$ a day)

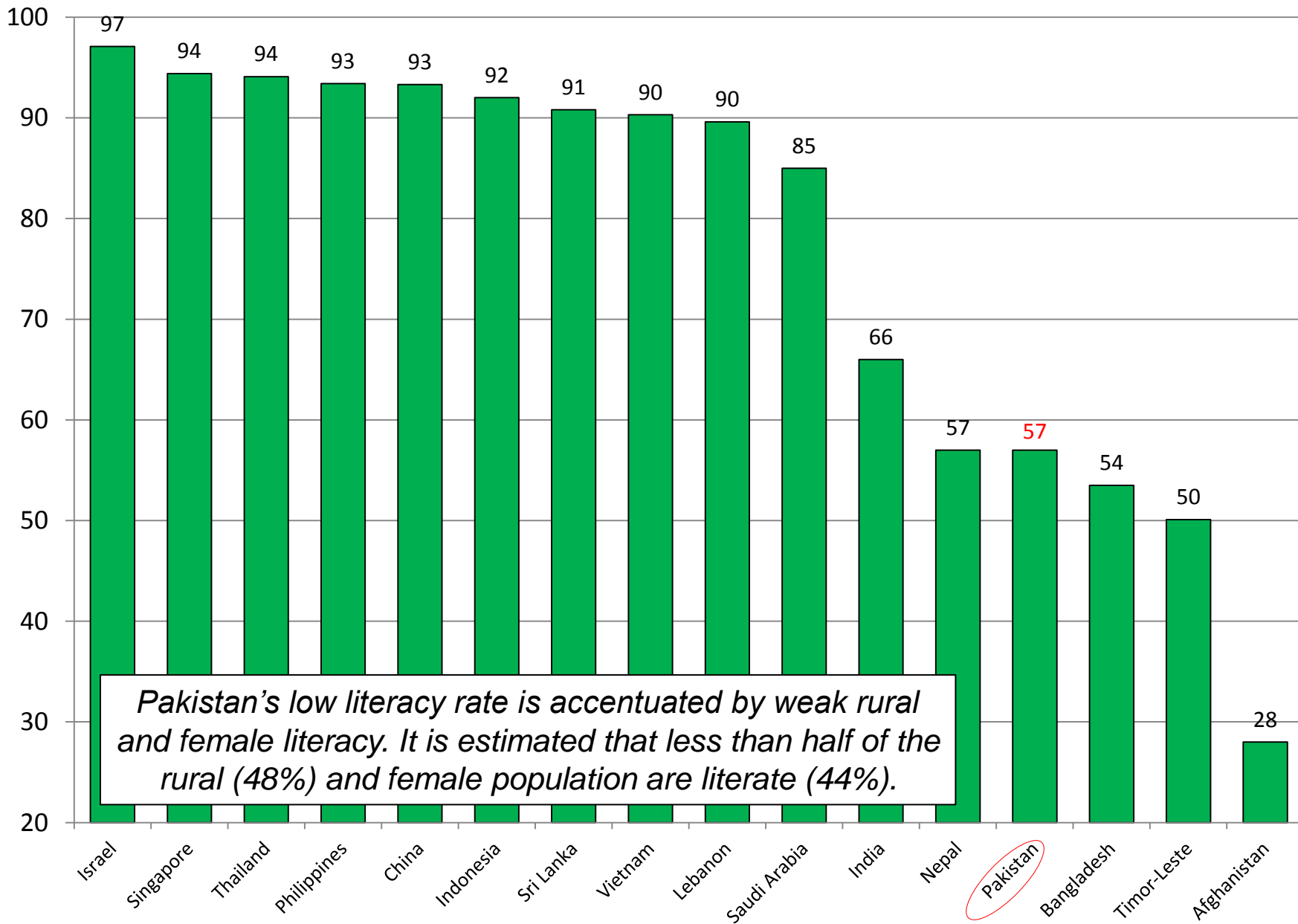
Figure 29



Adult Literacy in 2007

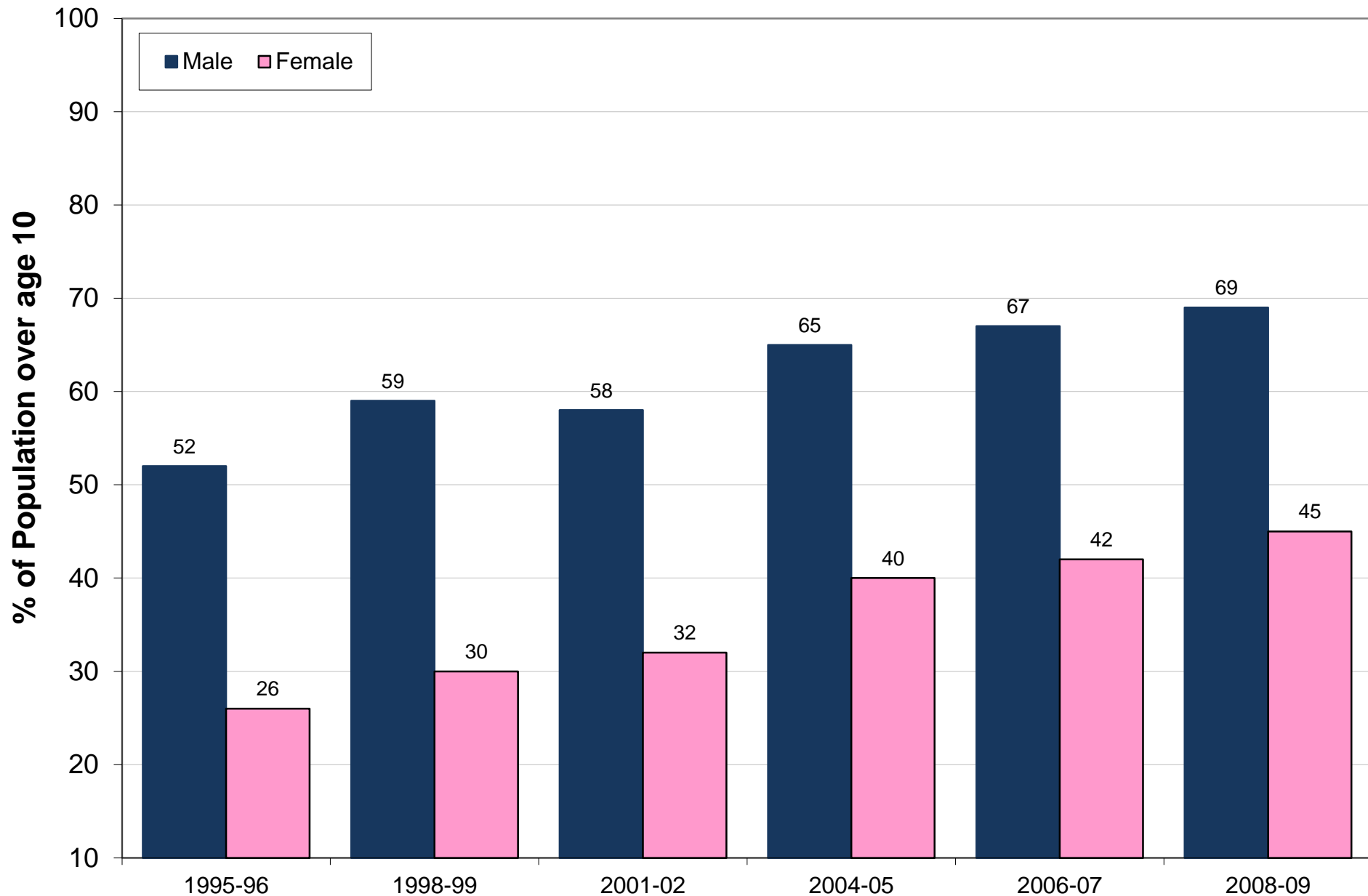
Figure 30

% of Population over age 15



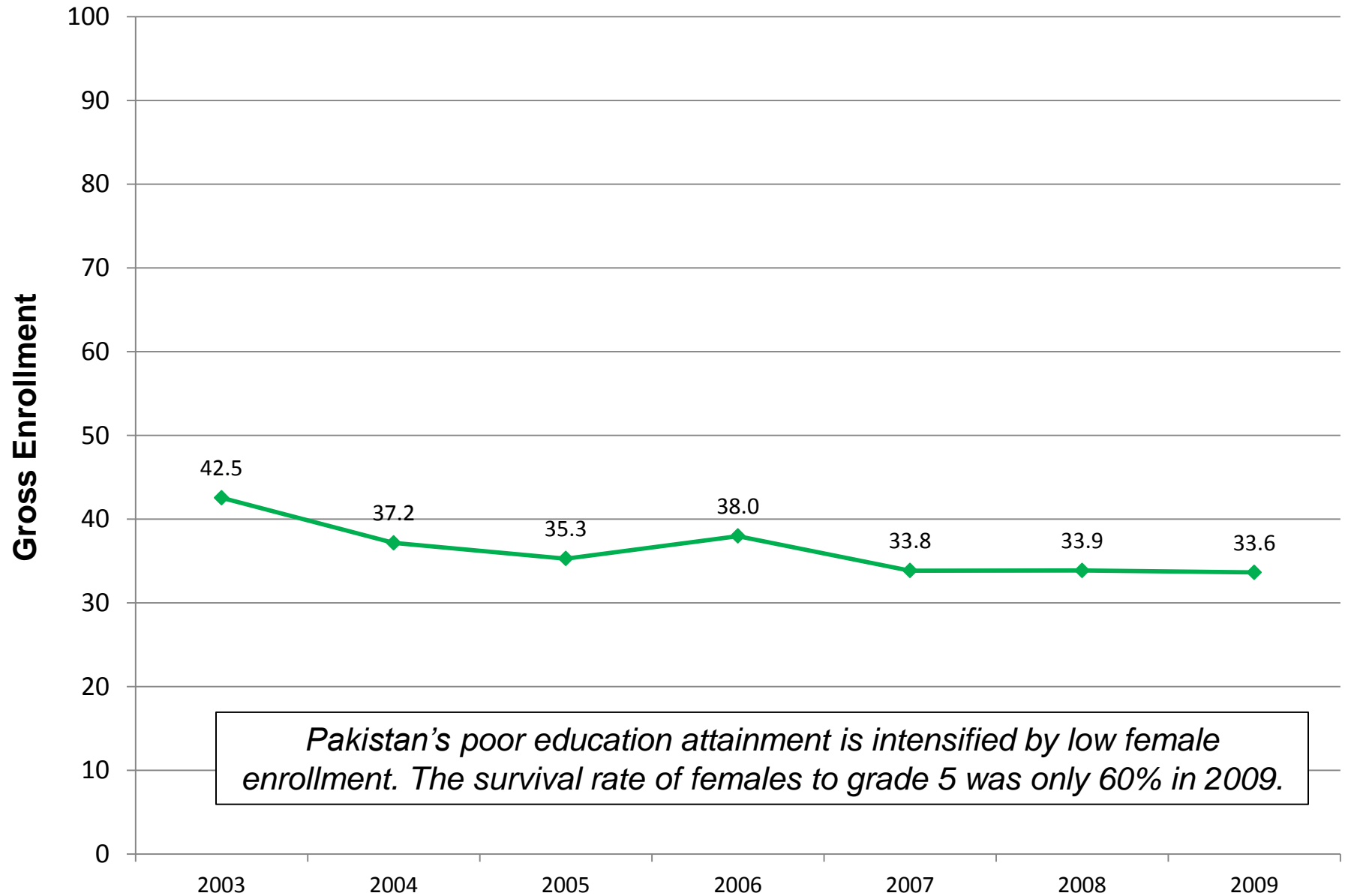
Adult Literacy in Pakistan by Gender

Figure 31



Primary Age Student Not in School

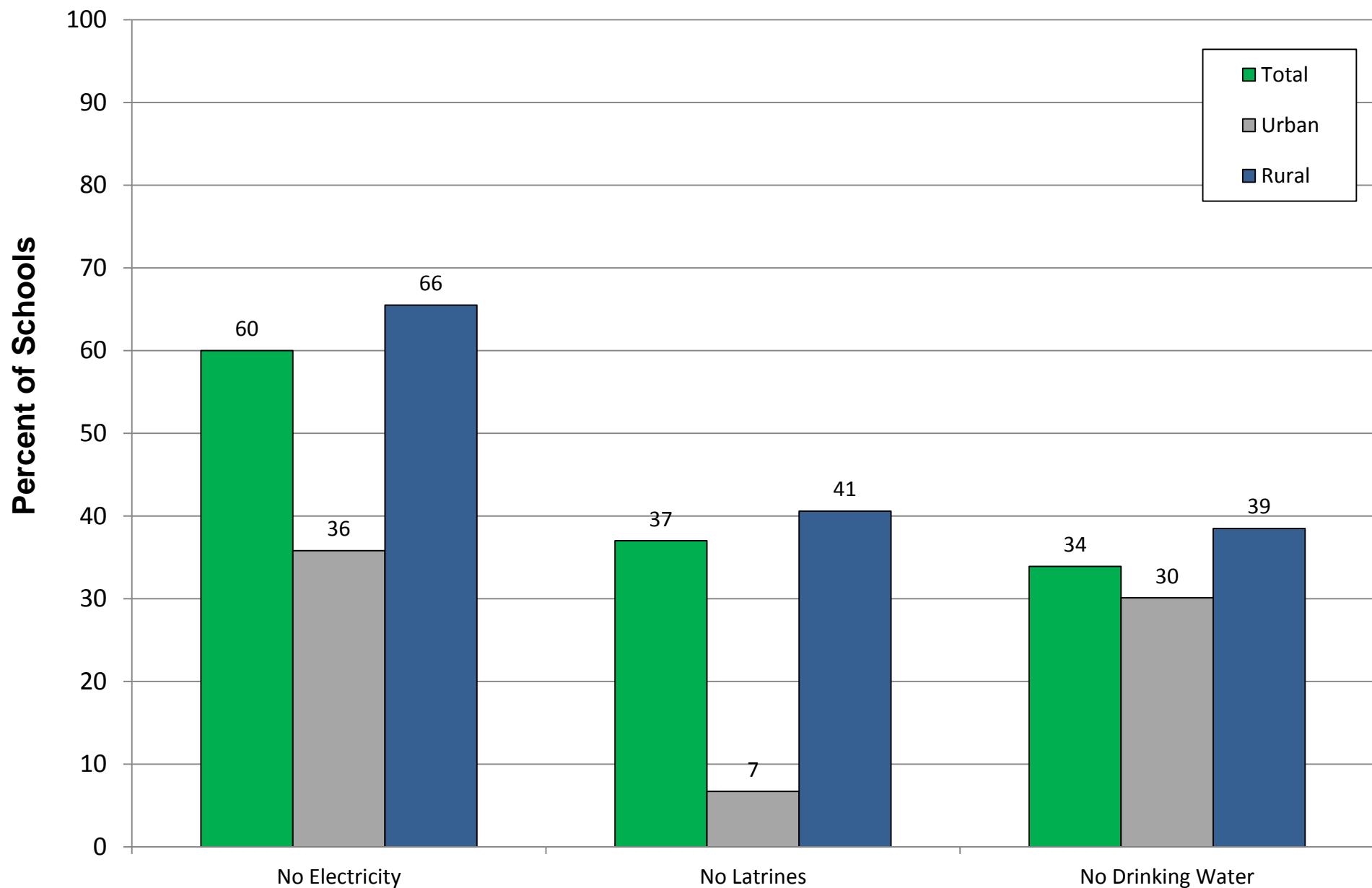
Figure 32



Pakistan's poor education attainment is intensified by low female enrollment. The survival rate of females to grade 5 was only 60% in 2009.

Public School Facilities

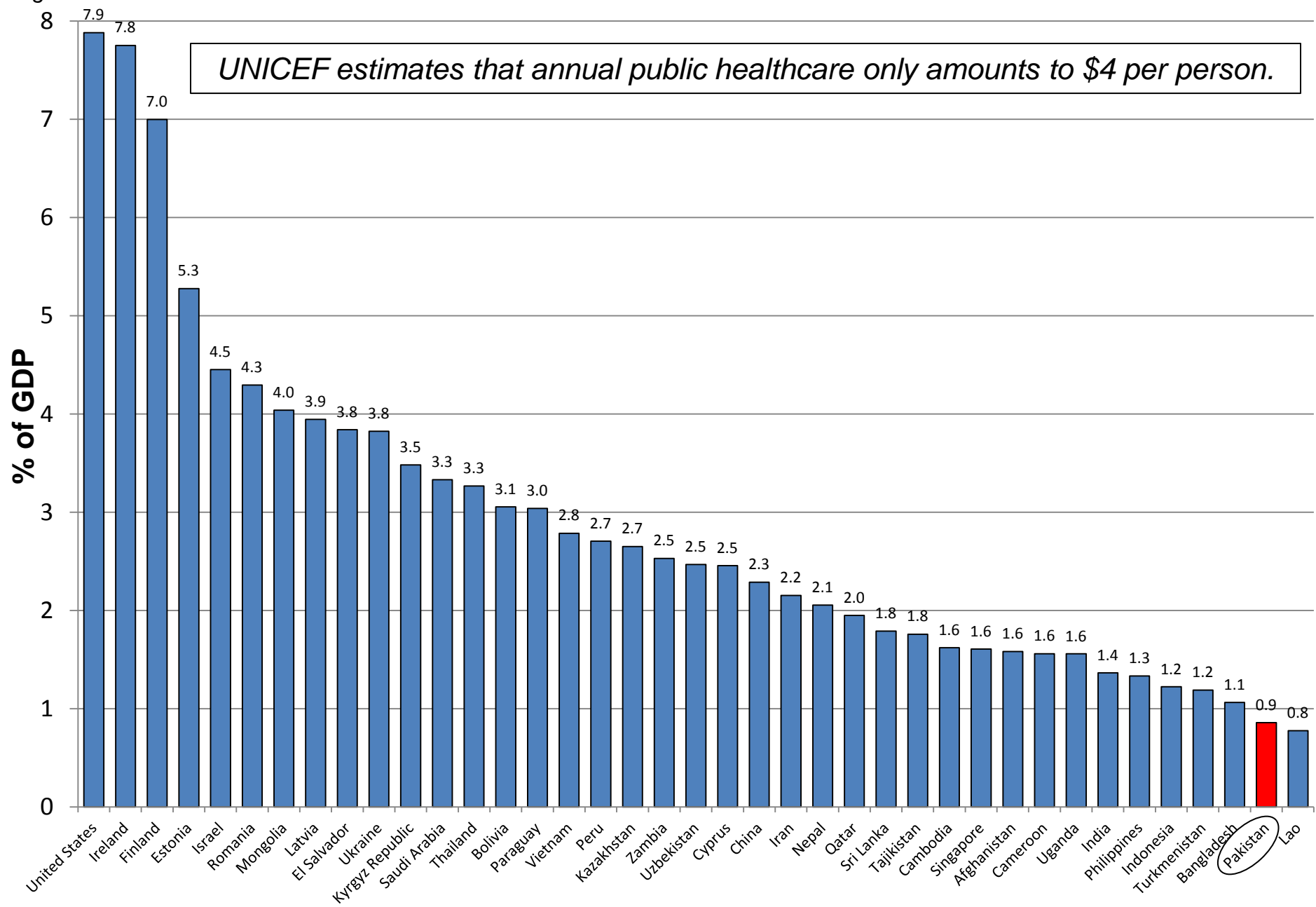
Figure 33



Public Health Expenditure in 2009

Figure 34

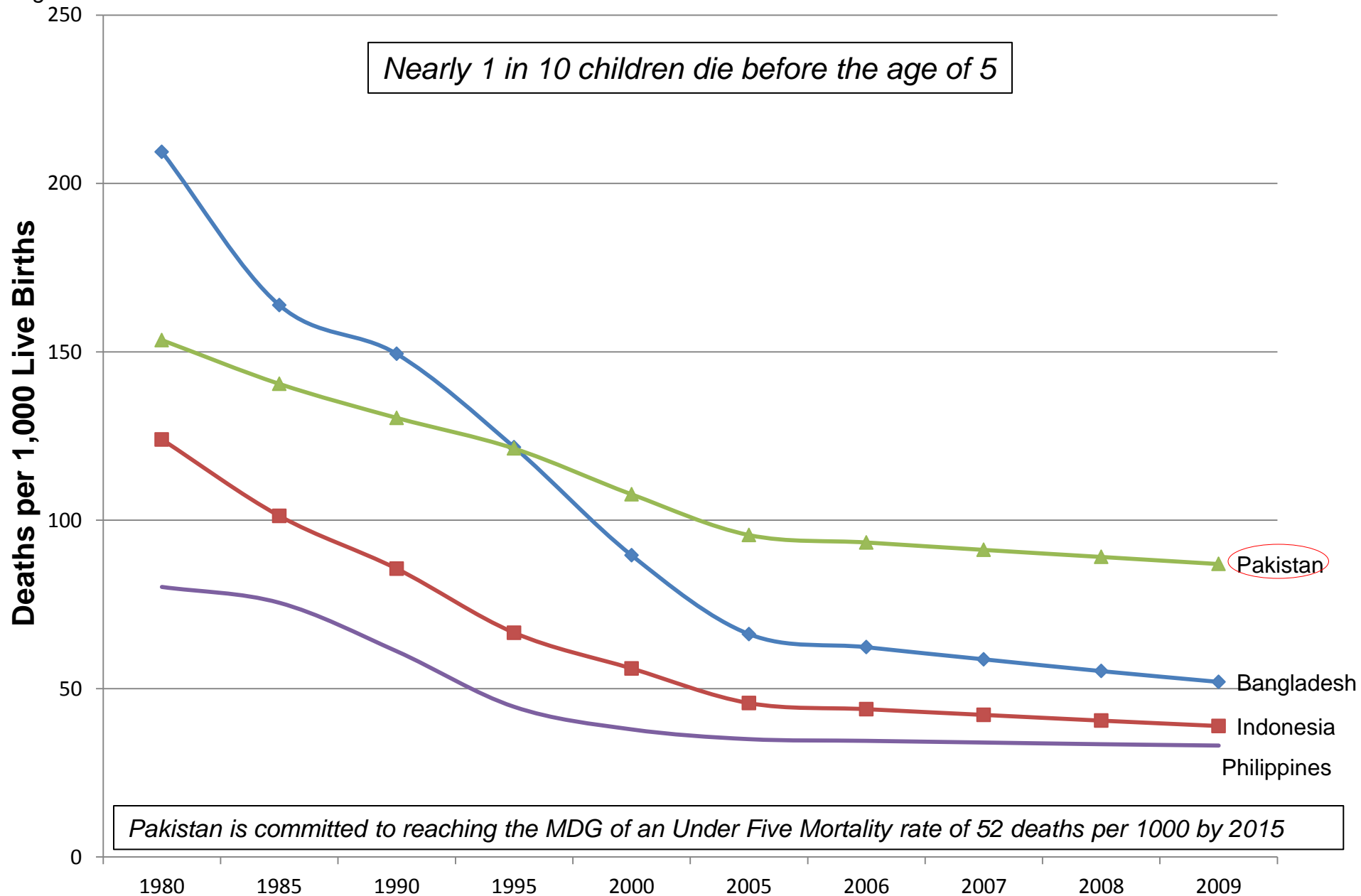
UNICEF estimates that annual public healthcare only amounts to \$4 per person.



World Bank, *World Development Indicators* (April 2011). "The Health Budget 2006: The Policy Context" estimates that 75% of health costs are financed out-of-pocket.

Under 5 Mortality

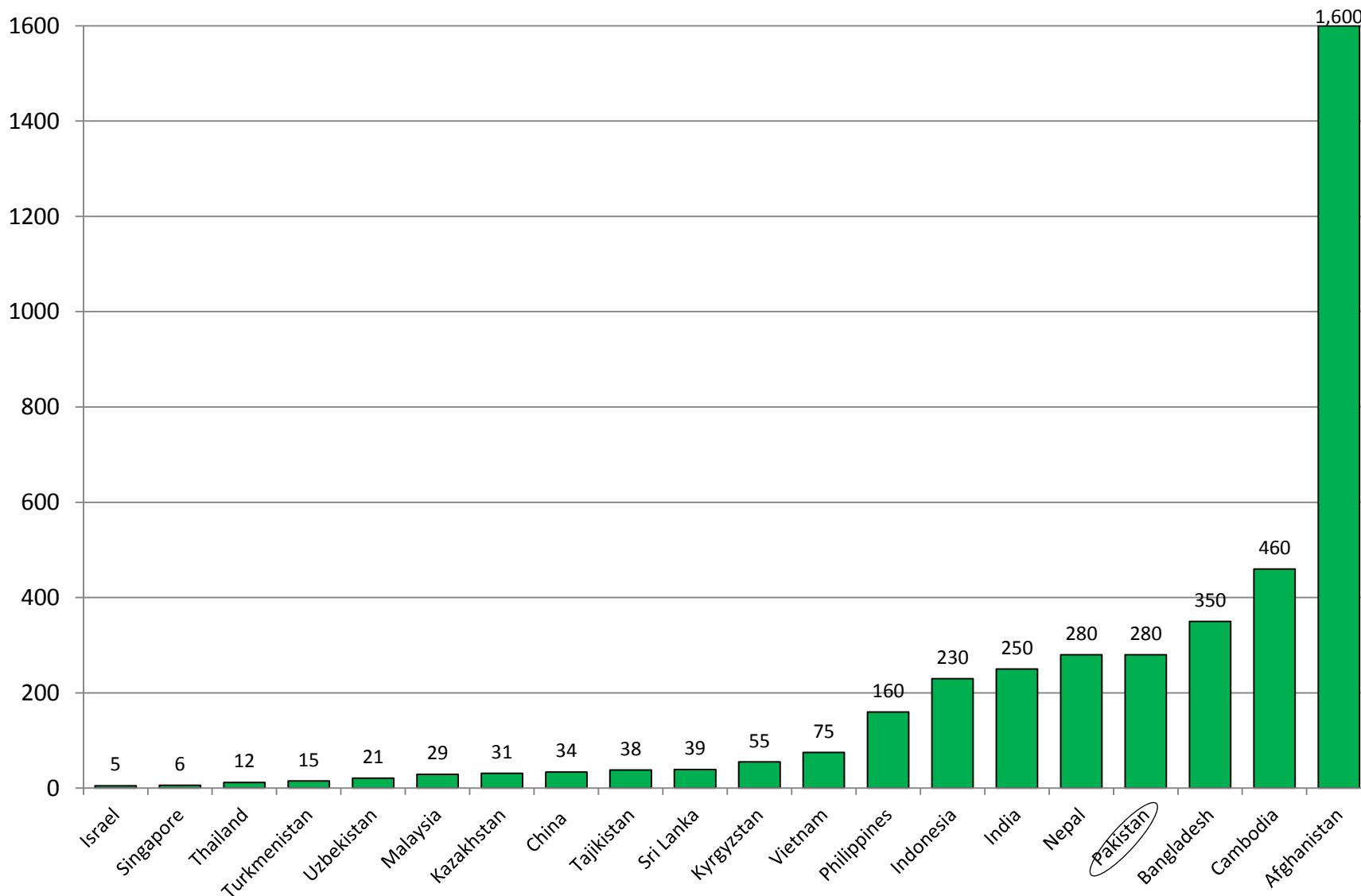
Figure 35



Maternal Mortality Ratio (reported 2005-2009)

Figure 36

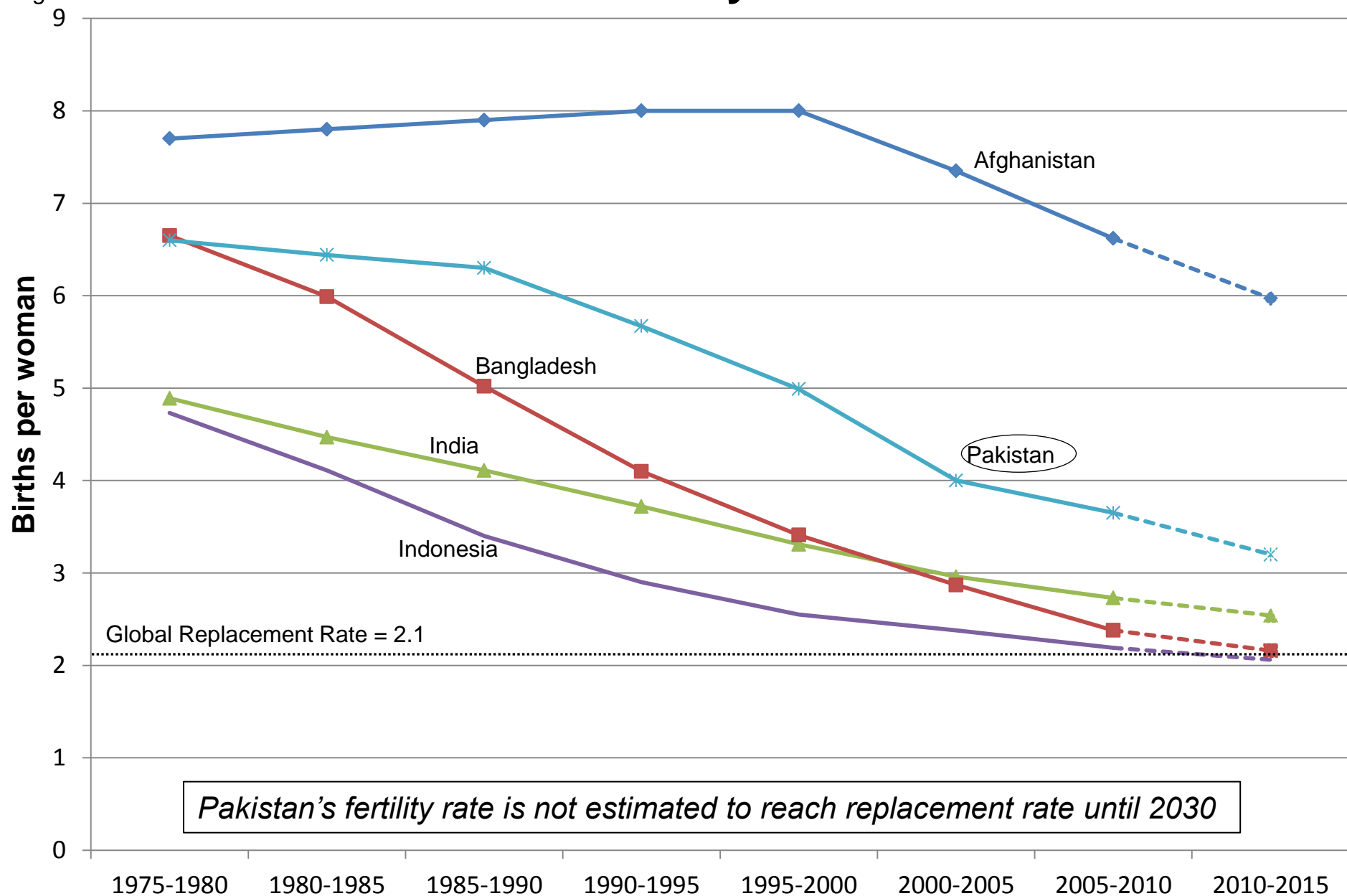
Deaths per 100,000 Live Births



Pakistan is committed to reaching the MDG of a Maternal Mortality ratio of 140 deaths by 2015

Total Fertility Rate

Figure 37

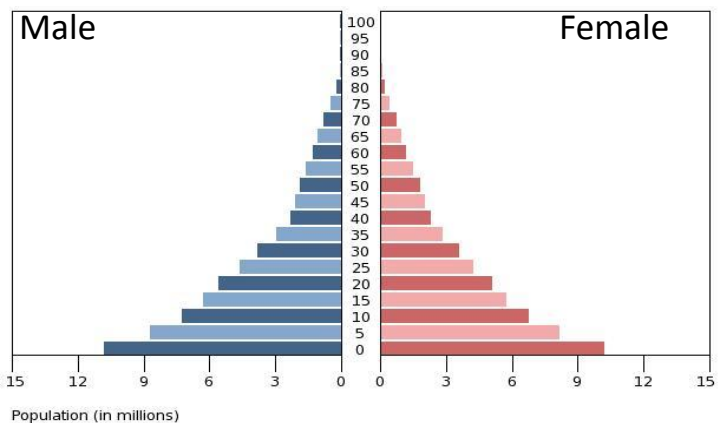


Population in Pakistan

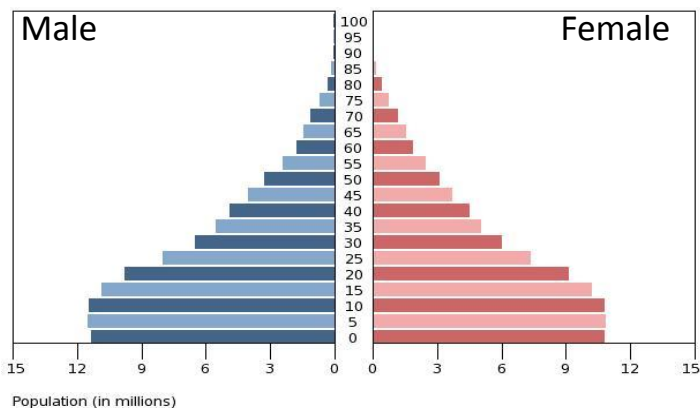
(in millions)

Figures 38-40

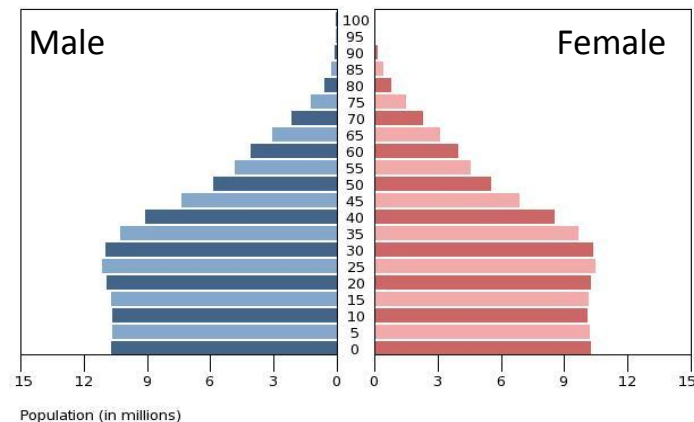
1990 – 118.8 Million



2010 – 184.4 Million



2030 – 242.9 Million



Demographic Indicators for Pakistan			
	1990	2010	2030
Population			
Midyear population (in thousands)	118816	184405	242862
Growth rate (percent)	2.9	1.6	1.2
Fertility			
Total fertility rate (births per woman)	6.5	3.3	2.1
Crude birth rate (per 1,000 population)	42	25	18
Mortality			
Life expectancy at birth (years)	57	66	72
Infant mortality rate (per 1,000 births)	107	65	33
Under 5 mortality rate (per 1,000 births)	162	87	42
Crude death rate (per 1,000 population)	13	7	6
Migration			
Net migration rate (per 1,000 population)	-1	-2	-0
Net number of migrants (in thousands)	-162	-435	-5