FPCCI's Vision for 2025

Targets in Global Scenario

The Federation of Pakistan Chambers of Commerce and Industry

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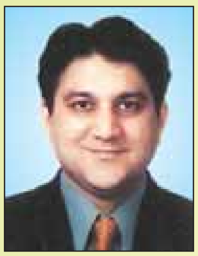

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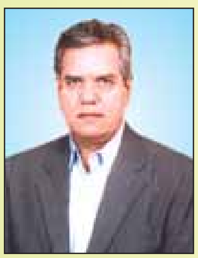

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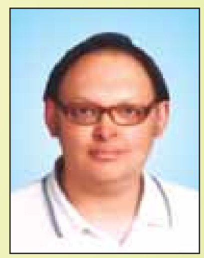

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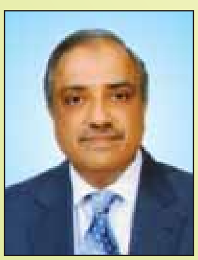

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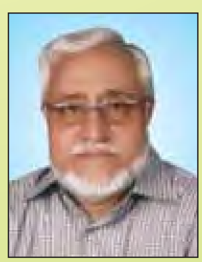

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PREFACE

Medium-term planning is considered the most effective component of economic strategies in present regime of globalization which is mainly based on supply side economic policies. Economic planning determines the ultimate business competitiveness and provides the infrastructure for sustainable growth. The task of economic planning requires a nexus of nation's ideology, constitutional constraints, political system and economic resources. Hundreds of the decisions are collaborated in long-term economic planning. These decisions may be political but mainly they are technical and needs political will and political stability. No doubt, the implementation and success of these plans require political will and changing in the social environment including improvement in law and order situation.

How energy crisis should be solved, how to avoid from a severe water crisis, how the issue of food security will be addressed, how to deal with the environmental and climate changing issues, what should be patterns of tax collection, what should be the parameters of fiscal policies: all these should be integral parts of long-term economic planning.

This document reveals the trends and changing in the global patterns of development ranking. The trends show the history of global development ranking and explore the future status of big nations. Our concern is 'Pakistan'. How, we regain our status. Telling the stories and remembering the past will not provide a solution. A feasible plan with wisdom and prudence is required which also requires the political will. It must be considered as a wakeup call.

FPCCI is working to identify the feasible solutions of all such problems. Our think tank has prepared the integrated program (Economic Vision 2025) to suggest the straight path of development and find the lost status of the nation. Economic miseries of the peoples in Pakistan will significantly reduce by achieving the 'FPCCI recommended rate of growth'.

To discuss our recommendations and wisdom behind these measures, we prepared a complete presentation with quantifications of targets and fiscal analysis and projections. We are prepared to present these targets with the implementing mechanism at all the appropriate platforms.

(Zakaria Usman)
President

Role of Trade Bodies in Present Economic Scenario

During the cold war regime of 20th century, the world was divided into three parts: First part belongs to capitalistic societies which covers Western Europe, North America, Australia, New Zealand and Japan. NATO, CENTO, G5 (then G7) were offshoots of the first world. Soviet Union, China, North Korea and other Socialists countries were included in the second world, while the underdeveloped countries have been classified as third world. This distribution was not based on religion, culture or racism; economic ideology was the only base of this bipolar division of the world. The surprising aspect of this division was the disappearance of classical (supply side) school of thought in economc policies in capitalist world, where Fiscalist School of thought (demand side) played a leading role in economic development and planning during 20th century. It is notable that in most of the cases supply side approach advocate the economic freedom, deregulations, cross boarder movement of goods and services, individual liberty, business competitiveness, free market mechanism and allocation of all economic resources on the bases of 'invisible hand' of market mechanism. It does not allow any intervention from government in economic mechanism. On contrary, Fiscalist School allows governments' interventions in the form of subsidies, grants, managed interest rate, stipends and tax exemptions etc. This approach invites the intervention in business sector by monetary and fiscal policies.

Fall of Soviet Union in late 20th century led the emergence of world economies and a new era of economic transformation was originated. In fact, it was a rebirth of classical school of thought in New Economic Order (NEO). The emergence of NEO Classical regime in late 20th and early 21st century has moved the focus of policy makers on the improving productivity, competitiveness, good governance and infrastructure development. These become the major tools of economic development. The journey of NEO classical thoughts from denationalization to globalization has been passed through the stages of Denationalization, Privatization, Deregulations, Liberalization, and New Public Management including Lean government, Lean administration, and Decentralization.

Trade Bodies in Demand Management Regime during 20th century have been playing their role as collective bargaining agent of business community, partner of government in demand management policies by means of their proposals about subsidies, tax exemptions and interest rate etc, and associates of political marketing and trade diplomacy. However, their role and scope has also been changed in 'New Economic Order'. Now, they became partners in supply side policies, catalyst for capacity building, effective source of achieving competitiveness and efficient resource allocations and a proactive leader in overall socioeconomic development

The long-term trend of growth in the economies shows a very crystal picture of the future scenario and development ranking of the countries. History indicates that how global development rankings of the nations have been being changed. The causes of development may vary from time to time, but the common thing is the dynamicism and adoptability of technological advancement by the nations. The share of natural resources was more than 70 percent in the late nineteenth century, now it is less than 5 percent. The knowledge based products contribute more than 70 percent in the global trade. But the production of knowledge based products depends on the industrial competitiveness and technological advancement. The revival of historical ranking cannot be isolated with the technological advancement of the nations. Economic development, technological advancement, business competitiveness and academic excellence are the interrelated variables. In economic planning we will have to consider and incorporate this mechanism.

Evolution of Development Planning in Pakistan

After fall of British colonialism in South Asia, Shanmukham Chetty was appointed as Head of Planning and Finance Minister of India Nehru. Chetty was not a supporter of independence and his appointment reflected that economy is important than ideology in India. On the other side, the planning in Pakistan was based on the nexus of foreign influence, ideology and Feudalism. Since its inception, Pakistan was compelled to adopt a 'Balance growth strategy' which indicates the need and importance of regional equality in Pakistan. The history of economic planning in Pakistan can be divided into following six regimes:

1. Conceptualization;
2. Foreign Influence;
3. Adhocism;
4. Construction of Social Accounting Matrix and Macro Econometric Models
5. Promoting PCI and PCII culture, and
6. Existence of Planning Commission as an ineffective organ of the state.

Pakistan's economic development planning began in 1948. The development board and planning advisory board jointly started the process of planning in Pakistan. The history of outcomes and fortunes of developed plans in Pakistan indicates that:

- Initially, a **Six Year Development Plan (1951-57)** was prepared on the recommendations of Colombo Consultation Committee. The plan envisaged a total expenditure of Rs. 2600 million.
- However, the **First Five Year Plan (1955-60)** was released in 1957. It was the beginning of systematic planning in Pakistan. In practice, this plan was not implemented, mainly because political instability led to adhocism in the country.
- The **Second Five Year Plan (1960-65)** surpassed its major goals when all sectors showed substantial growth.
- The **Third Five-Year Plan (1965-70)**, designed along the lines of its immediate predecessor, produced only modest growth.
- The **Fourth Five-Year Plan (1970-75)** was abandoned as East Pakistan became independent Bangladesh, and the annual development plans have replaced this five year plan.
- The **Fifth Five-Year Plan (1978-83)** was an attempt to stabilize the economy and improve the standard of living of the poorest segment of the population.
- The **Sixth Five-Year Plan (1983-88)** represented a significant shift toward the private sector.
- The **Seventh Five-Year Plan (1988-93)** could not succeed to revive the economic growth of Pakistan. This plan provided for total public-sector spending of Rs. 350 billion. Of this total, 38 percent was designated for energy, 18 percent for transportation and communications, 9 percent for water, 8 percent for physical infrastructure and housing, 7 percent for education, 5 percent industry and minerals, 4 percent for health, and 11 percent for other sectors.
- The **Eight Five Year Plan (1993-98)** was prepared by a working group established by the government but this plan promoted PCI and PCII culture and red tapism and stagnancy in the economy Pakistan.
- The Ninth Five Year Plan (1998-2003) has also failed to bring economy at the fast track of economic development.
- Present Government has prepared working draft of **Tenth Five Year Plan (2010-15)**. The key objectives of the Tenth Plan (2010-15) are to use the available resources in the most efficient and effective manner, overcoming serious energy and water shortages, ensuring food security, and

reducing poverty through enlarging and better targeting of income support and social protection measures and creation of productive and decent employment.

- Now, the present government is preparing Eleventh Five Year Plan along with a long-term Plan for economic development (Vision 2025). It is unfortunate that the recommended targets seem the wishful thoughts of present government because no feasible measures have been described in the documents disseminated by the Planning Commission.

In fact, the lack of coordination between economic planning and policies has become a common observation since last two decades. First lack of coordination can be clearly observed between fiscal and monetary policies. Fiscal policy is announced in the budget speech before the beginning of a new fiscal year. Monetary policy statement does not follow or coordinate with the fiscal policy parameters in Pakistan. The same phenomenon can be observed in case of supply side policies –trade, investment and industrial policies. Such lack of coordination leads the failure of economic policies. The disparity between the targets set by planning commission in 5-years medium-term development frameworks and annual budget reflects the major lack of coordination.

The unfortunate experience of medium-term and long-term planning in Pakistan indicates that successive governments in Pakistan have put greater stress on the formulation of policies and projects than on their timely and cost-effective implementation. Moreover, Pakistan's success partially depends on foreign aid, particularly from the United States and donor agencies.

FPCCI has significantly considered and analyzed the reasons of failure of previous 10 plans (five years plans and MTDFs) and we suggested the measures to avoid those mistakes which have been taken in the planning.

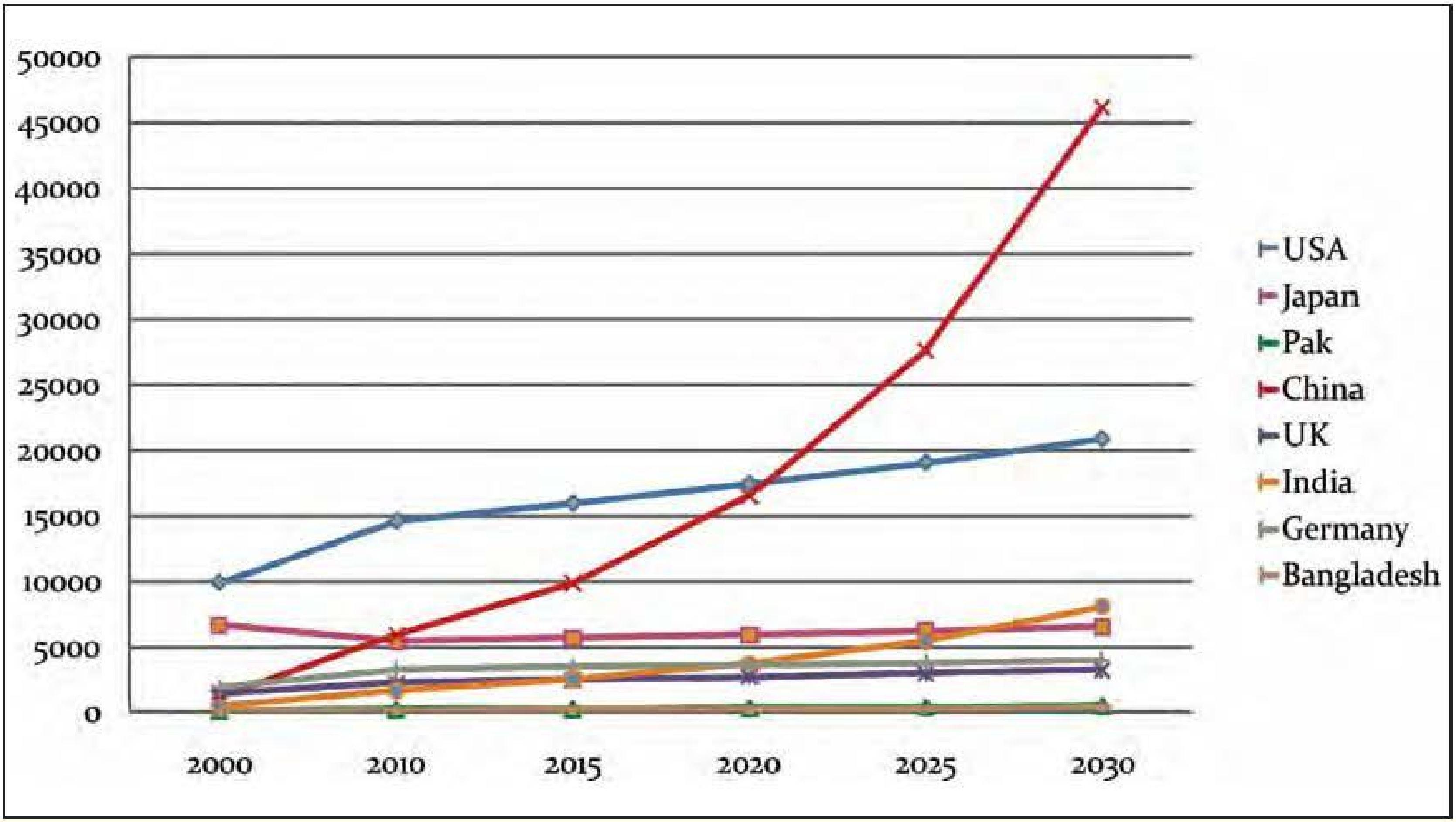
Trends of Economic Growth (GDP/ Billion US $)
Based on historical rate of growth 2000-10

Country	2000	2010	2015	2020	2025	2030	Growth Rate
USA	9899	14587	15948	17436	19062	20841	1.8
Japan	6667	5459	5709	5970	6244	6530	0.9
China	1198	5927	9897	16527	27600	46089	10.8
UK	1477	2262	2473	2703	2956	3231	1.8
Germany	1886	3280	3447	3623	3808	4002	1.0
India	460	1727	2538	3729	5479	8050	8.0
Pakistan	74	177	227	291	373	478	5.1
Bangladesh	47.1	100	134	178	237	316	5.9

Trends of Economic Growth

(Who will overtake to whom?)

Projected GDP



Dire Need of Economic Planning in Present Global Regime:

During the cold war regime the capitalist world was use to 'demand management economics' where main emphasize was on monetary and fiscal policies in terms of subsidies, tax exemptions, transfer payments, interest rate management were the popular tools to run the economy. After the fall of Soviet Union now the global economies are following 'Supply Side approach' and now creating competitiveness, efficient allocation of resources, development of infrastructure, improving governance and institutional development are the major areas of concerns. In this context it is highly recommended that government of Pakistan should focus on supply side policies.

It is noteworthy that in its earlier history, Pakistan has been considered as economic miracle with an annualized growth of 7 %. This continuous faster growth for 30 years was a record in the developing history. During this period the rate of growth was 3 percent for Indian economy. A drastic decline in growth in Pakistan economy was observed since 1990s and in 2001 even per capita income of Pakistan arrived as less than per capita income of India. (Before 2001 per capita income of Pakistan was greater than India).

Now the current global trends of economic growth indicate that history of economic development ranking will take an about turn and Asia will again become the affluent economic region. India and China are considered as economic miracles in future. Historically speaking Pakistan is a part of the affluent economy, but the important is its future. The future of Pakistan economy is closely associated with the economic planning and policies. What rate of growth is required to bring Pakistan at its historical rank in economic development? This is the central point of 'FPCCI's Economic Vision'. Our all estimates, recommendations and strategic proposals are based on this point.

At this stage, economic planning has become an important and critical aspect for sustainable social, economic and political development of the countries like Pakistan. The various types of decisions involved in planning are partly political but mainly they are technical and needs political will and political stability.

Medium-term planning is a most effective component of economic strategies in supply side regime. Economic planning determines the ultimate business competitiveness and provides the infrastructure for sustainable growth. The task of economic planning requires a nexus of nation's ideology, constitutional constraints, political system and economic requirements. Hundreds of the decisions are collaborated in long-term economic planning. These decisions may be political but mainly they are technical and needs political will and political stability.

According to the current economic scenario of Pakistan, services sector contribution in economy has arrived at 63 percent. Fiscal deficit averaged 7.3 percent during the last three years. Low tax-to-GDP ratio and uneven distribution of burden among sectors, unplanned bailouts to public sector enterprises (PSEs) like railway, PIA, Pak steel etc, use of the domestic banking sector as a major source of financing the fiscal deficit, and strong roll over risk because around 54 percent of domestic debt has less than one year maturity are the severe issues of Pakistan economy. A one percent rise in interest rate will increase interest payments bill by Rs.70-80 billion on existing stock of debt. Fluctuation in foreign exchange reserves due to political uncertainties can lead the accelerated inflation in country.

Moreover, lack of political will power to take unpopular decisions, influence of feudalism, a large parasitic society (including ransom, charity seeking, corrupt economic practices and laziness) and misleading image of the country are the major barriers in economic development which can create behavioral problems in the society. Without changing these socio-political problems economic planning cannot achieve its goals.

We understand that the lack of fiscal resources, serious lacking in technological advancement, influence of powerful vested interest groups in preperation and implementation of public policies, a malignant parasitic society (including ransom, charity seeking, corrupt economic practices and laziness), psychological pressure and misleading perception of the country and the lack of will power to take hard decisions are the major obstacles in determining a fast path of economic development. Which projects are important for the economy, which sectors should be prioritized, what should be patterns of investment, how funds should be allocated and what direction should be followed in monetary and fiscal policies; all these parameters should be finalized by the planning authorities. All economic policies and macro decisions should be integrated. To oblige MNAs, MPAs, and power lobbies should not be the criterion in allocation of funds and prioritization of important sectors. In preparation of 'FPCCI's Economic Vision 2025' we have considered these barriers and suggested the feasible way outs.

History of Development Rankings (in term of GDP)

Period	Top Ranked Countries		
	1	2	3
1550-1700	China	India	France
1700-1725	India	China	France
1725-1825	China	India	France
1825-1850	China	India	UK
1850-1875	China	USA	UK
1875-1900	USA	China	UK
1900-1925	USA	UK	China
1925-1950	USA	USSR	UK
195-1975	USA	USSR	Japan
1975-2000	USA	Japan	Germany

Doctrine of FPCCI Economic Vision: Use of Demand Management Policies for Survival in Short-Term and Supply Side Policies for Revival in Medium-Term

The accelerated economic growth in long-term and providing the relief to the over burdened segments of the society in short-term are the basic principles which have been adopted in the formulation 'Economic Vision 2025' and 'Proposals in Shadow Budget 2014-15'.

We prepared our economic recommendation at the time when economy of Pakistan is passing through a transformation regime. Global development rankings are being rapidly changed. G7 (or G8) club has extended to G13 by including 5 fast growing nations. Historically, the rate of growth of Pakistan economy was higher than the growth of those five nations which now have been included in G13. We have lost the track of faster growth two decades before. The present deteriorated physical and governance infrastructure do not allow us to run at the fast track of development. Now, our domestic economy is under extreme pressure due to severe energy crisis which has damaged the industrial activities in the country. Outflow of investment, growing unemployment, increasing inflation, lower capacity to generate public revenue, high indebtness and social unrest are the ultimate outcomes of this crisis. The contemporary history of world politics indicates that economic powers lead the nations on all fronts including politics, education, culture, military and technology. We are well aware about the fact that responsibilities of private sector have been changed and enhanced in the "Globalization Regime". Now, the social and economic development of a society is directly linked with the developmental activities of private sector. In this scenario, FPCCI feels its responsibility to help the policy makers by presenting the 'Economic Vision: 2025'.

In May 2014, we have presented 'Shadow Budget' which was based expansionary fiscal policy. This was a part of FPCCI's efforts for revival of economy through achieving a higher rate of growth. It was a continuation of the long-term development strategy prepared by FPCCI. The suggested expansionary fiscal policy was based on the ensuring fiscal discipline, equity, and shifting the responsibility of economic development to private sector. Dissolution of economic functions, fast-track privatization, limited use of cash balance by the federal government and higher spending on infrastructure development were the key ingredients of this fiscal policy.

The most important point of FPCCI's doctrine belongs to achieve the accelerated growth. Historically, the rate of growth of Pakistan's economy was higher than the countries in the region. It was almost twice of the rate of growth in Indian economy. Pakistan has been considered as the fast growing economy. The scenario was changed in early 1990s, and now we have been facing lower rate of growth. In the end of first decade of twenty-first century we lost our highest position in the region in term of per capita income. Now, we are facing the problem of economic survival.

Our strategy is divided into two parts: first belong to the survival and second part discusses the revival mechanism. Our 'Shadow budget' has been prepared on the basis of 7 percent GDP growth rate which is required for the economic survival, while our revival strategy requires a much higher rate of growth. For the revival of economy and fast growth mechanism is suggested in 'Economic Vision 2025'.

Our strategy is based on the mechanism that fiscal policy and budgetary targets are applied for the survival of economy, while medium and long term planning should be adopted for the revival of historical growth. To achieve a 7 percent rate of growth is quite possible after enhancement in economic activities after privatization program and lower rate of GST. It is quite a realistic target. Though, further acceleration in growth is required to revive our highest position in the region in term of per capita income.

We have been strongly recommended that 7 percent rate of growth is required for the survival of Pakistan economy. The trickle down effects of growth are not possible at a growth less than 7 percent. It means if economy grows at less than 7 percent, the growing poverty will not reduce. We should work together to achieve this targeted growth, but we should not compromise on a growth less than this target.

Here it is notable that 7 percent rate of growth is not a wishful thinking it is a realistic target. In fact, it was the annualized rate of growth of Pakistan economy up to the end of 1980s and the economy of Pakistan has been considered as one of the fast growing economies in the world. This rate of growth was highest in South Asian countries. The decline in annualized growth was initiated in early 1990s. Now, Pakistan is witnessing the lowest growth rate in South Asia. The increase in poverty is the ultimate consequence of lower GDP growth.

We are not in favor to create unemployment or any compromise on the economic, social and community services. As we know that Pakistan spends only 4 percent of public expenditures in account of salaries and wages, while this ratio is 8 percent in India, and 25 percent in Bangladesh. Unfortunately, we have to pay 37 percent of our public expenditures in debt servicing; this share is 13 percent in India, 17 percent in Bangladesh and 13 percent in Sri Lanka. About 65 percent of our current expenditures are consumed for interest payment and defense services. How can the remaining 35 percent can fulfill the requirement of health, education, administration, law and order, economic, social and community services of an economy of more than 180 million inhabitants?. These statistics show our limitations and causes of the problems of lower growth, incompetitiveness, unemployment and poverty in the country. We have emphasized on the growth of economy through private investment. It will create employment opportunities.

To enhance employment opportunities we have focused on investment particularly FDI from expatriate Pakistanis. At initial stage government has to develop the basic infrastructure to boost the private investment. Now, we are lacking the development finance institutions (DFIs). In the absence of these institutions we suggested a 'New Development Initiative program'. It should not be a part of PSDP and will be govern by a separate board of governors including representation of stock holders from private sector.

Here, it is noteworthy that inducement of private investment particularly foreign direct investment is the only feasible option to develop the badly deteriorated infrastructure in Pakistan. Greenfield investment and capitalization of the savings of expatriate Pakistanis are also included in this program. The stagnancy of traditional fiscal policies in Pakistan has failed to revive the economy and we do not have fiscal space for badly needed developing projects.

It is important to note that tax system in Pakistan emphasizes on indirect taxes and surcharges. The traditional approaches for financing the deficit and mobilization of resources through heavy indirect taxes have been damaging the economy of Pakistan. This approach leads the poverty and inflation. The share of direct taxes in central government revenue is around 25 percent in Pakistan, 47 percent in India, 46 percent in Malaysia, 38 percent in UK and 50 percent in USA. The lower share of direct taxes in Pakistan is because of exemptions and less efforts for tax collections from agriculture, services, real estates and retail trading activities. This situation leads to dependency on indirect taxes. The indirect taxes hampered the industry in multiple ways: they increase the cost of production and reduce the demand of manufacturing goods, because of higher market prices of those products after adding the sales tax. In this way, they damage the industrial competitiveness and induce inflation in the economy. FPCCI has recommended the shifting of dependency from indirect to direct taxes.

To increase its revenue government should not depend on indirect taxation. We should encourage revenue enhancement through direct taxation on equity and egalitarian basis. Tax should be paid according to the magnitude of earning regardless the source of earning.

There is no doubt that mega projects are required in the economy. Gwadar-Kashgar railway link, Motorways and linked highways, construction of big dams and energy producing and transmitting networks, and expansion in ports capacity are required at the initial stage of accelerated development process. These projects will lead the enhanced activities in construction, energy, steel, mining, transport and financial sector. Vested interests of various groups at national and international levels may be involved in this fast developing process. We suggest avoiding from politicizing these economic ventures. It is possible only when we create transparency and liberalization for all stakeholders on competitive basis without discrimination.

The badly deteriorated physical infrastructure in Pakistan does not support the economic progress and industrialization. To accelerate investment and industrialization in the country, we have to develop physical infrastructure of ports, means of transportation, energy and communications. It is obvious that fiscal space in public sector is not available for these badly needed projects. We suggest that such developmental works should be based on private sector investment. Particularly, foreign direct investment should be promoted for these developmental works on the patterns of Lahore-Islamabad Motorway. Though, government has introduced Greenfield Investment scheme for such developmental projects, but necessary legal framework and administrative measures have not been taken to implement those investment policies till now.

It was observed that major irritants in the systems are not based on economic policies; these are based on administrative measures and procedural requirements. To avoid from administrative and regulatory obstacles in the developing process, we initiated a 'New Development Initiatives Program', which is a disparity from traditional approach. It is a major change in the public sector investment in development programs.

FPCCI Approach: From a Revolutionary Solution to Sustainable Development

About 92 percent share of GDP is generated by the private sector in Pakistan which is an indicator of the private sector contribution in economic activities including employment, social services, consumption, savings, investment, foreign exchange earnings and developmental works. It reflects the importance and concern of private sector in the economic planning and policies. FPCCI is a non-governmental national organization and it represents the private sector of economy. In this context it is not possible for FPCCI to isolate itself from the development planning and public policies of the country. Due to the importance of medium and long-term planning in the present global and national context and consecutive failures of planning experience in Pakistan, FPCCI has decided to chalk out an integrated long term development plan for the national economy. This plan was titled 'FPCCI Economic Vision 2025'.

Before suggesting its recommendations for 'Vision 2025', our dedicated team at FPCCI has studied the successful economic models and development plans of other economies. We have discussed the visions, objectives, strategies, targets and implementing mechanisms of the developments in Indonesia, Saudi Arabia, UAE, India, China and other countries. We have discussed their effects and side effects on the different segments of those economies. Then we carefully studied the economic environment, institutions, and available resources in Pakistan. In the lights of these available resources we prepared our recommendations.

We considered all possible philosophies and alternative strategies to achieve the development targets including 'supply side approach (which has become most popular in the present globalization and free trade regime), 'demand management policies (which describe the short term measures to achieve the objectives in earlier possible times), balanced growth model, urban-led growth and trickle down effects etc.

We are fully aware that economic development, constitutional changes and ideological constraints are inseparable. So, in recommendation of planning strategies we have covered the historical background of ideological and constitutional development in Pakistan and then linked those aspects with the development planning. We believe in the philosophy that economic development is not an ultimate goal; its ultimate destination is overall welfare and improvement in the social and economic status of the peoples.

Target Recommended by FPCCI:

Trade organizations in Pakistan represent 92 percent of the economy if include agriculture sector. Being the representative of 92 percent economic agents and activities, FPCCI should be responsible and active contributor in economic development, planning and policies. Now, it should act as a change agent, a catalyst in development and a pro active partner in economic planning.

FPCCI should be concerned with every aspect of economy: from ideology to constitutional developments, from monetary and fiscal policy to development planning; from energy policy to infrastructure development; from investment policy to building the reserves of foreign exchange; and from political unrest and law and order situation to inflation and unemployment.

India vs. Pakistan
(Real Growth in GDP)

Decade	India	Pakistan
1950s	3.9	3.1
1960s	3.7	6.8
1970s	3.0	4.8
1980s	5.8	6.5
1990s	4.6	4.6
2000s	7.3	4.8
Current	7.0	4.0

India vs. Pakistan
(per Capita income in USD)

Year	Pakistan	India
2001	490	463
2002	481	484
2003	544	563
2004	629	668
2005	691	762
2006	789	857
2007	871	1,105
2008	979	1,065
2009	950	1,195
2010	1,007	1,477
Source: World Bank (Data Bank files)		

The present global scenario does not allow to restricting the economic development, regulating the businesses, dependency on SROs culture and dictating the policy interest rates. The visionary planning and economic freedom are the tools of economic development in present scenario. In this state of affairs FPCCI cannot isolate itself from the medium and long-term development planning. This is the reason that a policy framework for Vision 2025 was prepared in FPCCI. Before preparing this framework it was noted that:

- Present growth rate (5.0 % based on last decade average) cannot solve the poverty, unemployment and other problems of Pakistan economy as no visible trickle-down effect is possible at this rate of growth.

- '7 %' rate of growth was recommended by IMF, World Bank and other international organizations to reduce the economic miseries of the peoples in Pakistan by trickle down effects.

- Government has been promising to achieve '8 %' rate of growth in future to revive the economy.
- However, it is estimated that 10-12 % rate of growth is required to revive the economy. It will ensure that economy of Pakistan will turn around to the point where it was before 1990 in term of Per Capita Income, in the region.
- So all efforts and targets (including tax-to-GDP ratio, budget deficit-to-GDP ratio, growth in investment, money supply, and export targets etc should be based on this targeted rate of growth. It is a requirement for the survival, which should not be compromised.

Intermediately Catalysts:

To achieve the targeted rate of higher growth, several measures are required. The following basic steps may be catalysts to boost the rate of economic growth and achieving the targets of economic planning:

- Private sector-led growth through incentivizing innovation, quality and productivity enhancement
- Modernization of existing infrastructure
- Strengthening governance through institutional reforms
- Human resource development to reap demographic dividend
- Revival of Confidence.
- Bridging Investment-saving gap (through mobilizing FDIs particularly induced investments by expatriate Pakistanis)
- Harmonizing trade deficit and fiscal deficit within the tolerance limits to stabilize the value of Pak rupee
- Uninterrupted supply of energy at competitive prices: new energy mix and construction of big dams are required
- Fast Connectivity among the urban areas, ports and rural areas
- Developing a Big global market by trade corridors in central Asian countries, SAARC region and China

Questions need to be answered:

No doubt, the implementation and success of these plans required political will and changing in the social environment including improvement in law and order situation. Economic miseries of the peoples in Pakistan will significantly reduce by achieving the recommended rate of growth, however success in achieving the targeted growth requires integrated planning, and particularly some basic questions should be properly addressed:

- What will be the sectoral distribution of GDP growth?
- How will this growth affect to poverty, unemployment, inflation, debt burden, and internal and external deficits?
- How much investment is required to achieve the targeted growth?

- What will be the optimal sectoral distribution of the required investment?
- How these investments will be induced and who will be responsible for which part?
- How uninterrupted supply of energy and other utilities will be managed?
- Which raw materials will be required and how these requirements will be fulfilled?
- How supply of required skilled and unskilled workers, technicians, professionals, and scientists will be channelized?
- Which types of upgrade and changes are required in physical infrastructure and how these changes will be incorporated and who will be responsible for these changes?
- What will be the role and responsibilities of the public and private sector institutions?
- What mechanism should be adopted to synchronize the finance and banking sector to cater requirements of the development plan?
- And most importantly, which types of changes are required in the legal infrastructure, organizational structures, institutional set up and perceptions and attitudes of the peoples to understand the new scenario and a peaceful transformation of the society?

How energy crisis should be solved, how to avoid from a severe water crisis, how issue of food security will be addressed, how to deal with the environmental and climate change issues, what should be patterns of tax collection, what should be the parameters of fiscal policies: all these should be integral parts of long term planning. FPCCI is working to identify the feasible solutions of all such problems. Our think tank is preparing an integrated program to suggest the feasible solutions of all such issues.

The dedicated team in FPCCI understands the problems, limitations and obstacles in the implementation of planning. We are fully prepared to face the challenges and to support the government in taking actions for fast and sustainable development of the economy by policy advocacy at different platforms and lobbying at national, regional and international levels.

Trends of Economic Growth

(Simulation Analysis: Targets for 2030)

Rate of GDP Growth			
Historical	Projected		
5.1 %	7%	10%	12%
GDP/ Billion US $			
478	685	1190	1706
Per Capita Income US $			
1929	2760	4798	6880

Stages of Economic Development

Country/ Stage of Development	1	2		3	
	Factors Driven	Transition	Efficiency Driven	Transition	Innovation Driven
Bangladesh	X				
India	X				
Pakistan	X				
Sri Lanka		X			
China			X		
USA					X

Source: World Economic Forum

In the present state of affairs in Pakistan, development planning cannot be much depended on the fiscal policy. In past, fiscal policies have been failed because of the clashes of interests among the vested interest groups. Moreover, no fiscal space is available for development planning by the public sector. Foreign assistance and external debt are also not a feasible or recommendable option.

They restrict the political freedom of the country. We suggest that FDI (Particularly investment by ex-patriots) is the most feasible option for development planning. Financial Liberalisation is required to attract FDIs. It is a soft option for resource mobilisation to develop deteriorated infrastructure. It is notable that India's faster development since 1990s is primarily based on FDIs, and more than 60 percent of this FDI belong to Indian expatriates. At the same time we have to focus on regional economic integration. We think it is a sustainable source of economic prosperity in the longer term.

Moreover, in planning we cannot ignore the requirement of regional and global linkages and their strategic importance. Economic development and planning has two way relationships with the regional and global environment. Strategic importance of Pakistan emphasize that Pakistan should develop strong connectivity with the countries in Central and South Asia.

Projected GDP Comparison

Country	2000	2010	2015	2020	2025	2030	growth
USA	9899	14587	15948	17436	19062	20841	1.8
Japan	6667	5459	5709	5970	6244	6530	0.9
China	1198	5927	9897	16527	27600	46069	10.8
UK	1477	2262	2473	2703	2956	3231	1.8
Germany	1886	3280	3447	3623	3808	4002	1
India	460	1727	2538	3729	5479	8050	8
Pak	74	177	227	291	373	478	5.1
Bangladesh	47.1	100	134	178	237	316	5.9

Comparison of projection of Population, GDP and GDP per Capita of selected country

Country	Population Growth rate %	Population (Million) 2010	GDP Billion US $ 2010	GDP Growth rate	GDP Per Capita US $ 2010	Population (Million) 2025	GDP 2025	GDP Per Capita US $ 2025
United States	0.9	309.3	14586.7	1.8	46811	384	22382	58363
China	0.6	1338.3	5926.6	10.8	4423	1545	69464	44963
India	1.5	1224.6	1727.1	8	1356	1751	10952	6256
Japan	0	127.5	5458.8	0.9	42917	128	6768	53085
Pakistan	1.8	173.6	176.9	4.7	1030	266	533	2000
United Kingdom UK	0.6	62.2	2261.7	1.8	36418	72	3470	48333
Bangladesh	1.4	148.7	100.4	5.9	723	208	397	1914
Malaysia	1.9	28.4	237.8	5	8634	45	767	17189

APPENDEXIS

Economic Planning in Pakistan

First Five Year Plan: 1948-55/ 1955-60- Conceptualization

- The first plan was based on the theory of Cost of production value and Trickle-down system.
- The Korean War led the boom of country's economy.
- In 1953, the program collapsed after serious shortage of food, clothes, medicines and other essential consumer goods.
- Program was built entirely in the absence of much essential information and basic statistics.
- Over 90% (80 % in West Pakistan) of the population was living in rural areas.
- In practice, this plan was not implemented because of the lack of physical and personnel assistance, shortage of technical knowledge, shortage of foreign exchange, and unable to find outside assistance.

Second Five-Year Plans (1960-1965)- Foreign Influence

- Heavy industrial development, advancement in literature and science. As priority areas
- Improvements in railways, communications, and transportation.
- More attention was given to private sector industrial development and agricultural industries;
- The unemployment was tackled with the industrialization.
- Plan surpassed its major goals when all sectors showed substantial growth
- Development of water and power utilities in East and West Pakistan.
- The financial services heavily depended on the foreign investment and aid from the United States.

Third Five Year Plans (1965-1970)- Foreign Influence

- Promoted the activities of private sector investment and tend to increase the investment for the stable financial sector development.
- Dramatically, the agriculture growth sharply declined and desperately devastated the

farming class of the country.

Fourth Five Year Plans (1970-1975)- Adhocism

- Virtually, all fourth five-year planning was by passed by the government. Only annual plans were prepared.
- Plan was replaced with the nationalization program which featured an intense level of government-ownership management on private entities.
- Only scientific aspects of fourth five-year plans were adopted in a view to turn Pakistan into a major "scientific superpower" in the world.

Fifth Five-Year Plans (1978-1983) – Revival of Planning

- An attempt to stabilize the economy and improve the standard of living of the poorest segment of the population.
- Many of the controls on industry were liberalized
- Pakistan became self-sufficient in all basic foodstuffs with the exception of edible oils.
- Yet the plan failed to stimulate substantial private industrial investment.

Sixth Five-Year Plan (1983-88) SAM and Macro Econometric Modeling

- A significant shift toward the private sector.
- It was designed to tackle some of the major problems of the economy: low investment and savings ratios; low agricultural productivity; heavy reliance on imported energy; and low spending on health and education.
- The economy grew at the targeted average of 6.5% during the plan period and would have exceeded the target if it had not been for severe droughts in 1986 and 1987.

Seventh Five-Year Plan (1988-93)- PC I, PC II Culture

- Much greater emphasis on private investment in all sectors of the economy
- Public-sector corporations encouraged to finance most of their own investment through profits, borrowing and private equities

Eight Five Year Plans (1993-98)- Ineffectiveness

- In 1991, the government established a working group on private investment for the Eighth Five-Year Plan (1993–98). This group, which included leading industrialists, presidents of chambers of commerce, and senior civil servants.

- Frequent changing in governments forced the authorities to focus on short-term issues

MTDF (2004)

From June 2004, the Planning Commission gave a new name to the Five Year Plan - Medium Term Development Framework (MTDF). Thirty two Working Groups then produced the MTDF 2005-2010

Current Economic Scenario

- Services sector contribution in economy reached at 63%;
- Fiscal deficit averaged 7.3 percent during the last three years; Low tax-to-GDP ratio and uneven distribution of burden among sectors ;
- Unplanned bailouts to PSEs like railway, PIA, Pak steel etc.
- Domestic banking sector remained the major source of financing the fiscal deficit which is adding pressure on maturity profile, interest cost and crowding out the private sector.
- Around 54% of domestic debt has less than one year maturity which exposes the country to strong rollover risk.
- A one percent rise in interest rate will increase interest payments bill by Rs.70-80 billion on existing stock of debt.
- The foreign exchange reserves fell below $6 billion which is hardly sufficient to finance 1.4 months of imports

Eleventh Five Years Plan 2013-18- Macroeconomic Targets

- Around 25 per cent increase in real per capita income based on an average GDP growth rate of 7 percent per annum through adding dividend of innovation, knowledge and productivity augmentation
- Overcoming energy shortages and ensure smooth and affordable energy supplies by end of the plan period
- Building most modern infrastructure to support dynamism in economic
- Improved Pakistan's standing in international comparison of the cost of doing business and business environment for private and foreign investors.
- Substantial reduction in debt burden to a sustainable level through professional management of public debt.

Trends of Economic Growth (GDP/ Billion US $ - for 2030) Alternative Scenario (Assumed rates for Pakistan & historical growth for other countries				
Growth Rate	Historical	7%	10%	12%
USA	20841	20841	20841	20841
Japan	6530	6530	6530	6530
China	46089	46089	46089	46089
UK	3231	3231	3231	3231
Germany	4002	4002	4002	4002
India	8050	8050	8050	8050
Pakistan	478	685	1190	1706
Bangladesh	316	316	316	316

Trends of Economic Growth
(Per Capita Income US $ for 2030)
Alternative Scenario (Assumed rate for Pakistan & historical growth for other countries)

Country	Historical	7 %	10 %	12 %
USA	56326	56326	56326	56326
Japan	51217	51217	51217	51217
China	30555	30555	30555	30555
UK	46094	46094	46094	46094
Germany	49916	49916	49916	49916
India	4881	4881	4881	4881
Pakistan	1929	2760	4798	6880
Bangladesh	1609	1609	1609	1609

Share of Technology in Global Trade

Type of Commodity	Before 1857	1978	1998	2010
High Technology	00	11	22	27
Medium Technology	00	22	32	38
Low Technology	30	21	18	12
Resource Based and Primary Goods	70	45	24	22
Miscellaneous	00	01	04	11

Financial Assets by Major Types
(Billion US $): 2012

Assets	Bangladesh	India	Pakistan	USA	China
Public Debt Securities	34	821	90	9124	973
Private Debt Securities	0	151	0	21163	1479
Bank Deposits	50	1129	57	11175	10340
Equity Securities	16	1616	38	17139	4763
Total Financial Assets:	100	3717	186	58601	17555
Gross Investment as % of GDP	24	35	15	15	48
Gross Savings as % of GDP	38	34	22	11	53

Trend of selected Macroeconomic indicators of Pakistan (1980-2018)

(Estimates start after 2013)

Years	GDP Growth (%)	GDP US$ Million	GDP per capita US$	Inflation (%)	Govt. Revenue (% of GDP)	Govt. Expenditure (% of GDP)	Govt. Lending/Borrowing % of GDP	Current Account Balance (US$ billions)
1980	4.526	20,855	474.361	11.927	n/a	n/a	n/a	-0.915
1981	6.431	30,237	[illegible]	11.0[illegible]	n/a	n/a	n/a	-0.85
1982	6.537	31,537	[illegible]	5.862	n/a	n/a	n/a	-2.374
1983	6.778	30,859	387.702	6.408	n/a	n/a	n/a	-0.500
1984	5.065	[illegible]	[illegible]	8.056	n/a	n/a	n/a	-1.12
1985	7.592	37,659	396.679	5.564	n/a	n/a	n/a	-0.848
1986	5.501	37,266	402.7[illegible]	3.567	n/a	n/a	n/a	-0.583
1987	6.452	42,055	419.773	4.692	n/a	n/a	n/a	-0.985
1988	7.625	45,577	443.257	8.835	n/a	n/a	n/a	-1.074
1989	4.96	47,931	448.8	7.865	n/a	n/a	n/a	-1.493
1990	4.459	52,351	482.939	9.051	16.251	n/a	n/a	-1.579
1991	5.417	[illegible]	530.427	11.8[illegible]	16.172	n/a	n/a	-1.723
1992	7.57	62,862	557.328	9.401	15.053	n/a	n/a	-1.065
1993	2.097	67,048	577.346	9.826	14.611	20.725	-6.406	-3.353
1994	4.389	68,577	571.102	11.272	13.11	17.607	-4.527	-1.664
1995	5.062	79,477	666.729	13.021	12.574	17.449	-4.865	-2.168
1996	4.981	83,451	683.415	10.788	13.16	18.740	-5.109	-4.172
1997	1.703	82,467	638.95	11.808	12.31	17.185	-4.885	-3.597
1998	3.493	81,884	619.921	7.839	12.057	18.626	-5.57	-1.701
1999	4.184	78,711	578.073	5.594	12.991	18.521	-5.63	-1.856
2000	3.908	74,891	530.609	3.664	12.74	17.25	-5.097	-0.215
2001	1.987	76,546	535.091	4.427	13.081	16.11	-3.06	0.325
2002	3.112	78,148	545.038	2.532	14.197	18.65	-3.317	2.838
2003	4.726	89,893	611.367	3.655	15.091	18.098	0.140	4.07
2004	7.483	103,201	706.224	4.027	14.145	15.905	-1.417	1.811
2005	8.958	119,508	755.588	9.352	13.124	15.910	-2.314	-1.534
2006	5.818	137,266	863.457	8.01	13.841	17.067	-3.416	-4.99
2007	5.537	152.48	953.401	7.778	14.364	19.481	-5.117	-6.878
2008	4.999	171,485	1,035.04	10.779	14.383	21.442	-7.050	-13.874
2009	0.361	160,945	1,009.31	17.031	14.227	19.7[illegible]	-4.95	-9.261
2010	2.581	177,922	1,054.31	10.104	14.023	20.238	-6.009	-3.946
2011	3.663	213,755	1,272.79	13.661	12.618	19.505	-6.891	0.214
2012	4.381	225,558	1,266.34	11.085	13.141	21.334	-8.315	-4.658
2013	3.587	236,518	1,295.36	7.361	13.135	21.330	-8.507	-2.299
2014	2.70	239,027	1,234.85	7.927	14.372	19.885	-5.517	-1.318
2015	3.591	234,414	1,244.93	8	14.045	19.203	-5.358	-1.719
2016	4.713	250,000	1,290.63	7	15.318	18.949	-3.631	-2.723
2017	4.500	267,305	1,352.94	6	16.33	18.72	-3.30	-5.77
2018	5.083	280,045	1,401.18	6	15.184	18.656	-3.471	-5.901

Trend of selected Macroeconomic Indicators of India (1980-2018)

(Estimates start after 2011)

Years	GDP Growth (%)	GDP US$ Million	GDP per capita US$	Inflation (%)	Govt. Revenue (% of GDP)	Govt. Expenditure (% of GDP)	Govt. Lending/Borrowing (% of GDP)	Current Account Balance (US$ billions)
1980	5.386	189.706	276.779	11.346	n/a	n/a	n/a	-2.799
1981	5.999	196.934	281.311	12.054	n/a	n/a	n/a	-3.166
1982	3.465	203.036	285.061	7.730	n/a	n/a	n/a	-3.103
1983	7.3	222.45	304.307	12.558	n/a	n/a	n/a	-3.207
1984	3.821	215.910	290.065	8.317	n/a	n/a	n/a	-2.416
1985	5.254	238.108	312.876	6.251	n/a	n/a	n/a	-4.847
1986	4.768	253.303	324.955	8.887	n/a	n/a	n/a	-4.567
1987	3.957	283.344	357.082	9.059	n/a	n/a	n/a	-4.855
1988	9.637	300.263	369.101	7.234	17.552	28.05	n/a	-5.824
1989	5.950	300.270	362.165	4.560	17.635	23.268	-3.72	-6.906
1990	5.533	327.276	386.193	11.599	17.406	25.692	-3.702	-9.68
1991	1.056	270.275	318.650	13.467	17.001	25.211	-3.277	-1.178
1992	5.48	293.65	333.21	9.864	18.435	24.870	-3.394	-3.526
1993	4.767	284.672	315.351	7.283	17.291	24.87	-3.514	-1.158
1994	6.654	333.02	363.025	10.272	17.000	24.00	-3.212	-3.369
1995	7.57	367.292	397.307	4.962	17.814	23.594	-2.475	-5.911
1996	7.567	400.608	419.31	7.632	17.326	22.868	-2.532	-4.619
1997	4.055	423.852	435.410	4.042	16.637	23.771	-3.744	-5.499
1998	6.184	427.306	432.859	13.227	15.969	24.54	-5.514	-4.038
1999	7.387	464.500	459.82	5.426	16.938	24.614	-3.676	-4.698
2000	4.03	474.57	461.111	3.619	17.449	24.773	-3.118	-2.666
2001	6.237	492.730	470.168	4.318	15.967	24.677	-5.322	3.4
2002	3.767	522.915	481.244	3.975	16.700	27.536	-4.988	6.348
2003	8.371	618.106	572.129	3.857	18.2	29.529	-5.484	14.083
2004	7.900	721.589	657.521	3.831	18.897	27.174	-3.306	-2.47
2005	9.285	834.219	748.85	4.41	19.062	26.235	-2.218	-9.902
2006	9.264	949.117	839.947	6.677	20.550	26.565	-3.316	-9.565
2007	9.801	1,238.48	1,080.70	6.2	21.161	26.369	-0.800	-15.736
2008	3.891	1,224.81	1,052.67	9.107	19.709	29.609	-5.504	-27.913
2009	8.48	1,365.34	1,158.91	12.311	18.546	28.709	-5.182	-38.182
2010	10.546	1,711.08	1,437.25	10.448	18.794	27.084	-4.10	-45.946
2011	6.331	1,872.85	1,546.53	9.394	18.751	27.291	-4.215	-78.154
2012	5.237	1,811.72	1,480.78	10.930	19.339	27.326	-3.607	-88.162
2013	6.390	1,758.22	1,413.13	10.874	19.551	28.02	-3.810	-27.681
2014	6.147	1,749.97	1,380.20	6.666	19.681	28.17	-3.59	-66.095
2015	6.273	1,906.11	1,491.46	7.524	19.72	30.904	-3.808	-64.724
2016	6.966	2,083.45	1,611.26	7.018	19.757	27.937	-3.380	-67.320
2017	6.657	2,280.18	1,740.42	6.708	19.850	27.723	-3.340	-67.111
2018	6.72	2,481.16	1,869.34	6.711	19.959	27.954	-3.341	-70.82

Trend of selected Macroeconomic Indicators of China (1980-2018)

(Estimates start after 2012)

Years	GDP Growth (%)	GDP US$ billion	GDP per capita US$	Inflation (%)	Govt. Revenue (% of GDP)	Govt. Expenditure (% of GDP)	Govt. Lending/Borrowing (% of GDP)	Current Account Balance (US$ billions)
1980	7.91	191.385	197.345	n/a	n/a	n/a	n/a	0.286
1981	5.2	196.970	200.772	n/a	26.822	n/a	n/a	2.273
1982	9.1	203.18	202.204	n/a	26.731	27.838	-1.354	5.599
1983	10.9	228.302	222.96	n/a	25.458	28.843	-3.10	4.148
1984	15.2	[illegible]	247.735	n/a	25.522	26.9	[illegible]	1.944
1985	13.5	307.017	290.646	n/a	23.005	22.776	0.458	-11.508
1986	8.8	297.59	278.61	n/a	21.962	25.424	-1.82	-7.233
1987	11.6	273.973	250.800	n/a	19.053	23.448	-2.386	0.3
1988	11.3	308.144	280.014	n/a	17.780	20.858	-2.72	-3.802
1989	4.2	451.111	400.677	n/a	19.017	21.41	-2.201	-4.317
1990	3.904	396.528	341.353	3.1	16.858	20.788	-3.900	11.997
1991	9.279	400.105	358.268	3.4	14.590	19.062	-3.204	13.272
1992	14.241	488.222	416.675	6.4	13.614	15.863	-2.274	6.402
1993	13.964	613.221	517.414	14.3	11.500	17.03	-1.837	11.903
1994	13.081	559.226	[illegible]	24.1	10.718	14.304	-3.810	7.607
1995	10.925	732.147	601.008	17.1	10.073	12.76	-3.412	1.618
1996	10.009	860.844	699.476	8.3	11.423	11.308	-1.002	7.242
1997	9.257	952.649	770.59	2.8	[illegible]	13.162	-1.741	36.962
1998	7.833	1,019.48	812.147	-0.8	12.088	14.912	-2.914	31.472
1999	7.62	1,083.28	854.122	-1.4	12.742	16.785	-3.7	15.669
2000	8.491	1,198.48	945.597	0.4	15.105	17.05	-3.268	20.519
2001	8.3	1,324.81	1,040.84	0.725	15.015	17.900	-2.901	17.405
2002	9.082	1,453.83	1,131.80	-0.767	16.155	18.874	-2.951	35.422
2003	10.025	1,640.96	1,270.83	1.107	16.667	18.807	-2.346	43.052
2004	10.085	1,931.65	1,486.66	3.9	17.218	18.136	-1.389	68.941
2005	11.31	2,256.92	1,726.05	1.817	18.123	18.686	-1.39	132.378
2006	12.677	2,712.95	2,063.87	1.469	16.773	18.908	-0.636	231.844
2007	14.162	3,494.23	2,644.56	4.755	18.454	18.886	0.075	353.183
2008	9.631	4,519.95	3,403.53	5.9	20.167	20.456	-0.339	420.569
2009	9.214	5,069.55	3,798.63	-0.683	21.100	23.240	-3.104	243.257
2010	10.447	5,910.29	4,423.46	3.324	21.669	23.034	-1.327	237.83
2011	9.3	7,322.00	5,433.90	5.417	22.697	23.904	-1.279	136.097
2012	7.7	8,221.02	6,071.47	2.65	22.140	24.061	-2.193	193.139
2013	7.6	8,939.33	6,569.35	2.595	22.360	24.599	-2.221	233.713
2014	7.254	9,761.20	7,137.80	2.671	22.700	24.477	-2.531	263.893
2015	7.021	10,641.37	7,748.03	3	23.048	24.356	-1.407	272.216
2016	7.015	11,584.43	8,402.00	3	23.300	23.905	-0.697	290.018
2017	8.306	12,633.41	9,107.94	3	23.600	23.829	0.256	462.999
2018	6.96	13,790.44	9,854.48	3		23.241	0.418	559.382

Trend of selected Macroeconomic indicators of Bangladesh (1980-2018)

(Estimates start after 2017)

Years	GDP Growth (%)	GDP US$ Billion	GDP per capita US$	Inflation (%)	Govt. Revenue (% of GDP)	Govt. Expenditure (% of GDP)	Govt. Lending/Borrowing (% of GDP)	Current Account Balance (US$ billions)
1980	[illegible]	[illegible]	[illegible]	[illegible]	5.008	15.03	-8.12	-0.249
1981	2.975	19.011	224.227	14.546	[illegible]	16.679	-7.093	-0.680
1982	1.206	17.400	199.954	[illegible]	[illegible]	16.472	-7.722	-0.661
1983	4.41	18.041	200.056	[illegible]	[illegible]	14.509	-7.892	-0.401
1984	4.177	20.241	215.516	10.414	6.388	12.918	-6.33	-0.622
1985	[illegible]	21.377	[illegible]	10.665	6.654	12.756	[illegible]	-0.741
1986	3.989	22.52	200.072	[illegible]	7.118	13.672	-6.327	-0.582
1987	2.931	24.679	248.09	10.838	[illegible]	12.170	-6.059	-0.444
1988	2.388	26.647	250.887	9.674	7.468	12.745	-5.863	-1.172
1989	4.298	28.344	260.059	8.731	7.231	15.134	-5.842	-1.368
1990	6.023	30.499	280.063	10.522	10.703	12.5	-0.27	-0.945
1991	4.202	31.432	285.518	8.385	12.186	12.198	0.698	-0.308
1992	4.800	31.159	279.650	3.626	12.52	12.033	0.407	-0.126
1993	4.554	32.954	286.834	2.970	11.000	13.323	0.344	-0.432
1994	4.517	35.412	301.023	6.16	13.57	13.246	0.044	-0.328
1995	4.77	39.58	330.191	10.457	13.796	14.412	-0.511	0.91
1996	5.021	41.516	330.18	2.498	10.080	12.394	-2.725	-0.996
1997	5.306	43.356	347.256	4.000	10.054	13.504	-2.55	-0.466
1998	5.046	44.727	352.097	8.660	10.252	13.301	-3.001	0.47
1999	5.471	46.521	358.11	6.177	9.663	13.657	-4.216	-0.467
2000	5.6	47.946	355.252	2.481	8.800	12.235	-3.386	-0.670
2001	4.820	47.396	350.257	1.888	10.018	14.509	-4.234	-0.431
2002	4.085	49.58	361.732	3.719	11.004	14.521	-3.476	0.167
2003	5.276	54.476	391.390	5.301	11.875	14.093	-3.216	0.176
2004	6.400	59.72	416.344	6.101	[illegible]	14.4	-3.011	0.19
2005	6.302	61.127	427.061	7.06	10.857	14.463	-2.9	0.000
2006	6.525	65.304	450.080	6.77	11.07	14.075	-2.868	0.764
2007	6.305	73.969	505.053	9.184	10.811	14.419	-2.508	0.617
2008	5.931	86.462	579.807	[illegible]	11.575	15.922	-4.042	1.082
2009	5.91	98.071	634.593	5.420	10.846	14.527	-4.504	2.663
2010	5.996	106.216	703.83	8.126	11.110	14.300	-3.073	3.501
2011	6.463	114.077	747.13	10.705	11.415	16.035	-4.121	-1.354
2012	6.520	122.98	797.152	8.744	12.424	16.347	-3.423	0.833
2013	6.012	140.173	889.200	7.620	13.041	16.65	-3.003	1.762
2014	6.058	150.633	1,004.09	6.994	12.05	15.468	-3.078	0.69
2015	6.5	172.886	1,095.59	6.407	10.076	17.538	-3.458	0.015
2016	6.750	190.064	1,182.21	5.613	10.940	17.200	-3.313	0.544
2017	7	209.729	1,292.44	5.59	16.052	17.302	-2.908	0.946
2018	7	230.702	1,404.27	5.527	15.404	18.204	-3.0	1.306

Trend of selected Macroeconomic Indicators of USA (1980-2018)

(Estimates start after 2012)

Years	GDP Growth (%)	GDP US$ billion	GDP per capita US$	Inflation (%)	Govt. Revenue (% of GDP)	Govt. Expenditure (% of GDP)	Govt. Lending/Borrowing (% of GDP)	Current Account Balance (US$ billions)
1980	-0.245	2,862.48	12,575.53	13.502	30.833	33.103	-2.338	2.316
1981	2.595	3,210.95	13,976.08	10.378	31.499	33.398	-1.900	5.031
1982	-1.911	3,345.00	14,433.79	6.158	31.16	35.613	-4.453	-5.533
1983	4.633	3,638.13	15,561.40	3.16	30.48	35.718	-5.238	-38.695
1984	7.259	4,040.70	17,134.27	4.369	30.618	34.87	-4.452	-94.342
1985	4.239	4,346.75	18,269.33	3.530	30.798	35.172	-5.070	-118.159
1986	3.512	4,590.13	19,114.81	1.944	31.017	35.619	-4.906	-147.176
1987	3.462	4,870.20	20,100.83	3.578	31.734	35.150	-3.965	-160.661
1988	4.204	5,252.63	21,483.22	4.1	31.578	34.889	-3.311	-121.150
1989	3.66	5,657.68	22,922.46	4.791	31.583	34.754	-2.963	-99.485
1990	1.919	5,979.55	23,913.80	5.417	31.299	35.462	-3.985	-78.965
1991	-0.074	6,174.05	24,405.10	4.214	30.965	37.226	-4.66	2.895
1992	3.555	6,539.28	25,466.77	3.042	31.67	36.465	-4.914	-51.614
1993	2.749	6,878.70	26,441.65	2.97	31.881	36.068	-4.742	-84.816
1994	4.037	7,308.78	27,755.86	2.546	32.100	35.755	-3.473	-121.612
1995	2.719	7,664.06	28,782.18	2.805	32.566	35.690	-3.067	-113.571
1996	3.796	8,100.18	30,067.71	2.930	33.040	35.165	-2.183	-124.773
1997	4.487	8,608.48	31,573.89	2.338	33.556	34.099	-0.772	-140.727
1998	4.45	9,089.18	32,949.25	1.552	33.953	33.378	0.471	-215.066
1999	4.685	9,660.60	34,620.95	2.188	33.638	32.675	0.743	-300.779
2000	4.091	10,284.75	36,449.88	3.367	34.079	32.591	1.485	-416.32
2001	0.976	10,621.83	37,273.63	2.823	33.188	33.888	0.521	-396.601
2002	1.786	10,977.53	38,168.18	1.586	30.951	34.616	-3.765	-457.797
2003	2.807	11,510.68	39,677.35	2.270	30.288	34.957	-4.75	-518.663
2004	3.786	12,274.93	41,921.81	2.668	30.410	34.632	-4.24	-629.325
2005	3.351	13,093.73	44,307.92	3.366	31.871	34.867	-3.077	-739.795
2006	2.667	13,855.90	46,437.06	3.222	32.679	34.808	-2.519	-798.478
2007	1.779	14,477.63	48,061.54	2.871	32.833	35.528	-2.659	-713.39
2008	-0.292	14,718.58	48,401.43	3.815	31.559	38.056	-6.498	-681.343
2009	-2.776	14,418.73	47,001.56	-0.32	29.826	42.880	-13.051	-381.639
2010	2.532	14,964.38	48,374.09	1.64	30.168	41.462	-11.296	-449.472
2011	1.601	15,517.93	49,781.80	3.156	30.475	40.522	-10.746	-457.725
2012	2.224	16,155.25	51,433.05	2.069	30.400	38.728	-8.54	-440.417
2013	1.68	16,324.27	52,409.16	1.392	32.424	36.253	-5.779	-461.488
2014	2.568	17,437.38	54,609.51	1.511	33.125	37.075	-4.65	-400.182
2015	2.25	18,096.06	57,092.24	1.221	33.371	35.600	-3.91	-524.598
2016	1.476	17,624.00	58,230.36	1.55	33.044	37.53	-4.004	-562.502
2017	2.346	20,411.00	67,472.64	2.130	33.053	37.168	-3.811	-605.698
2018	3.060	21,534.05	65,115.95	2.21	33.544	37.149	-3.821	-630.938

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