

Last Five Years Pakistan Economic Growth Rate (GDP) And Its Comparison With China, India And Bangladesh

Abdul Rehman, Luan Jingdong, Yuneng Du

Abstract: This paper formulates and reviews Pakistan's last five years economic growth rate and its comparison with the growth rate of China, India and Bangladesh. As growth rate, "the amount of increment of a specific variable has gained within a specific period of time and context." In fact economic growth rate provides general direction and magnitude of growth for overall economy.

Index Terms: Pakistan Economic Growth, GDP, Comparison

1. Introduction

Pakistan agricultural sector consist of different types of major and minor crops which play important role for the economic development. From 1947 to till now agriculture has been the most important sector of economic growth. The agricultural growth in Pakistan faces different problems such as water problems, structural problems, lack of mechanization, salt-affected soils and natural calamities (Alam and Naqvi, 2003). Achieving agricultural growth is important and it can be achieved with an increase in the use of inputs and increasing the productivity (Rosegrant and Evenson, 1993; Collins and Bosworth, 1997). When speaking about the productivity, the growth in total factor productivity, it is the growth of total output minus the growth in inputs (Rosegrant and Evenson, 1992). Increasing Agricultural growth is also one of the important factor that in increase the economic growth and reduces the poverty. Not only agricultural growth provides boost to exports which helps stabilize the exchange rate of the country (Agricultural and Natural Resources Team of the UK, 2004).

2. Literature Review

In 2014 Pakistan gross domestic product GDP reached 4.1% ended 30 June 2014 due to some improvements in electricity that is facilitated increased industrial production. During the year 2014 all reforms initiated by the government of Pakistan helped the economic condition of the country. It helps to improve the Security environment and also would improve the business confidence which revive the private investment. If we saw a lot of work is done related to the agriculture growth over the years. Fan et al (2010) examined China's agricultural growth and its implications on China's Economy.

Rattso and Stoke (2003) analyzed the relationship between the productivity, growth and foreign spillovers for the agriculture and industrial sector in Thailand. Their analysis creates a deep relationship between productivity and growth. According to Zaidi (2005) the agriculture trends in Pakistan over the years and found the growth of the Agricultural to be highly dependent on government policies and the political scenario in Pakistan. With the time, many of the empirical studies of Ahmed and Amjad (1984) emphasized the importance of the development of the Agricultural growth for the growth of other sectors in Pakistan such as the industrial and Manufacturing sector. According to Kemal and Ahmed (1992) and Kemal et al (2002) analyzed technological change, technical efficiency, TFP growth and their impact on input demand for the agriculture and manufacturing sectors in Pakistan. Kemal and Ahmed (2002) analyzed that overall labor productivity grew at a rate of 1.48% and compare this lower productivity growth of Pakistan with India and Bangladesh. From this review it is clear that Agricultural growth in Pakistan has great importance that explores the past problems and implications are important for the development of agriculture sector.

3. Comparison and Analysis

The GDP (Gross Domestic Product) growth rate measures the growing economy of any country. For the calculation of GDP, it can be written as by the following formula:

$$\text{Percent_Change} = \% \Delta =$$

$$\frac{\text{New_Value} - \text{Old_Value}}{\text{Old_Value}} \times 100$$

$$\text{Percent_Change} = \% \Delta =$$

$$\frac{X_t - X_{t-1}}{X_{t-1}} \times 100$$

3.1 China's (GDP) Growth Rate 2010-2014

In the third quarter of 2014 Chinese GDP expanded to 1.90% over the previous. But from 2010 to 2014 GDP growth rate of china averaged to 1.97%, it reached all-time high of 2.50% in the second quarter of 2011. Last 30 years the economy of

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China changed from a centrally planned system and closed to international trade. The major component of china's rapid economic growth has been exports growth. Graphically it can be shown by following fig.:

China's GDP Graph 2010-2014

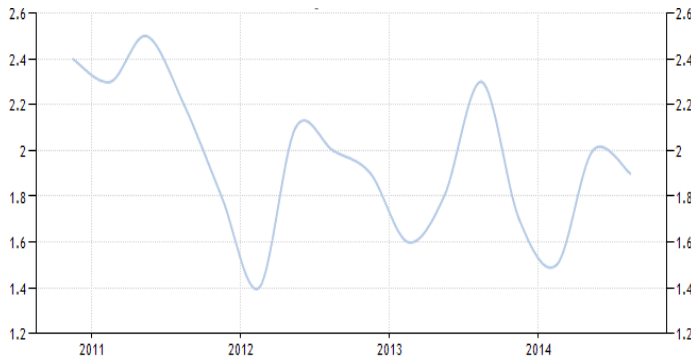


Fig.1

In this figure actual GDP growth rate is 1.90 % and previous is 2.00%, highest is 2.50% and lowest is 1.40%. GDP annual growth rate and GNP is shown in the following table:

China's GDP Table 2010-2014

China GDP	Last	Previous	Highest	Lowes t	Unit
GDP	9240.27	8230.00	9240.27	46.50	USD
GDP GR	1.90	2.00	2.50	1.40	%
GDP Annual GR	7.30	7.50	14.20	3.80	%
GNP	566130.20	516282.10	566130.20	679.00	CNY
GDP Per Capita	3583.38	3344.54	3583.38	85.52	USD

Table 1.

3.2 India's (GDP) Growth Rate 2010-2014

India is second largest population country. In India GDP change seasonally measures and the adjusted value of the goods and services produced by the Indian economy during quarter. Indian GDP growth rate expended 1.20% in the quarter of 2014 over the last quarter. Indian averaged GDP is 1.61% from 1996 to till 2014 and highest is 5.80%. Graphically it can be shown in the following fig.:

India's GDP Graph 2010-2014

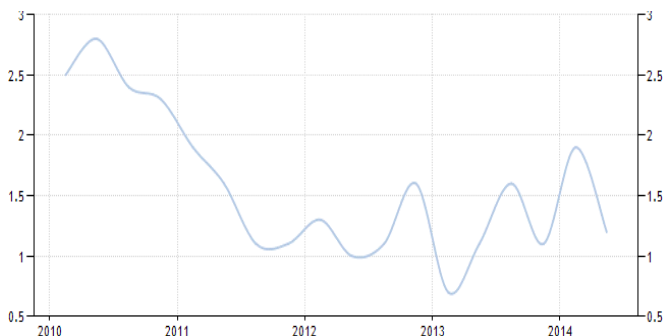


Fig2.

Here in this graph actual India's GDP is 1.20% previous is 1.90%. The highest GDP is 5.80 % and lowest is -1.90%. India's GDP annual and GNP are shown in the following table:

India's GDP Table 2010-2014

India GDP	Last	Previous	Highest	Lowes t	Unit
GDP	1876.80	1858.70	1876.80	63.50	USD
GDP GR	1.20	1.90	5.80	-1.90	%
GDP Annual GR	5.70	4.60	11.40	-5.20	%
GNP	99965.15	89328.92	99965.15	103.60	INR
GDP Per Capita	1165.00	1123.20	1165.00	228.34	USD

Table 2.

3.3 Pakistan's (GDP) Growth Rate 2010-2014

In 2014 Pakistan gross domestic product GDP expended 5% as compared to previous year. The average growth rate GDP of Pakistan from 1952 to till 2014 is 4.93%. In 1954 it reaches all time high 10.22% and in 1952 record low of -1.80%. Graphically it can be shown in the fig.:

Pakistan's GDP Graph 2010-2014



Fig3.

Here this graph shows that Pakistan actual GDP is 5.00% and previous is 4.10%. Pakistan highest GDP is 10.22% and lowest GDP is -1.80%. Pakistan economy relies on agricultural and remittances. In 2005 GDP has been growing an average 5%, but it's not enough for Pakistan to keep up with fast growing population. Pakistan's GDP annual and GNP are shown in the following table:

Pakistan's GDP Table 2010-2014

Pakistan GDP	Last	Previous	Highest	Lowest	Unit
GDP	236.62	224.88	236.62	3.71	USD
GDP GR	5.00	4.10	10.22	-1.80	%
GDP Annual GR	3.60	4.10	10.22	-1.80	%
GNP	1117560.00	9785335.00	1117560.00	37788155.00	PKRM
GDP Per Capita	806.38	772.90	806.38	219.37	USD

Table 3.

3.4 Bangladesh's (GDP) Growth Rate 2010-2014

In 2013 Bangladesh Gross Domestic Product GDP expended 6.01% from the previous year and growth rate averaged 5.62%. Bangladesh high GDP all the time is 6.71% and record low in 1994 4.08%. Graphically it can be shown in the following fig.:

Bangladesh's GDP Graph 2010-2014

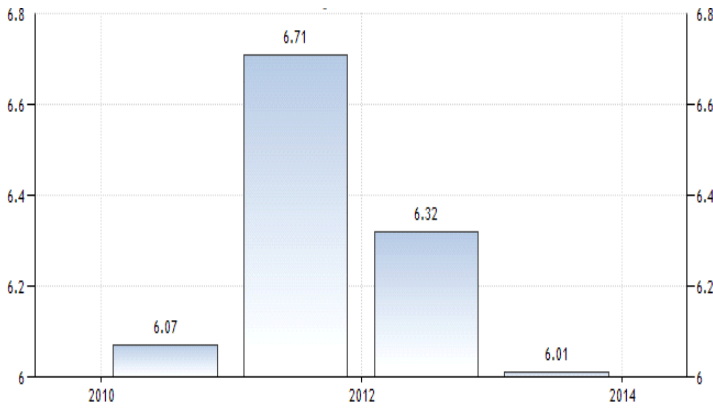


Fig. 4.

Here Bangladesh actual GDP is 6.01% and now Bangladesh is considered as developing economy country. In the past 5% GDP growth rate is due to development in the garment and micro credit. GDP annual and GNP of this country are shown in the following table:

Bangladesh's GDP Table 2010-2014

Bangladesh GDP	Last	Previous	Highest	Lowest	Unit
GDP	129.86	116.03	129.86	4.30	USD
GDP GR	6.01	6.32	6.71	4.08	%
GDP Annual GR	6.01	6.32	6.71	4.08	%
GNP	4773.82	4488.39	4773.82	2483.46	BDTB
GDP Per Capita	625.34	597.02	625.34	219.28	USD

Table 4.

3.5 Together (GDP) Growth Rate 2010-2014

Here is the overall five years GDP of China, India, Pakistan and Bangladesh.

Overall GDP Table 2010-2014

Name of Country	Last	Previous	Highest	Lowest	Unit
China GDP	9240.27	8230.00	9240.27	46.50	USD
India GDP	1876.80	1858.70	1876.80	63.50	USD
Pakistan GDP	236.62	224.88	236.62	3.71	USD
Bangladesh GDP	129.86	116.03	129.86	4.30	USD

Table 5.

Graphically Highest, Lowest, Previous and last GDP of both countries are:

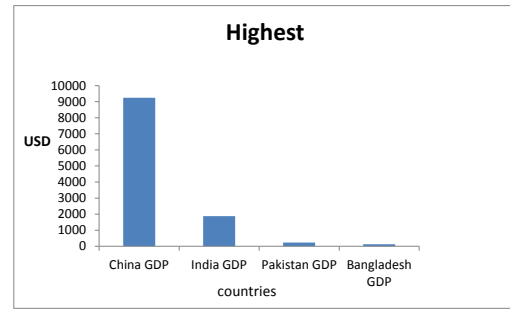


Fig. 5

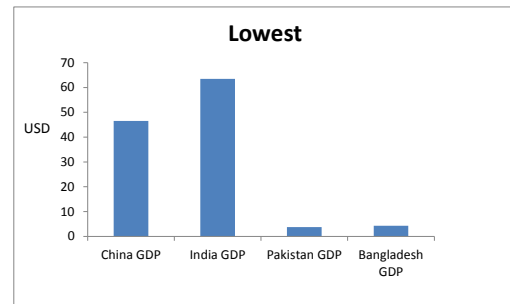


Fig. 6

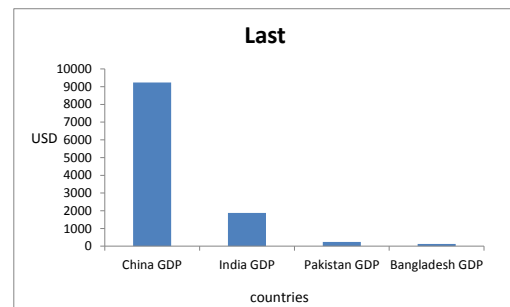


Fig. 7

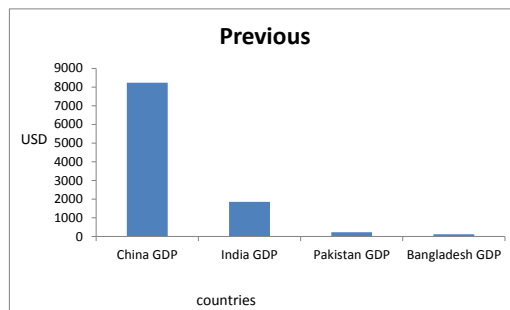


Fig. 8

4. Conclusion

The Agriculture growth rate GDP of Pakistan indicates that in the recent time period Pakistan is quite behind its regional competitors. Other factors can be held responsible for the slow growth of agriculture in Pakistan. The country faces several problems such as lack of mechanization, water wastage, lack of modern technology, less credit availability to small farmers,

feudalism, low labor productivity and lack of education to farmers about farming techniques. Addressing these problems is important for growth of the sector and ultimately of the economy. To solve these problems in Pakistan Agricultural growth, some implementations are suggested such as introducing better technology such as mechanization; better packaging etc. and efficient irrigation techniques to farmers; constructing more dams; inducing different agricultural zones; providing more agricultural credit; inducing capital investment in the sector especially in the form of research and development and introducing more policies such as abolishing feudalism. Implementing these recommendations and other policies aimed at developing the agricultural sector can lead to strengthening the sector and improving its growth rate.

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