

Pakistan.

Agenda item 3(a)

Macro Economic Policy, Poverty reduction and Inclusive Development

Pakistan has two important Macroeconomic policy Challenges:

Increase the rate of growth of potential out put

Reduce the gap between potential output and actual output.

In order to address these challenges and achieve sustainable and inclusive development, Government of Pakistan has introduced a long run economic vision in the shape of Framework for Economic Growth. The emphasis of this Framework is on increasing productivity and efficient utilization of resources through improved governance, competitive market and better connectivity. The Framework recognises the the severe resource constraints that our country is facing, therefore the focus is on improved productivity and efficient resource utilization.

Poverty reduction is also an overarching objective of the Framework for Economic growth and it assigns high priority to povert reduction by aarticulating broad based policies of accelerating economic growth, improved governance and strengthening social protection programmes.

Economic grwoth is certainly the single most driving force behind poverty reduction but per se it may not be enough to achieve the desired results unless the benefits of economic growth reach poor and vulnerable sections of society. Therefore to support the poor and vulnerable sections of society,Pakistan Pverty Alleviation Fund,Pakistan Bait ul Maal and Benazir Income Support Fund has disbursed funds to millions of recepients including Internally Displaced Persons (IDPs) and flood affectees.

Pakistan is also endeavouring for regional prosperity through regional integration. Pakistan has signed Free Trade Agreements with Srilanka, Malaysia, China, SAFTA, & Afghanistan Pakistan Transit Trade Agreement. Pakistan has also concluded Joint Study Group with Thailand, Japan, Brunei and ASEAN and is following Pakistan India Trade Normalization process. These measures will increase intra regional trade and investment and alleviate poverty.