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Pakistan made considerable progress in attaining macroeconomic stability, largely complying with the conditionalities agreed with the International Monetary Fund. This has given some semblance of confidence to the potential investors, but this is reflected mainly in the shuffling of the acquisition of ownership of existing assets by leading Pakistani business houses and some GCC companies taking over some of the foreign companies exiting the country.

Despite this, the investment rate and domestic savings rate, as well as the generation of non-debt-creating external flows, have remained below expectations, giving rise to the concern about the future growth trajectory. To find productive jobs for the two million young men and women, we would need a warranted rate of growth between six per cent to 7pc, but the projected rates in medium-term hover between 3-4pc.

The finance minister has rightly emphasised that we have to move away from an aid-dependent model to an investment-led and export-oriented model. The serious question is whether in 2026 we would witness any evidence of this change in direction by taking some tough political economy decisions that would disrupt the benefits enjoyed by the existing elites and result in a vibrant private sector and devolved local governments delivering basic public goods and services to the majority of the population.

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