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Strengths

- Urbanizing population & rising per capita income (FY12 U\$1,294)
- Independent & proactive judiciary and media
- Vibrant civil society broadly agreeing on continuation of a democratic set-up
- Self-sufficiency in food production. Pakistan ranks eighth worldwide in farm output, being the 5th largest milk producer & the 7th largest wheat producer in the world.
- Abundant natural resources i.e. sizeable water resources & mineral reserves.

Opportunities

- Better fiscal management- rationalization of Govt. expenditures and enhancement of revenue collection by broadening the tax base
- Reforms in the Public Sector Enterprises (PSE) & privatization of State Owned Entities (SOE)
- Fiscal decentralization from center to provinces; and from provinces to local bodies
- Reorientation of energy strategy including harnessing of alternative energy (wind, solar, coal etc.)
- Significant productivity enhancement / value addition in agriculture & manufacturing sectors.

Weaknesses

- Poor quality of human resource due to low school enrollments & dearth of skilled resources due to lack of vocational training.
- Extremely low tax collection. High non-development spending (Debt servicing, defense spending, administrative expenses, subsidies etc). Very low spending on education, healthcare, infrastructure etc.
- Precarious security situation
- Acute energy shortages resulting in lower economic growth.
- Poor governance and policy inconsistency.

Threats

- Hyper inflation resulting in substantial loss of purchasing power
- Increase in sovereign bankruptcy risk due to heavy debt burden
- Insufficient foreign exchange reserves leading to high currency devaluation
- Spreading extremism
- Flight of Capital

We believe that continuation of the democratic process would ultimately lead to better governance. In the next five years, key issues, such as weak governance, energy shortages and poor security situation will be predominantly resolved and Pakistan will be ready to take-off and become an Asian Tiger.