

GDP of Pakistan and ITS Determinants and Trend

What is GDP and it's Determinants:

GDP Stands Gross Domestic Product is the main indicator of any economy's growth. Every country's economy works for improving its GDP because it is the type of indicator which shows overall state of affairs the Economy is in or rather the conditions of the State in terms of its Economic Growth. GDP is considered as the national income of any country. GDP is the monetary value of all final goods and services produced in the country mostly it is counted at annual basis. There are 3 approaches or methods to calculate the GDP of the country, which are as follows:

- Income approach
- Product approach
- Expenditure approach

All these have listed methods have their own significance in terms of calculating the GDP. The most widely used method by many countries to count the GDP is; the income approach. The Income approach is based on the method in which all the revenues or income circulating in economy like wages, interest rate, rent and profits are accumulated. The Product Approach counts the value of all final goods that is produced in the economy. This is done so to avoid the double counting of the product value. The Expenditure approach counts all private and public expenditures which were conducted in an Economy. In other words it is all the money spent by the Government for the benefit of the People. GDP is affected by every determinant and variable in the economy. The effectiveness could be low or high it depending on the variable. For example if we were to say that education is one of the factors that affects the GDP so the effectiveness must be very high because it effect

in multiple ways like it increases the human capital, it increase the technological levels, it helps to reduce crime in society etc.

GDP is usually low in developing countries and high in the developed countries. The level of GDP is a matter of concern for the Economy; although the stability of Economy can be found out by observing variation in GDP. One of the reasons of success of developed countries is also their consistency in terms of GDP levels. However one cannot ignore the fact that there are many factors behind the consistency of GDP.

The Basics of GDP:

GDP includes all private and public consumption, government outlays, investments, additions to private inventories, paid-in construction costs, and the foreign balance of trade (exports are added, imports are subtracted).

There are several types of GDP measurements:

- **Nominal GDP** is the measurement of the raw data.
- **Real GDP** takes into account the impact of inflation and allows comparisons of economic output from one year to the next and other comparisons over periods of time.
- **GDP growth rate** is the increase in GDP from quarter to quarter.
- **GDP per capita** measures GDP per person in the national populace; it is a useful way to compare GDP data between various countries.

The balance of trade is one of the key components of a country's (GDP) formula. GDP increases when the total value of goods and services that domestic producers sell to foreigners exceeds the total value of foreign goods and services that domestic consumers buy, otherwise known as a trade surplus. If domestic consumers spend more on foreign products than domestic producers sell to foreign consumers a trade deficit then GDP decreases.

Components of GDP:

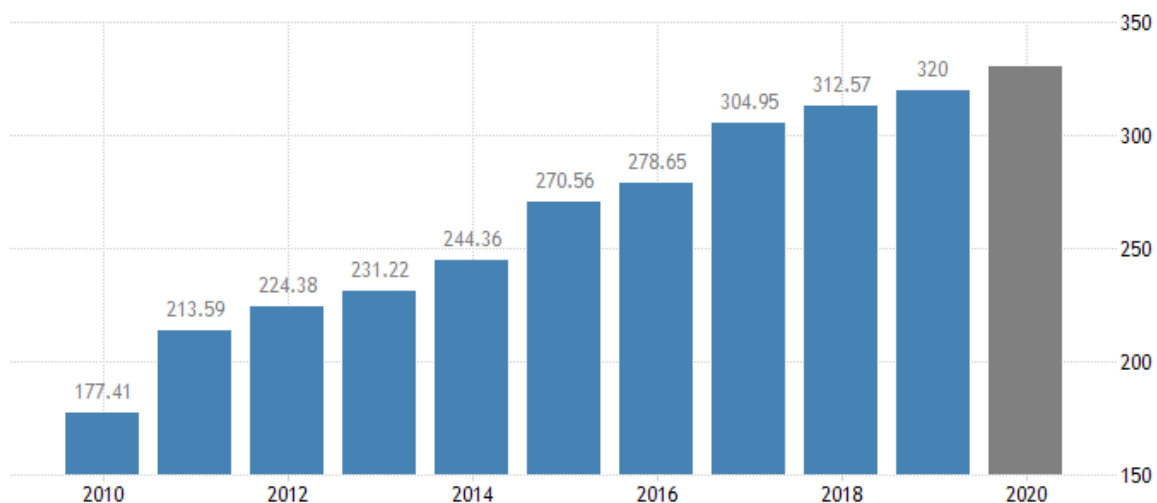
Four major components of GDP are:

1. Private Consumption Expenditure (C)
2. Investment Expenditure (I)
3. Government Purchases of Goods and Services (G)
4. Net Exports (X – M)!

Some economists have suggested an alternative approach to measure GDP as Sum of Expenditure. Gross Domestic Product (GDP) can be measured by taking into account all final expenditure made during a period of account in the economy.

GDP Growth (Annual % Age) PAKISTAN:

The Gross Domestic Product (GDP) in Pakistan was worth 320 billion US dollars in 2019, according to official data from the World Bank and projections from Trading Economics. The GDP value of Pakistan represents 0.26 percent of the world economy.



SOURCE: TRADINGECONOMICS.COM | WORLD BANK

Actual	Previous	Highest	Lowest	Dates	Unit	Frequency	
320.00	312.57	320.00	3.71	1960-2019	USD Billion	Yearly	Current USD

Pakistan GDP	Last	Previous	Highest	Lowest	Unit
GDP Annual Growth Rate	3.29	5.53	10.22	-1.80	percent
GDP	320.00	312.57	320.00	3.71	USD Billion
GDP Constant Prices	13100711.00	12425979.00	13100711.00	8216160.00	PKR Million
Gross National Product	13793368.00	13793368.00	13793368.00	3778155.00	PKR Million
Gross Fixed Capital Formation	1975936.00	1869394.00	1975936.00	1268315.00	PKR Million
GDP per capita	1196.60	1158.50	1196.60	304.20	USD
GDP per capita PPP	4927.90	4771.20	4927.90	3055.80	USD
GDP From Agriculture	2336888.0	2284561.00	2336888.00	1775346.00	PKR Million
GDP from Construction	343183.00	320769.00	343183.00	186380.00	PKR Million
GDP from Manufacturing	1666187.00	1572948.00	1666187.00	1065323.00	PKR Million

GDP from Mining	344832.00	339747.00	344832.00	254345.00	PKR Million
GDP From Services	7423177.00	7017524.00	7423177.00	4324274	PKR Million
GDP from Transport	1591112.00	1551715.00	1591113.00	959499.00	PKR Million

Gross Domestic Product (GDP) of Pakistan:

Year	GDP Nominal (Current USD)	GDP Real (Inflation adj.)	GDP change	GDP per capita	Pop. change	Population
2017	\$304,951,818,494	\$240,856,714,914	5.70%	\$1,158	2.10 %	207,906,209
2016	\$278,654,637,738	\$227,866,886,766	5.53%	\$1,119	2.11 %	203,631,353
2015	\$270,556,126,820	\$215,932,848,621	4.73%	\$1,083	2.11 %	199,426,964
2014	\$244,360,888,751	\$206,178,251,481	4.67%	\$1,056	2.11 %	195,305,013
2013	\$231,218,567,179	\$196,970,457,771	4.40%	\$1,030	2.13 %	191,260,806
2012	\$224,383,620,830	\$188,675,424,552	3.51%	\$1,007	2.15 %	187,280,129
2011	\$213,587,413,184	\$182,282,709,027	2.75%	\$994	2.18 %	183,340,174
2010	\$177,406,854,515	\$177,406,854,515	1.61%	\$989	2.22 %	179,424,641
2009	\$168,152,775,283	\$174,601,545,522	2.83%	\$995	2.26 %	175,525,609
2008	\$170,077,814,106	\$169,793,571,392	1.70%	\$989	2.29 %	171,648,986
2007	\$152,385,716,312	\$166,953,023,525	4.83%	\$995	2.31 %	167,808,105
2006	\$137,264,061,106	\$159,256,450,281	6.18%	\$971	2.32 %	164,022,627
2005	\$109,502,102,511	\$149,990,711,055	7.67%	\$936	2.32 %	160,304,008
2004	\$97,977,766,198	\$139,309,432,952	7.37%	\$889	2.33 %	156,664,697
2003	\$83,244,801,093	\$129,748,800,034	4.85%	\$848	2.37 %	153,093,373
2002	\$72,306,820,396	\$123,751,409,564	3.22%	\$827	2.45 %	149,549,700
2001	\$72,309,738,921	\$119,885,776,649	1.98%	\$821	2.55 %	145,978,402
2000	\$73,952,374,970	\$117,555,262,344	4.26%	\$826	2.68 %	142,343,578

1999	\$62,973,855,719	\$112,751,930,855	3.66%	\$813	2.80 %	138,624,621
1998	\$62,191,955,814	\$108,770,776,064	2.55%	\$807	2.89 %	134,843,233
1997	\$62,433,300,338	\$106,065,848,423	1.01%	\$809	2.91 %	131,057,431
1996	\$63,320,122,807	\$105,000,725,251	4.85%	\$825	2.89 %	127,349,290
1995	\$60,636,022,423	\$100,147,018,592	4.96%	\$809	2.84 %	123,776,839
1994	\$51,894,781,282	\$95,412,089,508	3.74%	\$793	2.80 %	120,362,762