Economic Outlook and Gross Domestic Product Framework of Balochistan

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Executive Summary

Ever since the 18th Amendment in Pakistan, a profound transformation is ready to unlock a new era of progress, particularly for the Balochistan Economy. After the amendment, the funds allocated across provinces will fuel sustainable economic growth and development. In this transformative landscape, a framework for the compilation of Provincial Gross Domestic Product (PGDP) emerges as an indispensable yardstick. This study aims to fill the gap of an existing challenge in Balochistan's economic planning and policymaking, which is the absence of a comprehensive and accurate framework for the compilation of PGDP.

The study adopts a "bottom-up" approach while utilising allocators to estimate Balochistan's sector-wise GDP. This would help in a comprehensive understanding of Balochistan's economic outlook by analysing the contributions of various sectors, including major and minor crops, livestock, wholesale and retail trade, and minor contributors like electricity, gas, and communication. Moreover, it also allows an examination of sectoral/sub-sectoral share in PGDP whilst offering valuable insights for informed policymaking.

The findings underscores the significance of major and minor contributors in the economic growth and development of Balochistan. In the PGDP, major and minor crops (11.81%) constitute the second largest share while the livestock sector comes first with (21.53%). The wholesale and retail trade (13.04%) also makes a substantial contribution to the PGDP. Additionally, the minor contributors, including electricity, gas, and water supply (2.46%) and communication (3.22%), play minimal but important roles in shaping Balochistan's overall economic landscape.

By considering the study's findings, policymakers can make informed decisions that foster sustainable economic growth and prosperity in Balochistan. Accordingly, targeted policies should be designed to support the development of major and minor sectors, ensuring their continued contribution to the province's economic progress.

Keywords: *Framework, Balochistan, Gross Domestic Product (GDP), provincial shares, sectoral allocators, data deficiencies.*

1. Introduction

Ever since the 18th Amendment in Pakistan, a profound transformation has been set in motion. It is ready to unlock a new era of progress, particularly for the Balochistan Economy[1]. This visionary constitutional change has shattered barriers and bestowed upon provinces an array of responsibilities. In this transformative landscape, a framework for the formulation of Provincial Gross Domestic Product (PGDP) emerges as an indispensable compass and responsibility for allocating funds across provinces. This would also help in fueling sustainable economic growth and development[2].

By assigning provinces with such pivotal roles, Pakistan's economic destiny embarks on a remarkable journey towards multiple possibilities, creating an appealing needlepoint of opportunities for a brighter future. In line with this objective, this study aims to rectify the significant gap in Balochistan's economic planning and policy formulation; the absence of a framework for estimating the PGDP. Additionally, it sheds light on its economic contributions while paving the way for targeted sustainable development strategies tailored to the needs of the province.

This responsibility of distributing the national GDP into PGDPs based on sectoral allocators should have been undertaken by the Pakistan-Bureau-of-Statistics (PBS) in collaboration with the Regional Bureaus of Statistics, as they are the lender of last resort, within this domain[3]. Unfortunately, despite SNA[4] requirements, no effort has been made by the National Bureau[5]. A "bottom-up" approach is now required to overcome this limitation, where regional growth and development plans are prepared first and later aggregated into the national plan.

In Pakistan, several hindrances have contributed to the unavailability of Provincial GDPs. Firstly, the inaccessibility to disaggregated microdata always poses a significant obstacle[6]. The lack of detailed information hampers the accurate estimation of PGDP, as

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[1] Haq (2020). https://file.pide.org.pk/pdf/Seminar/NFC-NOOR-UL-HAQ.pptx

[2] Pasha (2015) https://ipr.org.pk/wp-content/uploads/2016/04/GROWTH-OF-PROVINCIAL-ECONOMICS-.pdf

[3] World Bank (2017). Sindh Public Expenditure Review. *The World Bank Group.*

[4] The System of National Accounts (SNA) refers to the globally accepted guidelines for compiling measurements of economic activities.

[5] UN (2010).
https://unstats.un.org/unsd/economic_stat/China/Regional%20accounts%20-%20an%20introduction.pptx

[6] Cheloti (2023). https://www.tandfonline.com/doi/abs/10.1080/09599916.2022.2119879

it requires comprehensive data specific to the provinces. Additionally, limited resources, time lapses in data collection, and infrastructure further hinder the collection and analysis of necessary data[7]. These challenges restrict the representation of the unique economic contributions of the provinces in the national GDP[8][9]. Addressing these issues through dedicated investments in data collection and analysis is crucial. PGDP provides a more accurate picture of provincial economic performance while facilitating informed data driven policymaking tailored to the regional economic development requirements.

While countrywide estimates aggregate the output and income thus generated across the country, it is important to acknowledge that the level and growth rate of economic activity can vary significantly among regions and provinces. Factors such as the predominant sectors, output mixes, productivity, and development priorities contribute to these regional disparities. The allocation and distribution of resources also have a regional dimension, with resources originating from one region, production processes located in another, and consumption patterns primarily concentrated in yet another region.

> **Box 1: A Note on Rebasing**
> The recent price rebasing to 2015-16 marked a significant milestone in Pakistan's Economy. In 2013, the Governing Council of the Pakistan Bureau of Statistics (PBS) decided to update the base year for National Accounts from 2005-06 to 2015-16, leading to comprehensive censuses, surveys, and studies across sectors. The reference periods for price indices and the Quantum Index of Manufacturing Industries (QIM) were also changed to ensure consistency. This rebasing effort has resulted in more accurate and relevant economic information, facilitating informed decision-making, improved policy formulation, and a deeper understanding of Pakistan's economic landscape while aligning with international standards[10][11].

Moreover, regions respond differently to national economic changes, exhibiting disparities from the national norm in areas such as budget allocations, business cycles, unemployment, price fluctuations, and economic growth. Each province in Pakistan has its own major sectors driving its economy, such as Fruit Farming and Mining in Balochistan, manufacturing in Karachi, and crop agriculture

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[7] The bureau gathers data using both calendar year and fiscal year as the basis for collection.

[8] Ibid.

[9] Bengali, K. (2003). Regional Accounts of Pakistan. *Social Policy & Development Centre Karachi*.

[10] PBS. (2022). https://www.pbs.gov.pk/sites/default/files//national_accounts/Methodology_2015-16_Rebasing.pdf

[11] Ariba (2022). https://profit.pakistantoday.com.pk/2022/01/23/the-gdp-finally-rebased/

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in Punjab and Sindh[12]. arachi and central Punjab are considered relatively more developed, although recent years have shown higher growth rates in central Balochistan, as compared to its past growth patterns[13][14].

As stated, this study aims to present sector-wise estimates of Balochistan's GDP. Here, the year 2021 has been selected as the benchmark for the framework, for two significant reasons. Firstly, it provides a unique insight into Balochistan's economy in the aftermath of the Covid-19 pandemic with an updated Price Base (2015-16). Secondly, it allows us to examine the economic landscape when the economic conditions were relatively stable. Notwithstanding, from 2022 onwards, Pakistan has faced a series of challenges, including economic and political instability. These challenges have been further compounded by the aftershocks of the Ukraine war, which have had an impact on the overall economic situation[15]. Hence, the PGDP for 2021 serves as a solid foundation for estimating sectoral shares.

Moreover, after the rebasing and the COVID, this is the first and only effort of preparing a comprehensive framework for Provicial GDP. It also provides an economic outlook of Balochistan, which remains relatively unexplored[16]. Consequent discussions with updated methodologies, and collective effort, both on federal and provincial level will refine the framework while leading to sustainable, and more inclusive development.

It is important to note that the estimates rely only on officially published national income account estimations. However, due to the lack of official data, provincial productivity levels and price differentials are not taken into consideration. To overcome these data limitations, proxies are sometimes used. Nevertheless, assuming other factors remain constant (ceteris paribus), this does not impact the primary objective of the study and provides a yardstick for further analysis.

The development of a regional accounting system, based on the national accounting system, holds conceptual merit, as it involves allocating value added in production and

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[12] Ibid

[13] UNDP (2020). https://www.undp.org/sites/g/files/zskgke326/files/migration/pk/NHDR-Inequality-2020---low-res.pdf

[14] Ibid

[15] RSIL. (2023). https://rsilpak.org/2022/the-war-in-ukraine-and-the-potential-impact-on-pakistans-trade/

[16] Earlier work on PGDPs include Bengali (2003) and Pasha (2015), nevertheless, these are at older price bases and provided at constant prices.

factor incomes to the regions where production occurs. However, the practical application of national accounting concepts to regional economies faces challenges, primarily due to the openness of regional economies[17].

Regional economies often have significant interactions and interdependencies on other regions and the global economy. These interactions can complicate the application of national accounting principles in regional contexts. Factors such as trade flows, investment patterns, and resource flows across regions can create complexities that make it inappropriate or difficult to directly apply national accounting concepts at the regional level.

One crucial consideration in this study is the differentiation between "income originating" and "income accruing."[18] This distinction is vital because it takes into account the potential net income outflows or inflows between provinces, such as remittances from migrant workers (Bengali, 2003). Regional disparities in income can arise from variations in income generation and distribution, which are reflected in the difference between income originating in a region and income accruing to it. Hence, this study adapts the former approach, as it provides information in estimating PGDP, specific to that province.

Among many, one aspiration behind providing this framework is to make it a compulsory scientific exercise in Pakistan. Making the methodology ultimately become commonplace for the National Statistical Office (NSO), thus making regional calculation a repetition of the framework provided here.

In line with this objective, the study proceeds as follows: Section 2 reviews the relevant literature, exploring previous research and insights related to PGDPs and their decomposition. Section 3 outlines the methodology employed in this study, detailing the approach used to estimate Balochistan's sector-wise gross provincial product. Section 4 presents the Balochistan's GDP, and sectoral shares along with analysis. Finally, Section 5 concludes the article, summarising the key observations and providing recommendations.

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[17] UN (2010). Un.org:
https://unstats.un.org/unsd/economic_stat/China/Regional%20accounts%20-%20an%20introduction.pptx
[18] Income originating refers to the source or location where income is generated. However, Income Accruing means the income that is accrued perhaps not yet received.

2. Literature Review

This section extensively reviews relevant literature from various studies conducted both within and outside the boundaries of Pakistan. Here, the aim is to analyse and synthesise the methodologies employed in the studies that have had a significant impact on estimating PGDPs and provided valuable insights.

The discipline of regional accounting emerged in the 1900s, aiming to identify income disparities among different regions within a country. Early recognition of the significance of regional economic analysis can be seen in the United States, where regional personal incomes have been estimated since 1929[19]. The growing demand for regional information from policymakers and analysts has been a key driving force behind the development of regional accounts.

Initially, Goldberg (1968) presented the Illinois accounts approach in estimating GDP, which takes the ratio of 'net income to total value added[20]. This conceptually defensible approach considers the corporation's contribution to the productive process within different regions. Goldberg argues that this value-added approach can offer a more precise and conceptually acceptable definition of state corporate income. This approach can be exercised in Pakistan on a provincial level on the basis of the 'ratio of net income to total value added.'

Adler (1970) provides a methodology for regional economic analysis in Canada[21]. It provides a valuable reference for understanding the challenges and opportunities in regional accounting in terms of imports and exports and regional outputs.

Tiwari (1971) and Nair (1987) discuss the regional accounting practices and methodologies employed in India[22][23]. They offer valuable lessons and approaches for defining the boundaries of a region in the sub-continent.

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[19] Bureau, U. S. (2023). *United States Census Bureau*. https://www.census.gov/history/

[20] Goldberg (1968). The measurement and allocation of corporate profits in regional sector accounts. *Journal of Regional Science*

[21] Adler. (1970). Approaches to Regional Economic Accounting in Canada. *Review of Income and Wealth*.

[22] Tiwari. (1971). Regional Accounting in India. *Review of Income and Wealth*.

[23] Nair. (1987). Regional Income Estimation. *Indian Economic Journal.*

Graham (1971) focuses on provincial accounting practices in the United States[24]. It provides insights into the methodologies used to estimate regional accounts, emphasising the need for accurate regional data for informed decision-making while considering the origin of income in estimating GDP.

Arndt (1973) explores the regional economic disparities in Indonesia and discusses the approaches used in estimating regional accounts[25]. It offers insights into the construction of regional accounts in the context of a developing country by considering indirect allocators in calculating GDP where direct allocators are not available.

Sourroile (1976)'s article contributes to the understanding of regional accounting practices in Indonesia[26]. It discusses the challenges and methodologies employed in regionalising national accounts, shedding light on the complexities involved in capturing regional economic dynamics.

Walters (1987) offers an understanding of regional accounting methodologies and estimation techniques used in Australia[27]. It provides a framework for analysing regional economic disparities and highlights the importance of regional micro data in policy formulation.

In the context of provincial economies in Pakistan, numerous studies have provided valuable insights into growth patterns, dynamics, and resource allocation strategies. Initially, Bengali (2003) ignited the idea of a detailed and comprehensive analysis of regional accounts, focusing on the period from 1973 to 2000[28][29]. The study explores the methodology and estimation techniques used in constructing these accounts. It discusses various regional economic activities, sectors, and income distribution patterns within the country. Bengali's work highlights the challenges faced and the approaches adopted in generating reliable regional account data. This article serves as a strong foundation for

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[24] Graham. (1971). Inter-Regional Transfer Payments and the Measurement of Regional Income. *Review of Economics and Statistics*.

[25] Arndt. (1973). Regional Income Estimates. *Bulletin of Indonesian Economic Studies*.

[26] Sourroile. (1976). Regional Accounts: Theoretical and Practical Problems Encountered in the Recent Experience of Argentina. *Review of Income and Wealth*.

[27] Walters. (1987). A framework for Regional Accounts: An Australian Perspective. *Review of Income and Wealth*.

[28] Ibid

[29] Some studies have been omitted from this literature review. For example, Hasan (2021) estimated the GDP of Khyber Pakhtunkhwa using night lights, but it should be noted that electricity availability is significantly limited in Balochistan.

understanding the economic landscape of different regions in Pakistan. However, the study has some limitations. For instance, Bengali's 2003 study has the base year of 1981. And the results of per capita in nominal and real terms are contradictory.

Arby (2008) extended the idea a bit further by focusing on important issues related to Pakistan's national accounts[30]. The study involved re-estimating past GDP series of Bengali (2003), with updated base year prices, quartering annual data for higher frequency analysis, estimating provincial accounts, and examining the contribution of total factor productivity (TFP) to economic growth using the new GDP series.

Moving forward, Pasha (2015), investigates the growth patterns and dynamics of provincial economies[31]. This study provides valuable insights into the factors that influence provincial economic growth. Dr Pasha emphasises the importance of formulating Provincial Growth Strategies (PGS) as a means to effectively allocate resources and plan for development at the provincial level. By studying the interplay of various factors, it contributes to a deeper understanding of the complexities and opportunities within provincial economies.

In a more recent analysis, World Bank (2017), and UNDP (2020), offer a pre-Covid examination of PGDPs[32]. While these studies differ in focus from the previous studies, they provide significant facts and figures on the subject and supplement the existing literature on provincial economies in Pakistan.

In Pakistan, Salman (2020) is the first to use the production approach to estimate the Gross Marine Product (GMP) of Pakistan[33]. The methodology used in the study involves the collection of available data from different sectors of the blue economy. The study uses the Gross Value Added (GVA) approach to estimate the contribution of each sector to the GMP. Here, the GVA is calculated by subtracting the intermediate consumption from the total output of each sector.

Khan, A B (2022) studied the effect of economic progress, in the context of tax reorganisation, expenditure decentralisation, and the 18th Amendment to the Constitution

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[30] Arby (2008). https://mpra.ub.uni-muenchen.de/32048/1/MPRA_paper_32048.pdf
[31] Ibid
[32] Ibid
[33] Salman and Amjad (2021). https://www.maritimestudyforum.org/wp-content/uploads/2021/01/Mission-Possible-Web.pdf

on Vertical Fiscal Imbalance using provincial national data from 1971 to 2021[34]. For economic progress, a proxy is used, named, per capita energy consumption. However, Balochistan is the least energy-consuming province among all the provinces (Table 2 and Figure 1).

By integrating the findings and methodologies from these articles, the present study aims to develop a comprehensive understanding of the sectoral composition within the provincial economy of Balochistan, for the year 2021. The insights gained from these literary sources will contribute to the robustness and accuracy of the study's methodology, enhancing the reliability of the findings and conclusions.

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[34] Khan, A. B. (2022). https://journals.iub.edu.pk/index.php/pjes/article/view/557

3. Methodology

The decomposition methodology used for the framework relies on direct shares along with indirect allocators that reflect regional activity levels in different sectors and sub-sectors of the national economy. As stated, the focus is on measuring income originating within the provinces, excluding substantial inter-provincial income transfers.

Based on Goldberg (1968) and Bengali (2003), the basic formula for the decomposition is provided hereunder:

(VA_{-sb}) = $VA_{-sn} * (A_{-sr}/A_{-sn})$

(VA_{-sb}) = value-added in sector s in PGDP (Balochistan)

(VA_{-sn}) = value-added in sector s in National GDP

(A_{-sb}) = value-of-allocator in sector s in PGDP

(A_{-sn}) = value-of-allocator in sector province in National GDP

However, there are also exceptions based on data accessibility and constraints. In cases where direct provincial value-added data is available, such as in large-scale manufacturing, it is used directly. In few sectors where revenue or income data is unavailable or not applicable, activity indicators like consumption, banking advances, previously derived allocators, and the share of occupation/employment have been used as allocators[35].

The use of output, revenue, or employment as allocators is considered a second-best measure due to data deficiencies. Ideally, estimating province-specific value added for each sector based on provincial output and price data would provide a more accurate

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[35] Such alternative allocators are only employed in sectors where their sectoral contribution is negligible, such as energy consumption from OCAC. In the event of any bias, the resulting error would be minimal due to the sector's insignificantly small contribution.

measure (Bengali, 2003). However, since such data is not available, the provincial allocation of the national value added is made based on provincial output, revenue, or employment shares, assuming that the ratio of output, revenue, or employment to value added is the same across all provinces.

It is important to note that variations in the methodology have been introduced in specific sectors to accommodate sector-specific requirements. Detailed information on the methodology used to estimate provincial product in each sector is provided below, and a summarised table of the allocators used in each sector and sub-sector is presented as:

Table 1: List of Allocators and Data Sources

Sector/Sub-Sector	Allocator	Data Sources*
AGRICULTURE		
Crops	Share in Agriculture	MNFSR
Livestock	Share in Livestock Population	MNFSR
Forestry	Shares in Forests Area	MNFSR
Fishing	Shares in Output	MNFSR
INDUSTRY		
Mining and Quarrying	Share in Value Added	PBS Census
Large-Scale Manufacturing	Share in Output	CMI
Small-Scale Manufacturing	Share in Output	SHMI
Slaughtering	Share in Meat Expenditure	HIES
Construction	Share in Employment	LFS
SERVICES[36]		
Transport, Storage and Communications	Provincial Shares	OCAC, PTA
Wholesale, Retail Trade, & Services	Share in Employment	LFS
Finance and Insurance	Share in Bank Advances	SBP
Ownership of Dwellings	Shares in Housing Units	SHU
Public Administration and Defense	Share in LF	LFS

***Source:** National Bureaus*

*__MNFSR__ = Ministry of National Food Security and Research, __PBS__ = Pakistan Bureau of Statistics, __CMI__ = Census of Manufacturing Industries, __SHMI__ = Small and Household Manufacturing Industries, __HIES__ = Household Integrated Economic Survey, __LFS__ = Labor Force Survey, __OCAC__ = Oil Companies Advisory

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[36] For Services Sector, mostly, cost of production approach is applied as it has non marketed output thus Labour Force contribute most in the value addition. For electricity and Gas data is taken from the annual energy year book of Pakistan.

4. GDP of Balochistan

This section presents an analysis of the sector-wise contributions to the provincial GDP. Understanding the significance of these sectors is essential for policymakers and stakeholders to identify areas for growth, development, and policy interventions.

Sectoral GDP of Balochistan

The construction of regional accounts necessitates a substantial amount of data, both in terms of breadth and depth. This data requirement is extensive, as it encompasses a wide range of variables. Details about all these variables are provided hereunder:

**Table 2:** GDP of Balochistan at current market prices (2020-21)

Sectors/Sub-Sectors	Value Added (in PKR Billions)	(%)Shares in PGDP
Major & Minor Crops	460	**11.81%**
Livestock	840	**21.53%**
Fishing	34	**0.88%**
Forestry	51	**1.31%**
Mining & Quarrying	216	**5.54%**
LSM	144	**3.68%**
SSM	111	**2.86%**
Slaughtering	140	**3.59%**
Construction	72	**1.85%**
Electricity	31	**0.80%**
Gas	15	**0.39%**
Transport	9	**0.23%**
Information & Communication	126	**3.22%**
Whole Sale and Retail Trade	508	**13.04%**
Finance	90	**2.30%**
Ownership of Dwellings	179	**4.58%**
General Government Services	325	**8.33%**
Education	96	**2.46%**
Accommodation & Food Services	46	**1.17%**
Human Health & Social Work	203	**5.21%**
Other Private Services*	203	**5.20%**
Provincial GDP	3899	**100%**

Source: *Author's estimates based on the data from National Bureaus*

*"Other Private Services (OPS) include activities of households as employers; and undifferentiated goods and services producing activities. Activities of extraterritorial organisations and bodies. Activities not specified elsewhere".

Based on the data presented in Table 1, which illustrates the sectoral shares in Balochistan's GDP, a detailed analysis of the economic composition and percentage contributions of various sectors to the region's overall economic output are provided here:

Figure 1: Balochistan's GDP shares in percentages[37]
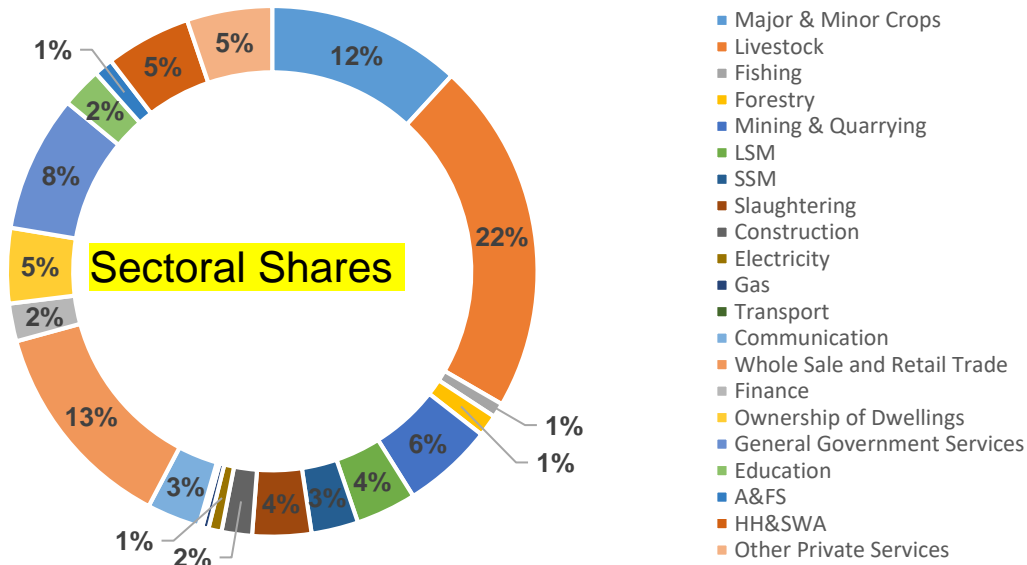
Source: *Author's estimations based on Table 2*

Agriculture Sector

The agriculture sector plays a vital role in the provincial economy, contributing significantly to the provincial GDP. It encompasses major and minor crops, Livestock, Fishing, and Forestry. Major and minor crops (including fruits) hold the second largest share in the agriculture sector, contributing 11.81% of the provincial GDP. Livestock accounts for 21.55% of the provincial GDP. Fishing and Forestry sectors contribute 0.88% and 1.31% to the provincial GDP, respectively. The agriculture sector supports livelihoods, ensures food security, and contributes to the rural development. Enhancing

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[37] Minor Shares are not explicitly highlighted.

productivity, sustainability, and technological adoption in this sector are crucial for future growth and prosperity.

Industrial Sector

The industry sector consists of mining and quarrying, manufacturing (both large-scale and small-scale), construction, and utilities such as electricity and gas. Mining and quarrying contribute 5.54% to the provincial GDP, making it a significant subsector within the industry sector. Manufacturing, with a value-added, encompasses a wide range of industries. Construction, electricity, and gas subsectors also contribute to the value-addition of the industry, supporting infrastructure development and energy services. Policies promoting industrial diversification, innovation, and infrastructure development can further enhance the sector's contribution to the provincial economy.

Services Sector

The Services sector plays a vital role in driving economic activity, employment, and the provision of essential services. It encompasses various subsectors, including transport, communication, wholesale and retail trade, banking, services, and ownership of dwellings. The services sector contributes 46% to the provincial GDP. The transport subsector supports the movement of goods and people, facilitating trade and commerce. Communication services enable connectivity and information exchange. Wholesale and retail trade involves the buying and selling of goods and plays a vital role in the commercial activities of the provinces. Banking and financial services provide capital, credit, and financial intermediation, supporting investment and economic growth. The services subsector encompasses a wide range of services, including healthcare, education, hospitality, and professional services. Ownership of dwellings represents the housing sector's contribution to the economy.

5. Summary

This study focuses on decomposing Pakistan's GDP into the PGDP based on international conventions and Pakistan-specific constraints, particularly related to data availability. Overall, the economic contribution of Balochistan to the national GDP has exhibited a declining trend. This observation aligns with the prevailing scholarly discourse on the subject.[38]. As stated, the estimates are presented without detailed analysis or explanation of the factors driving changes in the composition and growth rates, specifically price and productivity differentials. Interpreting the results of provincial accounts estimates requires caution.

It is important to note that the estimates reflect "income originating" rather than "income accruing," which impacts the assessment of resource flows between provinces. Estimating provincial GDP based on "income accruing" requires data on inter-provincial resource flows that are currently unavailable. Nonetheless, the estimates based on "income originating" provide insights into productive capacities of the provinces and sectoral/sub-sectoral changes.

Conclusion

In conclusion, this paper highlights the integral role of the Regional Accounting Framework, while providing the Economic Outlook of Balochistan. The findings highlight the significance of PGDPs in driving economic growth, data-driven informed decision-making, and providing essential services to the province.

Recommendations

The analysis shows that the industry sector in Balochistan is still in its early stages of development, presenting significant opportunities for growth and investment. Additionally, Tax-free zones in the region offer a first-mover advantage for businesses seeking to establish a presence in Balochistan. Leveraging these opportunities while providing special economic zones can drive economic progress and prosperity in Balochistan.

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[38] GoB (2017). https://archives.balochistan.gov.pk/wp-content/uploads/2019/07/WHITE-PAPER-BUDGET-2016-17.pdf

Balochistan's GDP encompasses a substantial 46% share in the services sector and an additional 36% share in the agriculture sector. Nonetheless, it faces significant challenges, including the lowest labour force participation rates for males (27%), and females (8%), and records the lowest wage levels among the four provinces (LFS, 2021). Realizing the full potential of this considerable share and harnessing the advantage of cost-effective labour necessitates a strategic focus on key areas. Prioritising investments in skill development, female labour force participation enhancement, and innovation is imperative to amplify productivity, and enhance competitiveness in both the services and agriculture sectors.

By capitalising on these prospects, Balochistan can play a pivotal role in the development of both Pakistan and itself, while fostering mutual growth and cooperation. However, as stated, it is important to acknowledge the limitations of this study. Further research is needed to explore deeper into the Balochistan economy's complexities and address its challenges. Such studies can provide more valuable insights for Balochistan and pave the way for economic growth, employment, and a Digital Pakistan, a policy solution for the recent crises proposed by Salman (2023)[39].

Way Forward

Consequent discussions with updated methodologies, and shared efforts, both on the federal and provincial level will refine this work while leading to sustainable, and more inclusive development for the economy as a whole.

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[39] Salman (2023). https://ipripak.org/wp-content/uploads/2023/06/Policy-Breif_ECoFinal-1.pdf

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