



# PAKISTAN ECONOMY & FOREIGN TRADE (Part II)

Course Level: Basic

Credit Hours: 22

Time duration: 3 hr's

Marks: 75

## Syllabus 48<sup>th</sup> CTP

### **Module 1: Fiscal & Monetary Policy Considerations**

- 1.1 Introduction to Fiscal and Monetary policy (*Long run and Short run*)
- 1.2 Monetary & Fiscal policy issues
- 1.3 A Critical Assessment of taxation and expenditure policies.
- 1.4 overall fiscal and primary deficits.
- 1.5 Size and composition of Internal Debt
- 1.6 Size of External Debt and its implications
- 1.7 Debt exit Strategy
- 1.8 Fiscal and Monetary Policy Coordination
- 1.9 Cases: Japan's Bubble Burst and Economists urge investing Stimulus**
- 1.10 Financial Globalization (International Economics: Theory and policy, 11th edition, Paul Krugman, Maurice Obstfeld and Marc Melitz, Chapter 20)**
- 1.11 Fixed and Floating Exchange Rate, International Macroeconomic policy. International Economics: Theory and policy, 11th edition, Paul Krugman, Maurice Obstfeld and Marc Melitz Ch 19**
- 1.12 Mangla, I. U., & Hyder, K. (2017). Global uncertainty and monetary policy effectiveness in pakistan. *The Lahore Journal of Economics*, 22, 111-134.
- 1.13 Ahmed, A. M., & Malik, W. S. (2011). *The Economics of Inflation, Issues in the Design of Monetary Policy Rule, and Monetary Policy Reaction Function in Pakistan. Lahore Journal of Economics*, 16.

### **Module 2: Balance of Payments & Stabilization Programs**

- 2.1 Balance of payments statement and associated issues
- 2.2 Pakistan's weak macroeconomic fundamentals and the need for structural adjustment.
- 2.3 A critical appraisal of structural adjustment programs since 1988 till date
- 2.4 Growth versus Stabilization Debate
- 2.5 Timing of Balance of Payment crisis. International Economics: Theory and policy, 11th edition, Paul Krugman, Maurice Obstfeld and Marc Melitz, Chapter 18**
- 2.6 Case: The great recession: Lessons for macroeconomic policy from Japan (International Monetary Fund)**
- 2.7 Chaudhry, A., & Andaman, G. (2019) Balance of Payments Constrained Growth.**
- 2.8 Mahmood, M., & Chaudry, S. (2020). Pakistan's Balance-of-Payments Crisis and Some Policy Options. *The Lahore Journal of Economics*, 25(2), 55-92.
- 2.9 Kakar, M. K., Kakar, R., & Khan, W. (2010). The Determinants of Pakistan's Trade Balance: An ARDL Cointegration Approach. *Lahore Journal of Economics*, 15(1).

### **Module 3: Trade and Investment**

- 3.1 Growth, Investment & Trade: basic linkages
- 3.2 Investment Climate and Incentives in Pakistan
- 3.3 Public Private Partnership
- 3.4 Determinants of foreign Investment
- 3.5 Trends of FDI in Pakistan
- 3.6 Basic introduction to Bilateral Investment Treaties, (BITs)
- 3.7 CPEC, EPZs and SEZs: Future Prospects for Pakistan's Economy
- 3.8 Chaudhry, T., Jamil, N., & Chaudhry, A. (2017). Pakistan's experience with the Pakistan–China FTA: Lessons for CPEC. The Lahore Journal of Economics, 22, 1-24.**

### **Module 4: Industrial Sector**

- 4.1 Chaudhry, A., & Andaman, G. (2014). *The need for a coordinated industrial strategy to boost Pakistani exports: Lessons from Asia. The Lahore Journal of Economics, 19, 177*
- 4.2 Chaudhary, A., Andaman, G., & Junaid, A. (2023). *A Roadmap to Diversifying Pakistan's Exports: Operationalizing the Product Space. ITC Working Paper*
- 4.3 Ali, I., & Malik, A. (2009). *The Political Economy of Industrial Development in Pakistan: A Long-Term Perspective. Lahore Journal of Economics, 14, 29-50.*

