PAKISTAN

Global Infrastructure Hub

Overall performance

Pakistan is the most improved country in the activity driver in InfraCompass 2020, increasing its ranking by 45 since InfraCompass 2017. This is driven by an increase in private infrastructure investment as a percentage of GDP over the last five years and investments under The Belt and Road Initiative and will help address Pakistan's large infrastructure gap. The key to improving infrastructure investment in Pakistan is to reduce political instability, improve permit processes for registering property and grow its GDP per capita. However, the impact of the COVID-19 pandemic presents a key challenge for Pakistan's ability to deliver future infrastructure projects and growth.

Drivers	Rank (/76)	Rank change (2017-20)	Score (/100)	Emerging	Aspiring	Contender	Top performer	Global leader
Governance	41	↑ 1	53					
Regulatory frameworks	54	↑ 7	54					
Permits	63	↑ 1	48					
Planning	19	↓ 2	95					
Procurement	61	↓ 13	60					
Activity	13	↑ 45	52					
Funding capacity	71	–	17					
Financial markets	59	↑ 4	25					

Pakistan at a glance

$1,388
GDP per capita
(USD, 2019)

204.7 million
Population
(2019)

3.4% of GDP
Infrastructure investment
(2019 estimate)

1.1% of GDP
Infrastructure gap
(2019 estimate)

55.6
Infrastructure quality
(0-100, 100 is best, 2019)

$2,061 million
Private infrastructure investment
(5-year average, USD, 2019)

Top performing metrics

86.1/100
Cost to start a business
According to the World Bank, the cost to start a business in Pakistan is 6.9% of income per capita, well below the Lower Middle Income Countries average of 17%. Low start-up costs ease the entry of new firms.

83.8/100
Financial stability
Pakistan's financial stability is satisfactory and in line with other Lower Middle Income countries. Pakistan has a strong Capital Adequacy Ratio well above minimum regulated level and high liquidity in funds, which can improve the supply of capital for infrastructure.

78.6/100
Private infrastructure investment
Pakistan needs to maintain the flow of private capital into infrastructure projects, particularly given the long-term impacts of the COVID-19 pandemic are yet to be determined. Increasing private infrastructure investment can bring greater cost discipline, innovation and value to money.

Opportunities to grow

For guidance on how to improve these metrics, please see the Pakistan Country Page on the InfraCompass website.

0/100
Registering property
According to the World Bank, it takes an average of 105 days to register a property. In 2019, Pakistan improved the process of registering a property by increasing the transparency of the land administration system, which is expected to improve this score over the foreseeable future.

1.8/100
GDP per capita
Pakistan's GDP per capita was USD 1,388 in 2019, growing at a long term rate of 3.7%. Pakistan's funding capacity for major infrastructure spending is limited by its low GDP per capita and this could be further impacted by the COVID-19 pandemic.

12.2/100
Political stability and absence of violence score
Pakistan has the lowest level of political stability among all InfraCompass 2020 countries. Government instability impedes governance and economic reforms, and can deter investors from committing capital to long-term infrastructure projects.

ECONOMY OVERVIEW

GDP ($US billion, 2019)	284.2	Population (million, 2019)	204.7	Unemployment rate (2019)	3.0%
GDP per capita ($US, 2019)	1,388	Urbanisation ratio (2018)	37.0%	Inflation rate (2019)	7.3%
GDP growth rate (annual, 2019)	3.3%	Gross Government Debt (% of GDP, 2019)	77.0%	Digital Adoption Index (0-1 best, 2016)	0.4
GDP per capita growth rate (annual, 2019)	-11.3%	Sovereign risk rating (2019)	25	Gini coefficient (0-100 worst, 2015)	33.5

METRIC SCORES

The below metrics are normalised so that they all range from 0 to 100. For original metrics and data sources, please see https://infracompass.gihub.org/

GOVERNANCE		REGULATORY FRAMEWORKS		PERMITS	
Post-completion reviews?	Yes –	Effect of taxation on incentives to invest	40.5 ↓	Cost to start a business	86.1 ↑
Infrastructure or PPP unit/agency?	Yes –	Prevalence of foreign ownership	46.9 ↑	Dealing with construction permits	57.5 ↑
Recovery rate	41.7 ↓	Product market regulation, network sectors	54.2^ –	Quality of land administration	23.3 ↑
Rule of law	36.5 ↑	Regulatory (including competition) quality	37.1 ↓	Registering property	0 –
Shareholder governance	56.7 –	Strength of insolvency framework	71.9 ↑	Time required to start a business	63.5 ↑
Political stability and absence of violence	12.2 ↑	Investment promotion agency?	Yes –		

PLANNING		PROCUREMENT		ACTIVITY	
Published project pipeline?	Yes –	Average procurement duration – transaction RFP	28.4^ ↓	Infrastructure investment	37.8 ↑
Published infrastructure plan?	Yes –	Degree of transparency in public procurement	25 ↓	Private infrastructure investment	78.6 ↑
Preparation of PPPs	67 –	Published procurement guidelines?	Yes –	Value of closed PPP infrastructure deals	50 ↑
Economic analysis assessment?	Yes –	Procurement of PPPs	66 –	Value of closed infrastructure deals with foreign equity sponsorship	40.6 ↑
Market sounding and/or assessment?	Yes –	PPP contract management	37 –		
Environmental impact analysis?	Yes –				

FUNDING CAPACITY		FINANCIAL MARKETS	
GDP per capita	1.8 ↓	Domestic credit to private sector	9.1 ↑
Gross government debt	39.9 ↓	Financing through local equity market	46.5 ↑
Long term GDP growth trend	35.5 ↓	Stocks traded	9 –
Summary credit rating	26 –	Financial depth	30.3 ↑
		Financial stability	83.8 ↑

Drawing on data from: International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank, World Economic Forum, IJ Global, CEPII, Oxford Economics, Trading Economics, and Deloitte.

Metric key:

↑ Increase from InfraCompass 2017   ↓ Decrease from InfraCompass 2017   – No change from InfraCompass 2017

Note:
'Top performing metrics' are the metrics with the highest score out of 100.
'Opportunities to grow' are generally the metrics with the lowest weighted score out of 100.
^Denotes interpolated metric data. See Technical Appendix for further explanation on the interpolation techniques.