

Foreword

The Medium Term Development Framework (MTDF) 2005-10, the first of the 5 five - year strategic milestone to achieve the Vision 2030 approved by the NEC in May 2005. The Annual Plan, an operational document, provides tactical framework towards realization of the cherished goals of knowledge-based, prosperous and just society set in the Vision and MTDF. As a conscious policy, the Planning Commission is pursuing an integrated, holistic and coordinated approach to ensure stable economic development with consistency and continuity of various social economic policies.

The National Economic Council (NEC) in its meeting chaired by the Prime Minister on May 31, 2007 reviewed the economic performance and acknowledged the robust average growth rate of real GDP of 7.5 percent for the fourth consecutive year culminating in 2006-07. It is in line with the MTDF 2005-10 growth strategy of achieving 7.6 percent on an average for the five year period. The GDP growth for the year 2006-07 is broad based with agriculture and services sectors playing more significant role in achieving the targeted growth rate of 7 percent.

During the year 2006-07 significant progress has been made in developing physical, technological and social infrastructure. On social front, reduction in poverty and unemployment and improvement in social indicators are also visible. These achievements in the economic domain have been made possible by following consistent strategies and policies. Implementation of the Annual Plan however, faced some challenges resulting slow growth in exports, increase in current account deficit and high inflationary pressure.

These challenges, inter alia, are fully accounted for, in the policies and programs defined in the Annual Plan 2007-08. The Plan highlights the macroeconomic development of Pakistan, outlines sectoral issues focusing GDP growth, budgetary performance, monetary expansion and prices, balance of payments and implementation of the Public Sector Development Program (PSDP).

The NEC formally approved the macro economic targets set in the Annual Plan 2007-08. The PSDP amounting to Rs 520 billion was also approved along with an outlay of Rs 204 billion outside the PSDP. The members of the NEC including Federal Ministers, Provincial Chief Ministers/Ministers, Prime Minister (AJK) and senior representatives of NAs and FATA appreciated the role of the Planning Commission in bringing provinces and other areas closer together. They all expressed their full belief in common and shared destiny and resolved to make Pakistan one of the greatest nations as stated by the Quaid-i-Azam in his famous speech of 11th August, 1947. They also complemented the Prime Minister for restructuring the Planning Commission and putting committed people at the helm of affairs.

I would like to thank all the stakeholders both from the public and private sectors for their valuable contribution towards the preparation of the Annual Plan 2007-08. The hard work and long hours put in by the Annual Plan Formulating Committee is deeply appreciated and acknowledged.

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Minister of State/Deputy Chairman

Planning Commission
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