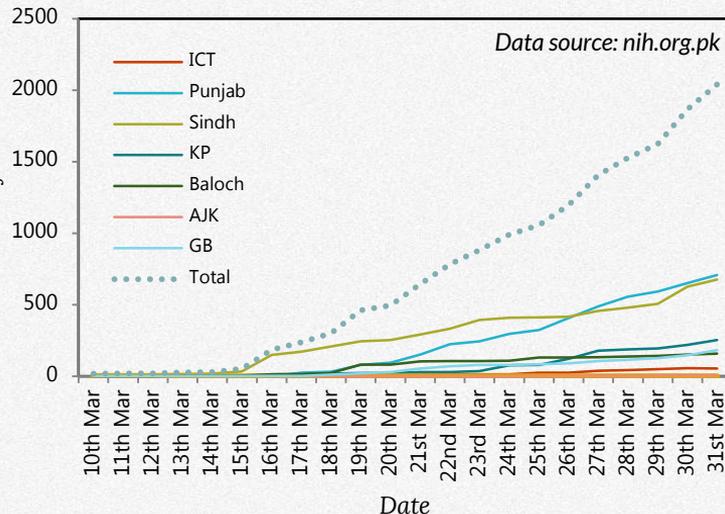




The Economics and Politics of Pakistan's COVID-19 Response

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As of April 1st 2020, Pakistan had the largest number of COVID-19 cases in the subcontinent. Pakistan's low state capacity on health and its 960 km long border with Iran make it particularly vulnerable. The outbreak is likely to slow down Pakistan's economy and increase its dependence on China in the short-term.



What is the current situation?

As of April 1st, 2020 there are 2039 confirmed COVID-19 cases and 26 casualties with Punjab (708) and Sindh (676) reporting the largest number of cases. Pakistan's low state capacity and its 960 km long border with Iran (a COVID-19 hotspot) make it particularly vulnerable.

When did the outbreak begin?

The first 2 confirmed cases were reported on 26th February. Both had returned from Iran. At present, majority of the cases in Pakistan are because of people returning from abroad. Pakistani PM Imran Khan has categorically stated that there have been no imported cases of COVID-19 from China.

How is Pakistan responding to the situation?

A National Action Plan for COVID-19 has been laid out. International and domestic flights stand suspended and the land borders are sealed. An economic package worth Rs. 1.25 trillion has been announced. PM Imran Khan has been against a nationwide lockdown because of its potential economic impacts.

But provincial governments have gone ahead with lockdowns, which have been endorsed by the army. The army has also been providing testing and quarantine facilities, manufacturing PPE and has reiterated its preparedness for any extreme emergency. Pakistan has been rallying support from international organizations like WB, ADB. Pakistani president Arif Alvi became the first head of a state to visit China during the pandemic.

Political and Economic Assessment

Sectors like agriculture, manufacturing, transport, hospitality, and trade are likely to be the hardest hit. Since China is Pakistan's 2nd largest export destination, Pakistan's exports are likely to be impacted. The economy is likely to suffer a loss of \$ 5-10 billion. Because of difficulty in rallying support from other partners, Pakistan will further drift towards China. The Pakistani military-jihadi complex is likely to deflect the blame of a response onto the civilian establishment.