By ICMA Research and Publications Department

A Cross-Country Comparison of Per Capita GDP in SAARC

Per capita GDP, or Gross Domestic Product per capita, is a core measure of a country's economic performance that takes into account its total economic output (GDP) divided by its population. It is used to assess the average income or economic well-being of the individuals in a country. The formula for calculating per Capita GDP is:

Per Capita GDP = GDP / Population

In the above equation:

GDP = it is the sum of all goods and services produced within a country in a year, comprising four components viz. consumption, investment, government spending, and net exports (exports minus imports).

Population: This refers to the total number of people living in the country at a given time.

Per capita GDP is a key indicator for comparing living standards and economic development among countries, with higher values suggesting higher average incomes and improved quality of life.

Now, let's have a look at the per capita GDP of SAARC countries vis-à-vis their population.

Maldives: Maldives has a relatively small population and a consistently higher GDP per capita, indicating a strong and stable economy with moderate growth.

Bhutan: Bhutan also has a small population and a relatively stable GDP per capita. While it is lower compared to some other countries, it has been consistent over the years.

Sri Lanka: Sri Lanka demonstrates a moderate population size and a steadily increasing GDP per capita. This suggests a relatively healthy economic growth rate over the years.

Bangladesh: Bangladesh has a significantly larger population, but its GDP per capita has been steadily increasing, indicating improvements in economic conditions.

India: India, with a massive population, has a lower GDP per capita compared to some other countries. However, it shows consistent growth over the years, albeit at a slower pace given its population size.

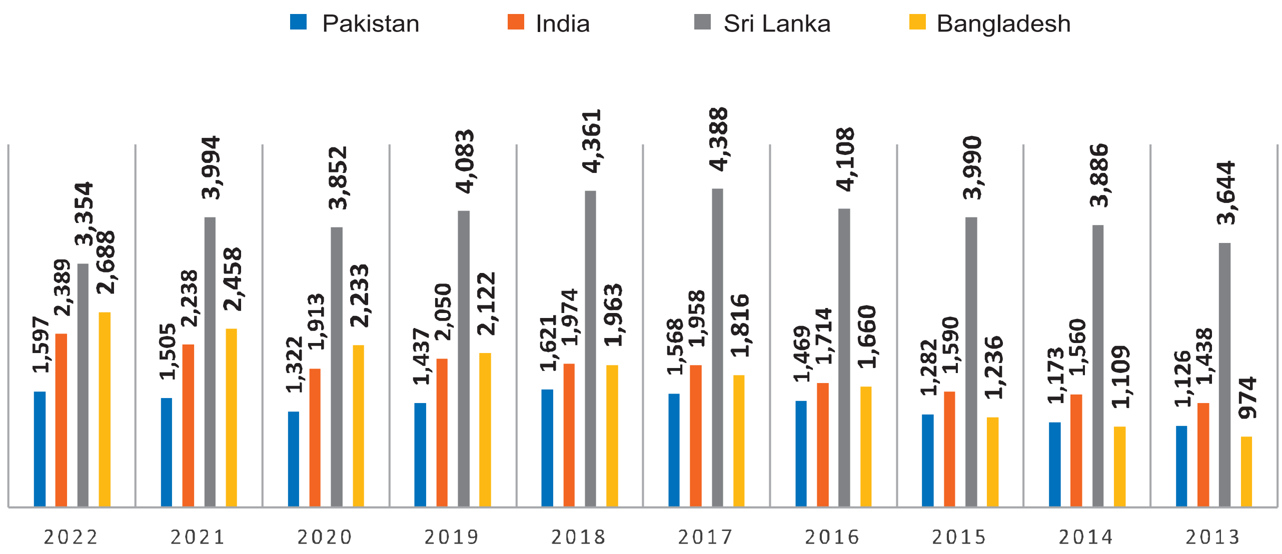
Pakistan: Pakistan, like India, has a large population, and its GDP per capita is also lower. The figures show some fluctuations but have been on an overall upward trajectory.

Countries	Population in Million [2022]	2022	2021	2020	2019	2018
Maldives	0.52	11,818	10,366	7,282	11,119	10,824
Bhutan	0.78	3,478	3,266	3,010	3,304	3,211
Sri Lanka	22.2	3,354	3,994	3,852	4,083	4,361
Bangladesh	171.2	2,688	2,458	2,233	2,122	1,963
India	1,417.2	2,389	2,238	1,913	2,050	1,974
Pakistan	235.8	1,597	1,505	1,322	1,437	1,621
Nepal	30.5	1,337	1,229	1,139	1,186	1,162
Afghanistan	41.1	NA	364	517	501	502

Source: World Bank

Graphical Representation of Per Capital GDP of Pakistan, India, Sri Lanka and Bangladesh

GDP Per Capita in US$



Source: World Bank

Nepal: Nepal has a relatively small population and a gradually increasing GDP per capita, suggesting positive economic developments.

Afghanistan: Afghanistan has experienced considerable economic challenges, as indicated by the lack of GDP per capita data for some years. The available data shows low figures, reflecting the country's complex political and economic situation.

In summary, this data reveals variations in population sizes and GDP per capita across these South Asian countries. While some countries have consistently high GDP per capita (Maldives), others show gradual improvement (Sri Lanka, Bangladesh), and some face challenges due to their large populations (India, Pakistan). Afghanistan stands out as a country with significant data gaps, likely due to its complex socio-political environment.

Recommendation

To enhance Pakistan's per capita GDP, the nation can draw inspiration from successful strategies implemented by other countries. For instance, South Korea made substantial investments in education and technology, resulting in the emergence of global tech giants such as Samsung and LG, substantially bolstering their per capita GDP. Singapore

strategically positioned itself as a global financial hub by enacting policies that attracted foreign investments and top talent. Pakistan could consider similar approaches, such as offering incentives like tax breaks or establishing special economic zones to attract foreign investments, upgrading infrastructure to facilitate trade like China's Belt and Road Initiative, and encouraging its overseas talent to return and contribute to national development. Simultaneously, addressing corruption and streamlining bureaucratic processes, drawing from successful examples like Denmark and New Zealand, can further accelerate economic growth and bolster per capita GDP.