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13 June 2018

Online at <https://mpra.ub.uni-muenchen.de/87366/>

MPRA Paper No. 87366, posted 13 Jun 2018 15:46 UTC

# ANALYZING THE TRENDS OF NATURAL RESOURCES RENTS OF PAKISTAN

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## Abstract

An attempt was made to reveal the trends of natural resources in graphical form. Rental incomes which contribute to GDP were taken into account. For this purpose, economic statistics of Pakistan was taken from World Bank's published data source. Data was put in SPSS-20 and comparative analysis chart was created to obtain the objectives. Results revealed no significant constant or linear trends in any factor of natural resources. It was concluded that oil and natural gas contributed significantly in the start of 21<sup>st</sup> Century. Mineral has been treated as neglected factor in contributing to GDP. A research can further expand to explore more trends of rental incomes in different regions of world. We would like to express our gratitude towards initial reviewer of draft and thank to people who helped us in completion of this study.

Keywords: *Oil Rents, Natural Gas Rents, Mineral Rents, Forest Rents, Coal Rents, Trend Analysis*

## Introduction

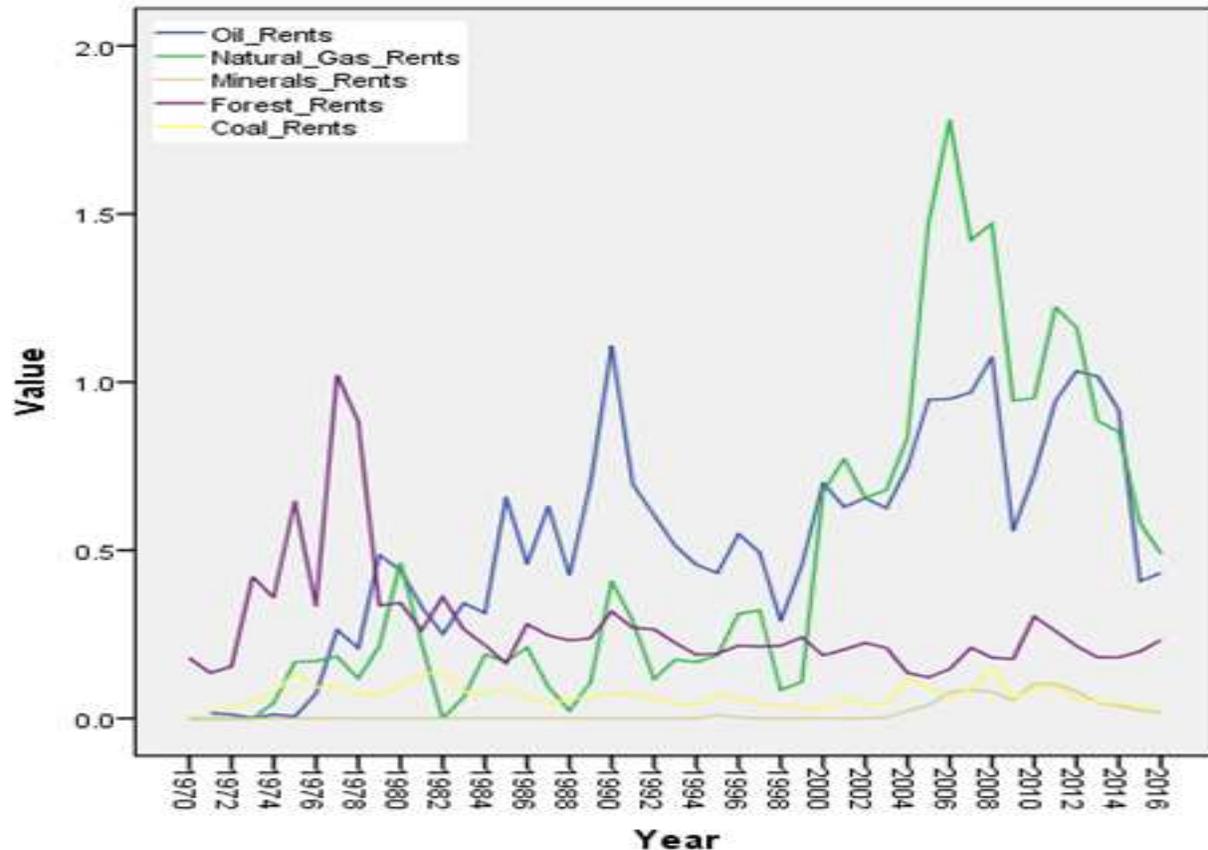
Natural resources play a significant role in development of economy of a country. Natural resources of Pakistan are comprised of several factors that direct contribute to GDP (Sachs and Warner, 2001). Economic rents refer to additional benefits or revenue received from the production of economic factors (Wright, 2000). Moreover, economic rents were considered the indicators in global development (World Bank, 1999). The value GDP of Pakistan is volatile due to its flexible factors. It is necessary to understand the variation in patterns & trends of natural resource rents in contribution to GDP of Pakistan. Natural resources rents were split into several factors. Oil Rents are derived from crude oil. Natural Gas Rents are acquired from the production of gas obtained from natural mean. Mineral Rents are obtained from gold, silver, copper, iron, tin, nickel, lead, zinc, phosphate & bauxite.

Forest Rents are received from rental incomes from harvest products. Coal Rents are collected from soft and hard coal production (World Bank, 2000)

## Methodology

World Bank Economic data was taken from official site. Pakistan economic factors statistics were used in the study. Last 46 years observations (from 1970 to 2016) were taken into consideration. Range of the data was decided due to availability of data. All the values were converted into percentage of total GDP (Trading Economics). Data put into analysis using chart builder of SPSS-20 in order to explain the trend through depicted chart. A comparative analysis was taken place in order to reveal the trend and volatility in pictorial form. Trends of Forex market have been investigated previously with different methods (Alvi and Kamal, 2015).

Figure: Comparative Analysis of National Rents of Pakistan



### Results & Discussions

No specific trends in the national rents of Pakistan were observed. Mineral rents found neglected factor in contribution to GDP. Moreover, Natural Gas rents were also considered as less contributed factor to GDP till the decades of 90s but it inclined drastically after that. Oil rents also play

important role throughout the decades. Forest rents were considered the major contributor to GDP in the decades of 70s. Government should take necessary steps in eradicate hurdles that resist to grow natural resource rents. There are still spaces to promote few areas of natural resources rents like minerals and coal rents of Pakistan.

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