**Abstract**

This study reviews selected indicators on skills and productivity for the period 2000-2008 using labour force survey data. The review of the labour market demonstrates the need of enhancement of skills as well as improved access to skills and education which are necessary to enter a virtuous circle of higher productivity, employment, incomes growth, and development. Without a workforce that is continuously acquiring new and improved skills, it will be difficult for Pakistan to be competitive in the globalizing world. The analysis clearly emphasizes the need for reforms in the technical and vocational education and training system.