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# Trade **Balance of Payments**

**Prices** 



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5.1 DR. RIAZ RIAZUDDIN

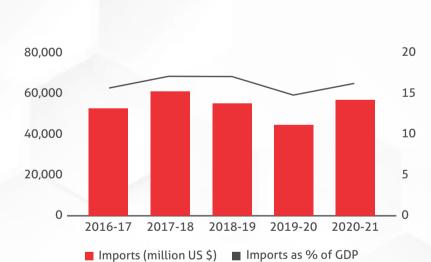
5.2 DR. FAISAL BARI

5.3 DR. UMAIR JAVED

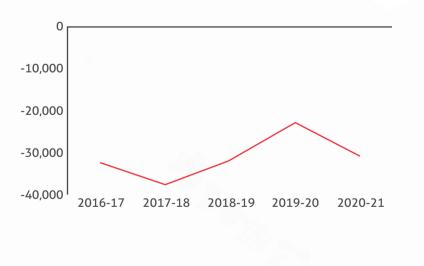
5.4 DR. HOMI KHARAS

(a) Exchange rate bluff





Balance of Trade (Annual in million USD)



Exports (Monthly in million USD)

3000 2000

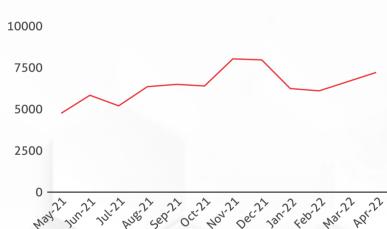
4000

1000

AU8-21

Source: Pakistan Bureau of Statistics, External Trade Statistics

Imports (Monthly in million USD)

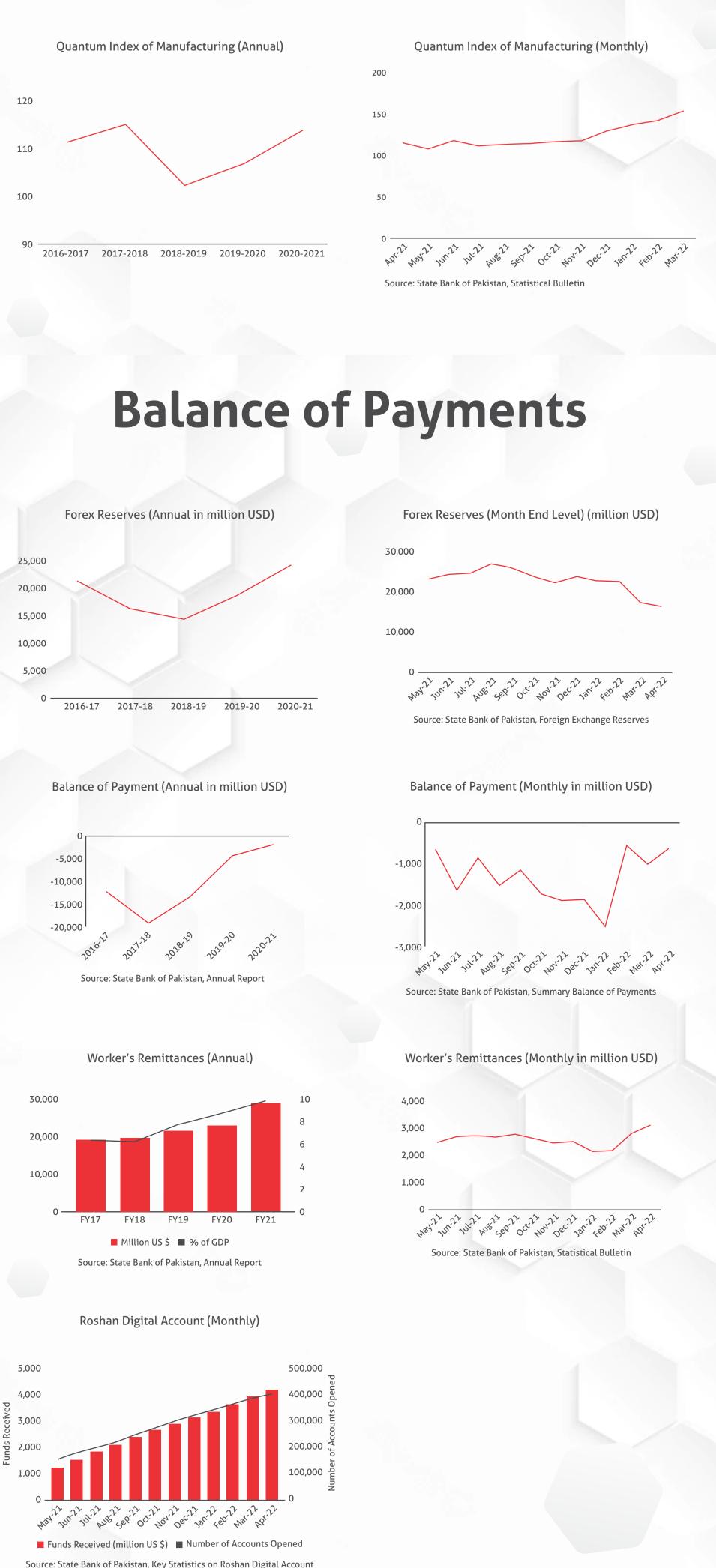


Source: Pakistan Bureau of Statistics, External Trade Statistics

Balance of Trade (Monthly in million USD)



Source: Pakistan Bureau of Statistics, External Trade Statistics





Inflation (%) (Annual)

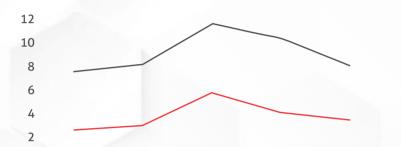
12

10 8

6

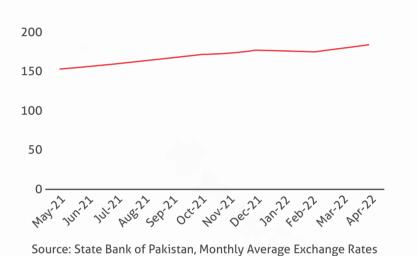
4 2 0 2016-17 2017-18 2018-19 2019-20 2020-21 Source: State Bank of Pakistan, Annual Report

Interest Rates (%) (Annual)



0 2017-18 2018-19 2019-20 2016-17 2020-21 Weighted Average Rates of Return on Deposits (End Period) Weighted Average Rates of Return on Advances (End Period) Source: State Bank of Pakistan, Annual Report

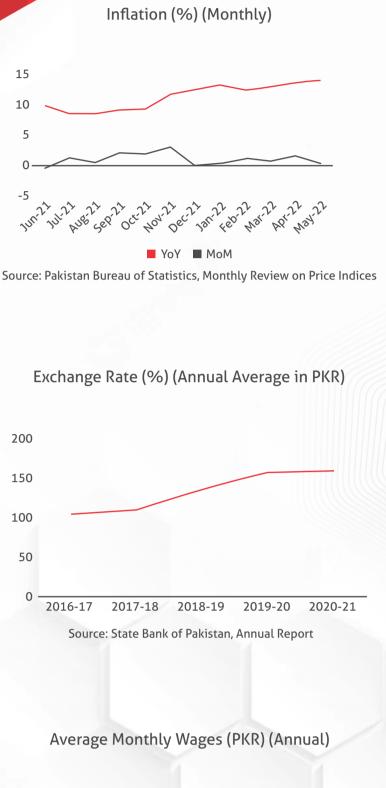
Exchange Rate (Monthly Average in PKR)

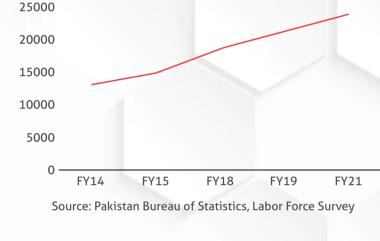


Prices (Monthly)

150

1250 1000





MoM % Change in Prices

15

10

150

100



**DR. RIAZ RIAZUDDIN** 

Exchange rate bluff Stabilisation, default



**DR. FAISAL BARI** Education plans:

a suggestion Higher education:

up the creek

**DR. UMAIR** 

**JAVED** The case for fresh elections Polarisation past and present

Popularity and elections



**DR. HOMI KHARAS** Financing for

sustainable development

is clogged

and autarky



DR. RIAZ RIAZUDDIN **Deputy Governor of the State Bank of Pakistan** 



**DR. FAISAL BARI** Associate Professor, **Department of Economics**, LUMS



**DR. UMAIR JAVED Assistant Professor of Politics and Sociology**, LUMS



#### **DR. HOMI KHARAS** Senior Fellow - Global Economy & Development, Center for Sustainable Development, **Brookings Institute**

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4.1 How can Pakistan leverage the promise of services-led development?

**CDPR Events & Webinars** 

## **Exchange rate bluff**

WE often hear assertions by eminent people (including ministers and independent economists) about a fixed value of the US dollar in Pakistani rupees. Can this bluff ever become credible? To answer this question, let us use a line of reasoning known as 'reductio ad absurdum' sometimes used by mathematicians to either disprove an assertion by showing that it leads to absurdity, or prove an assertion whose contradiction leads to absurdity. 🗖



#### Stabilisation, default and autarky

ARE there common elements in the three seemingly disparate situations mentioned in the title of this piece? Perplexingly, yes. Take autarky first. This is a nationalist concept of an ideal, fully self-sufficient country that consumes what it produces; without any imports, exports, foreign investment or indebtedness. Autarky lies at the opposite extreme of free international trade and finance. No country fits this Robinson Crusoe picture of the economy today.

READ MORE

## Higher education: up the creek

**MANY** public-sector universities, especially the older and bigger ones, have been facing severe budgetary pressures for the last few years. Inflation has been close to double digits during many of these years. The government has cut funding for recurrent expenses of universities a number of times, and in those years when the funds have not been cut, the government has barely covered the previous years' expenses in nominal terms. READ MORE (

### **Education plans: a suggestion**

F PEOPLE are worried about the new government's education plans. Will the Single National Curriculum be continued or shelved? Will we return to the old curriculum and the old books, or will the government create a new national curriculum? Will the government rebrand the SNC as a minimum standard curriculum and allow more flexibility to the provinces and schools to have greater variation around and beyond minimum standards? READ MORE (

#### The case for fresh elections

DESPITE the belated passage of a fuel price rise, a case for holding fresh elections grows stronger. Elections will not decisively solve the various problems in Pakistan at the moment, but they offer the most reasonable way to move a step in that direction. READ MORE (

#### **Polarisation past and present**

MANY are voicing concerns about political polarisation in an uncertain and charged political environment. A frequent question asked and answered is the degree to which polarisation has increased. A related question is what is the root cause of polarisation itself. One common answer to the first is that, yes, it has increased and is unprecedented, and to the second, it is because of Imran Khan's recent rhetoric. These answers are worth evaluating.

#### READ MORE

#### **Popularity and elections**

A COMMON slip that occurs when people in Pakistan talk about politics is equating popularity with the prospects of winning an election. The two, while definitely connected, require us to use different benchmarks. In recent years, nothing is a greater indication of this situation than the persisting gap between Imran Khan's popularity and the actual political prospects of his party.

#### READ MORE

RFAD MORF

#### Financing for sustainable development is clogged

THE IMF/World Bank Spring Meetings are a time when financing for sustainable development gets attention. This year, it was apparent that the main channels are clogged.

To see why, it is useful to start with an understanding of the core elements of sustainable development financing. There are many channels, each with its own drivers.

**Fellows' Articles** 

- 5.1 DR. REZA BAQIR Financial system for all but the illicit
- 5.2 DR. RIAZ RIAZUDDIN (a) Perils of direct SBP credit
- (b) Pricking the bubble
- 5.3 DR. FAISAL BARI Protecting consumer interests
- 5.4 DR. UMAIR JAVED Lack of trust
- 5.5 DR. ZEBA SATHAR

#### A hasty census exercise

#### (0)

In Pakistan, policy decisions and public discourse are often uniformed by available research. The Consortium for Development Policy Research (CDPR) bridges this gap by communicating cutting-edge, evidence-based research on development issues in Pakistan to an audience of policymakers, students, the media and the wider public. With support from the International Growth Centre (IGC), CDPR disseminates policy briefs, hosts events, engages with the media and produces digital content to make topics in development research such as economic growth, energy, education, health and governance intelligible to both decision makers & the public.

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