CDPR NEWSLETTER

2023 YEAR IN REVIEW

cdpr IGC

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MACRODATA

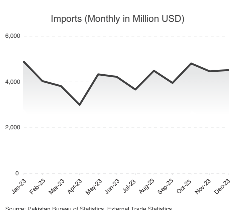
- TRADE
- BALANCE OF PAYMENTS
- PRICES
- ENERGY
- AIR QUALITY

TRADE

Exports (Monthly in Million USD)

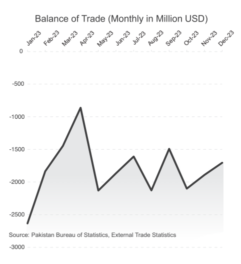
Source: Pakistan Bureau of Statistics, External Trade Statistics

Imports (Monthly in Million USD)



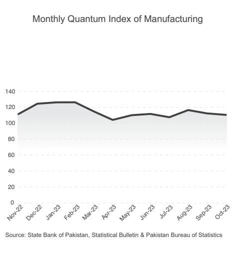
Source: Pakistan Bureau of Statistics, External Trade Statistics

Balance of Trade (Monthly in Million USD)



Source: Pakistan Bureau of Statistics, External Trade Statistics

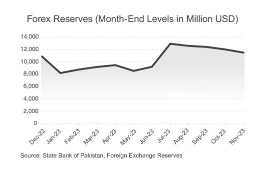
Monthly Quantum Index of Manufacturing



Source: State Bank of Pakistan, Statistical Bulletin & Pakistan Bureau of Statistics

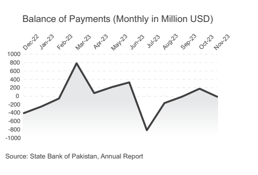
BALANCE OF PAYMENTS

Forex Reserves (Month-End Levels in Million USD)



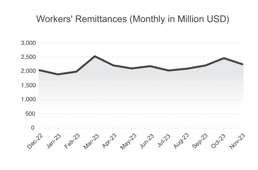
Source: State Bank of Pakistan, Foreign Exchange Reserves

Balance of Payments (Monthly in Million USD)



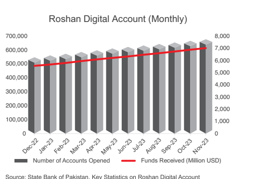
Source: State Bank of Pakistan, Annual Report

Workers' Remittances (Monthly in Million USD)



Source: State Bank of Pakistan, Annual Report

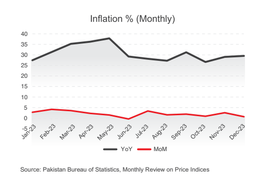
Roshan Digital Account (Monthly)



Source: State Bank of Pakistan, Key Statistics on Roshan Digital Account

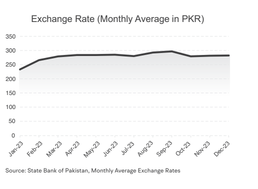
PRICES

Inflation % (Monthly)



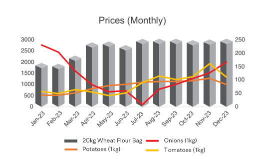
Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

Exchange Rate (Monthly Average in PKR)



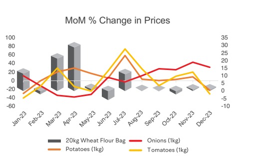
Source: State Bank of Pakistan, Monthly Average Exchange Rates

Prices (Monthly)



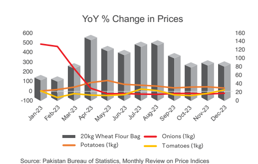
Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

MoM % Change in Prices



Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

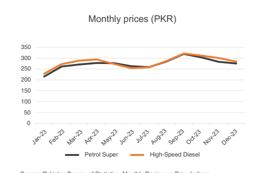
YoY % Change in Prices



Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

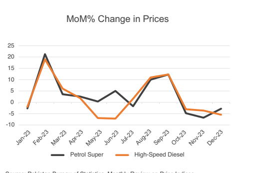
ENERGY

Monthly prices (PKR)



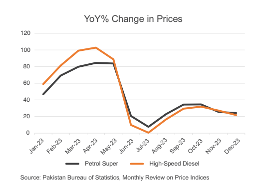
Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

MoM% Change in Prices



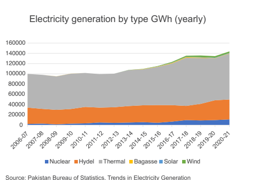
Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

YoY% Change in Prices



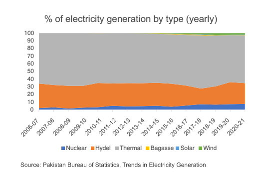
Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

Electricity generation by type GWh (yearly)



Source: Pakistan Bureau of Statistics, Trends in Electricity Generation

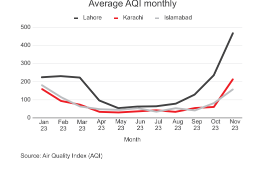
% of electricity generation by type (yearly)



Source: Pakistan Bureau of Statistics, Trends in Electricity Generation

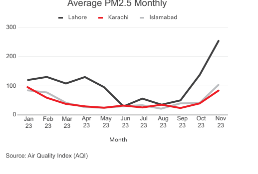
AIR QUALITY

Average AQI monthly



Source: Air Quality Index (AQI)

Average PM2.5 Monthly



Source: Air Quality Index (AQI)

PROJECT HIGHLIGHTS

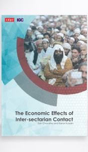
Understanding Informality in the Wholesale Retail and Real Estate Sector

The Consortium for Development Policy Research in collaboration with the Pakistan Business Council (PBC) recently worked on a Study titled: "Understanding Informality in the Wholesale, Retail and Real Estate Sectors." The team of Researchers from CDPR included Dr. Umair Javed (LUMS), Dr. Sher Afghan Asad (LUMS) and Dr. Hamid Ateeq Sarwar (REMIT).

The primary objective of the Study was to identify how these three sectors, i.e., the wholesale, retail & real estate continue to operate for the most part in the informal economy. The Study also makes recommendations for bringing these three sectors into the formal economy.

A launch event for the Study was held in Islamabad on May 3rd, 2023. The Presentation made by the CDPR team is attached as is a soft copy of the Study.

READ MORE



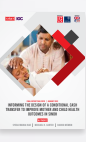
The Economic Effects of Inter-sectarian Contact

The Shia-Sunni sectarian divide within Islam has recently become of great importance economically and politically, not just in the Middle East but globally. The aim of this project was to implement a pilot to increase contact in a very natural setting (mosques) in Pakistan and to and evaluate its effect on beliefs and preferences of mosque-goers about the other sect as well as their economic behavior.

The experiment showed that if the state tried to implement policies that led to a reduction in incorrect perceptions of others and used authority figures to implement such programs, it should lead to substantial positive effects on communal harmony and economic outcomes.

The Government of Punjab has in the past shown interest in such a policy and it is feasible for the state to implement because it owns and manages a large number of mosques in the country with many Imams on its own payroll. Hence, the state can encourage the leaders of mosques to make statements in favor of religious harmony and support members of different sects visiting each other's mosques.

READ MORE



Informing the Design of a Conditional Cash Transfer to Improve Mother and Child Health Outcomes in Sindh

Improvements in maternal and child health indicators remain a priority area in developing countries. However, progress in the healthcare utilization during and after pregnancy continues to be a struggle in the south-eastern province of Sindh in Pakistan. To improve the state of health outcomes in Sindh, the provincial government has decided to launch "Mother and Child Health Conditional Cash Transfer (CCT)" program as a policy response, the pilot of which is underway in the poorest two districts of the province. This project looks at the impact of the cash transfer on healthcare utilization and health outcomes, focusing on the interaction of cash receipt with the underlying norms captured by a household's decision-making structure and attitudes towards formal obstetric care.

In the second round of investigations the PI's developed extensive household modules on exposure to flooding, coping mechanisms, sources of assistance, and food security which were added to the survey questionnaire.

The Principal Investigators of this report are Syeda Warda Riaz (PhD Candidate, University of California – Davis), Michael R. Carter (Distinguished Professor of Agricultural and Resource Economics, University of California – Davis), and Rashid Memon (Assistant Professor, Qatar University).

This project has been funded by the International Growth Center (IGC) and housed at the Consortium for Development Policy Research.

READ MORE

INSIGHTS FOR CHANGE

CDPR's and IGC's 'Insights for Change' series attempts to take an analytical approach to devising action-oriented policy solutions. They are authored by economists and practitioners who are experts in their field. Here are the top picks of 2023:

Responding to Pakistan's Floods

The floods of August 2022 could not have come at a worse time for Pakistan caught up in deep macro-economic and political turmoil. A ballooning trade deficit, impending debt service obligations and fast depleting reserves had put a lot of pressure on the exchange rate, which had depreciated 24 percent in 21-22. Inflation was at an all-time high (27 percent year on year). Already in an IMF program (fifth since 2000) with stringent fiscal targets, there was little room to fund large unanticipated expenditure. Nearly $31 billion concessionary capital, which would help create the fiscal space needed to respond to any exogenous shock, was tied up with the continuation of the IMF program. To make things worse, the coalition government that had ousted the previous government in a vote of confidence resisted tough conditionality and the program was on hold.

BY DR. IJAZ NABI

Towards Industrial Policy 2.0 – Part 1 & Part 2

Part 1: Recent developments in the Western countries have reopened the discourse on the need for an Industrial Policy. Pakistan which has gone through Deindustrialization in the last few decades has to examine carefully whether it can benefit from evolving an Industrial Policy of a kind different from the earlier policy which we would characterize Industrial Policy 1.0.

Towards Industrial Policy 2.0 – Part 1 & Part 2

Part 2: Whether Pakistan should pursue an industrial policy or not is a question that has not yet been debated seriously. There are clear ideological divisions among those who believe that the state should have a better control over generation and allocation of resources and others who are of the view that the state should set the direction and incentives structure and let the households, private firms, businesses, and farmers make the choices.

BY DR. ISHRAT HUSSAIN

How would Avoiding Child Marriages affect Human Capital Outcomes in Pakistan?

The last few decades have witnessed tremendous progress in global human development: since 1990, the percentage of the population living in extreme poverty has declined from 36% to 9.2% in 2022; neonatal mortality rates are down by 51%; and global maternal mortality has declined by 38% (since 2000). Despite such progress, several problematic practices persist. Child marriage is one such practice: 12 million girls are married before the age of 18 every year – 4 nearly 1 every 2 seconds.

BY DR. HADIA MAJID, RABIA SAEED, BILQUIS TAHIRA, SAMAN TAHIR AND SAMAN TAHIR

The Dark Side of Real Estate: Uncovering its Malevolent Influence on National Economic Progression

If one can pin down the challenges of Pakistan's economy to one issue, it would be a low level of productivity compared to the rest of the world. The country's low productivity is responsible for the stagnation of manufacturing, dismal exports, and recurrent balance of payments problems. Unfortunately, the real estate activities, particularly investment and trading of plots, are partly responsible for the low economic productivity of the country as it has displaced capital away from the innovative and job-creating sectors of the economy into the empty plots of land.

BY DR. SHER AFGHAN

Foundational Learning During Emergencies- Learning is Not a Lost Cause in Pakistan

A year on from the unprecedented floods of 2022 that affected 33 million people (50% children), a humanitarian crisis persists in Pakistan. Aid has been slow to reach, given competing challenges in an era of multiple crises. Sindh, with a population of 35 million, was hardest hit. In addition to massive loss of housing, crops and livelihoods, there was extensive damage to education infrastructure. Almost 60% of schools in the region were affected.

BY BAELA RAZA JAMIL AND FATIMA HAFEEZ SHAMSI

Navigating Pakistan's Power Sector Crisis: Challenges, IMF Recommendations, and the Path to Sustainable Reform

Pakistan faces turbulent times as it grapples with a looming sovereign default brought on by maturing external debt payments and a shortage of foreign reserves. To avoid a potential sovereign default, Pakistan is seeking assistance from the International Monetary Fund (IMF). An important issue that concerns the IMF is the debt crisis in Pakistan's electricity sector for whose solution the IMF has made certain recommendations.

BY NUMAIR LIAQAT CHATHA & FARAZ HAYAT

LET'S TALK DEVELOPMENT

This year, CDPR and IGC launched the first season of its podcast series called 'Let's Talk Development', which is about understanding Pakistan's crucial economic and development problems. We engaged experts in exploring critical development issues and trends in Pakistan.

Here is our pick of the top 5 episodes of season 1:

Saving Pakistan from Default

In this episode, Dr. Ijaz Nabi speaks with Dr. Murtaza Syed to discuss what led to a full-blown economic crisis in Pakistan and whether the IMF's intervention would be able to prevent default.

LISTEN HERE

Navigating Climate Governance

Dr. Adil Najam and Rafay Alam discuss how governments can find a balance between imperatives of economic growth and development while prioritizing meaningful climate action.

LISTEN HERE

Why Are Pakistanis Leaving the Country?

Dr. Ali Khan and Mohsin Hamid discuss some of the leading causes responsible for driving the crisis of international migration among Pakistanis, including an intensifying economic crisis and political turmoil, surging terrorism, and constant threats of natural disasters.

LISTEN HERE

How Much Say Do Voters Have over Election Outcomes?

Dr. Niloufer Siddiqui and Dr. Asad Liaqat discuss these constraints and how the upcoming election outcomes can be influenced by the way parties are structured and the way they interact with voters.

LISTEN HERE

Pakistan's Foreign Policy in Review

In this podcast, Ms. Hina Rabbani Khar and Dr. Madiha Afzal talk about Pakistan's current foreign policy approach, it's major priorities and challenges and how it has evolved over the years.

LISTEN HERE

LATEST PODCAST

Afghan's Forced Exodus: Justified or Unwarranted?

Dr. Rasul Bakhsh Rais and Asad Rahim Khan talk about the importance of protecting the rights of Afghan refugees in the country who have been residing here for several years and explore the causes behind the changes in policies regarding these refugees.

WATCH | LISTEN HERE

ANNUAL CONFERENCE

Pathways to Development

Pathways to Development is a multidisciplinary conference that brings together empirical and historical research by economists, political scientists, sociologists, legal and constitutional scholars, and law and policy reform experts, within and outside Pakistan, to document and describe the scale of challenges facing Pakistan and to organize discourse about ways in which these can be mitigated.

The second Pathways to Development Conference brought together empirical work in economics, sociology, politics, and political economy, to find solutions to the grand challenges constraining sustainable growth in Pakistan and the region. The focus of this conference was Inequalities & Social Justice.

Consortium for Development Policy Research arranged a plenary session "India, Pakistan and Bangladesh: Where did their growth trajectories diverge?" as Panel session 1 on day 1.

READ MORE

Panel Convenors

- Ijaz Nabi (Country Head IGC)
- Hadia Majid (LUMS)

Panelists

- Sadiq Ahmed (Policy Research Institute of Bangladesh)
- Ishrat Husain (Former Governor State Bank of Pakistan)
- Rakesh Mohan (Centre for Social and Economic Progress India)

WATCH

This conference was hosted jointly by the following institutions:

Institute of Development & Economic Alternatives (IDEAS), Chaudhry Nazar Muhammad Department of Economics at LUMS, Mahbub ul Haq Research Centre at LUMS, Institute of Development Studies at University of Sussex (IDS), Consortium for Development Policy Research (CDPR), International Growth Centre, and Centre for Economic Research in Pakistan (CERP).

Date	Location
December 18-20, 2023	Lahore University of Management Sciences (LUMS)

EVENTS RECAP

MOU signing on Climate Change

On 27th July 2023, in a meeting led by then Chairman Planning & Development Board (P&D), Punjab Dr. Ali Sarfraz Hussain, and with invaluable support from the International Growth Centre (IGC), CDPR successfully signed an MoU with P&D Punjab. They are currently collaborating on a journey to devise a comprehensive climate change agenda.

Zara Salman (CEO, CDPR) and **Dr. Sohail Anwar** (Secretary, P&D) signed the MOU on behalf of their organizations

READ MORE

At the meeting, team CDPR and IGC made presentations on the importance of addressing climate change with a focus on three thematic areas:

Sustainable Cities | Energy | Agriculture and Food Security

The P&D team also presented the work that was being undertaken at that time as well as planned initiatives and identified areas of synergy between the organizations.

Punjab's Air Pollution: Research, Policy, and Practice

The Consortium for Development Policy Research (CDPR) held a consultative workshop to discuss the findings of recent research on air quality in collaboration with the International Growth Centre (IGC) and Mahbub ul Haq Research Centre (MHRC) on July 20, 2023, at LUMS.

The workshop was divided into two sessions, each of which intended to generate a dialogue on the policy challenges and practical solutions that can improve the lives of Pakistani citizens vulnerable to the harmful impact of poor air quality. Dr. Sanval Nasim (Assistant Professor, Colby College) moderated the discussion and Dr. Parvez Hassan (Senior Partner, Hassan and Hassan) delivered a keynote speech.

Session 1

Data on Air Quality and Pollution

The first session focused on measuring the type and sources of pollutants in Punjab and understanding citizens' beliefs about air pollution and how it shapes their behaviour.

The presenters for this session included:

- **Omar Masud** – CEO, Urban Unit
- **Shotaro Nakamura** – PhD Candidate, University of California, Davis
- **Nazish Afraz** – Programme Economist SEED
- **Mohammad Malick** – Lead Survey Wing IDEAS

Session 2

Regulatory Challenges

The second session focused on understanding local policy and regulatory challenges in tackling air pollution and identifying new areas for research and policy work to support regulator's mitigation and adaptation efforts.

The presenters for this session included:

- **Amna Shahab** – Director, ECOlogical
- **Ahmad Imran Aslam** – Environment Specialist, World Bank

PART-1 WATCH | PART-2 WATCH | PART-3 WATCH | PART-4 WATCH

Setting the Agenda for Climate change and Development in Pakistan

The Consortium for Development Policy Research in collaboration with the International Growth Centre (IGC) and the World Bank held a session of Lahore Policy Exchange on 'Setting the Agenda for Climate and Development in Pakistan'. The session was held on Thursday, 15th June 2023 at the Consortium for Development Policy Research.

The World Bank recently launched the Country Climate and Development Report (CCDR) for Pakistan that provides recommendations on how to integrate climate resilience with development planning and investment while maximizing opportunities for emissions reduction.

One of the leading champions of the CCDR, John Roome, presented the key messages and recommendations of the report and, together with the panel and the audience, explored the constraints that have prevented Pakistan from achieving this climate-development convergence so far.

The following speakers were part of the panel:

- **Mr. John Roome** – Regional Director, South Asia Sustainable Development, World Bank
- **Mr. Omar Masud** – CEO, Urban Unit
- **Ms. Amina Bajwa** – Economist and Food Security Specialist
- **Mr. Rafay Alam** – Environmentalist and Lawyer
- **Ms. Sara Hayat Tamman** – Lawyer and Climate Change Specialist

WATCH

Climate change and Population Growth in Pakistan

The Consortium for Development Policy Research in collaboration with the International Growth Centre (IGC) and the Mahbub ul Haq Research Centre (MHRC) held a session of Lahore Policy Exchange on Climate Change and Population Growth in Pakistan. The session was held on Friday, 10th February 2023.

Climate change over the coming decades is expected to affect the ability of land to support the lives and livelihoods of much of the world's population, and an increasing population will compound these impacts. Population pressure rises when land quality declines or when population size rises. It is imperative to study the impacts of rising population pressure as many of the countries expected to suffer degradation in land quality due to climate change.

The following speakers had a candid conversation on the impact of climate change and population growth on economic growth:

- **Dr. David Weil** – Professor of Economics, Brown University
- **Mr. Ali Tauqeer Sheikh** – Member National Climate Change Council
- **Dr. Maryam Ibrahim** – Human Geographer & Assistant Professor, Lahore University of Management Sciences

WATCH

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6. **Fellows' Articles**
   - 6.1 **Faisal Bari** Facing the Abyss
   - 6.2 **Umair Javed** Why We Should Care
   - 6.3 **Riaz Riazuddin** Our Banking 'Efficiency'

In Pakistan, policy decisions and public discourse are often uninformed 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.

For regular updates regarding CDPR's policy and research work please follow us on: