

CDPR

NEWSLETTER

2024

JUNE

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MACRODATA

- Trade
- Balance of Payments
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- Energy
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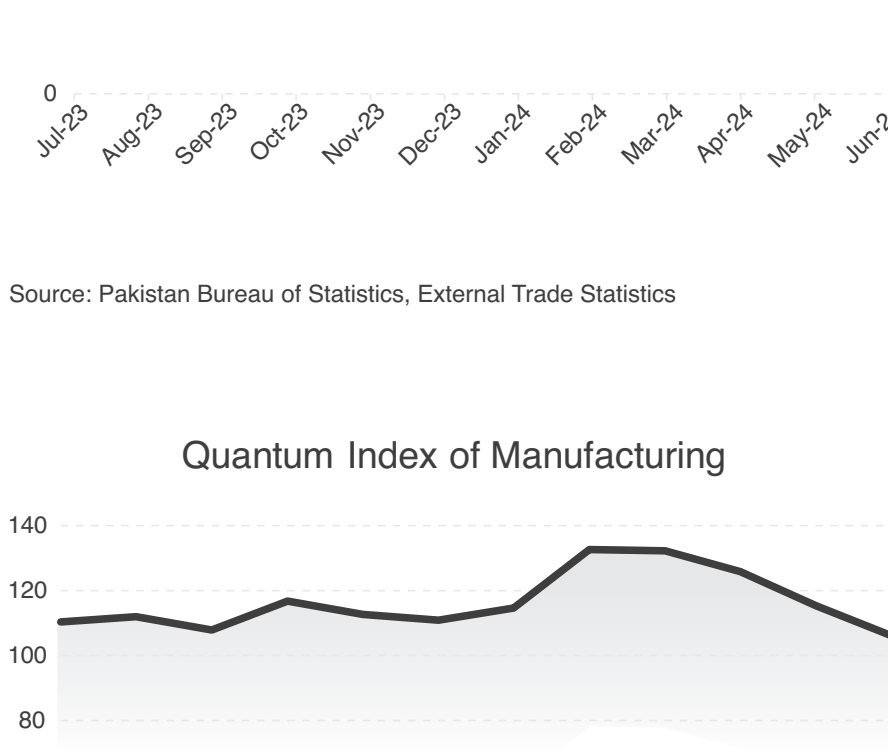
TRADE

Exports (Monthly in Million USD)



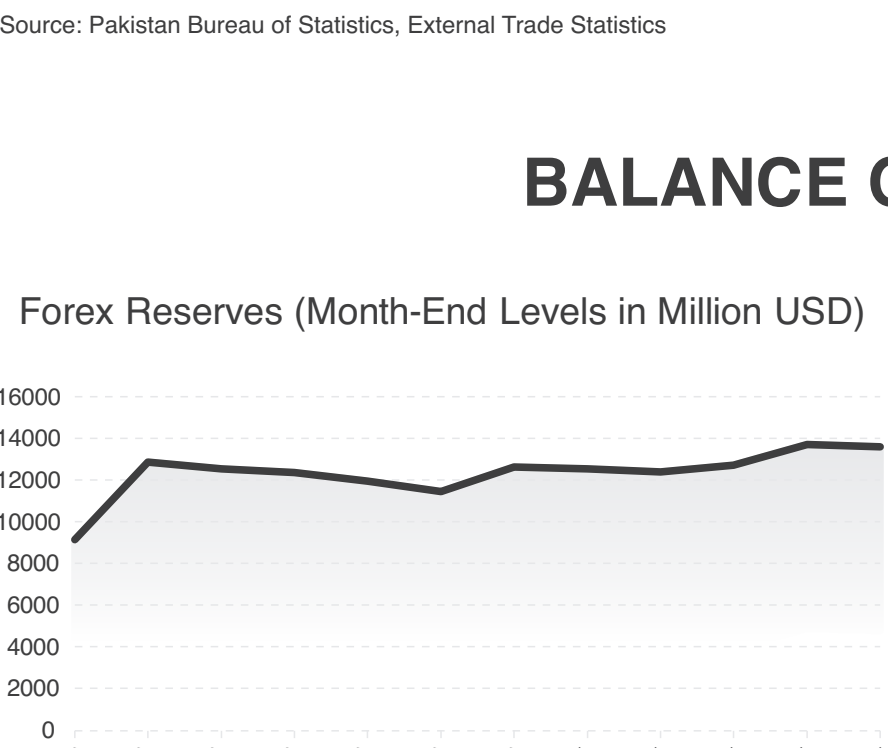
Source: Pakistan Bureau of Statistics, External Trade Statistics

Imports (Monthly in Million USD)



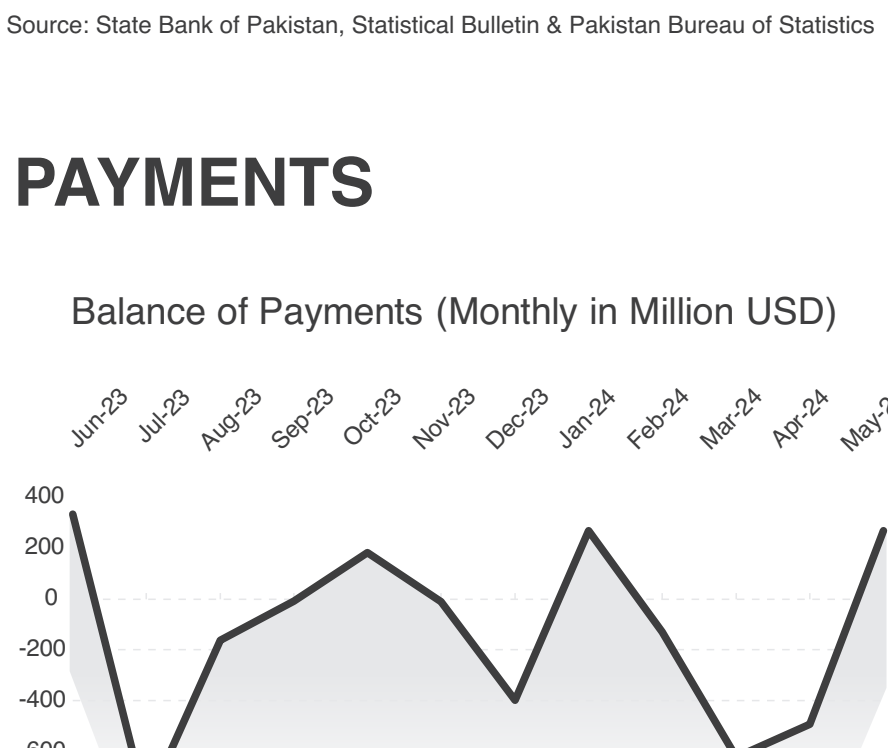
Source: Pakistan Bureau of Statistics, External Trade Statistics

Balance of Trade (Monthly in Million USD)



Source: Pakistan Bureau of Statistics, External Trade Statistics

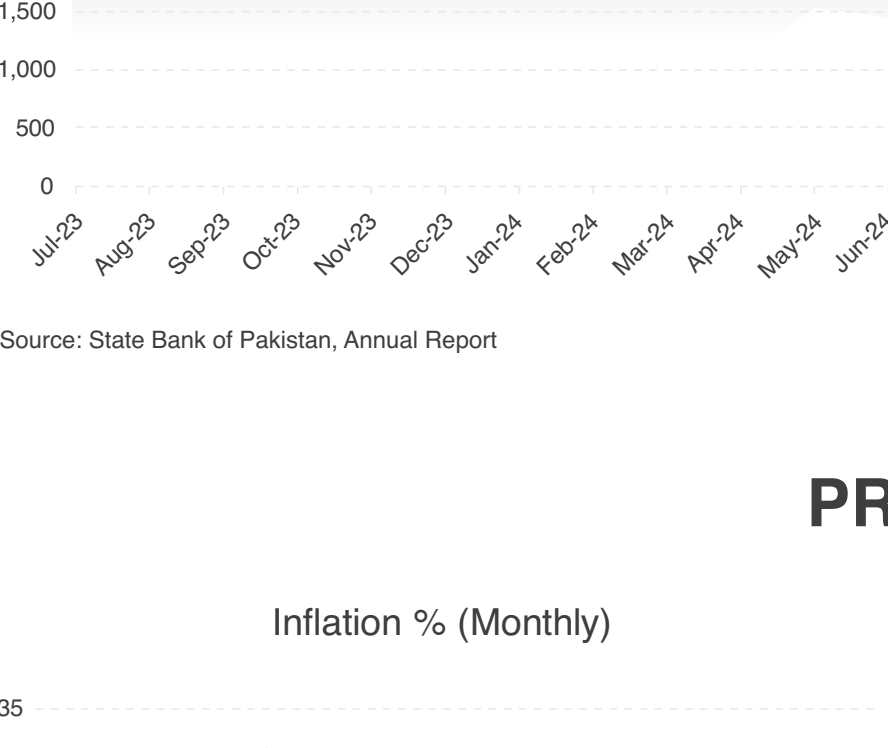
Quantum Index of Manufacturing



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

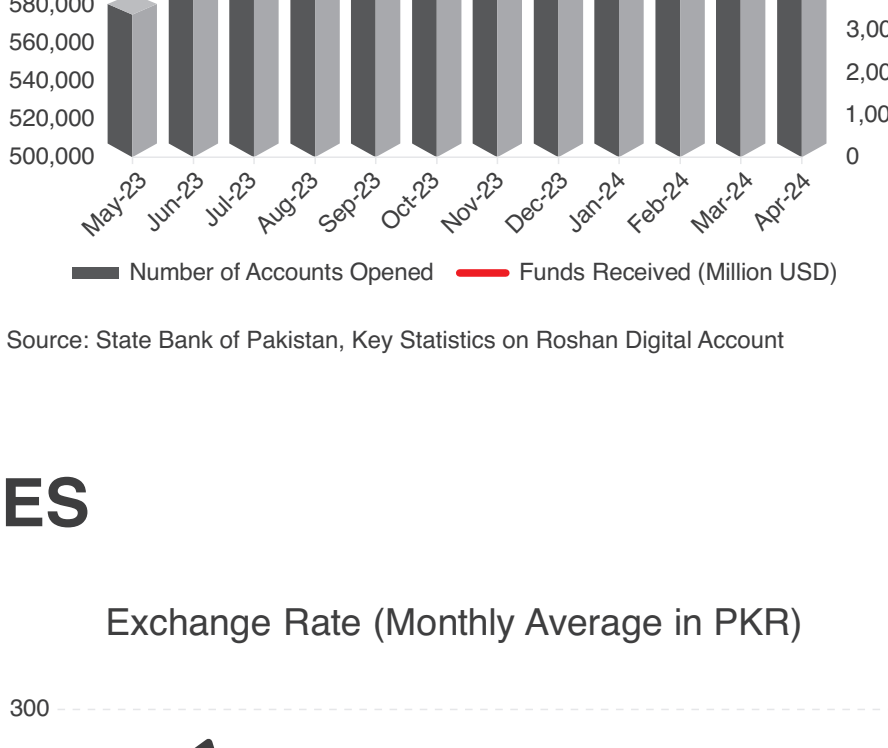
BALANCE OF PAYMENTS

Forex Reserves (Month-End Levels in Million USD)



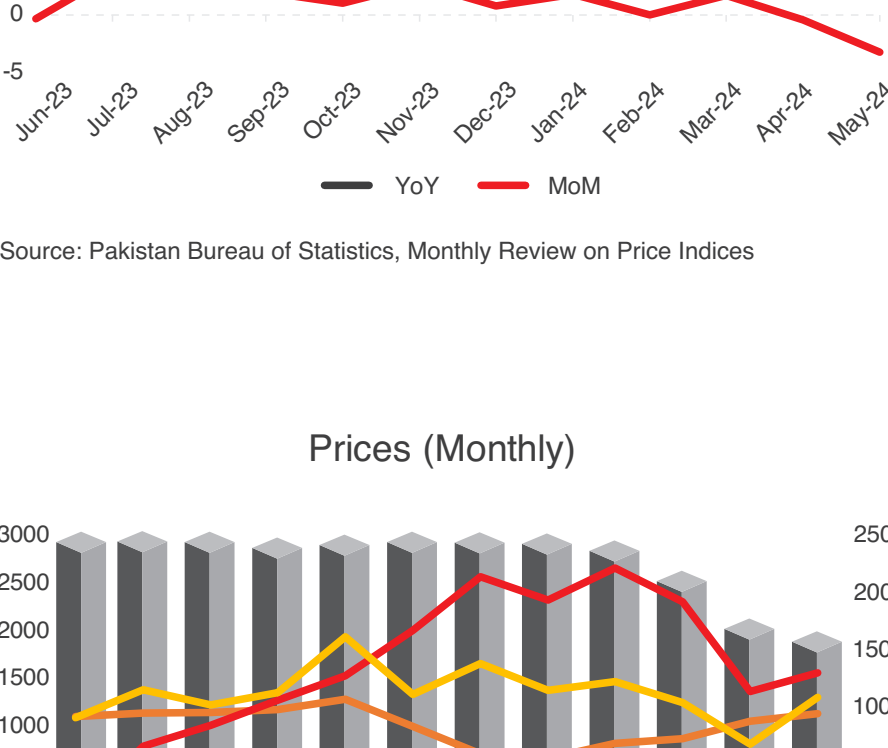
Source: State Bank of Pakistan, Foreign Exchange Reserves

Balance of Payments (Monthly in Million USD)



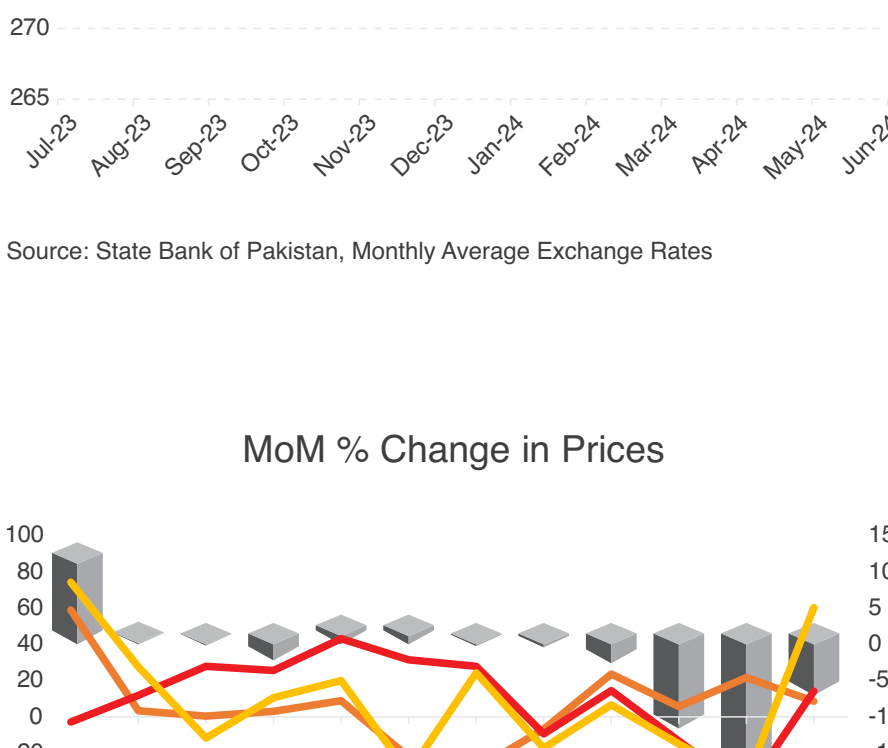
Source: State Bank of Pakistan, Annual Report

Workers' Remittances (Monthly in Million USD)



Source: State Bank of Pakistan, Annual Report

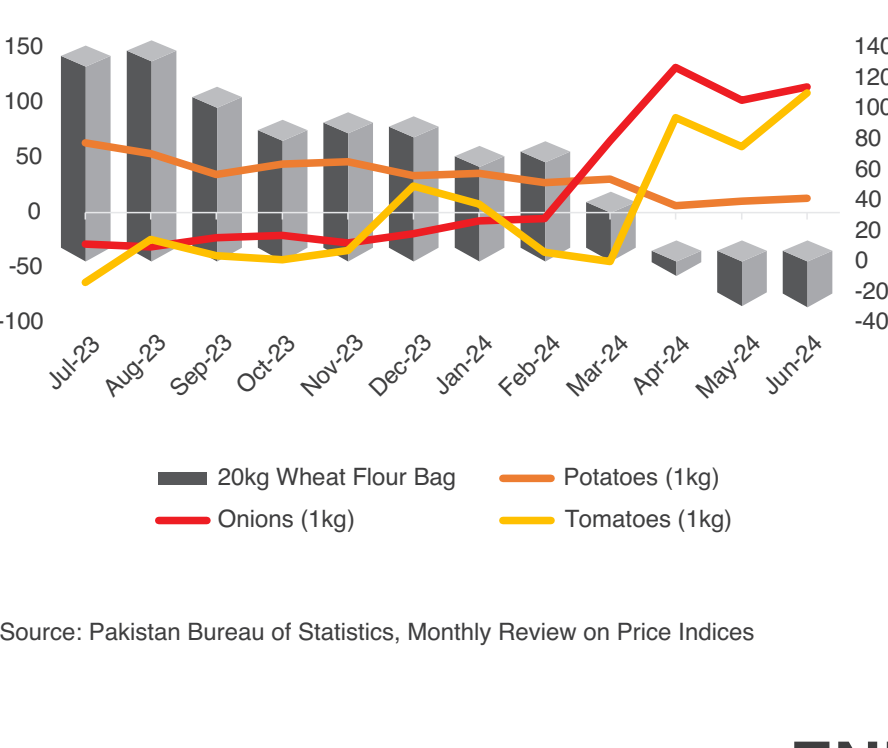
Roshan Digital Account (Monthly)



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

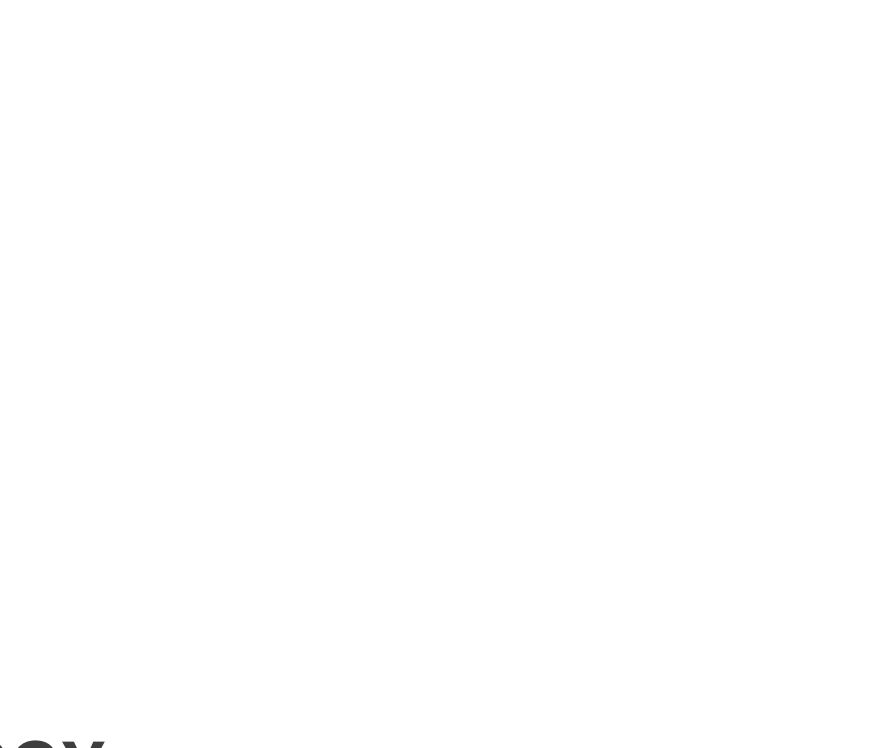
PRICES

Inflation % (Monthly)



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

Exchange Rate (Monthly Average in PKR)



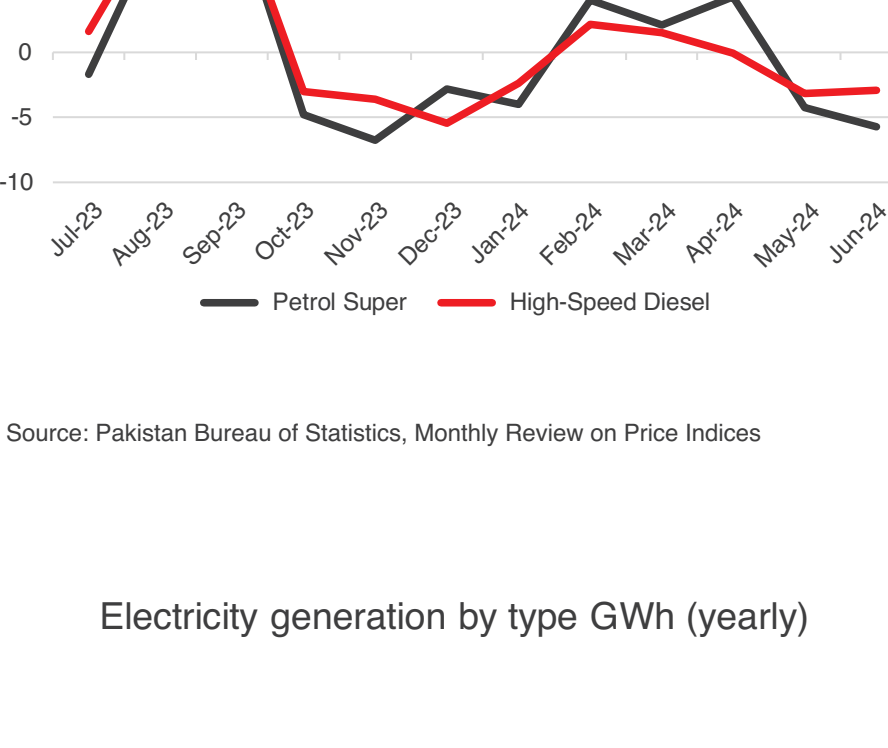
Source: State Bank of Pakistan, Monthly Average Exchange Rates

Prices (Monthly)



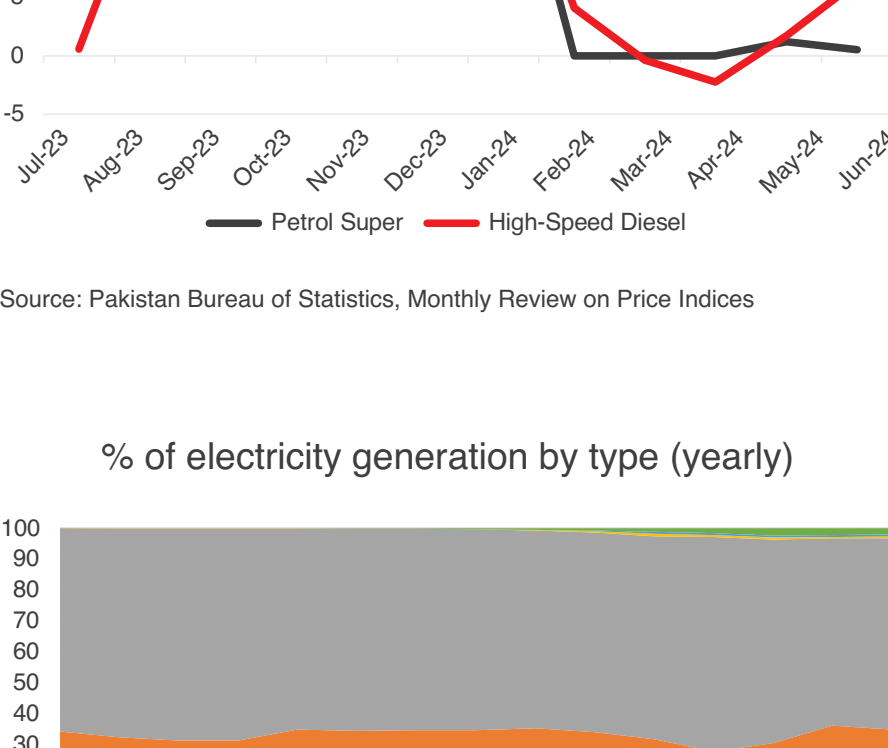
Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

MoM % Change in Prices



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

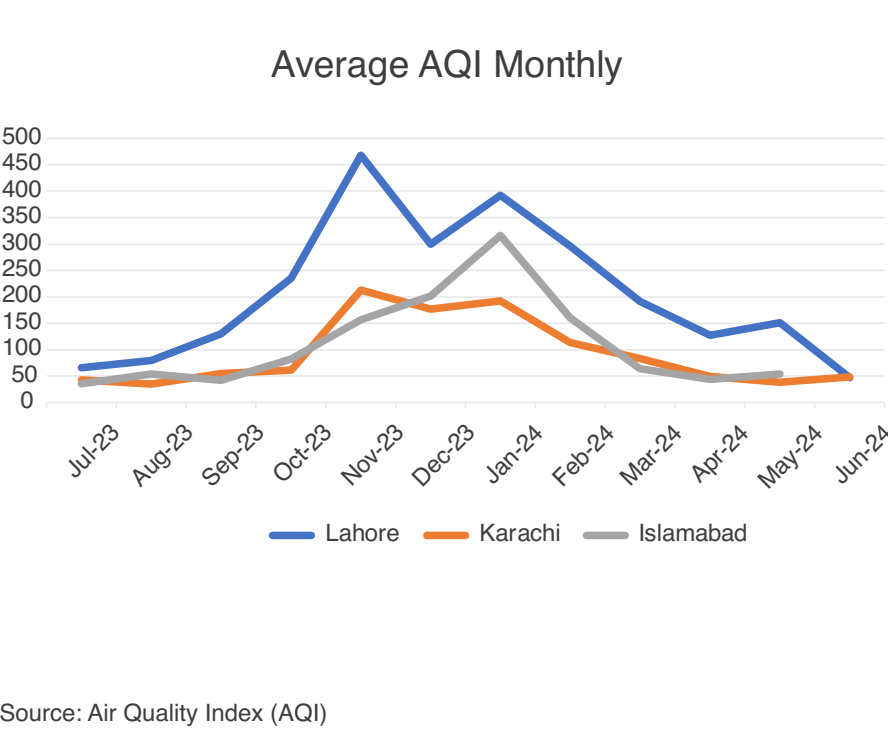
YoY % Change in Prices



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

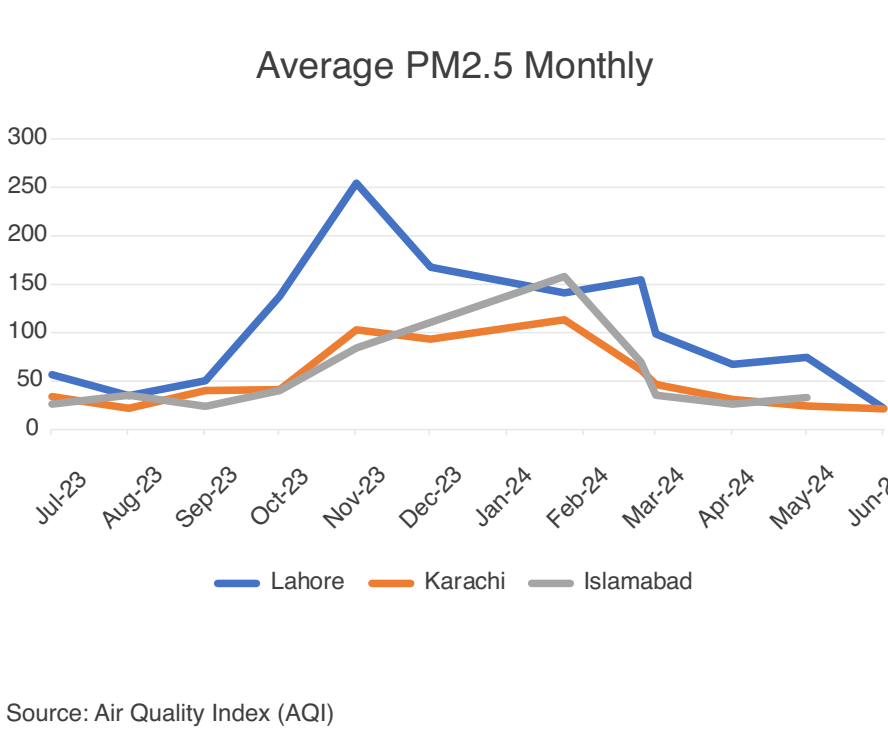
ENERGY

Prices (Monthly)



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

MoM % Change in Prices



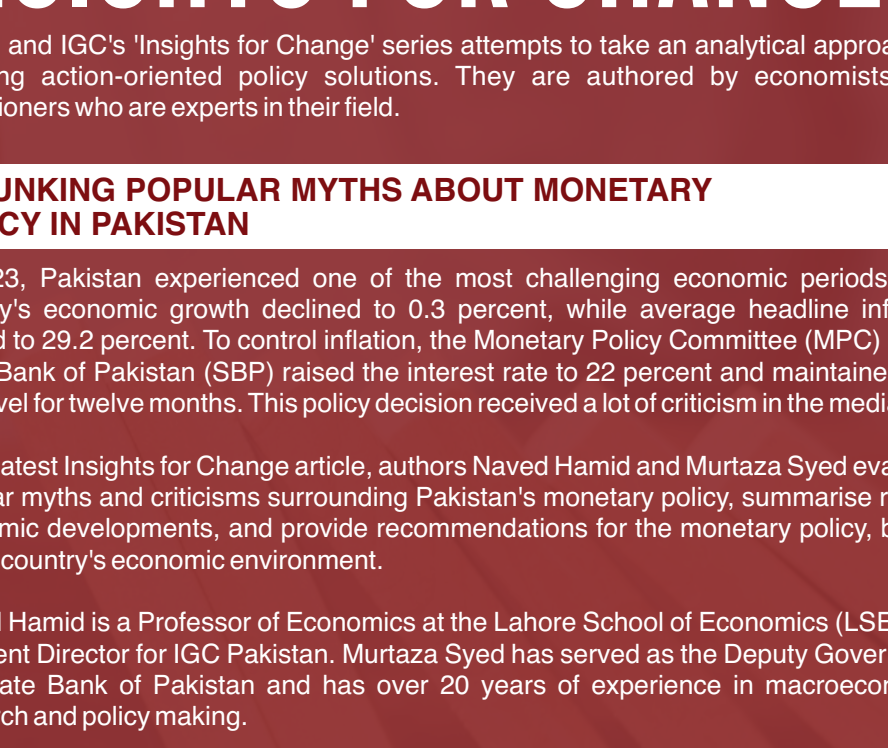
Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

YoY % Change in Prices



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

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, Monthly Review on Price Indices

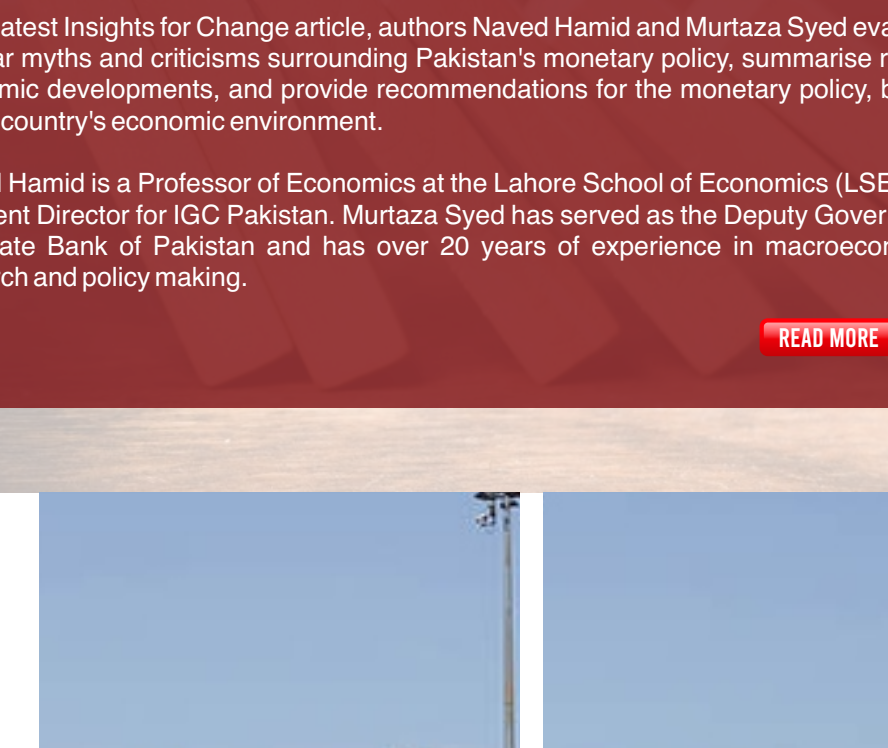
AIR QUALITY

Average AQI Monthly



Source: Air Quality Index (AQI)

Average PM2.5 Monthly



Source: Air Quality Index (AQI)

INSIGHTS FOR CHANGE

CDPR 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.

DEBUNKING POPULAR MYTHS ABOUT MONETARY POLICY IN PAKISTAN

In 2023, Pakistan experienced one of the most challenging economic periods. The country's economic growth declined to 0.3 percent, while average headline inflation soared to 23.2 percent. To control inflation, the Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) raised the interest rate to 22 percent and maintained it at that level for twelve months. This policy decision received a lot of criticism in the media.

In the latest Insights for Change article, authors Naved Hamid and Murtaza Syed evaluate popular myths and criticisms surrounding Pakistan's monetary policy, summarise recent economic developments, and provide recommendations for the monetary policy, based on the country's economic environment.

Naved Hamid is a Professor of Economics at the Lahore School of Economics (LSE) and Resident Director for IGC Pakistan. Murtaza Syed has served as the Deputy Governor of the State Bank of Pakistan and has over 20 years of experience in macroeconomic research and policy making.

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POLICY ANALYSIS

EXPORT DIVERSIFICATION INTO NON-TRADITIONAL PRODUCT SEGMENTS

This research was a collaboration between the Consortium for Development Policy Research (CDPR) and The Pakistan Business Council (PBC). The principal investigators are Syed Turab Hussain (Associate Professor, LUMS), Usman Khan (Policy and Economics Expert), Zara Saiman (CEO, CDPR), Ayesha Zaman (Research Associate, CDPR) and Hassan Aziz (Research Associate).

In the past two decades, Pakistan's export basket has been heavily concentrated in products with low diversity and low complexity, primarily centered around textiles and agriculture. The country's limited product space has not only hindered export diversification but has also restricted growth, making the country vulnerable to external shocks. This report aims to identify new product lines within the export sectors of Pakistan, with the goal of enhancing diversification into higher value-added products that are within reach.

Through detailed analysis, the report also provides policy recommendations to facilitate this transition in the short to medium term. It uses the Hausman-Probit Space analysis and Growth Identification and Facilitation Framework (GIF).

Based on these tools, the report identifies five potential sectors for export diversification: High-Value Garments, Leather Products & Footwear, Surgical & Medical Device Industry, Sporting Goods, and Pharmaceuticals and highlights primary products within each category, holding significant export opportunities.

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LET'S TALK DEVELOPMENT

CDPR and IGC's podcast series called *'Let's Talk Development'* is about understanding Pakistan's crucial economic and development problems. We engage experts in exploring critical development issues and trends in Pakistan.

CDPR X ENGRO FERTILIZERS: SUSTAINABILITY AND FOOD SECURITY

Farmers are an integral part of Pakistan's economy, as 22% of the country's GDP comes from the agriculture sector. 92% of the farmers are smallholder farmers, who are also the main market for the fertiliser industry. Encouraging farmers to use fertilisers in a sustainable manner is hence integral for preserving food security. Aif Muhammad Ali and Amina Bajwa talk about how the fertiliser industry can transition towards a more sustainable model without the support of government subsidies. They discuss how to boost the productivity of smallholder farmers in Pakistan and how to enhance research and development within Engro fertilisers.

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EVENTS

CDPR and IGC held its Lahore Policy Exchange on **'Lahore Futures'** on June 12, 2024.

The focus of this talk was to encourage a discussion on agenda setting for the future of Lahore, the issues concerning its development and its heritage. The talk emphasised on using past trends to predict the future of the city. This was the first in a series of sessions focused on Lahore and it served as a scoping activity in identifying what other issues and aspects of Lahore's future should be discussed in the upcoming sessions.

The panel consisted of

Opening Remarks
Ijaz Nabi
 Executive Director CDPR, Country Head IGC

Speakers
Mohammad Omar Masud
 CEO, Urban Unit
Kamil Khan Mumtaz
 Architect
Qudsia Rahim
 Co-Founder and Executive Director of the Lahore Biennale Foundation

Moderator
Sanval Nasim
 Assistant Professor, Coby College

Panelists
Imrana Tiwana
 Architect and Urban Specialist
Omar Hassan
 Architect

[WATCH](#)

READ PAKISTAN'S GROWTH STORY

Once a Walled City, with thirteen historical gates as its entry points particularly during the Mughal era, Lahore has expanded rapidly and is turning into a multicentric megacity, with a population of around 14 million people.

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FELLOWS' ARTICLES



"HIGHER EDUCATION UP THE CREEK"

"If memory serves me right, the following is from one of Mushatq Yousufi's books, possibly Zargazishi. He says that every time he went to his boss, who was a Scotsman, to ask for a raise, his boss would say, as soon as Yousufi entered the room, 'Yousufi, it is good you are here, we have to fire some people'. Ten minutes later, Yousufi would leave the office very grateful that he was not one of those who was fired."

When the government first announced that it was cutting the budget for higher education, and later, with great magnanimity, announced it would restore it to last year's level, it reminded me of this story. And the government also expects us to be thankful.

The number of universities keeps going up as provincial and federal governments bestow new charters and upgrade colleges. But the Higher Education Commission's funds have not been increased for several years. This despite the inflation. It is not surprising that many universities, even the more established, older ones, are under grave financial stress.

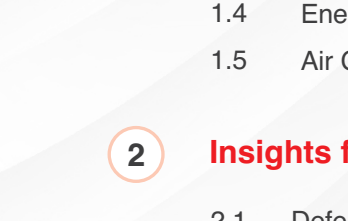
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"DEATH AND TAXES"

The recently passed budget reveals three aspects about the present ruling regime. The first one is the external constraint of getting an IMF deal. It is clear that securing a new agreement, by any means necessary, is the primary motivation of decision-makers. The entire budget exercise seems to be working backwards from whatever targets have been communicated by the lender.

The second aspect is a hard domestic constraint. The ruling parties at the centre, especially PML-N, are fully aware of their nearly non-existent electoral legitimacy. Their uncertain position in power is thus far more reliant on the civil bureaucracy and the military establishment.

The third and final aspect is that the PML-N has made a decision that there is no need or urgency in the current moment to seek greater support among different groups in society, such as salaried individuals. Therefore, its primary impulse for whatever little space is left in the budget after the first two constraints is to reward the few narrow segments that may still be supporting them in some way.


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"HURTLING PAST 240M"

It was futile to expect Pakistan's phenomenally high population growth rate and staggering population numbers of over 240 million to find mention in any of the budget speeches. The impact of a large population on lowering per capita incomes and forecasted economic growth rates of two to three per cent barely featured in post-budget discussions. Additionally, the glaring link between population numbers and declining per capita income was all but ignored, as was its impact on poverty and the low rate of household investment and savings.

Surprisingly, it did not occur to media pundits or policy advisers to challenge how an economic growth rate as sluggish as 2-3pc could possibly absorb a population growth rate of over 2pc and pull the country out of an economic abyss. In a nutshell, among the numerous remedies for reviving the economy, the strong potential impact of reducing the population growth rate was overlooked.

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An interesting Initiative
 - 5.2 **Umair Javed**
In Defamation's Name
 - 5.3 **Riaz Riazuddin**
Rizmatic Exchange Rate

In Pakistan, policy decisions and public discourse are often informed 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:

