

CDPR NEWSLETTER

AUGUST 2024



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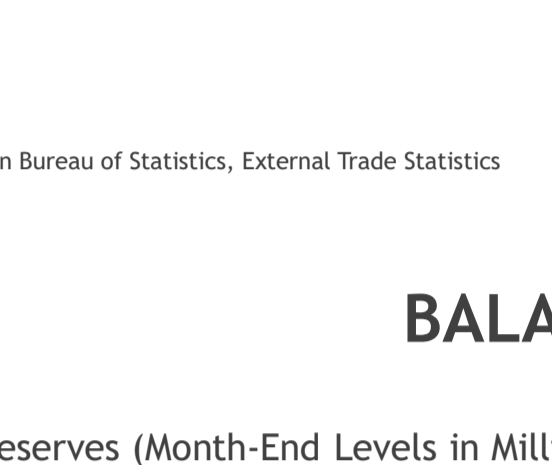
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MACRODATA

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

TRADE

Exports (Monthly in Million USD)



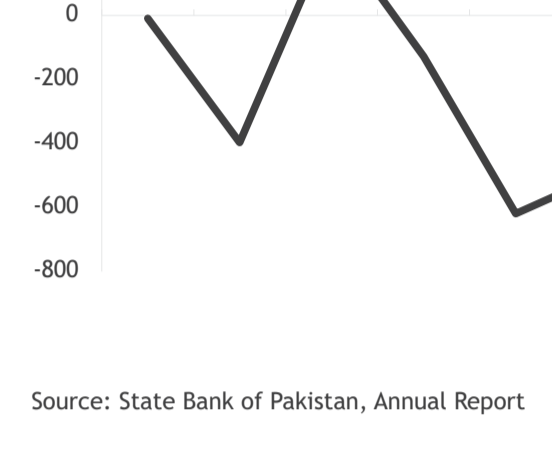
Imports (Monthly in Million USD)



Balance of Trade (Monthly in Million USD)

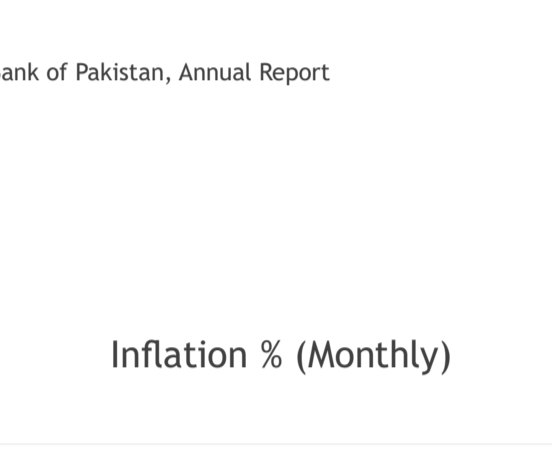


Quantum Index of Manufacturing

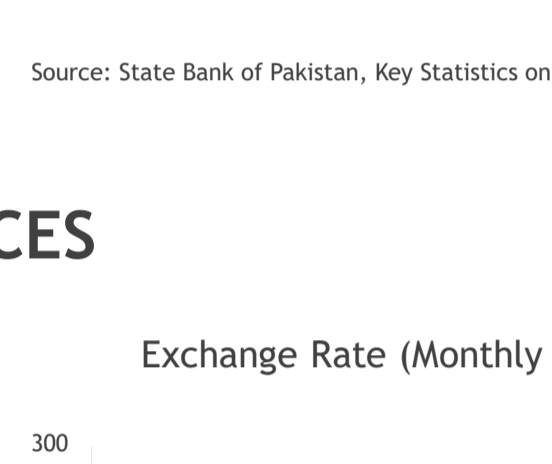


BALANCE OF PAYMENTS

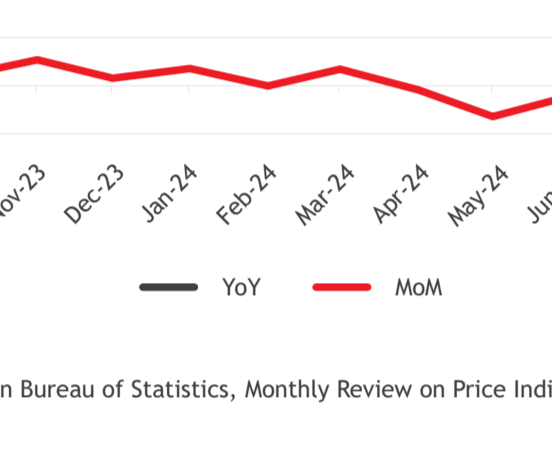
Forex Reserves (Month-End Levels in Million USD)



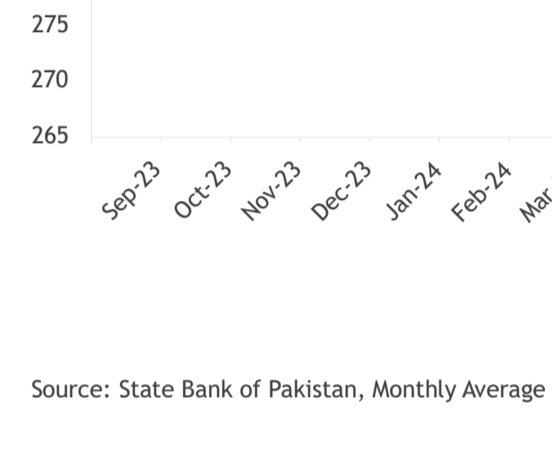
Balance of Payments (Monthly in Million USD)



Workers' Remittances (Monthly in Million USD)

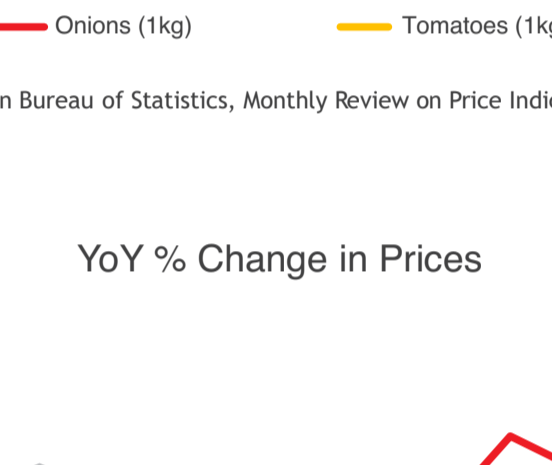


Roshan Digital Account (Monthly)

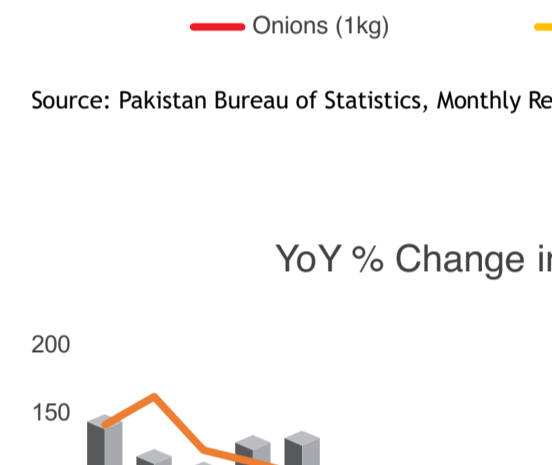


PRICES

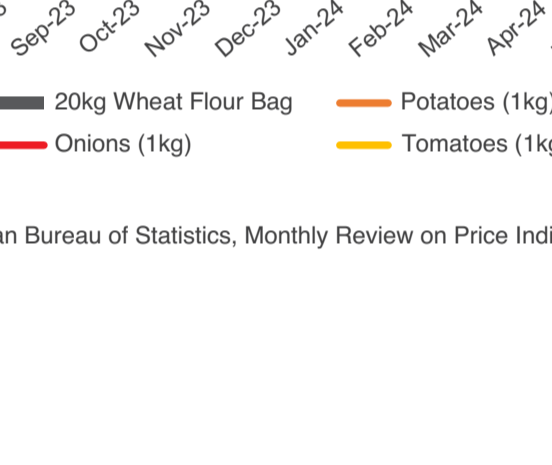
Inflation % (Monthly)



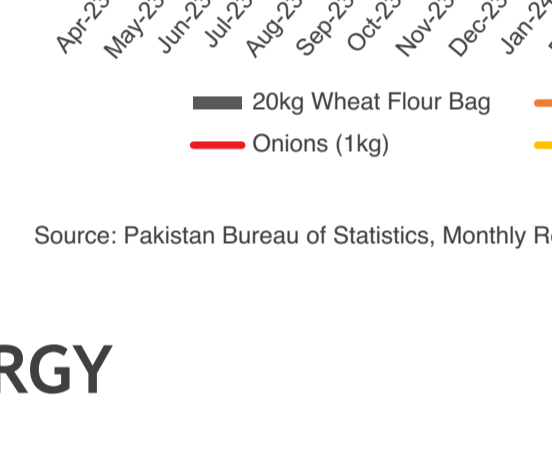
Exchange Rate (Monthly Average in PKR)



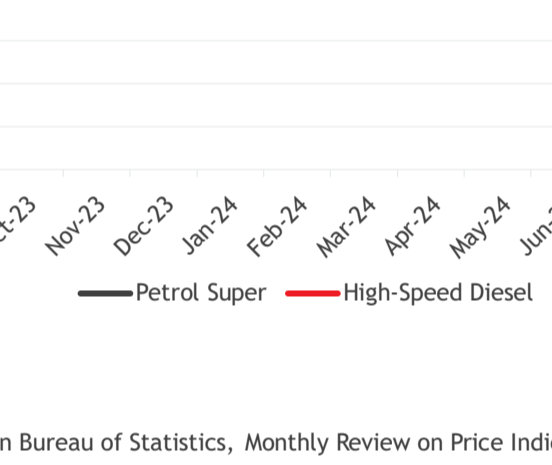
Monthly Prices



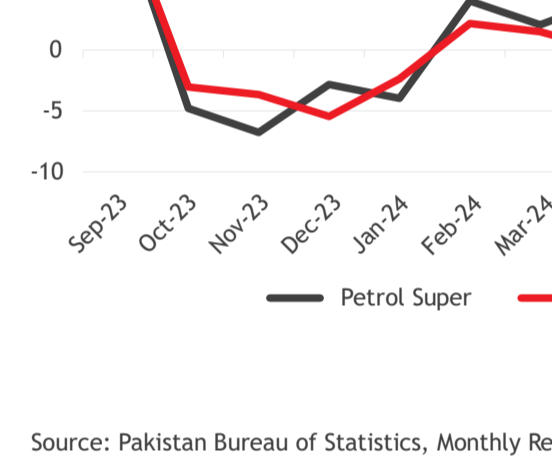
MoM% change in Prices



YoY % Change in Prices

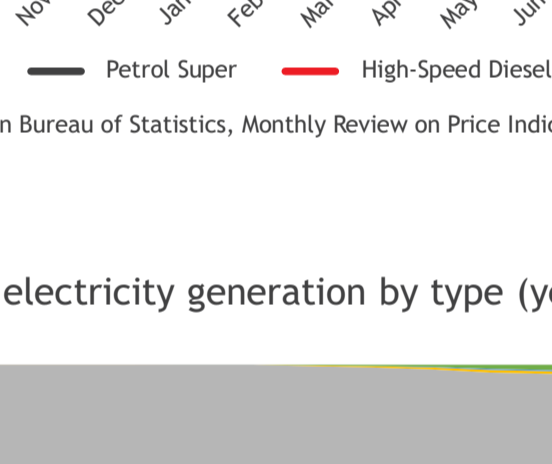


YoY % Change in Prices

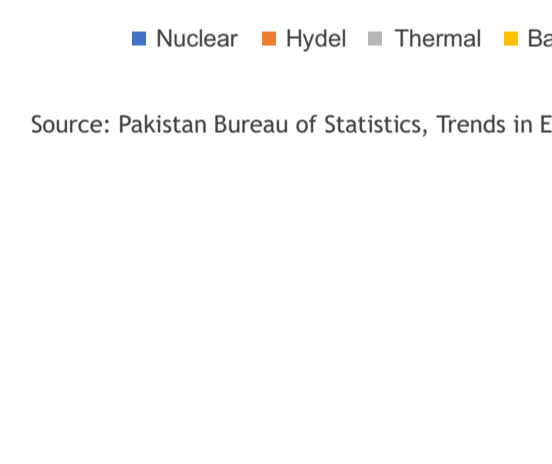


ENERGY

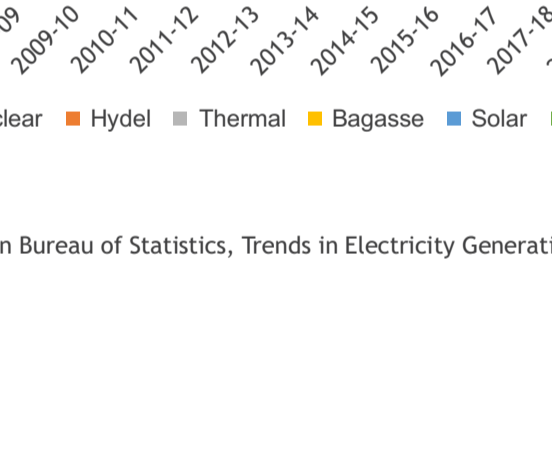
Prices (Monthly)



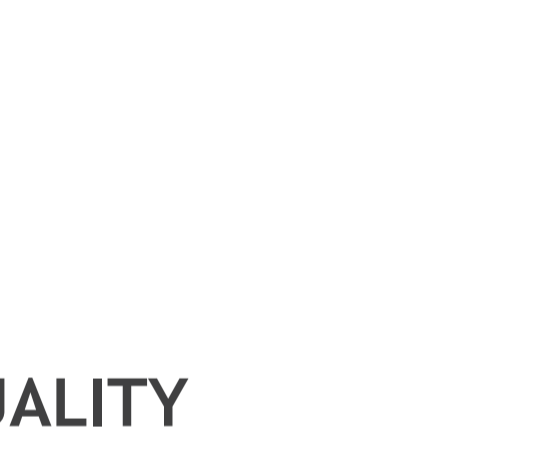
MoM% Change in Prices



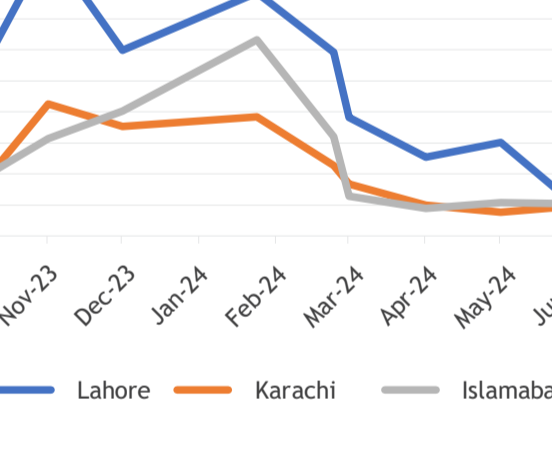
YoY% Change in Prices



Electricity generation by type GWh (yearly)



% of electricity generation by type (yearly)



AIR QUALITY

Average AQI Monthly



Average PM2.5



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.

Two Key Challenges of Pakistan's Decentralized Fiscal Framework

This month's Insights for Change explores Pakistan's decentralized fiscal framework, highlighting two key challenges: fiscal sustainability and political intractability. Under the country's decentralized fiscal framework, revenues received by the provinces have been roughly in balance with their expenditures since FY2011 but there has been a persistent gap between the federal share of revenues and expenditures. The article further highlights the disincentives for tax revenue generation at the provincial and the federal levels. The second challenge highlighted in the article is regarding the inability to agree on a revision of the National Finance Commission (NFC) Award, despite a constitutional requirement to update the NFC every five years. Recommendations proposed include increasing fiscal efforts at all levels of the government, constituting a new NFC and improving incentives for federal fiscal efforts.

The author, Tufail Yousafzai, is currently serving as an Economic Adviser at the British High Commission, Islamabad.

[Read More](#)

Policy Analysis

Trade Policy Measures to Encourage a Shift towards Green Technologies

The programme has been sponsored and quality assured by Revenue Mobilisation, Investment and Trade (REMIT) Programme. The principal investigators included Farrukh Iqbal (former Director of the Institute of Business Administration, Karachi), Aaidil Nakhoda (Assistant Professor, Institute of Business Administration, Karachi), Zara Salman (CEO, CDPR), Eiva Arshad (Research Associate, CDPR), Hassan Aziz (Research Associate) and Ijaz Nabi (Executive Director, CDPR, Country Director, IGC Pakistan)

Over the last two decades or so, the context for economic development in Pakistan has been increasingly affected by environmental considerations, reflecting the need for Pakistan to reduce its carbon footprint. The Government has committed to the specific target of halving projected carbon emissions by 2030, identifying three most important priority areas: electric vehicles, coal imports, and renewable energy. This report assesses the extent to which trade and related policy actions can help Pakistan achieve greener growth. It focuses on tariff and non-tariff measures on environmental goods; a framework for dealing with environmental services; and broader industrial policy measures.

The study showed that environmental goods attract a higher average rate of tariff than non-environmental goods and that the import-expanding effect of reducing tariffs is likely to be modest and can be offset by tariff rebalancing measures applied to carbon intensive imports. Secondly for non-tariff measures on environmental goods, Pakistan needs to apply non-tariff measures more actively to control the import of carbon-intensive goods both to reduce its own carbon footprint and to preserve access to some export markets that are increasingly requiring certifications of carbon-intensity along the entire supply chain.

For broader industrial policy for green growth, focus group sessions were held with participants from three subsectors: textiles, electric vehicles, and renewable energy. For the textile sector, the study recommends that tax and financial incentives continue to be provided to help manufacturing units install renewable energy equipment to reduce their carbon footprint and a public agency be tasked with assisting the government on several stages of the supply chain for textiles. For electric vehicles and renewable energy, some suggestions include: the Government commitment to phasing out the use of gasoline-powered vehicles over time in its own fleet, using only electric vehicles as replacements and influencing the speed at which the transition to less carbon intensive sources of automotive power is accomplished in the transport sector. Lastly, a phased transition from fossil fuel-based electricity to renewable energy in public buildings for electricity consumption needs to be conducted.

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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.

Evolution of Digital Transformation in Tax Administration

Post the COVID-19 economic landscape, global trends on Tax Policy Reforms emphasises heavily on increasing reliance on IT solutions in tax authorities worldwide. Digitalization and digital transformation facilitate the remote functioning of tax administration, enhancing efficiency, speeding up the processes, minimising errors thereby reducing administrative and compliance costs. Mansoor A Sultan and Dr. Sher Afghan Asad discuss the digital transformation process and how effectively it can help the provincial tax administration in Pakistan and its potential impact on the tax system.

[Listen Here](#) [Watch](#)

Events

The Consortium for Development Policy Research (CDPR), in collaboration with the World Wildlife Fund (WWF) Pakistan and the International Growth Centre (IGC), organised a policy dialogue on "Water Woes: Tackling Pakistan's Urban Water Management Challenges", on 23rd of August, 2024.

This event aimed to address the critical challenges for urban water management in Pakistan, such as rapid urbanisation, inadequate drainage, and infrastructural issues. It uncovered solutions to mitigate the impact of climate change, prevent urban flooding, and ensure effective drainage and water usage for future generations.

The speakers for this event were

MODERATOR

Shahid Iqbal
Regional Researcher, Water Modeling and IWM Pakistan

PANELLISTS

Azeem Ali Shah
Chief of Party, USAID-Water Management for Enhanced Productivity (WMEPE) Activity

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Fazlinda Nabeel
Climate and Water Governance Expert

[Watch Interview](#)

Faakhar Raza
Regional Director, PCWR

[Watch Interview](#)

Sohail Ali Naqvi
Director, Freshwater Programme, WWF-Pakistan



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Fellows' Articles

Faisal Bari
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Umair Javed
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Homi Kharas
[Read More](#)

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 4. Tale of Two Countries: Pakistan & Bangladesh

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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.

