cdpr IGC

# CDPR NEWSLETTER

AUGUST 2025

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# MACRODATA

TRADE

BALANCE OF PAYMENTS

PRICES

ENERGY

AIR QUALITY

## TRADE

Source: Pakistan Bureau of Statistics, External Trade Statistics

Source: Pakistan Bureau of Statistics, External Trade Statistics

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

## BALANCE OF PAYMENTS

Source: State Bank of Pakistan, Foreign Exchange Reserves

Source: State Bank of Pakistan, Annual Report

Source: State Bank of Pakistan, Annual Report

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

## PRICES

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

Source: State Bank of Pakistan, Monthly Average Exchange Rates

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




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

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

## ENERGY

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

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

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

# INSIGHTS FOR CHANGE

### Municipal Bonds for Urban Governance Reform

Pakistan's cities are trapped in fiscal dependency, drawing 70-80% of revenues from provincial transfers while struggling to deliver basic services. Municipal bonds offer a market-based solution that could transform urban financing by allowing cities to raise capital for infrastructure, reduce reliance on provincial transfers, improve service delivery and revenue generation. Drawing lessons from India's successful bond issuances, the article highlights how Pakistan can implement this instrument through pilot projects and setting systems could pave the way for Pakistan's transition from sovereign dependence to municipal self-financing. It concludes that municipal bonds are not just a financial tool but a key tool for global climate finance to address urban challenges.

The article is authored by Ali Tavqeer Sheikh (International Climate Finance expert).

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# POLICY ANALYSIS

### Sustainable Pakistan: Transforming Cities for Resilience and Growth

Pakistan's cities are on the frontline of the climate crisis with 20% of the population already urban and expected to increase to almost 40% by 2050. Rapid urbanization without climate-resilient infrastructure has created dangerous vulnerabilities, with flooding in Karachi causing $3.7 billion in urban liability but also economic stability, with air pollution alone costing up to 6.5% of GDP and contributing to over 200,000 deaths annually.

A new IGC Growth Brief by Faisal Rashid highlights how targeted climate adaptation, smart infrastructure and data-driven governance can transform Pakistan's cities into resilient hubs of growth. Key priorities include upgrading drainage systems to manage urban flooding, expanding public transport and cooling networks to reduce emissions and protect vulnerable communities, and leveraging digital tools for real-time monitoring and early warnings. The brief also underscores the need to address housing inequities, ensure gender-inclusive planning, and mobilize climate finance by mobilizing resources for resilient infrastructure. However, stronger local governance and the use of predictive tools like GIS and real-time monitoring can enable more proactive planning and equitable climate action.

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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.

### Cities on the Brink: Climate Risks and Urban Realities in Pakistan

Pakistan is facing a dual burden of rapid urbanization and increasing climate vulnerability, with its cities at the intersection of these crises and bearing the greatest impact. In this episode, Rhai Shaikh and Raashem Anwar discuss the lived realities and politics of urban transformation in Pakistan. They explore how climate risks are reshaping urban planning and development and climate challenges, examining how issues such as air pollution, urban flooding, and heatwaves manifest differently across cities, and how these risks are tied to governance, infrastructure, and inequalities. They also discuss how these factors further deepen spatial vulnerabilities in urban Pakistan.

Watch on YouTube | Listen on Spotify

# EVENTS

### Learning in the Age of AI: What Comes Next?

CDPR in collaboration with the International Growth Center (IGC) organized a session of the Lahore Policy Exchange on the 22nd of August, 2025. The session explored how artificial intelligence (AI) in education systems across the world can and should be adapted. This session explored the challenges and opportunities of integrating AI into educational frameworks, with a focus on ensuring equitable access and its growth this integration. The discussion also focused on how to equip students with the skills needed to navigate an AI-driven world.

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# FELLOWS' ARTICLES

Umair Javed

### Mass Suicide

The recent Bahawalpur disappearance incident, those always light on Pakistan's controversies with residential institutions, the first was the purported legal and political mistakes of Rahat Fateh Ali Khan, which culminated in a message from his founder stating that treachery and operational troublesome in its residential schemes. Read more here.

The second incident occurred during the recent flooding of the exalted rivers in Punjab. When water levels rose downstream from Jassar and Shahdara, a large number of residential streets in Park View City, a housing project built almost on the Ravi riverbed in south-eastern Lahore, were inundated and had to be evacuated.

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Faisal Bari

### Chickens Coming Home...

THERE have been some recent posts on social media claiming that admission numbers in many colleges and universities across Punjab have gone down by as much as 20-30 per cent this year. This is a large number but not surprising. It is some of the chickens coming home to roost.

Here are some changes that Pakistan has seen in the higher education sector lately. The number of universities has risen significantly. We have 270-odd universities now, with 160 or so in the public sector. There are several foreign and online programmes that have also entered the sector. And the expansion drive continues. Existing universities have been expanding enrolments and programmes as well.

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Ghisam Jamal

### Change is in the Air

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In Pakistan, policy decisions and public discourse are often performed by anecdotal research. The Governance for Development (GfD) blog aims to bridge this gap by communicating cutting-edge evidence from research on governance and development to policymakers, policy influencers, the media and the wider public. Contributions to the blog are invited from members of the GfDR dissemination policy hub, which is engaged with the media and produces digital content to make topics in development economics and governance accessible to education, health and spoken-word intelligible to both decision-makers & the public.

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