

# CDPR NEWSLETTER

MAY 2026

TABLE OF CONTENTS

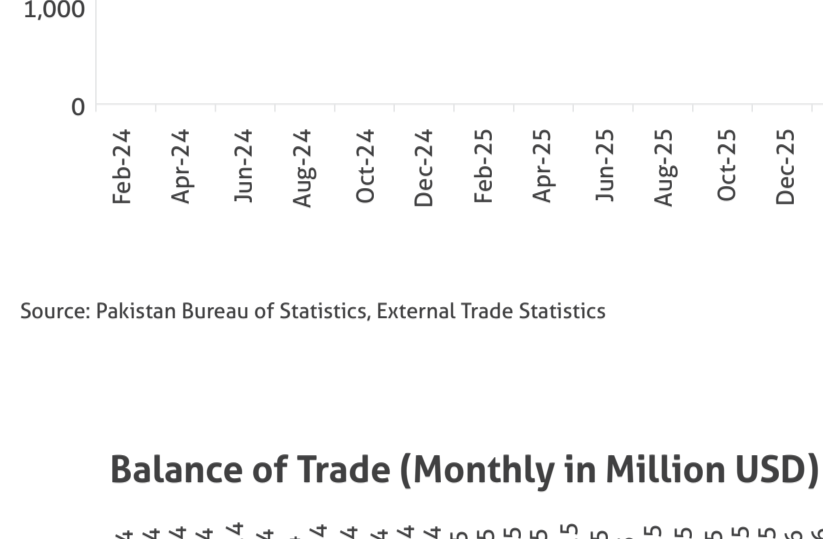
- Macrodata**
  - Trade
  - Balance of Payments
  - Prices
  - Energy
  - Air Quality
- CDPR's Young Policy Scholar Programme - Applications Open!**
- Insights for change**
  - Pakistan's Tax Problem: Not a Mystery But a Method
- Let's Talk Development**
  - The Future of Agriculture in Pakistan: What Really Drives Change
- Policy Analysis**
  - Is minimum the maximum? The case of unbiased evasion estimates and tax recycling under informality
- Fellows' Articles**
  - Returns on Multipolarity by **Umair Javed**  
Towards Middle Power Status by **Ishtat Husain**

## MACRODATA

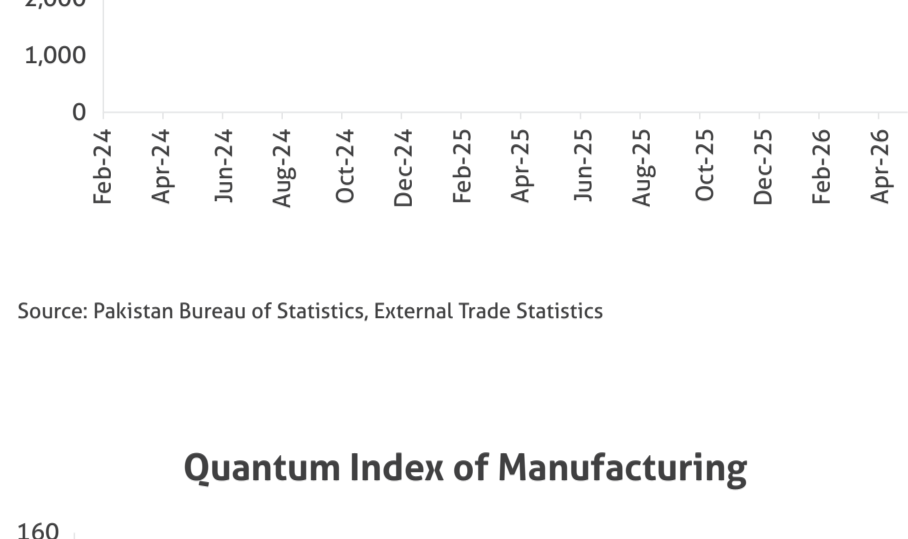
- TRADE
- BALANCE OF PAYMENTS
- PRICES
- ENERGY
- AIR QUALITY

### TRADE

Exports (Monthly in Million USD)



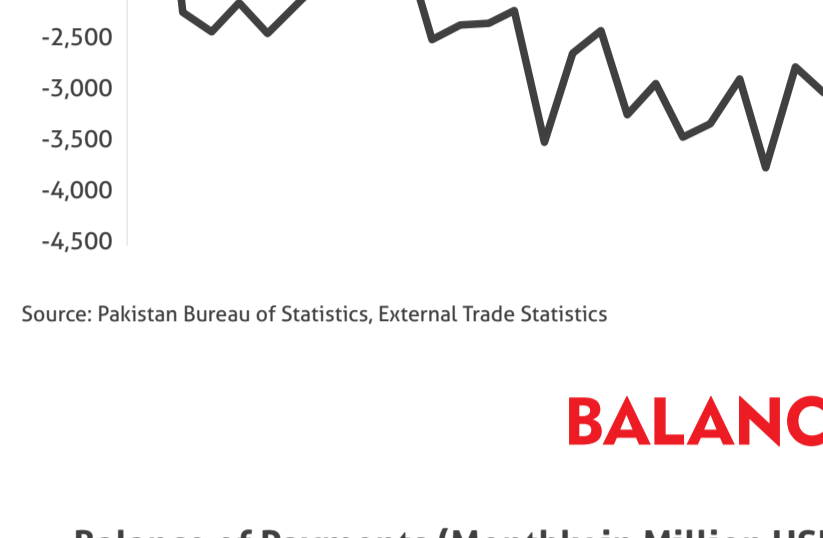
Imports (Monthly in Million USD)



Source: Pakistan Bureau of Statistics, External Trade Statistics

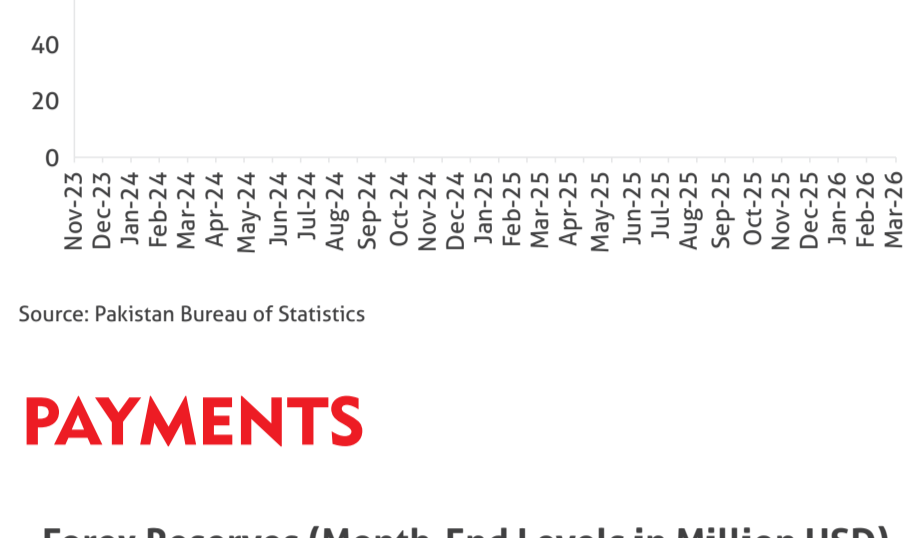
Source: Pakistan Bureau of Statistics, External Trade Statistics

Balance of Trade (Monthly in Million USD)



Source: Pakistan Bureau of Statistics, External Trade Statistics

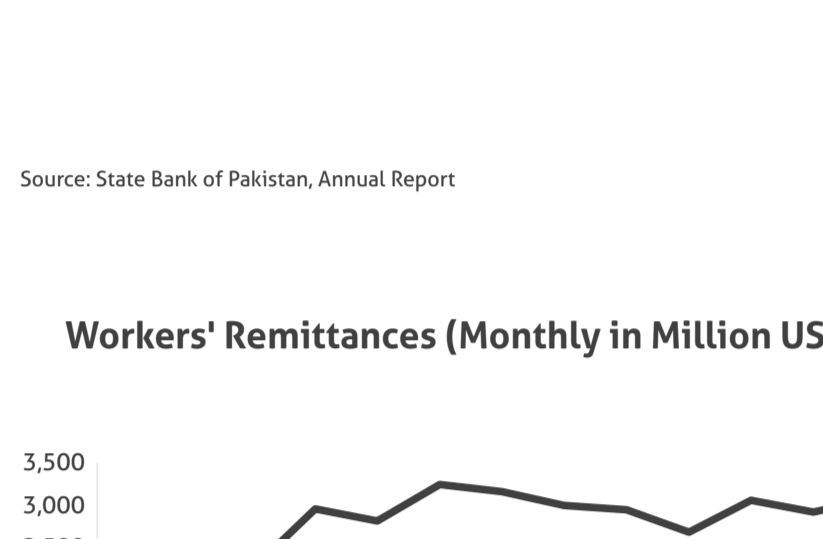
Quantum Index of Manufacturing



Source: Pakistan Bureau of Statistics

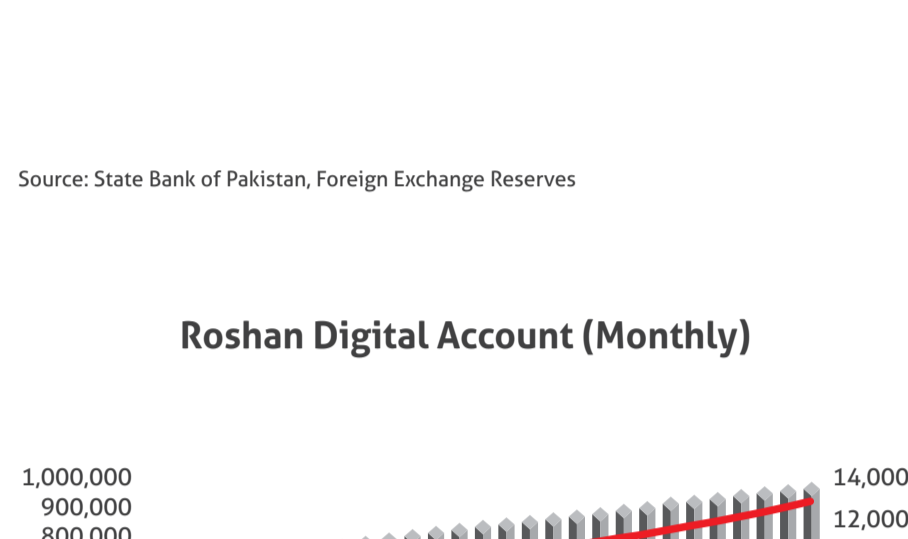
### BALANCE OF PAYMENTS

Balance of Payments (Monthly in Million USD)



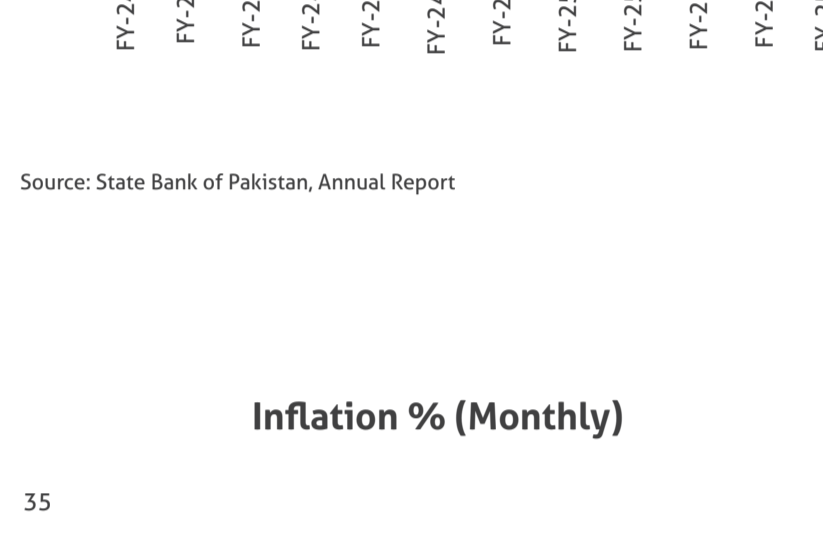
Source: State Bank of Pakistan, Annual Report

Forex Reserves (Month-End Levels in Million USD)



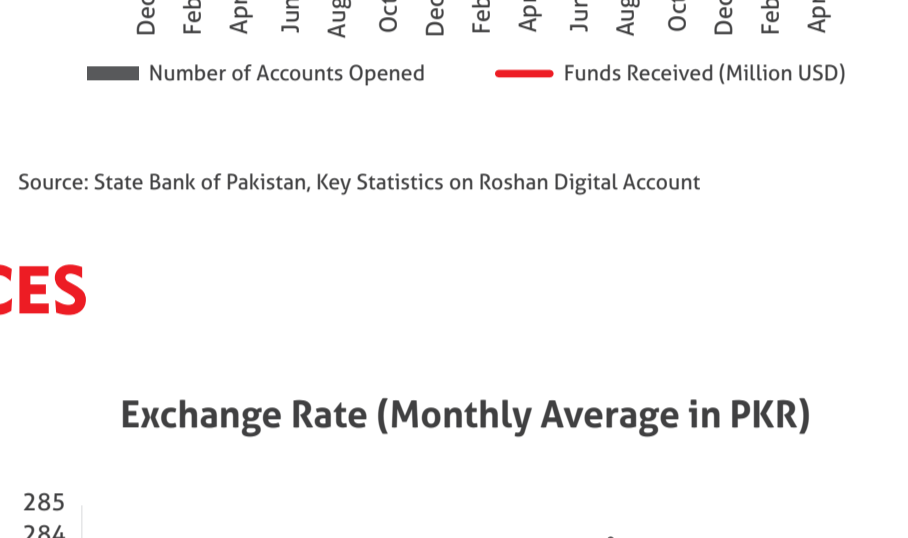
Source: State Bank of Pakistan, Foreign Exchange Reserves

Workers' Remittances (Monthly in Million USD)



Source: State Bank of Pakistan, Annual Report

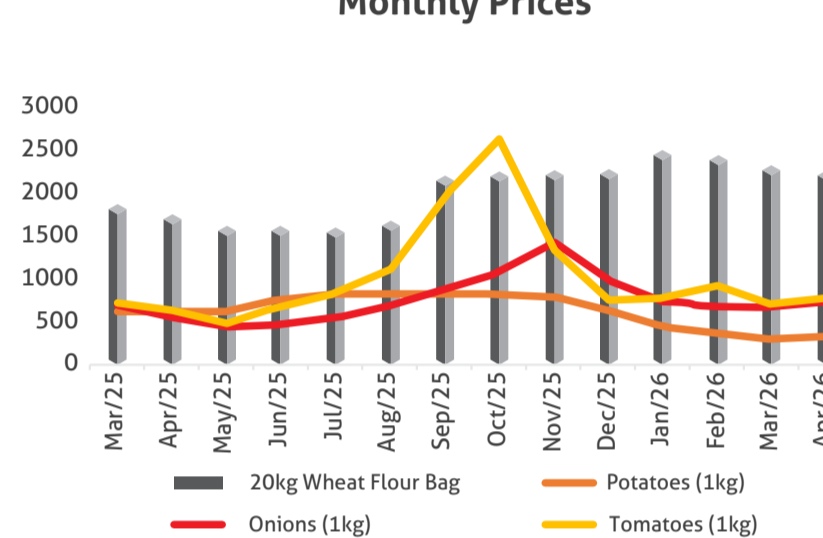
Roshan Digital Account (Monthly)



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

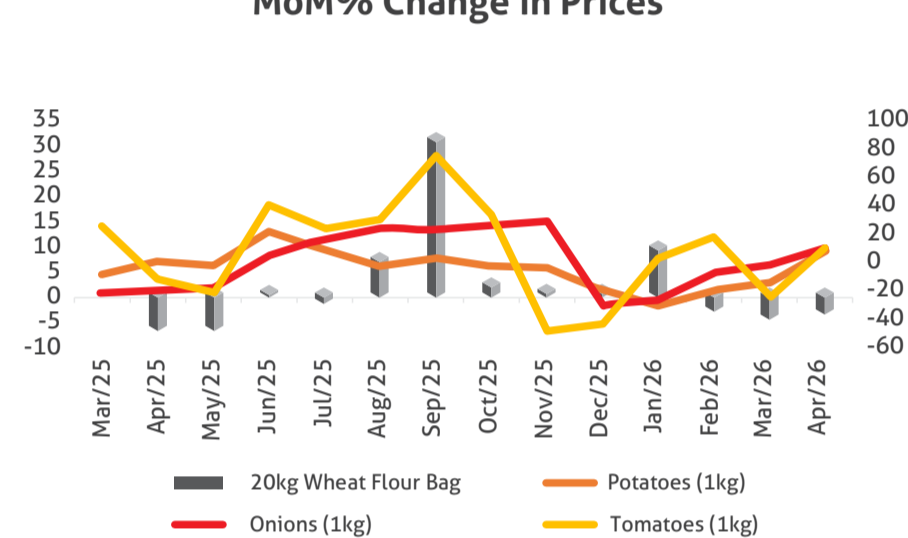
### PRICES

Inflation % (Monthly)



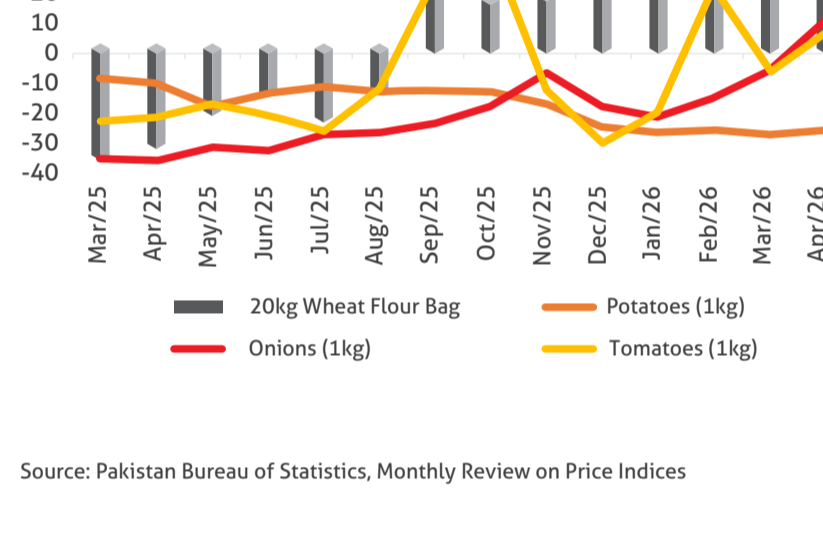
Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

Exchange Rate (Monthly Average in PKR)



Source: State Bank of Pakistan, Monthly Average Exchange Rates

Monthly Prices



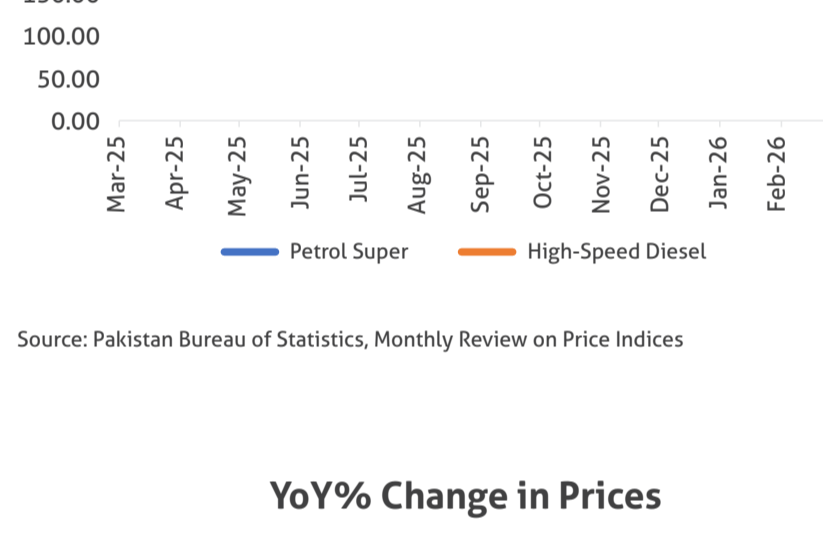
Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

MoM% Change in Prices



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

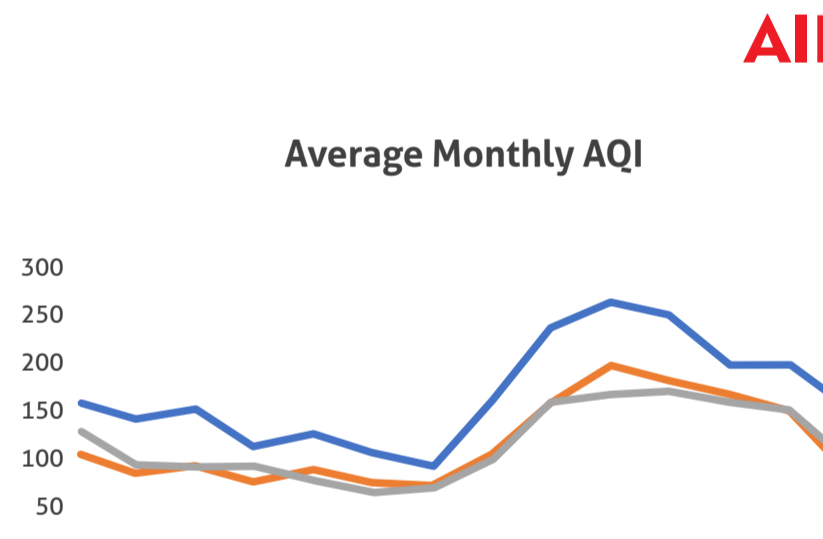
YoY% Change in Prices



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

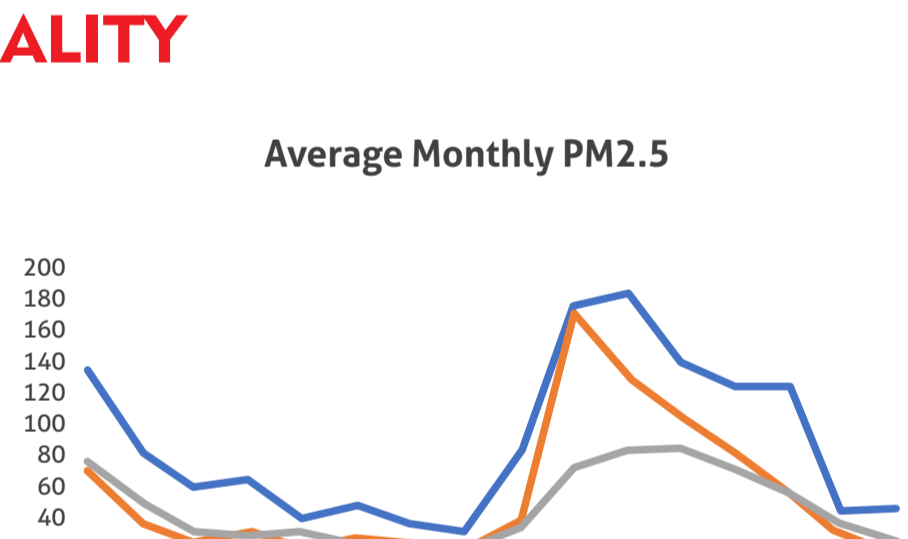
### ENERGY

Prices



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

### AIR QUALITY

Average Monthly AQI



Source: Air Quality Index (AQI)

Average Monthly PM2.5



Source: Air Quality Index (AQI)

## CDPR'S YOUNG POLICY SCHOLAR PROGRAMME - APPLICATIONS OPEN!

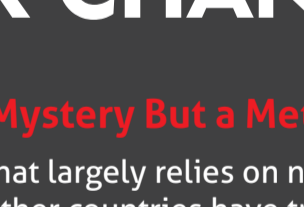
CDPR has launched the Young Policy Scholar Programme for pre-college students in Pakistan seeking a productive and purposeful summer. This is a unique opportunity to build research and writing skills, gain a competitive academic edge, and strengthen your academic profile with hands-on research experience. The programme takes participants through the complete research lifecycle, teaching them how to conduct evidence-based policy research and write their very own policy brief.

### WHAT YOU GET

- Published Policy Brief
- Recorded Presentation
- Research Portfolio & CV Entry
- Certificate of Completion
- Real-World Work Experience
- University Application Edge
- Expert Network Access
- Digital Dissemination Skills

### APPLICATION PROCESS

- Applications Open: 1st May 2026
- Applications Close: 15 June 2026 - rolling basis, apply early
- Decisions Announced: Mid of June 2026
- Programme Begins: 30 June 2026



SCAN THE QR CODE FOR DETAILS ON HOW TO APPLY

Scan the QR code to apply and for more details! REGISTER HERE

## INSIGHTS FOR CHANGE

### Pakistan's Tax Problem: Not a Mystery But a Method

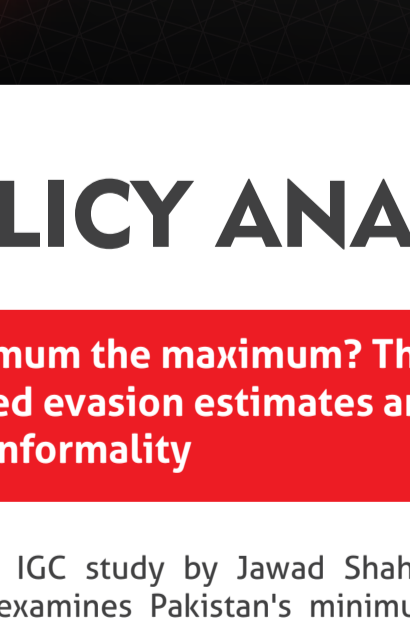
In the past two decades, Pakistan has developed an export base that largely relies on natural comparative advantage in primary goods such as food crops, cotton, and livestock. While other countries have transitioned towards diversified export baskets and higher value products, Pakistan suffers from a stagnant and unchanging export basket that hinders its export growth and trade performance. The country now faces a double challenge of expanding the quantity of exports, along with enhancing the quality via diversification. This REMIT-supported report uses an analytical lens to highlight potential pathways for enhancing Pakistan's export potential.

READ MORE

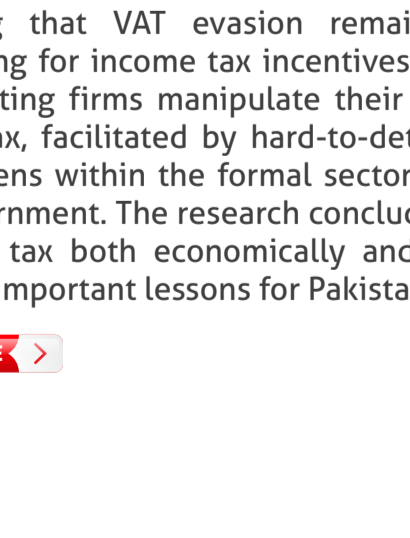
## LET'S TALK DEVELOPMENT

### The Future of Agriculture in Pakistan: What Really Drives Change

In this episode, Taimur Malik (Regenerative Agriculture Expert) joins Sajid Faiz (Country Economist, IGC Pakistan) to discuss why Pakistan's agriculture sector remains tied to outdated Green Revolution practices and what it will take to transition toward regenerative agriculture. Drawing on real-world experiments and examples like the 2016 pink bollworm crisis in Bt cotton, the conversation explores challenges including soil degradation, water scarcity, rising input costs and risks faced by smallholder farmers, while making the case for farming systems that work with nature, not against it.



Host SAJID FAIZ  
Country Economist, Pakistan  
International Growth Centre (IGC)



Guest TAIMUR MALIK  
Outstanding Alumni, Partner  
of Drawdown Farm

LISTEN HERE

WATCH

iOS

## POLICY ANALYSIS

### Is minimum the maximum? The case of unbiased evasion estimates and tax recycling under informality

A recent IGC study by Jawad Shah (Research Fellow, University of Oxford) examines Pakistan's minimum value addition (MVA) regime, revealing that VAT evasion remains alarmingly high even after accounting for income tax incentives. The study finds that around half of importing firms manipulate their declared value addition to avoid excess tax, facilitated by hard-to-detect "flying invoices" that recycle tax burdens within the formal sector rather than returning revenue to the government. The research concludes that standard VAT outperforms turnover tax both economically and in terms of revenue collection, offering important lessons for Pakistan's ongoing tax reform debates.

READ MORE

## FELLOWS' ARTICLES

### Returns on Multipolarity

Umair Javed

GLOBAL politics is hurtling towards a multipolar system the likes of which we haven't seen since the late 20th century. Several indicators bear this out: the global hegemon for the past four decades, the US, is experiencing a decline in its ability and willingness to project power outwards, as seen in its continued failure in Eastern Europe and the Persian Gulf, and in the.....

READ MORE

### Towards Middle Power Status

Ishtat Husain

THE period between May 2025 and May 2026 has been unusually consequential for Pakistan. In May 2025, the country surprised observers by demonstrating a high degree of capability and professionalism in an aerial war with a much larger power. More recently, a nation often portrayed as peripheral to global affairs assumed a central diplomatic role by facilitating a.....

READ MORE

## CONTENTS OF LAST MONTH'S NEWSLETTER

- Macrodata**
  - Trade
  - Balance of Payments
  - Prices
  - Energy
  - Air Quality
- Insights for Change**
  - Pakistan's Experience with Exporting Complex Products
- Policy Analysis**
  - Enhancing Pakistan's Competitiveness in Non-Textile and Non-Food Exports
- Let's Talk Development**
  - Justice Ayesha Malik on Rule of Law, Governance and True Cost of Weak Enforcement
- Fellows' Articles**
  - Educating the poor by Faisal Bari  
Economic Security Buffers by Ishtat Husain
- Blog**
  - A Case for Green Technologies in Agriculture for Pakistan by Ayesha Zaman

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



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.