



CDPR NEWSLETTER

JULY 2023

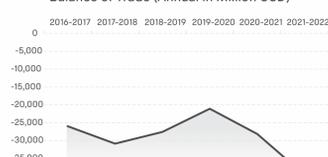
TABLE OF CONTENTS

- 1 **Macrodata**
 - 1.1 Trade
 - 1.2 Balance of Payments
 - 1.3 Prices
- 2 **Insights for Change**
 - 2.1 The Dark Side of Real Estate: Uncovering its Malevolent Influence on National Economic Progression
Sher Afghan Asad
- 3 **Policy Analysis**
 - 3.1 The Economic Effects of Inter-sectarian Contact
- 4 **Events**
 - 4.1 MOU Signing on Climate Change
- 5 **Let's Talk Development**
 - 5.1 Blueprint for Change: Urban Planning in Pakistan
- 6 **Fellows' Articles**
 - 6.1 **Faisal Bari**
Leadership Matters
 - 6.2 **Homi Kharas**
How the World Consumer Class Will Grow From 4 Billion to 5 Billion People by 2031
 - 6.3 **Umair Javed**
Four Key Trends

MACRODATA

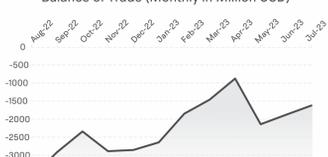
TRADE

Exports (Annual)



Source: Pakistan Bureau of Statistics

Exports (Monthly in Million USD)



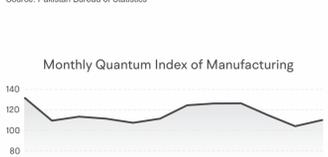
Source: Pakistan Bureau of Statistics

Imports (Annual)



Source: Pakistan Bureau of Statistics

Imports (Monthly in Million USD)



Source: Pakistan Bureau of Statistics

Balance of Trade (Annual in Million USD)



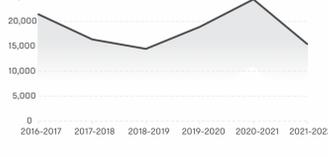
Source: State Bank of Pakistan

Balance of Trade (Monthly in Million USD)



Source: Pakistan Bureau of Statistics

Quantum Index of Manufacturing (Annual)



Source: Pakistan Bureau of Statistics

Monthly Quantum Index of Manufacturing



Source: Pakistan Bureau of Statistics

BALANCE OF PAYMENTS

Forex Reserves (Annual in Million USD)



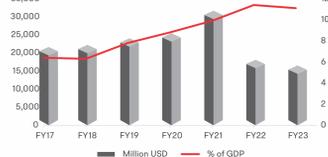
Source: State Bank of Pakistan

Forex Reserves (Month-End Levels in Million USD)



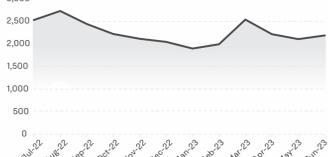
Source: State Bank of Pakistan

Balance of Payments (Annual in Million USD)



Source: State Bank of Pakistan

Balance of Payments (Monthly in Million USD)



Source: State Bank of Pakistan

Workers' Remittances (Annual in Million USD)



Source: State Bank of Pakistan

Workers' Remittances (Monthly in Million USD)



Source: State Bank of Pakistan

Roshan Digital Account (Monthly)



Source: State Bank of Pakistan

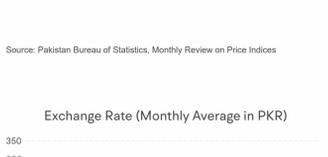
PRICES

Inflation % (Annual)



Source: Pakistan Bureau of Statistics

Inflation % (Monthly)



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

Exchange Rate (Annual Average in PKR)



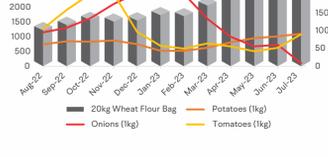
Source: State Bank of Pakistan, Annual Report

Exchange Rate (Monthly Average in PKR)



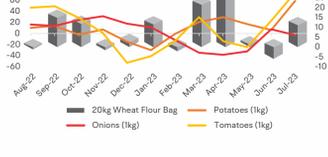
Source: State Bank of Pakistan, Monthly Average Exchange Rates

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

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.



Sher Afghan Asad
The author, Dr. Sher Afghan is an Assistant Professor at the Lahore University of Management Sciences (LUMS).

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 low level of productivity compared to the rest of the world. In this context, this article discusses how real-estate activities, particularly investment and trading of plots, are responsible for the low economic productivity of the country.

[READ MORE](#)

POLICY ANALYSIS

The Economic Effects of Inter-sectarian Contact

This study is funded by the International Growth Centre (IGC). The principal investigators are Dr. Karrar Hussain (Assistant Professor, Friedrich-Alexander-Universität, Erlangen-Nürnberg Institute of Economics), and Zain Chaudhry (PhD in Economics, Heidelberg University).

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 existence of tensions between two important societal groups creates the potential for conflict in every country with substantial Shia and Sunni populations. In Pakistan, the country of focus for this paper, this has led to terrorism that has killed thousands over the past few decades. The goal of the study was to understand the existing nature of differences between the two sectarian groups and their interaction and whether contact in a religious sphere and support for harmony from authority figures can reduce prejudice and economic frictions.

Findings from the study show 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 experiment also shows that piecemeal small interventions on their own may not be sufficient that the state should attempt for more bundled policies that provide a big push.

[READ MORE](#)

EVENTS



MOU Signing on Climate Change

On 27th July 2023, in a meeting led by Chairman Planning & Development Board (P&D), Punjab Dr. Ali Sarfaraz Hussain, and with invaluable support from the International Growth Centre (IGC), CDPR successfully signed an MoU with P&D Punjab. They are now set to embark on a transformative and collaborative 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.

At the meeting, team CDPR and IGC made presentations on the importance of addressing climate change with a focus on three thematic areas: 1) sustainable cities, 2) energy, and 3) agriculture and food security. The P&D team also presented the work currently being undertaken as well as planned initiatives to identify areas of synergy between the organizations.

LET'S TALK DEVELOPMENT

CDPR and IGC's latest 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. New episodes come out every two weeks.



Blueprint for Change: Urban Planning in Pakistan

The fifth episode of Let's Talk Development dropped on June 6, 2023. Pakistan is one of the most urbanized countries of South Asia. However, urbanization has led to such rapid expansion of Pakistan's cities that they struggle to deliver public services, create productive jobs, and implement effective policies regarding planning. Dr. Omar Masud and Fizzaah Sajjad draw attention to these pressing matters and offer a compelling exploration of the urban landscape in Pakistan.

[LISTEN HERE](#)

Available on Apple, Google Play, and Spotify.

FELLOWS' ARTICLES



Faisal Bari

Leadership Matters

It is not too difficult to see, upon entering a school, whether or not it works well. If the premises look as if someone worries about them, if the infrastructure works, if the teachers and students are inside the classrooms with the students absorbed in their lessons and their teachers ensuring they are taught well, and if the staff and administration are pulling in the same direction, it is very likely the school is working well.

The research that my colleagues and I did some years back showed that for every school that was working well.....

[READ MORE](#)

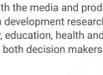


Homi Kharas

How the World Consumer Class Will Grow From 4 Billion to 5 Billion People by 2031

The continuous growth of the global consumer class is the biggest news that no one is talking about. Surprisingly, neither the global financial crisis, COVID-19, the war in Ukraine, nor high inflation have stopped the growth of the consumer class. Economic momentum in Asia and higher life expectancy everywhere mean that world consumers are countering even the most severe economic shocks in recent years.

[READ MORE](#)



Umair Javed

Four Key Trends

In my last piece, I wrote about instability caused by states that do not respond to or reshape new demands and pressures from society. The most relevant example from Pakistan in recent years is a rising and disruptive new middle class segment with whom traditional mainstream parties, i.e. the ones currently in government, have not found common ground.

Many segments of this white-collar class and their politics did not emerge on the social landscape overnight.

[READ MORE](#)

CONTENTS OF LAST MONTH'S NEWSLETTER

1 Macrodata

- 1.1 Trade
- 1.2 Balance of Payments
- 1.3 Prices

2 Insights for Change

- 2.1 Reviving Agriculture Growth (Part 2)
Ishrat Hussain

3 Policy Analysis

- 3.1 Understanding Fresh Produce Supply Chain Dynamics and Price Wages: Evidence from Pakistan

4 Let's Talk Development

- 4.1 Population Growth in Pakistan: A Crisis or an Opportunity?

5 Fellows' Articles

- 5.1 **Faisal Bari**
Productive Summers
- 5.2 **Riaz Riazuddin**
Extent of Our Backwardness
- 5.3 **Umair Javed**
Escape and Helplessness

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

