

CDPR NEWSLETTER

MAY 2023



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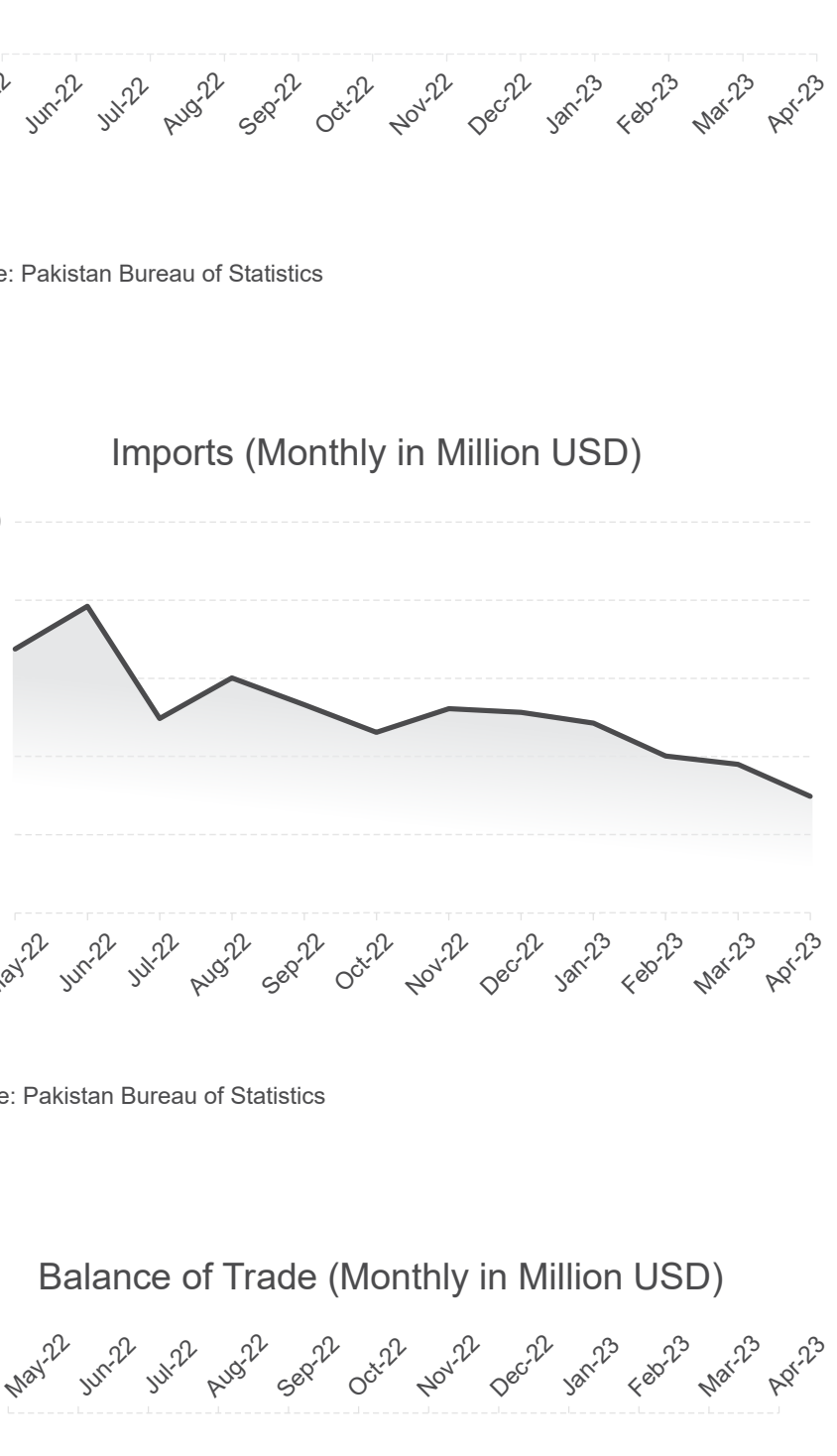
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MACRODATA

Trade Balance of Payments Prices



TRADE

Exports (Annual)



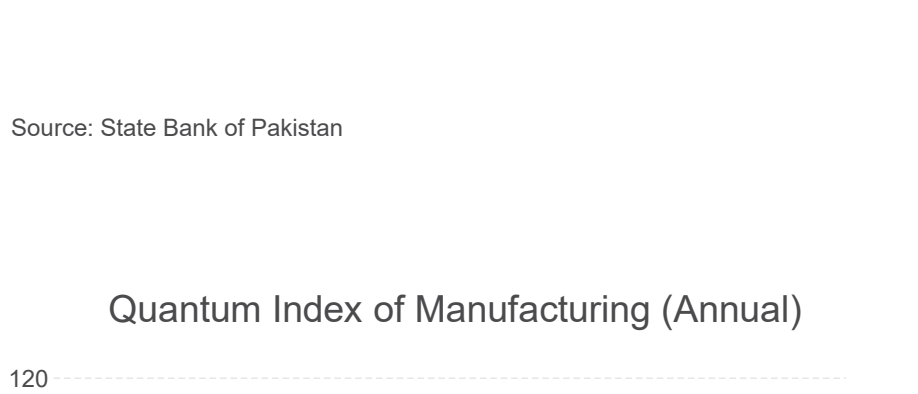
Source: Pakistan Bureau of Statistics

Exports (Monthly in Million USD)



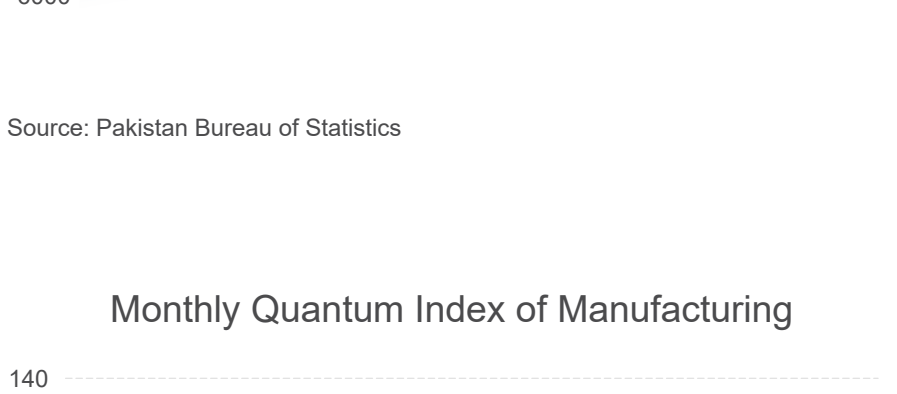
Source: Pakistan Bureau of Statistics

Imports (Annual)



Source: Pakistan Bureau of Statistics

Imports (Monthly in Million USD)



Source: Pakistan Bureau of Statistics

Balance of Trade (Annual in Million USD)



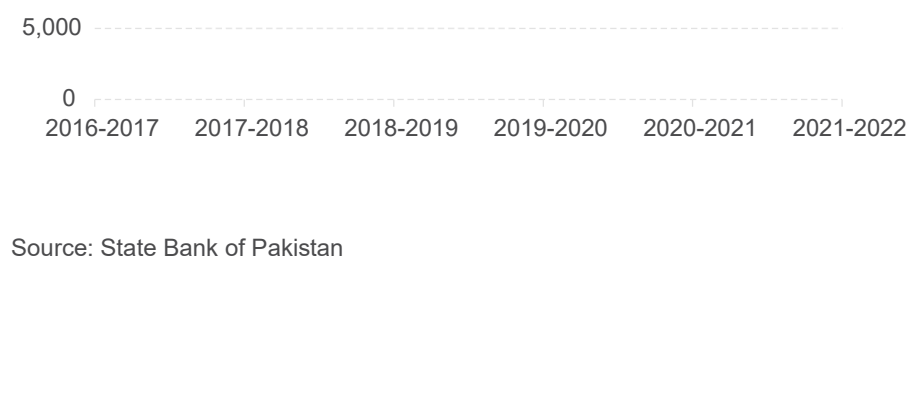
Source: State Bank of Pakistan

Balance of Trade (Monthly in Million USD)



Source: Pakistan Bureau of Statistics

Quantum Index of Manufacturing (Annual)



Source: Pakistan Bureau of Statistics

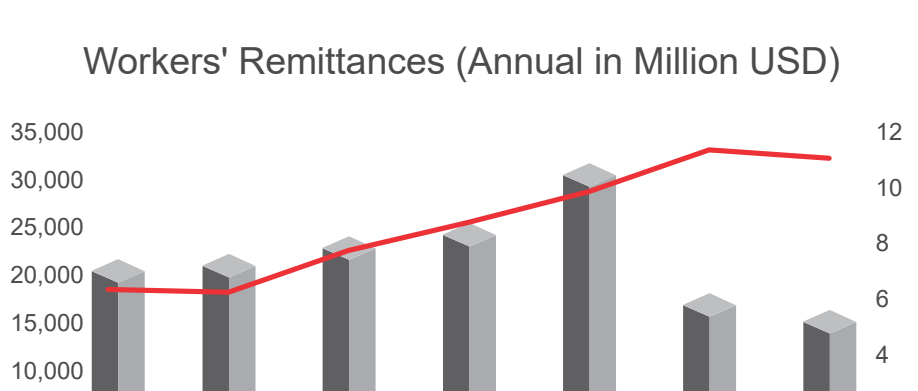
Monthly Quantum Index of Manufacturing



Source: Pakistan Bureau of Statistics

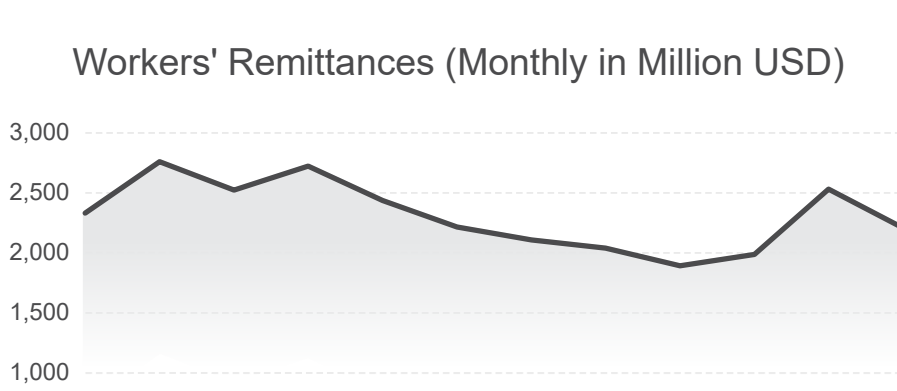
BALANCE OF PAYMENTS

Forex Reserves (Annual in Million USD)



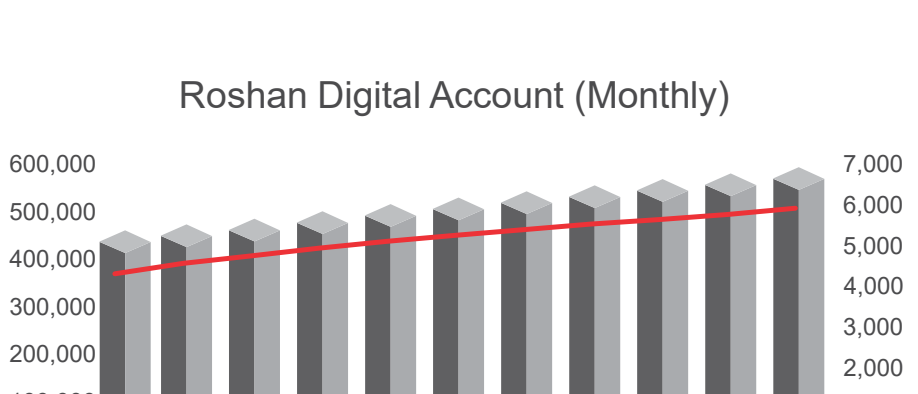
Source: State Bank of Pakistan

Forex Reserves (Month-End Levels in Million USD)



Source: State Bank of Pakistan

Balance of Payments (Annual in Million USD)



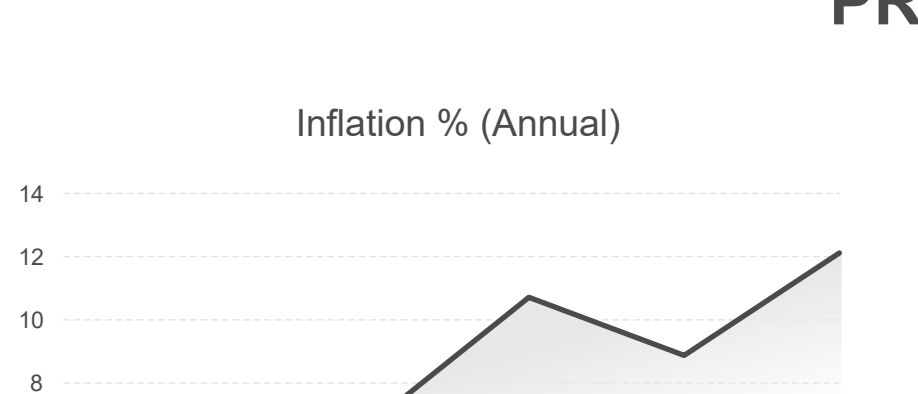
Source: State Bank of Pakistan

Balance of Payments (Monthly in Million USD)



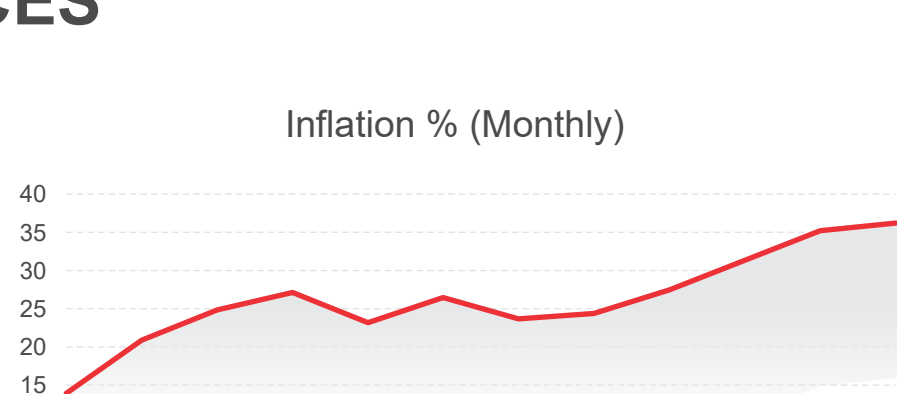
Source: State Bank of Pakistan

Workers' Remittances (Annual in Million USD)



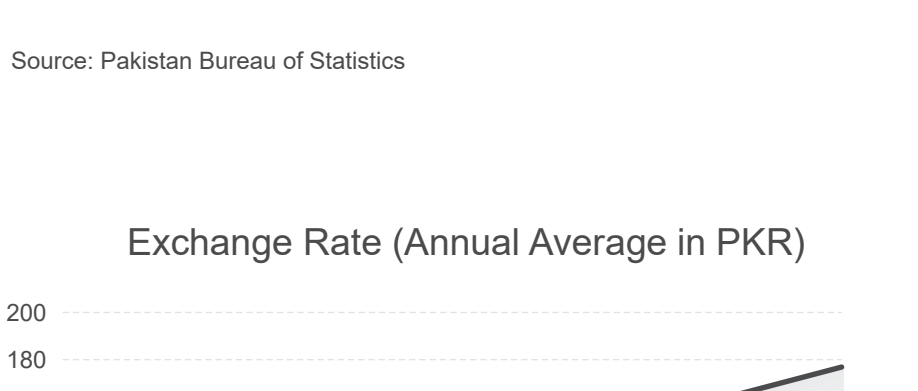
Source: State Bank of Pakistan

Workers' Remittances (Monthly in Million USD)



Source: State Bank of Pakistan

Roshan Digital Account (Monthly)



Source: State Bank of Pakistan

PRICES

Inflation % (Annual)



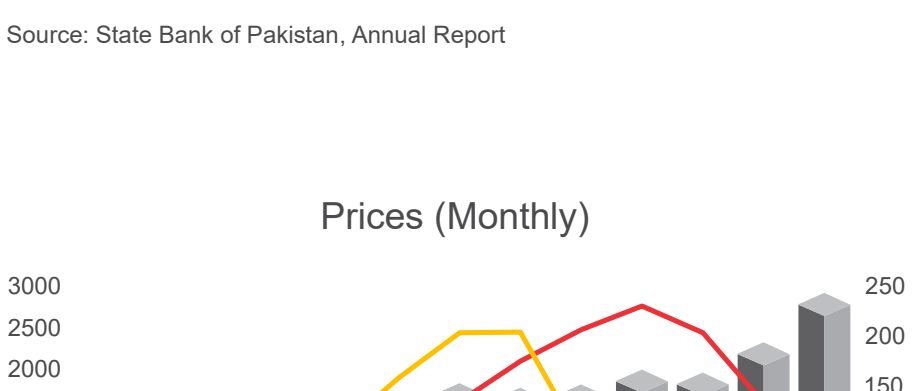
Source: Pakistan Bureau of Statistics

Inflation % (Monthly)



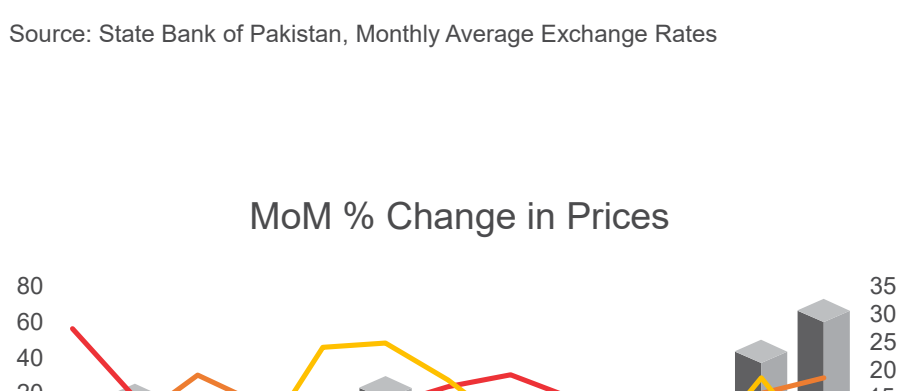
Source: Pakistan Bureau of Statistics, Monthly Review on Price Indices

Exchange Rate (Annual Average in PKR)



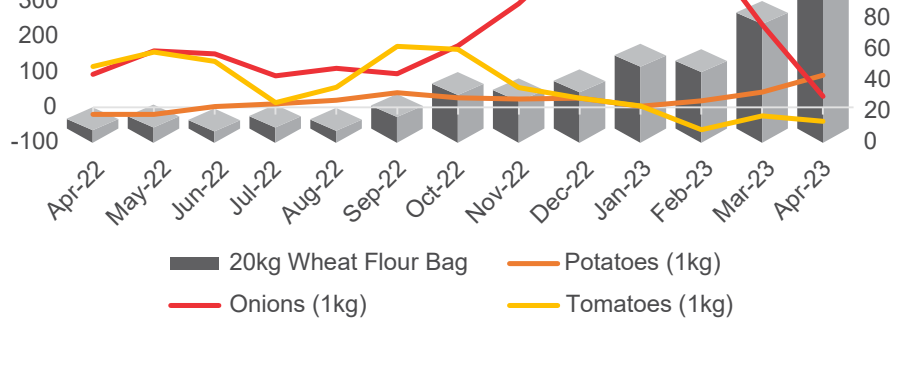
Source: State Bank of Pakistan, Annual Report

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 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.

REVIVING AGRICULTURE GROWTH (PART 1)

AGRICULTURE forms the backbone of Pakistan's economy as it provides livelihoods to almost two-thirds of the population and is responsible for almost three-fourths of export earnings. This month's Insights for Change article 'Reviving Agriculture Growth (Part 1)' is first of a two-part series which explores why Pakistan has not been able to fully exploit the rich potential of its agricultural resources.

The author, Dr. Ishtat Husain, is a Pakistani economist who has previously served as the dean of the Institute of Business Administration (IBA). He is also a former governor of the State Bank of Pakistan and former advisor to the Government of Pakistan.

[READ MORE](#)

POLICY ANALYSIS

Understanding Informality in the Wholesale, Retail and Real Estate Sectors

THE Consortium for Development Policy Research in collaboration with the Pakistan Business Council (PBC) recently worked on a study titled: "Understanding Informality in the Wholesale, Retail and Real Estate Sectors". The team of Researchers from CDPR included Dr. Umair Javed (LUMS), Dr. Sher Afghan Asad (LUMS) and Dr. Hamid Ateeq Sarwar (REMIT).

The persistence of informality remains a major developmental challenge for Pakistan's economy. Informal economy includes legal economic activity outside legal arrangements (such as through unregistered and non-tax compliant entities) as well as illegal and illicit activity (such as smuggling and the production, sale, and purchase of illegal, harmful, and unsafe goods and services).

In this study, the analytical focus is on two key sectors: wholesale and retail trade (WRT) and real estate, which are, by most empirical estimates, the two largest sectors of Pakistan's informal economy. The high returns in these non-tradable sectors, in large part because of low tax incidence and absence of regulations, i.e., informality, attract a growing share of private savings and investment, dampening manufacturing and exports. This structural shift in the economy is a cause of our recurrent balance of payments crises. Due to the absence of large, up-to-date survey data on the size and other key characteristics of firms, this study has focused on a tax-based analysis of informality and its consequences.

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EVENT

A launch event for the study was held in Islamabad on May 3rd, 2023.

THE SPEAKERS INCLUDED

- Mr. Ehsan Malik
(CEO, Pakistan Business Council)
- Dr. Hamid Ateeq Sarwar
(REMIT)
- Mr. Ashfaq Yousof Tola
(Minister of State and Chairman of the Reforms & Resource Mobilization Commission)
- Mr. Shabbir Dwan
(Vice Chairman, Pakistan Business Council)

The presentation based on the study prepared by the CDPR team is available here:

[READ MORE](#)

LET'S TALK DEVELOPMENT

CDPR and IGC's latest podcast series called 'Let's Talk Development' is about understanding Pakistan's current economic and development problems. We engage experts in exploring critical development issues and trends in Pakistan. New episodes come out every two weeks.

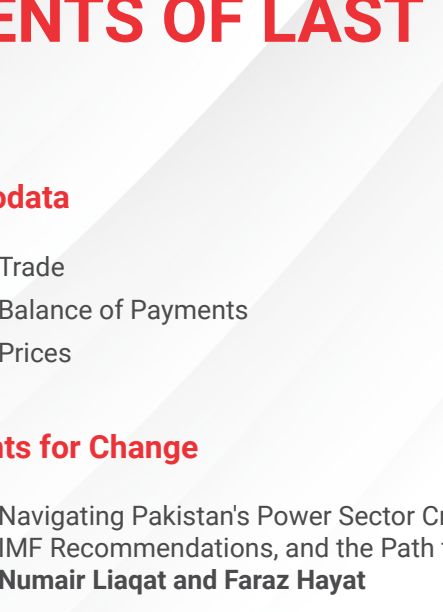
WATER SECURITY CHALLENGES IN PAKISTAN

The third episode of Let's Talk Development dropped on May 2, 2023. Pakistan's water supply has become a crucial resource challenge in recent years, made worse by the country's enduring infrastructure and governance problems. The prospect of a major water crisis in Pakistan offers a stark reminder of the increasing vulnerability of the country to global climate change. The destructive floods that submerged a third of the country last year demonstrate this. In this episode, Dr. Fazlida Nabeel and Dr. Erum Sattar draw attention to important issues in the climate change-water security space in Pakistan.

[LISTEN HERE](#)

[Apple](#) [Google Play](#) [Spotify](#)

FELLOWS' ARTICLES



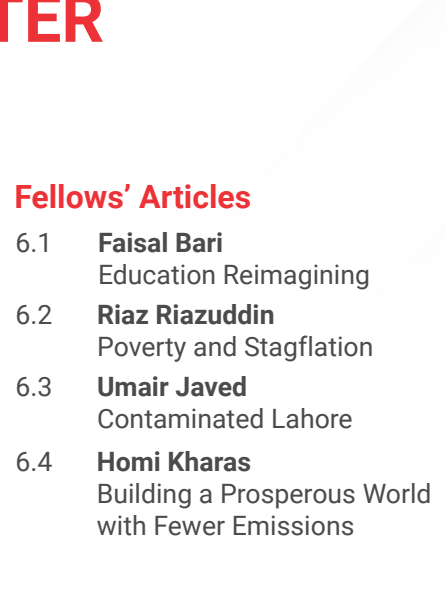
FAISAL BARI

HUMAN CAPITAL DISASTER

THE World Bank recently launched the Human Capital Review report for Pakistan in Karachi and Islamabad. The headlines of the report were not a surprise: Pakistan's Human Capital Index is below even the South Asian average. Our comparison group is some of the countries in Sub-Saharan Africa.

Our population growth is still too high, too many children die in infancy, too many mothers die in maternity or are malnourished, too many children grow up malnourished or stunted, 23 million children aged 5-16 years remain out of school, most children get poor quality education, skill programmes do not exist for most children, and people do not have access to safe drinking water and decent waste disposal facilities. This is all we know and have known for quite some time."

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RIAZ RIAZUDDIN

OUR ENDEMIC INFLATION

HAS inflation in Pakistan become endemic? In terms of its intensity, the spell of inflation being experienced today has not been witnessed earlier. Consumer Price Index (CPI) inflation has been running at over 30 per cent, year-on-year (YoY), for the last three months. The intensity with which weekly inflation is rising (over 40pc) in terms of the Sensitive Price Indicator shows that CPI inflation will remain very high in the coming months.

Pakistan has never experienced YoY inflation higher than 30pc, although it has come close to it a few times. April 2023 was the 11th consecutive month in which inflation was over 20pc, and the 18th consecutive month where it was more than 10pc. We have seen much longer spells of CPI inflation in our history, but all less than 30pc YoY."

[READ MORE](#)

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Humair Liaqat and Faraz Hayat

3 Policy Analysis

- 3.1 Organizational Effectiveness and Tax Compliance in Punjab

4 Let's Talk Development

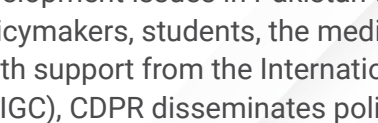
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5 Webinar

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Poverty and Stagflation
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Building a Prosperous World with Fewer Emissions



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.

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

