



CDPR NEWSLETTER

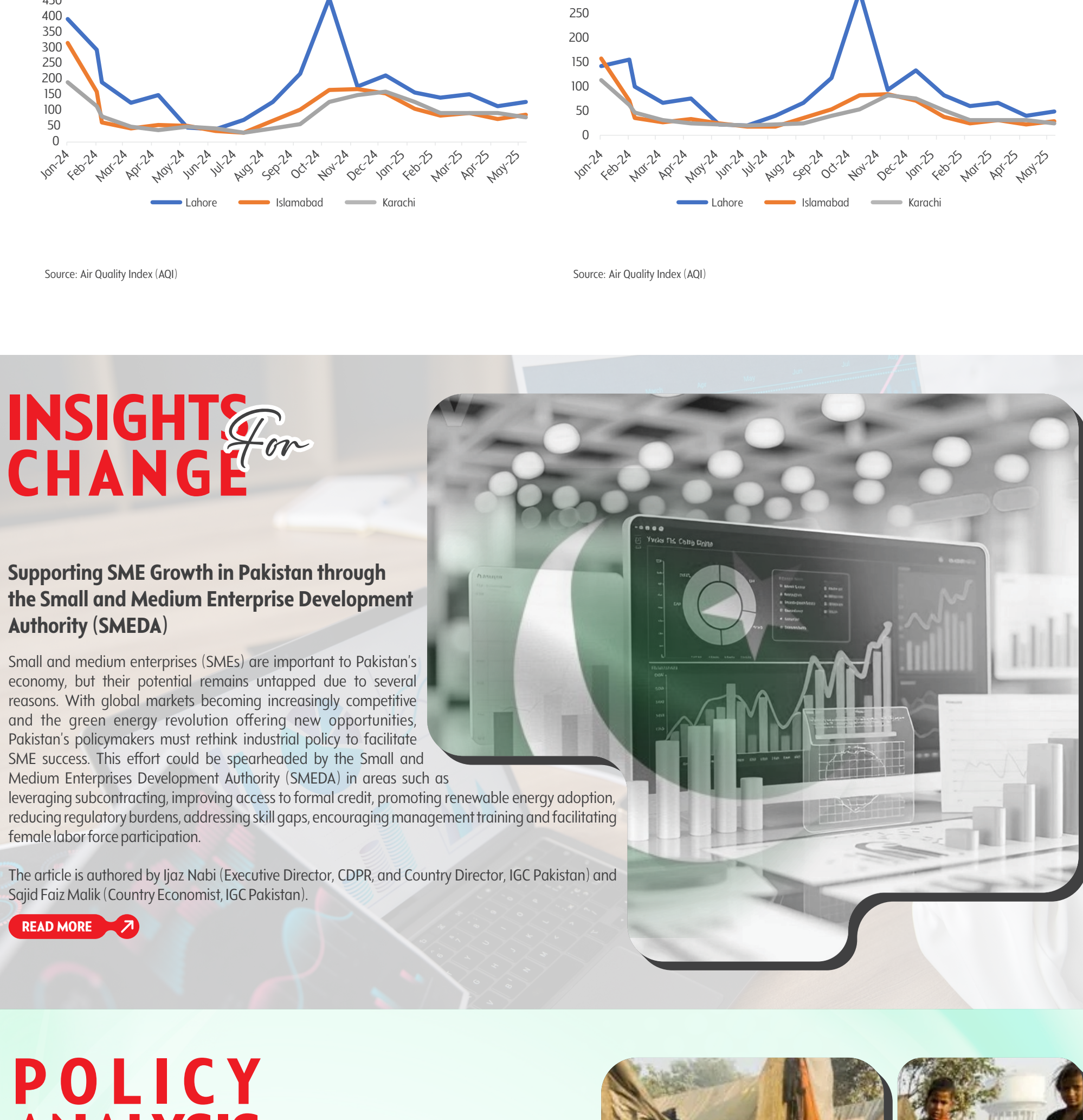
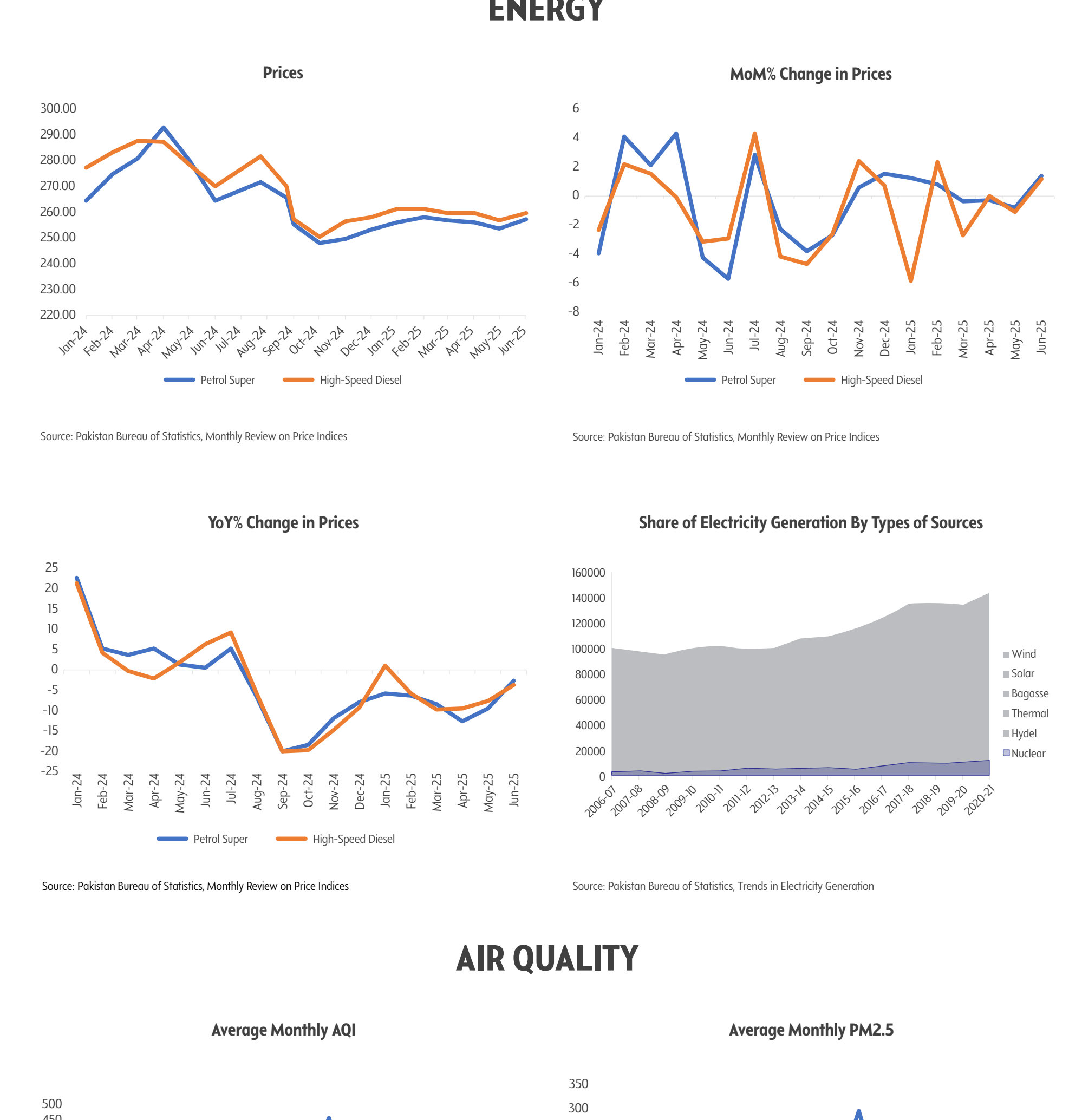
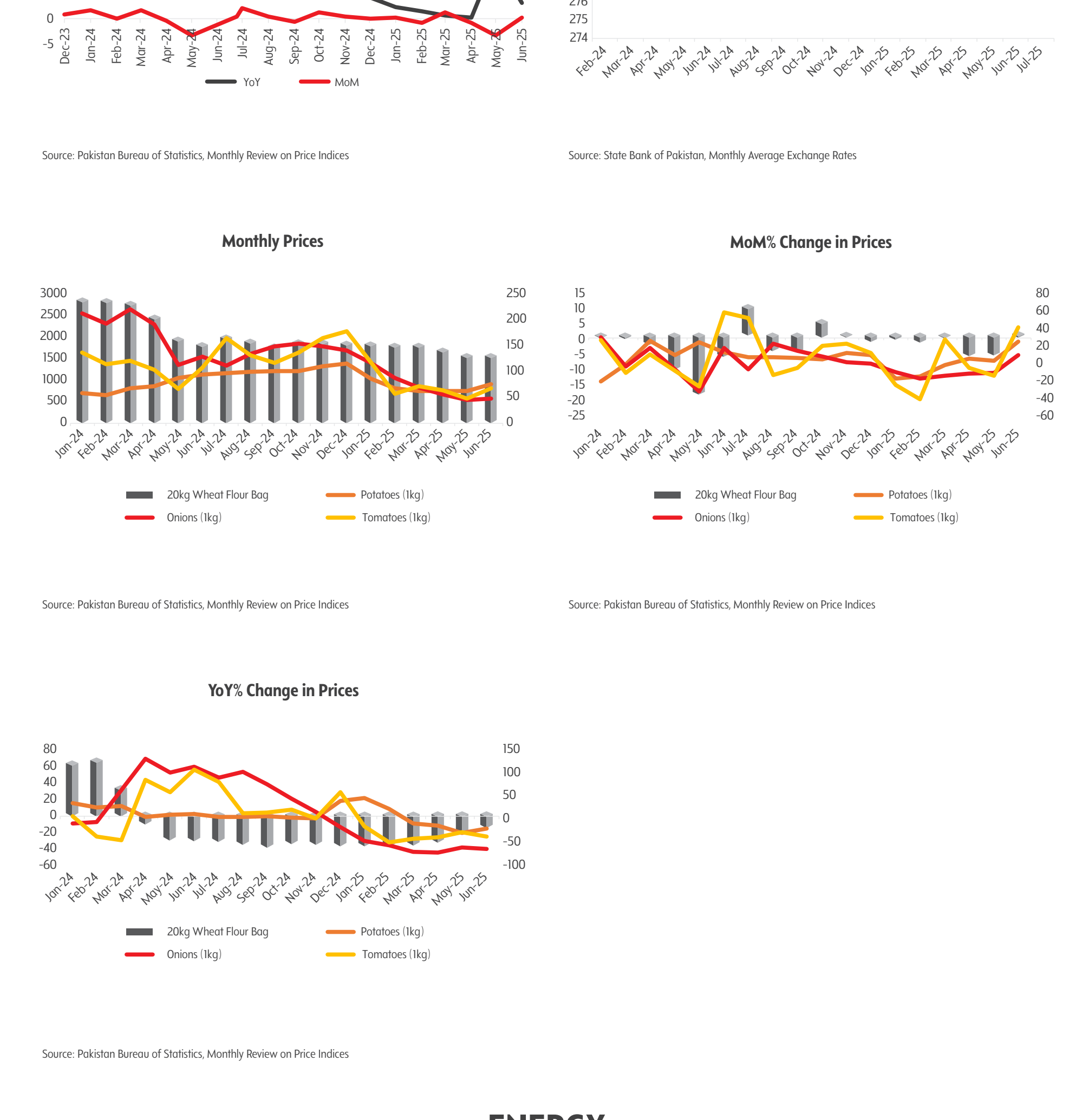
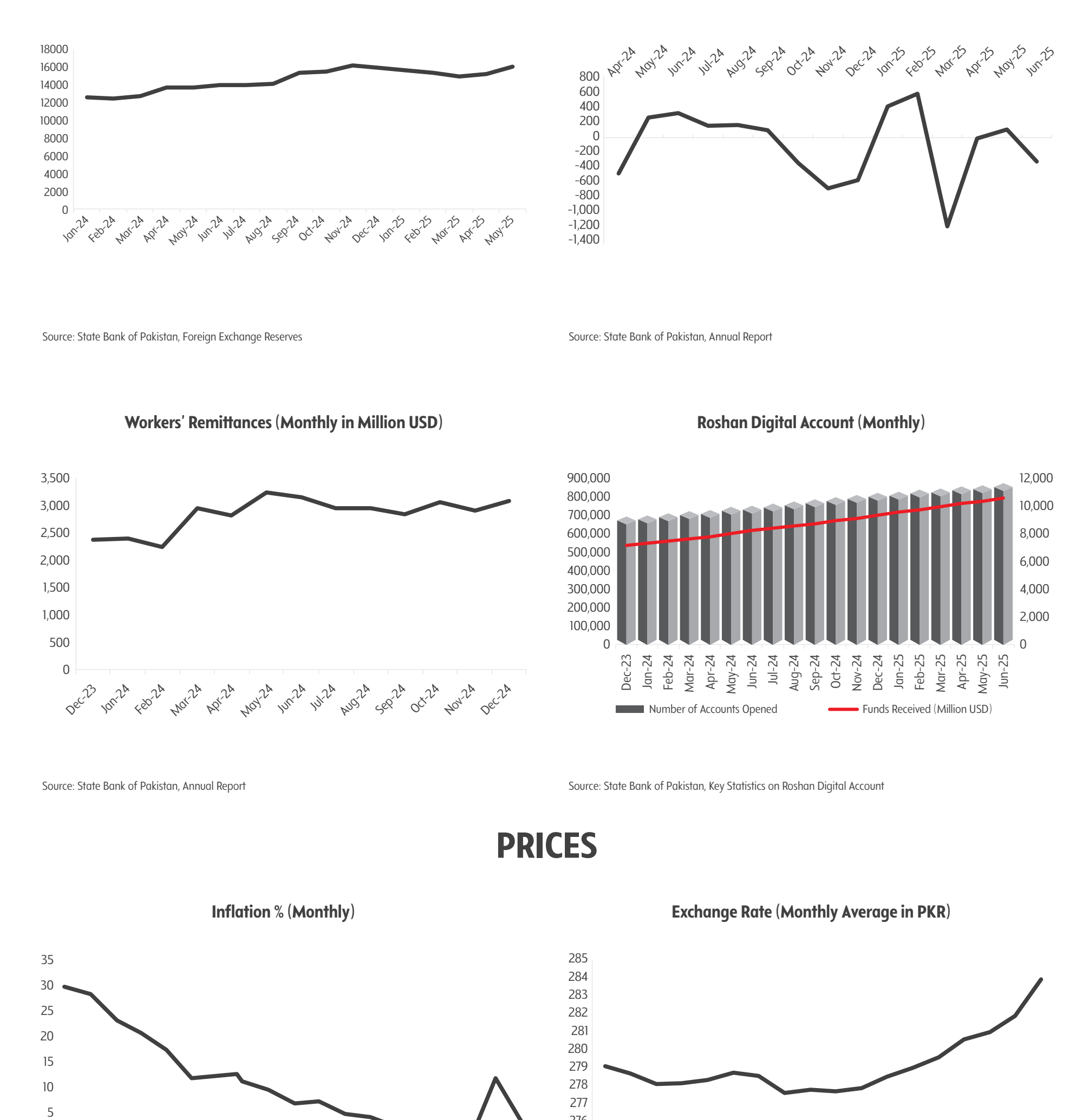
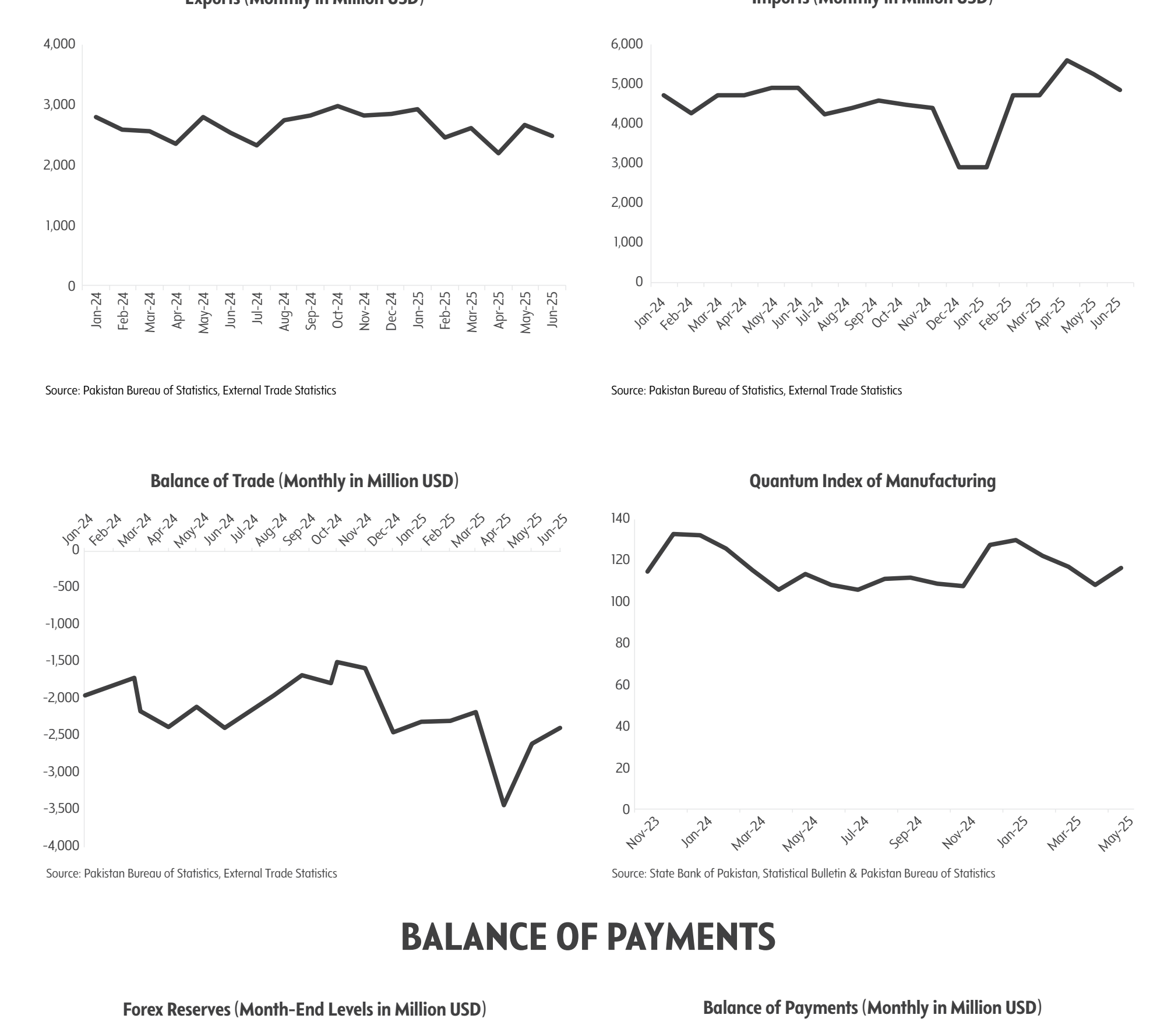
July 2025

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MACRODATA

- TRADE
- BALANCE OF PAYMENTS
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INSIGHTS For CHANGE

Supporting SME Growth in Pakistan through the Small and Medium Enterprise Development Authority (SMEDA)

Small and medium enterprises (SMEs) are important to Pakistan's economy, but their potential remains untapped due to several reasons. With global markets becoming increasingly competitive and the green energy revolution offering new opportunities, Pakistan's policymakers must rethink industrial policy to facilitate SME success. This effort could be spearheaded by the Small and Medium Enterprises Development Authority (SMEDA) in areas such as leveraging subcontracting, improving access to formal credit, promoting renewable energy adoption, reducing regulatory burdens, addressing skill gaps, encouraging management training and facilitating female labor force participation.

The article is authored by Ijaz Nabi (Executive Director, CDPR, and Country Director, IGC Pakistan) and Sajid Faiz Malik (Country Economist, IGC Pakistan).

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POLICY ANALYSIS

"Naya" Pakistan: Providing Affordable Housing to Low-income Households

This month's Policy Analysis features an IGC project exploring the barriers to affordable housing in Pakistan. Despite the government's efforts such as launching the Naya Pakistan Housing & Development Authority and offering interest-free loans, many low-income households still struggle to access adequate housing finance. Researchers Kashif Malik (Assistant Professor, LUMS), Muhammad Mehmood (PhD Candidate, University of Oxford), Simon Quinn (Associate Professor, University of Oxford), and Farah Said (Assistant Professor, LUMS) conducted surveys and interviews with applicants, borrowers, and loan officers to understand the practical challenges in implementing these schemes. Their findings reveal high demand for new housing but significant gaps between loan amounts and actual construction costs, often 60-140% higher than the median loan.

Lack of verification systems for land and income. Loan officers note that the existing diminishing musharaka product does not account for inflation, pushing some borrowers to divert funds to other needs like business investments. On the supply side, risks of default and adverse selection persist due to weak documentation infrastructure. The researchers recommend government support in the form of subsidized materials or even direct construction to reduce risk and ensure timely project completion, critical steps toward enabling effective housing finance for low-income populations.

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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.

Mapping Karachi: Spatial Vulnerability and Climate Change

The impact of climate change in cities is highly dependent on spatial factors. Within a sprawling and metropolitan city like Karachi, examining its topographic and geographic spatiality in terms of its unique location by sea, desert and forest is key in determining the negative effects of climate change on its twenty million residents. In this episode, Maha Qasim and Yasir Hussain dive into the historiography of Karachi's spatial vulnerabilities to discuss problems of climate change linked to heat, water and agriculture, and examine solutions ranging from planting urban forests to strengthening disaster management systems and institutions.

[Watch](#) [Website](#) [IGC](#) [Spotify](#)

EVENTS

Export-led Growth and the Role of Tariff Reforms in Pakistan

The Consortium for Development Policy Research (CDPR), in collaboration with the International Growth Centre (IGC) and the World Bank, hosted an online workshop on the 22nd of May 2025 on Export-led Growth and the Role of Tariff Reforms in Pakistan, to convene key private sector stakeholders and gather their insights and first reaction on the new tariff reforms and its implications on various economic sectors.

[Watch](#)

FELLOWS' ARTICLES

IAJAZ NABI

Tariff Reform

NATIONAL security rests on strong defence and a strong economy. In May, our armed forces delivered on defence. It is now time to serve the citizens and fix the economy. Tariff reform announced in Budget 2025-26 is an important step, but is highly vulnerable to attacks by powerful lobbies.

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ISHRAT HUSAIN

Tariffs & Export Expansion

NO country has achieved prosperity by relying solely on its domestic markets. The spectacular success of China, despite having a large market of 1.4 billion people, is primarily attributed to its integration into the world economy. In merely three decades, China has become the top exporting nation.

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ZEBHA SATHAR

Seizing the Moment

THERE has been over a decade of virtual silence from both the federal and provincial governments with regard to our rapidly rising population growth rates.

Finally, some prominent public figures are expressing concerns about this issue.

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

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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.