

NEWS LETTER

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“ Frustration and anger over a moral bankrupt financial system in which systemic inequalities are amplifying societal inequalities ... we face the gravest levels of geopolitical division and mistrust in generations.
UN Secretary General

Editor in Chief: Dr. M. Ejaz Sandhu

Editor: Aiman Adnan

Designer: Tabinda Naz

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Shahid Javed Burki
Chairman

The Shahid Javed Burki Institute
of Public Policy at NetSol

Davos, 2023

Davos is a mountainous retreat in Switzerland with breathtaking view from the long road that winds to a conference center. Davos has hosted annual conferences that go under the label of World Economic Forum which brings together world leaders; not only politicians but also academics, business executives, and journalists. Covid 19 pandemic interfered with the usual format of

the conclave; in May 2022, the leaders met virtually since the disease did not allow a large gathering in one place. In 2023, the conference was back with the usual format with hundreds of people huddled together trying to figure out which way the fast-changing world was moving.

This year the attendees focused on three geographic areas and one earth-moving development – the Gulf States, India, and Europe, and artificial intelligence, or AI. The oil-producing and exporting nations in the Gulf had been enriched by the developments in Ukraine that had sent oil prices into an upward spin and produced windfall incomes for the new leadership of the area that had global ambitions. Despite the shocks delivered by Covid-19 which the government headed by Prime Minister Narendra Modi had handled poorly, both growth and ambition had returned to India. The Davos 2023 had one of the largest country groups present at the conference with representation not only from the policymakers in New Delhi but also think-tank leaders and businesspeople. The Indians took great pride in bringing global attention to the fact of the three richest people in the world one was an Indian. That withstanding, it was of considerable concern for the environmentalists that the Indian billionaire had made his fortune by mining coal and using it as the main source of energy for his vast industrial empire.

As was to be expected, the big geopolitical topic was the Russian invasion of Ukraine, which was approaching its first anniversary as the meeting was held. The Russian troops were sent to Ukraine on February 24, 2022, with the expectation that the government in Kyiv would fall within a few days and would be replaced by people who would be happy to take directions from the Putin government in Moscow. That of course did not happen. As I

write this, there is an ongoing discussion among the military leaders of the United States and Western Europe whether heavy tanks should be supplied to the Kyiv government as it approached what the intelligence community thought would be a bloody spring offensive.

There was a lot of positive talk at Davos in spite of some nervousness about the future of the global economy. Those present in the Swiss town felt that the central banks of the United States and the European Union had managed to contain inflation and the world was not headed towards a recession. "There were lots of problems out there – Ukraine's future, inflation climate change," wrote Fareed Zakaria, a prominent American journalist of Indian origin who reported on the conference in one of his weekly columns for the newspaper, the Washington Post. "But the big story is the unity and resolve of the democratic world. That unity is much stronger than at any point during the Cold War, when major schisms between Europe and the United States were commonplace."

Journalists writing about the conference from Davos were not worried that the declining power and influence of the United States would see a return to anarchy or the law of the jungle, in which authoritarian states would go and ensure that might is right. That was unlikely. To quote from Zakaria again: we are witnessing a new kind of order built on the unity of and cooperation of the world's free nations. "Their unity will have to stand, their cooperation will have to grow."



Shahid Najam
Vice Chairman

The Shahid Javed Burki Institute of Public Policy at NetSol

World Economic Forum, 2023: Cooperation in a Fragmented World

The 53rd Annual Meeting of the World Economic Forum 2023 brought together eminent personalities from all around the globe - the political, economic and financial, social and media fields - to dwell on a wide range of issues and challenges which the world faces in these difficult times. The major theme was "*Cooperation in a Fragmented World*", which in itself was an acknowledgment of the failure to reach global consensus on addressing the multiplicity of the prevalent crises.

The meeting took place in the wake of wide spread pessimism characterized by a 20% decline of global stocks at the end of 2022 and the total loss of around \$30 trillion afflicting the markets. The hope for recovery in 2023 is little because of projected decline of global growth, rising inflation, Russia -Ukraine war and consequent markets' volatility and the disastrous impact of the climate change. Indeed, the Forum was most of the time engaged in deliberating upon the need for a collective action against global warming and climate change, the Russia- Ukraine war and widening economic inequalities between the rich and the poor both globally and within the countries of the world.

While there was a general resolve to work together to "shape a more resilient, sustainable and equitable future", the bitter reality is that economic inequality is deepening irreversibly e.g., during April-July 2020 only, the wealth of the world's estimated 2,200 billionaires increased by 27.5%; between December 2019 and December 2021, world richest 1% owned 63% or \$26 trillion out of the \$42 trillion newly generated wealth in the global economy (The Credit Suisse). As far as the fight against global warming and climate change, Oxfam research study of November, 2022 showed that the yearly pollution produced by a billionaire is one million time more than a poor person representing 90% of the world poorest people.

As regards the Russia-Ukraine war, there are no signs that it will end soon during 2023 given the enormity of the geo-political and economic interests and perhaps the anthropological stakes; instead the threat of further escalation over-weighs the possibility of peaceful settlement. The military-industrial complex of the richest are making huge profit gains as the poor of the world continue to face, hunger, disease and abject poverty.

The future prospects of the world's early recovery seem bleak despite a positive outlook in the Asian region's economy that is primarily due to opening of China's economy and India's steady economic resurgence. The UN Secretary General António Guterres, at Davos, averred: "*frustration and anger over a moral bankrupt financial system in which systemic inequalities are amplifying societal inequalities ... we face the gravest levels of geopolitical division and mistrust in generations*".



Tariq Hussain
Member, Board of Directors
 The Shahid Javed Burki Institute
 of Public Policy at NetSol

Climate Change and Atmospheric Rivers

Scientists have long known that the temperature increase of the planet will increase evaporation which would create more water vapor fueling what are now called atmospheric rivers. Measurements confirm that heavy precipitation events are more frequent and more intense across the world. Unlike other atmospheric gases, water vapor is not uniformly distributed around the globe. Water vapor is more abundant around the equator. From there long streams of moisture extend towards the cooler, drier poles. These streams of moisture bathe high altitude regions with intense precipitation of rain and snow.

These rivers of moisture and heat balance Earth's atmospheric energy but create strong vapor storms along their path. The vapor carries energy in the form of latent heat. The vapor condenses into liquid and the latent heat is released into the atmosphere. The resulting warmer air is lighter and so it rises and grows with more latent heat powering it. The energy contained in latent heat is substantial. This heat is what causes hurricanes, thunderstorms and other forms of energy releases during stormy weather. Table 1 gives the estimate of the increases in water vapor in the world during the preceding forty years.

Table 1 confirms common sense. Rapid intensification is likely as oceans warm, evaporating more water and delivering more latent heat to the atmosphere. Oceans absorb 90 percent of the heat trapped by greenhouse gases. The warm water acts like a battery that storms draw energy from.

Table 1

1980-2020

Year	Water vapor above Land	Water vapor above Oceans
	<i>KGs per square meter</i>	<i>KGs per square meter</i>
1980	0.06	0.30
1990	0.20	0.30
2000	0.70	0.50
2010	1.00	0.60
2020	1.10	0.80
Vapor: -In 2020 relative to 1980	18-fold	2.7-fold

Source: - *Scientific American*, November 2021. Page 29

Even though carbon dioxide (CO₂) gets more attention as a greenhouse gas (GHG), water vapor is by far the most potent greenhouse gas in the atmosphere. It absorbs much more of the radiant energy reflected by earth than do the other GHGs. To give perspective, a doubling of CO₂ will by itself warm the earth by 1 degree centigrade. But, with feedback loops the presence of water vapor will double the temperature increase. Unfortunately, we cannot directly control the amount of it in the atmosphere. We can reduce it only indirectly by reining in the warming caused by CO₂, methane and deforestation. This effort must be globally pursued. No single nation can do it on its own.



Shahzad Akhtar
Business Growth Development

The Shahid Javed Burki Institute
of Public Policy at NetSol

Navigating the Economic Challenges of Doing Business in Pakistan

Doing business in Pakistan can be challenging due to the country's current economic climate. The country has been facing a number of economic challenges in recent years, including high inflation, a large trade deficit, and a significant budget deficit. These challenges have had a negative impact on the country's ability to attract foreign investment and create a stable business environment.

One of the main challenges facing Pakistan's economy is high inflation. The country's inflation rate has been consistently above the South Asian average in recent years, which has led to an increase in the cost of living for citizens and businesses alike. This has made it difficult for businesses to plan for the future and has led to a decrease in consumer spending.

Another significant challenge for businesses in Pakistan is the large trade deficit. The country imports more goods than it exports, which has led to a depletion of foreign currency reserves and an increase in the country's debt. This has made it difficult for businesses to access the capital they need to grow and expand.

In addition to these economic challenges, businesses in Pakistan also have to contend with a difficult business environment.

The country ranks low on the World Bank's ease of doing business index, which measures the ease of starting and operating a business in different countries. This is due to a number of factors, including a lack of transparency in government regulations, a weak legal system, and a lack of infrastructure.

Despite these challenges, there are still opportunities for businesses to succeed in Pakistan. The country has a large and growing population, which presents a potential market for businesses. Additionally, there is a growing middle class in Pakistan, which has more disposable income and is more likely to spend on goods and services. Furthermore, Pakistan has a strategic location, which makes it a good place for businesses to access other markets in the region.

To succeed in the current economic challenges, businesses in Pakistan need to be strategic and innovative. They need to find ways to reduce costs, increase efficiency, and diversify their revenue streams. Additionally, they should focus on building relationships with key stakeholders, including government officials, customers, and suppliers.

Still, doing business in Pakistan can be challenging due to the country's current economic climate. However, there are still opportunities for businesses to succeed by being strategic and innovative. Businesses should focus on reducing costs, increasing efficiency, and diversifying their revenue streams. Additionally, they should focus on building relationships with key stakeholders, including government officials, customers, and suppliers. By doing so, businesses in Pakistan can navigate the current economic challenges and take advantage of the opportunities that still exist in the country.



Dr. Muhammad Ejaz Sandhu
Director Operations, Education
and Learning

The Shahid Javed Burki Institute of Public Policy at NetSol

Education in Pakistan

Education in Pakistan is overseen by the Ministry of Education of the Government of Pakistan as well as the provincial governments, whereas the federal government mostly assists in curriculum development, accreditation and in the financing of research and development. Article 25-A of Constitution of Pakistan obligates the state to provide free and compulsory quality education to children of the age group 5 to 16 years. It states that "The State shall provide free and compulsory education to all children of the age of five to sixteen years in such a manner as may be determined by law".

The education system in Pakistan is generally divided into five levels: **primary** (grades one through five); **middle** (grades six through eight); **high** (grades nine and ten, leading to the Secondary School Certificate or SSC); **intermediate** (grades eleven and twelve, leading to Higher Secondary (School) Certificate or HSSC); and **university programs** leading to undergraduate and graduate degrees.

Only 87% of Pakistani children finish primary school education. The standard national system of education is mainly inspired from the British system. Pre-school education is designed for 3–5 years old and usually consists of three stages: Play

Group, Nursery and Kindergarten (also called 'KG' or 'Prep'). After pre-school education, students go through junior-school from grades 1 to 5. This is preceded by middle school from grades 6 to 8. At middle school, single-sex-education is usually preferred by the community, but co-education is also common in urban cities. The curriculum is usually subject to the institution. The eight commonly examined disciplines are Urdu, English, mathematics, arts, science, social studies, Islamic studies and sometimes computer studies (subject to availability of a computer laboratory). Provincial and regional languages such as Punjabi, Sindhi, Pashto and others may be taught in their respective provinces, particularly in language-medium schools. Some institutes give instruction in foreign languages such as Turkish, Arabic, Persian, French and Chinese. The language of instruction depends on the nature of the institution itself, whether it is an English-medium school or an Urdu-medium school.

Pakistan's poor performance in the education sector is mainly caused by the low level of public investment. Public expenditure on education has been 2.2 percent of GNP in recent years, a marginal increase from 2 percent before 1984-85. In addition, the allocation of government funds is skewed towards higher education, allowing the upper income class to reap majority of the benefits of public subsidy on education. Lower education institutes such as primary schools suffer under such conditions as the lower income classes are unable to enjoy subsidies and quality education. As a result, Pakistan has one of the lowest rates of literacy in the world and the lowest among countries of comparative resources and socio-economic situations. Currently 22.8 million (44%) million

children are out of school and to bring back them to school we need at least 500,000 teachers. Instead of building new schools we should offer double shift in the existing schools. Pakistan could not produce education leadership to solve the issues of education. In the civil services, Pakistan has the Postal Services cadre and not education group or services which shows the country's seriousness for implementing the educational reforms and the Article 25-A.



Atrun Nisa
Senior Research Fellow
 The Shahid Javed Burki Institute
 of Public Policy at NetSol

Pakistan's Economic Update (December 2022)

Pakistan's economy remains currently below potential, implying a negative output gap. Inflation remains substantially above targets. The global energy crises, which has pushed up global commodity prices, also puts downward pressure on international official reserves.

In the real sector, during Jul-Nov FY2023, the agriculture credit disbursement increased by 35.9 percent to Rs 663.9 billion from Rs 488.5 billion compared to corresponding period last year. For Rabi season 2022-23, wheat crop has been sown on an area of 20.77 million acres. The input situation is expected to remain favourable due to incentives announced in Kissan Package 2022 that will boost agriculture productivity. The better input

situation is expected to increase crops production in Rabi season. According to IRSA, the irrigation water supply recorded at 6.32 MAF for November 2022 against the last year's supply of 5.50 MAF, increased by 0.82 MAF.

The production of Large Scale Manufacturing (LSM) sector which witnessed contraction of 2.9 percent during Jul-Oct FY2023. On YoY basis, LSM plunged by 7.7 percent in October 2022, while on MoM basis it shrinks by 3.6 percent. During Jul-Oct FY2023, 6 out of 22 sub-sectors witnessed positive growth which includes, wearing apparel, leather products, chemicals, iron & steel products, Furniture and other manufacturing sectors. While it decreased in Food, Beverages, Tobacco, Textile, Coke & Petroleum Products, Pharmaceuticals, Wood Products, Paper & Paperboard, Rubber Products, Non-Metallic Mineral Products, Fabricated metal, Electrical Equipment, Machinery and Equipment, Automobiles and Other Transport Equipment.

The CPI recorded at 23.8 percent on a YoY basis in November 2022 as compared to 26.6 percent in the previous month. On MoM basis, CPI increased to 0.8 percent in November 2022 as compared to an increase of 4.7 percent in the previous month and an increase of 3.0 percent in November 2021. The average CPI in the first five months of the current fiscal year remained 25.1 percent compared to 9.3 percent during the same period of last year.

Overall, the fiscal deficit stood at 1.5 percent of GDP (Rs.1266 billion) during Jul-Oct FY2023 as compared to 0.9 percent of GDP (Rs.587 billion) last year. Primary balance posted a surplus of Rs.136 billion (0.2 percent of GDP) against the surplus of Rs.206 billion (0.3 percent of GDP) last year.

Net FBR revenues increased by 9.2 percent to Rs 1317 billion during Jul-Oct FY2023 against

Rs 1205 billion last year. Tax collection grew by 16.8 percent to reach Rs 2139 billion in the first four months of FY2023 up from Rs.1830 billion in the comparable period of last year. In contrast, non-tax collection was reduced by 23.4 percent to Rs 346 billion during Jul-Oct FY2023 against Rs 452 billion last year. Total expenditure rose by 26.1 percent to Rs 2737 billion during Jul-Oct FY2023 against Rs2171 billion in the same period of last year. The increase is driven by a 34.4 percent growth in current spending. While PSDP expenditures stood at Rs 98 billion during Jul-Oct FY2023 against Rs 207 billion in the comparable period of last year.

The Current Account posted a deficit of \$ 3.1 billion for Jul-Nov FY2023 as against a deficit of \$ 7.2 billion last year, mainly due to improvement in trade balance. However, the current account deficit shrank to \$ 276 million in November 2022 as against \$ 569 million in October 2022. Exports on fob declined by 2.0 percent during Jul-Nov FY2023 and reached \$ 12.1 billion (\$ 12.3 billion last year). Imports on fob declined by 16.2 percent during Jul-Nov FY2023 and reached \$ 24.9 billion (\$ 29.7 billion last year). Resultantly the trade deficit (Jul-Nov FY2023) reached to \$ 12.8 billion as against \$ 17.3 billion last year.

The economic growth is likely to remain below the budgeted target due to the damage created by floods during FY 2023. This combination of low growth, high inflation and low levels of official reserves is particularly challenging for policymakers. In the short run, demand management policies by Pakistan's Central Bank and Government are designed to fight inflation and protect official reserves and protect inclusive growth. But in the long run, the Government aims to stimulate the supply side to elevate the long run potential growth rate of the economy. Increasing the long run

growth trends of output, per capita real incomes and employment can only be achieved by stimulating investments in new production capacities and improving overall productivity (Economic update, Ministry of Finance)."



Aiman Adnan
Research Fellow

The Shahid Javed Burki Institute of Public Policy at NetSol

Population Control through Women Empowerment

The Burki Institute of Public Policy (BIPP) launched its latest 15th Annual Report *State of the Economy: Frontline Stakeholders: Reaping the Gender Dividend*, recently. Apart from the usual focus on the state of economic affairs in the country, a special attention was given to the state of women's participation, contribution, and place in the socio-economic affairs across the board.

One important aspect highlighted in the post-launch discussion was the link between empowering women and limiting the population growth. Each has an impact upon the other from individual to communal level and psyche. Empowering women is the most effective way to reduce fertility rates and achieve a sustainable population size that respects the limits of country's carrying and service delivery capacity. One way of ensuring this is investing in female education—the number of years a woman has spent in

education is usually inversely correlated with the number of children she will bear in her lifetime. Also, education enables women to have sovereignty over their bodies, including acceptance towards modern contraception. Steps such as these can limit the unbridled population growth.

Uncontrolled population growth in itself is disadvantageous to the least developed countries such as Pakistan. The current population of Pakistan is 240,485,658, with a 1.98% increase from last year, while the list of countries and their population trends are as follows:

Country	Population	Population Growth Rate
Afghanistan	42,239,854	2.7% increase
Bangladesh	172,954,319	1.03% increase
India	1,428,627,663	0.81% increase
Iran	89,172,767	0.7% increase
South Korea	51,784,059	0.06% decline
Malaysia	34,308,525	1.09% increase
Turkey	---	1.7% decline

Pakistan is not equipped to handle and do justice with the provision of the rights of the current population at hand, let alone that of the increase in population. The most disastrous impacts of ever-increasing population in the context of Pakistan are overcrowding, destitution, crime, pollution, political turmoil, imbalance between job seekers and employment opportunities, food

insecurity, overuse of arable land, deforestation and desertification, water insecurity, large emissions of greenhouse gases, burden on natural resources and rise in inequitable development and distributive injustice.

With an overall effort to create awareness campaign to reduce population through employing the services of all the pillars of the state, the attention towards empowering the vessel of human creation must also be paid. Women must enjoy equal participation in education and the work place. The practice of child- and forced marriage, which violate girls' rights to a healthy, fulfilling life, must be curbed. The women should have full equality under all laws and all policies that disadvantage women must be reassessed. Eliminating patriarchal attitudes and behaviors that cause women to suffer and that prevent them from accessing positions of power will help this cause and bring gender sensitivity aspect in population control as well.

**Zahra Khan****Research Intern**

The Shahid Javed Burki Institute of Public Policy at NetSol

Aftermath of Mahsa Amini's Untimely Death

In the neighbouring country Iran's morality police was detaining Mahsa Amini, 22, when she died, and as a result, social tensions in the nation have reached extreme levels. In addition to calling for government accountability, personal and political freedoms, protesters also want justice for Amini. Denying that Mahsa Amini died from blows to the head and limbs while being held hostage, the police connected Amini's death to pre-existing conditions. When it comes to holding security officers accountable for violating human rights, the Iranian government has had a terrible track record whereas the same is the case in the USA, with George Floyd's killing being the one of the latest examples, while being arrested. Protests against police brutality, particularly against the black people and the alienated minorities, swiftly spread throughout the USA and the rest of the world after his death.

Despite the passing of Mahsa Amini, protests remain to this day. Rallies with anti-establishment chants continue to be held daily. Women are seen burning their hijabs and cutting their hair in an effort to register condemnation against injustice towards Mahsa and to improve the status of women in Iran. Whereas the Iranian government has implemented severe internet restrictions due to the behaviour of its citizens, citing "security reasons," and restricted access to social media and messaging services. The administration

has regularly used live bullets and tear gas in response to demonstrations in order to put an end to the lengthy protest. The Interior Ministry which oversees the force has not confirmed the shutting down of morality police. The authorities say the hijab law will be enforced through other methods in Iran.

This lack of accountability promotes a culture in which police personnel may act without a sense of consequence, which results in violations of human rights, unlawful murders and torture. Killing or torturing to death a person without any criminal activity cannot be justified in any case. According to Article III of the UDHR, everyone has the right to life, liberty, and security of person. In International Law and Covenant on Civil and Political Rights, part 3 of Article VI states that every human being has the inherent right to life and this right shall be protected by law. No one shall be arbitrarily deprived of his life.

In conclusion, the continuation of morality police is a complicated issue that may be influenced by many elements including the political environment, a lack of accountability, and inadequate training and resources. Instances of police violence and the excessive use of force against demonstrators and other civilians have been documented by human rights organizations such as the Human Rights Watch and the UN demand accountability for death of Mahsa Amini, and call for ending violence against women. Greater control and responsibility for the conduct of officers, as well as increased investment in resources and training, are necessary to raise the morale and skills set of the police force. Holding the government and its security forces responsible for their conduct can also be aided by political pressure from the international community to enhance its human rights record which may later project a softer image of Iran.



Tabinda Naz
Assistant Manager IT/Knowledge Management

The Shahid Javed Burki Institute of Public Policy at NetSol

On 30th December 2022, the launching ceremony of the BIPP's 15th Annual Report "The State of the Economy: Frontline Stakeholders - Reaping the Gender Dividend" was held at The Lahore Chamber of Commerce & Industry (LCCI). Mr. Kashif Anwar the President of LCCI, presided over the event, which was attended by eminent scholars, researchers, members of the academia, representatives of women-related NGO's and prominent citizens. Mr. Abdullah Khan Sumbal Chief Secretary Punjab, Dr. Shahid Munir Chairman Punjab HEC, Ms. Shaheen Attiq-ur-Rahman Chairperson Bunyad Foundation, Ms. Sumaira Samad Secretary Women Development Department, Dr Muhammad Nizam Ud Din, Pro-Rector Superior University and Dr. Raana Malik HOD of the Gender Studies Department, Punjab University, provided their invaluable appraisal of the Annual Report.



Following the welcome and the opening remarks by Mr. Shahid Najam, the Vice Chairman BIPP an overview of the thematic areas of report was presented by Mr. Shahid

Javed Burki, the Chairman BIPP. Dr. Farrukh Iqbal, the former Executive Director of the Institute of Business Administration (IBA), Karachi provided an appraisal of the economy. He particularly highlights the reasons of Pakistan's economic and international reserves collapse. Ms. Aiman Adnan, research fellow BIPP thereafter presented the gist, key findings and recommendations of the report. This was followed by an active Q & A session. The launch ceremony came to a close with remarks of gratitude by the President of LCCI.



It may be added that BIPP in its Report "The State of the Economy: Frontline Stakeholders Reaping the Gender Dividend" has provided an objective overview of Pakistan's Economy 2022. While dwelling on the main theme, the report, inter alia, covers gender-related issues of vital signs such as women and technology's role in economic development, the socio-economic implications of gender deficit in Pakistan, Taliban and Afghan women, women in the shadow of climate change, their role in developing agriculture and animal husbandry, lessons learned from the Chinese history- from foot binding to technology innovation and empowering women through the vote.



On January 10th, 2023, BIPP Team, met with the University of Lahore's focal person to discuss the launch of a Shahid Javed Burki Scholarship Program in the nursing program. During the meeting, both parties discussed ways to ensure success of the program and its benefit for the students. The scholarship program, which is being provided by BIPP, aims to support and encourage the education of female students based on need and merit. The details of the program, including the criteria for eligibility and the application process, were also discussed during the meeting. Overall, the meeting was a productive one, and both parties are committed to working together to provide opportunities for students.

On January 12th, 2023, a meeting was held between Mr. Shahid Najam, Vice Chairman of BIPP, Dr. Ejaz Sandhu, Director of Operations for BIPP, Ms. Aiman Adnan, Research fellow BIPP and Ms. Sumaira Samad, Secretary of the Women Development Department of Punjab. The purpose of the meeting was to discuss ways to overcome challenges related to women and to explore opportunities for future collaboration.



During the meeting, the BIPP 15th annual report "State of the Economy: Frontline Stakeholders - Reaping the Gender Dividend" was presented, which focuses on the gender deficit and the empowerment of women. The report highlighted the importance of addressing the challenges faced by women and the need for increased investment in women's empowerment.

Ms. Sumaira Samad and the BIPP team had a discussion on ways to empower women and discussed potential collaborations in areas such as education, economic opportunities, and health. They also discussed the potential of using BIPP's research and expertise in the development of policies and programs aimed at advancing gender equality and women's empowerment in the province. The meeting was a positive step towards building a stronger partnership between BIPP and the Women Development Department of Punjab to work towards a more inclusive and equitable society for women.



On January 4th, 2023, BIPP held its new year staff meeting to reflect on the progress made in the previous year, and to set goals for the coming year. The recently launched 15th annual report was discussed in depth, with an emphasis on analyzing its strengths and weaknesses, as well as identifying areas for

improvement in the report's writing to its launch process. Additionally, there was a discussion on policies and guidelines for the current year. The meeting provided an opportunity for all employees to share their thoughts and ideas and to contribute to the organization's goals. Employees were encouraged to work together to achieve the organization's goals and to continue to make a positive impact on society.



On February 2nd, 2023, the BIPP held a training session for their employees as part of their staff development plan. The session was led by Mr. Naveed Khalid, who gave a presentation on proposal writing and RFPs. Mr. Khalid Naveed provided valuable insights and guidance to the staff on how to identify potential projects and how to effectively submit proposals. He shared his expertise on the importance of creating well-structured proposals that are tailored to meet the needs of the client. The training session was an excellent opportunity for the staff to improve their skills and expand their knowledge in this important area.



A new episode of BIPP's Policy Hub series was also released in the month of February. You may watch Dr. Muhammad Nizam Ud Din sharing his views on Women Empowerment to check population growth by using the following link: <https://youtu.be/u5o1DDhKZjA>





Awais Khalid
Manager Finance and Operations
 The Shahid Javed Burki Institute
 of Public Policy at NetSol

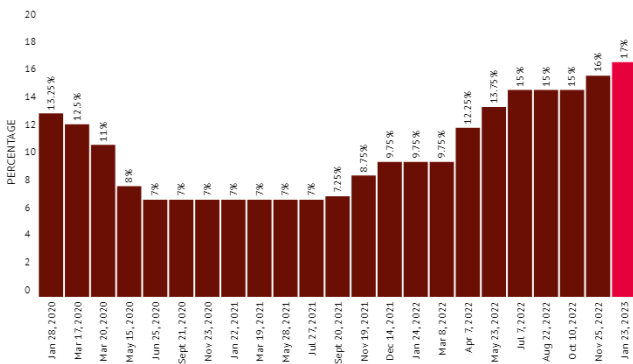
Monetary Policy Rate:

The State Bank of Pakistan announced its new monetary policy on Monday, 23rd January 2023, and increased the interest rate by 100 basis points (bps) to 17 percent. This decision was aimed to ensure that elevated inflation does not become ingrained.

The Monetary Policy Committee which was constituted as a statutory committee under the State Bank of Pakistan Act decided to increase the key benchmark rate due to three important economic developments:

- Inflation
- Externals challenges
- Global economic conditions

MONETARY POLICY RATE



The IMF examination is critical for reducing uncertainty

In November 2022, the statutory committee stated once more that the short-term costs of reducing inflation are less than the long-term

costs of allowing it to become established. It also highlighted the collaboration with multilateral and bilateral partners to address domestic uncertainty and short-term external sector issues, challenges and questions.

Pakistan entered a \$6bn IMF program in 2019, which was increased to \$7bn. The program's ninth review is currently pending since last September with remote talks being held between IMF officials and the government for the release of \$1.18bn.

The Monetary Policy Committee regarded the completion of the pending ninth IMF's Extended Fund Facility review as "critical for reducing unreliability and unpredictability" and emphasized unlocking multilateral and bilateral inflows in this regard.

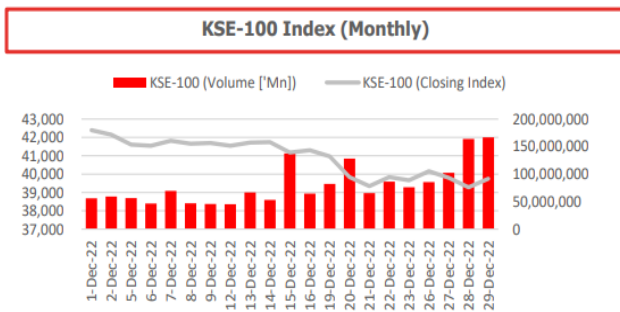
Economic Review & Outlook

KSE-100 index declined by 4.55% MoM in Dec-2022. The market remained on the negative side during the month of December as foreign exchange reserves dropped to a nine-year low, delay in the IMF program resumption and a rise in political temperature. Key events to watch out for during Jan-2023 will be stepped by the government to raise additional taxes and increase utility prices along with a measure to reduce circular debt, IMF program negotiation, flood donor conference, Punjab Assembly proceeding, and monetary policy meeting.

The market remained on the negative side during most part of the month due to rising concerns on the political front (Punjab and KP assembly dissolution), and deadlock with IMF over program conditionalities. However, during the last week of December, some improvement in the market was witnessed mainly due to the announcement of a committee to resolve circular debt and value

buying at year-end. Another event during the month was the downgrade by S&P Global of Pakistan's long-term sovereign credit rating by one notch to "CCC+" from "B". Rupee devalued by 1.1% during the month of December against USD, while overall during 1HFY23, Rupee has devalued by 10.5% in interbank. Oil prices fell during the month of December due to China demand worries, but recovered later in the month as China eased its Covid policy and due to the severe wind storm in the US.

Core inflation for the month of December stood at 16.4%. Overall 1HFY23 inflation is 25%. The Current Account Deficit (CDA) continues to moderate, reaching USD 0.3 billion in Nov-22, the lowest level since Apr-21. Overall CAD shrank by 57% during 5MFY23, mainly due to lower goods import bills with CAD of USD 3.1 billion. FBR collected Rs. 3.4 trillion during 1HFY23 against Rs. 2.9 trillion collected during the same period last year, showing an increase of over 18%, but fell short of the target and is even lower than the inflation.





Mission Statement

BIPP's mission is to improve the welfare of the citizenry with particular emphasis on identifying policy measures that will lead to inclusive, people-centered growth with equity, political stability and sustainable development besides fully harnessing the potential for regional and global integration of the country. BIPP primary areas of interest encompass social, economic, environmental and political development and security, trade and foreign policy-related issues.

<http://www.sjbipp.org/>

admin@sjbipp.org

+92-42-35913304

138, Abubakar Block, New Garden Town, Lahore