Government of Pakistan
Ministry of Planning, Development & Special Initiatives

URAAN PAKISTAN

MONTHLY DEVELOPMENT UPDATE

NOVEMBER 2025

(MACROECONOMIC SECTION)

PlanCom Pakistan

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Executive Summary

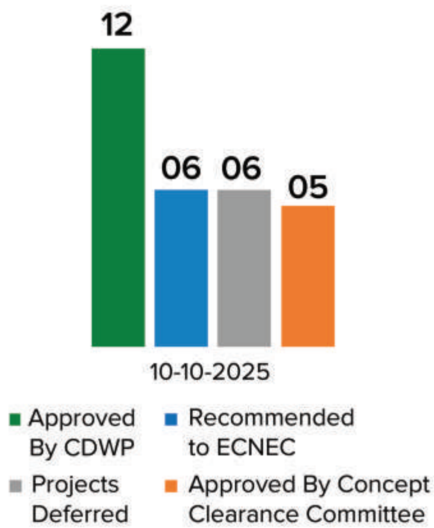
Pakistan's economy continues its positive trajectory under the government's prudent management, demonstrating resilience with a significant decline in inflation to 4.7% and a robust 11.4% growth in tax collections during Jul-Oct FY2025-26. In a major push for sustainable development, the government, through the CDWP, processed 29 development proposals in October, approving 12 projects, 5 concept clearance papers and recommending 6 major initiatives to ECNEC with a cumulative investment of over Rs. 259 bn. These strategic projects in agriculture, water, clean energy, and social protection are set to create more than 98,000 direct and indirect jobs and are complemented by rigorous fiscal discipline, achieving notable cost rationalization. Concurrently, the government is strengthening future growth foundations through active engagements for foreign investment, the strategic advancement of CPEC Phase-II, and the launch of innovative data systems, collectively steering the nation confidently towards a path of inclusive and sustained economic growth.

MACROECONOMIC LANDSCAPE

	FY2024-25 (Jul-Oct)	FY2025-26 (Jul-Oct)	Change
INFLATION (%)	8.7	4.7	↓
LARGE SCALE MANUFACTURING (%) (July-Aug)	-0.2	4.4	↑
FBR TAX COLLECTION (Rs. Billion)	3,442.7	3,834.9	↑ 11.4
EXPORTS ($ Billion)	10.9	10.4	↓ -4.0
IMPORTS ($ Billion)	20.0	23.0	↑ 15.1
REMITTANCES ($ Billion) (Jul-Oct)	11.9	13.0	↑ 9.3

- Pakistan has demonstrated macroeconomic stability and resilience during the CFY 2025-26. Inflation (Jul–Oct) stood at 4.7%, notably lower than 8.7% in the same period last year, indicating effectiveness of government policies, administrative, and relief measures.
- Monthly inflation exhibited a downward trajectory in the first two months (Jul-Aug), reflecting an early stability in prices. However, flood-related disruptions reversed this trend, pushing inflation to 6.2% in October.
- After two consecutive years of decline, the LSM has entered a recovery phase. The sector grew by 4.4% in Jul-Aug, compared to a 0.2% contraction in the same period last year. This rebound has boosted demand for raw materials and fuel, signaling revival of industrial activity.
- FBR's tax collection maintained a steady growth trajectory during the Jul-Oct period, reaching Rs. 3.8 trillion, compared to Rs. 3.4 trillion in the same period last year, reflecting a growth of 11.4%.
- In the first two months of the fiscal year, exports were on the upward trajectory (Jul-Aug: 0.7%). However, supply disruptions caused by the recent flood have affected the export sector. In Jul-Oct, exports declined by 4%. Whereas, export of services during Jul-Sep increased by 14.7% ($2.2 bn), including IT export by 20.5% ($1.1 bn)
- Conversely, imports showed an upward trend during the same period, driven by higher LSM growth, imports of capital goods, and the government's trade liberalization measures.
- Remittances continued to play a vital role in supporting the external sector, reaching $13 bn during Jul–Oct 2025, and recording a growth of 9.3%.
- Overall, these indicators collectively reflect the government's concerted efforts to steer the economy towards a path of sustained stability and growth.

DEVELOPMENT DYNAMICS



DEVELOPMENT PROJECTS APPROVED

In October 2025, the CDWP, under the chairmanship of the DCPC, held one (01) meeting to review development proposals submitted by federal ministries and provincial governments. The forum considered twenty-nine (29) agenda items, including twenty-four (24) projects and five (05) concept clearance proposals. Of these, twelve (12) projects and all five (05) concept papers were approved, while six (06) major projects were referred to ECNEC for final approval, and the remaining six (06) were deferred for furthure deliberation. A sector-wise breakdown of the projects is provided at Annex - II, with key details below: -

FOOD & AGRICULTURE SECTOR

The CDWP reviewed three (03) projects worth Rs. 123.89 bn. Two large-scale initiatives, amounting to Rs. 116.5 bn, were recommended to ECNEC to promote equitable access to agricultural water, enhance productivity, and increase farmers' incomes. Another project of Rs. 7.35 bn was approved to strengthen animal health systems, improve disease surveilance and traceability, and ensure compliance with international sanitary standards.

GOVERNANCE SECTOR

A project costing Rs. 3.08 bn was approved to institutionalize public investment management, strengthen development planning, and digitize systems. The intervention also aims to improve the public procurement regime, enhancing transparency and efficiency in financial management.

HEALTH SECTOR

Three (03) projects totaling Rs. 9.96 bn were approved by CDWP to improve equitable access and quality of primary healthcare services, in line with Universal Health Coverage goals. The initiatives focus on strengthening pediatric emergency care, enhancing district-level diabetes prevention and management, and expanding life-saving insulin and diabetes awareness programs across KP.

HIGHER EDUCATION SECTOR

Rs. 1.47 bn project was approved by CDWP to strengthen veterinary and animal sciences education by expanding academic and allied facilities, promoting research, and fostering agro-industrial integration.

PHYSICAL PLANNING & HOUSING SECTOR

CDWP reviewed two (02) projects. One major initiative worth Rs. 52.19 bn was recommended to ECNEC and the other one was deferred for submitting the modified PC-I The recommended project aims to reduce groundwater pollution, improve water quality downstream of Lahore, and restore aquatic ecosystems through wastewater treatment and integrated urban sanitation planning.

POWER SECTOR

The CDWP approved three (03) totaling Rs. 16.02 bn to harness indigenous hydropower resources and meet the growing electricity demand in AJ&K.

SOCIAL WELFARE SECTOR

Rs. 64.40 bn project was recommended to ECNEC to strengthen provincial social protection systems, ensuring efficient, well-coordinated service delivery. The initiative seeks to improve access to maternal, newborn, and child healthcare for poor and vulnerable households, particularly in rural Sindh.

TRANSPORT AND COMMUNICATIONS SECTOR

Three (03) feasibility studies were considered by CDWP. Two were approved to assess and design sustainable BRT corridors with feeder routes to enhance urban mobility. One feasibility study for upgrading an existing double rail line to support speeds up to 160 km/h was recommended to ECNEC.

WATER SECTOR

Rs. 5.65 bn project was approved by CDWP to restore flood-damaged irrigation infrastructure and ensure the continued benefits of the Kachhi Canal system. Another project worth Rs. 15.65 bn was recommended to ECNEC. The project aims to expand the command area supplied by the Tarbela Dam via the Gandaf Tunnel, enhancing irrigation efficiency and agricultural output. Two projects were deferred for further reviews.

COST RATIONALIZATION (JUL – SEP 2025)

Through a rigorous evaluation of development proposals submitted by federal and provincial governments, the Ministry has undertaken a strategic rationalization of project components, eliminating non-essential and redundant elements. This initiative has enhanced the efficiency of national resource allocation and reinforced the government's commitment to sustainable and high-impact development outcomes. As a result of this process, the total cost was reduced from Rs. 1,424.9 bn to Rs. 1,422.7 bn, achieving a saving of Rs. 2.2 bn in Jul-Sep 2025. This outcome demonstrates a disciplined approach to public investment, underscoring a dedication to fiscal responsibility and optimized development effectiveness.

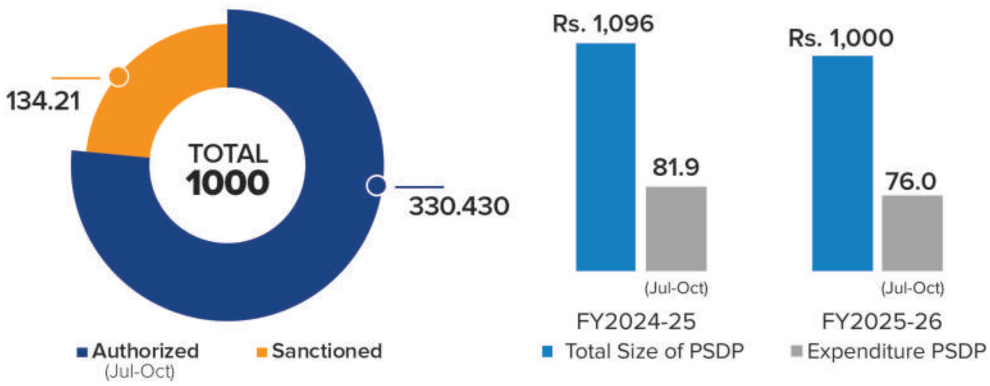
RATIONALIZATION

The Ministry of Planning achieved savings of **Rs. 2.2 bn** by eliminating unnecessary components from development projects during the CDWP review process.

EMPLOYMENT GENERATION

In October 2025, the CDWP approved 12 development projects and recommended 6 to ECNEC for consideration. These initiatives are vital for stimulating economic activity, generating employment, and improving livelihoods nationwide. During their implementation period, 2,501 new posts will be created, providing immediate job opportunities. In the longer term, these projects are expected to promote sustainable employment, enhance skills, and support inclusive economic growth. According to project documents, approximately 56,184 direct and 39,326 indirect jobs are likely to be created across various sectors over the next 5 to 7 years.

DEVELOPMENT SPENDING (Rs. in Bn)



Until October 2025, the Ministry has authorized Rs. Rs. 330.43 bn, representing 33% of the total Rs. 1,000 bn of the PSDP, to all concerned Ministries and Divisions. This authorization empowers PAOs to release and sanction funds from both local and foreign aid allocations as required by budgeted projects. Sector-wise expenditures are given below:

SECTORAL OVERVIEW

INFRASTRUCTURE SECTOR

The infrastructure sector received an allocation of Rs. 626.77 bn (63%) for FY 2025-26, of which Rs. 46.12 bn has been utilized till 31st Oct, 2025. The transport and communication sector received the highest allocation of Rs. 333.48 bn and incurred an expenditure of Rs. 25.93 bn. The energy sector and physical planning & housing sector recorded an expenditure of Rs. 2.54 bn and Rs. 4.69 bn against allocations of Rs. 122.65 bn and Rs. 72.73 bn, respectively. The water sector received the allocation of Rs. 97.90 bn and incurred an expenditure of Rs. 12.95 bn.

SOCIAL SECTOR

The social sector was allocated Rs. 169.31 bn (17%), wherein Rs. 60.75 bn were allocated for the education sector, including HEC, which spent an amount of Rs. 8.97 bn. The health and nutrition sector utilized Rs. 0.14 bn against an allocation of Rs. 16.84 bn. Furthermore, Rs. 21.71 bn were allocated for "Others", out of which, Rs. 1.51 bn have been utilized.

GOVERNANCE SECTOR

To promote transparency, ensure good governance, and provide an enabling environment for local and foreign investors, Rs 11.17 bn (1%) has been earmarked for Governance-related projects. Of which, Rs. 0.65 bn expenditures have been incurred till 31st Oct, 2025.

SCIENCE & INFORMATION TECHNOLOGY SECTOR

The science & IT sector, with an allocation of Rs. 37.59 bn (4%), reflects sustained prioritization of digital transformation, innovation structure, and applied research initiatives. This sector incurred an expenditure of Rs. 1.69 bn to date.

INDUSTRIES & PRODUCTION SECTOR

The industrial and production sector has been allocated Rs. 7.93 bn (1%), which includes Rs. 5.07 bn for the food & agriculture sector and Rs. 2.86 bn for the industries sector. The former sector spent an amount of Rs. 0.48 bn, while the latter incurred an expenditure of Rs. 0.15 bn.

SPECIAL AREAS AND MERGED DISTRICTS

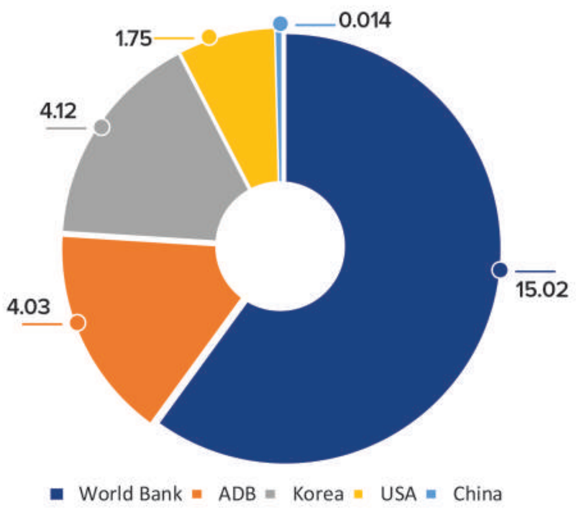
Special Areas (AJK & GB) were allocated Rs. 81.80 bn (8%), and the Merged Districts received an allocation of Rs. 65.44 bn. To support the effective implementation of the Accelerated Implementation Program (AIP), a Joint Steering Committee was constituted under the Chief Minister of KP with federal representation.

FOREIGN FUNDED PROJECTS

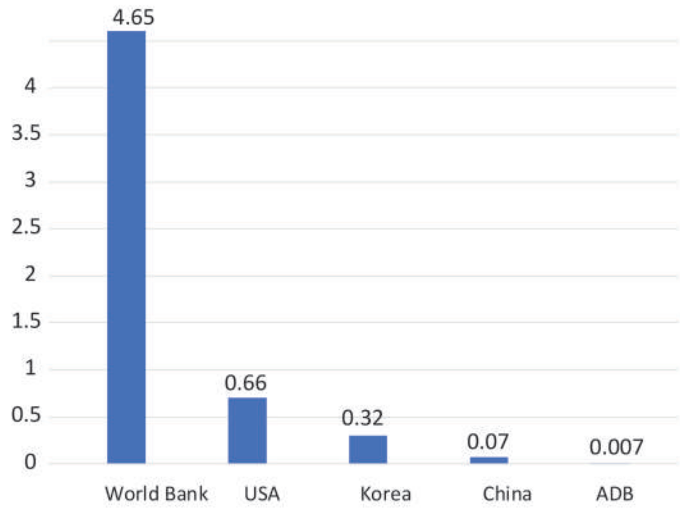
The PSDP portfolio comprises 86 foreign-funded projects with foreign cost component of Rs 4.2 trillion, of which 15 projects are fully foreign-funded, while the remaining 61 projects are implemented with counterpart local funding. The Ministry authorizes one-line releases to all sponsoring Ministries and Divisions in accordance with the quarterly ceilings prescribed by the Finance Division under the release strategy for the development budget.

PAOs are empowered to release and sanction funds for both the foreign aid and local components based on the specific requirements of each project. As per SAP records, the Ministries and Divisions have sanctioned Rs. 25.1 bn and booked an expenditure of Rs. 6.3 bn during the period Jul–Oct 2025 for these foreign-aided projects, against the rupee cover allocation.

FOREIGN-FUNDED PROJECTS (RS. Bn)



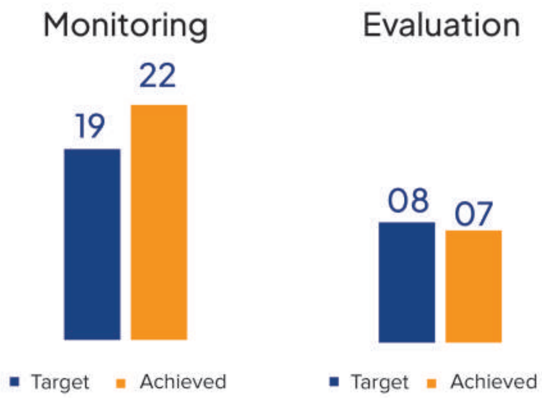
Total Releases



Expenditure

MONITORING & EVALUATION OF PSDP PROJECT

M&E is a core function of the Ministry, ensuring that development projects are implemented within the approved scope, timeline, and budget while maintaining quality standards. It helps safeguard public resources and enhances service delivery by identifying deviations and recommending timely corrective measures. The strengthened M&E system continues to provide effective oversight and support evidence-based planning. During October 2025, the Ministry monitored twenty-two (22) and evaluated seven (07) projects to ensure efficient implementation and achievement of intended development outcomes.



UPSCALING GREEN PAKISTAN PROGRAM: BUILDING A CLIMATE-RESILIENT FUTURE

The Up-scaling of Green Pakistan Program stands as a flagship national commitment to protect lives, livelihoods, and nature by restoring ecosystems and strengthening climate resilience across the country. With a total investment of PKR 122.15 bn and completion planned by 2028, the program reflects Pakistan's resolve to combat climate change through sustainable, people-centered environmental management.

The initiative focuses on expanding forest cover, restoring rangelands, conserving biodiversity, and improving wildfire management, steps that not only safeguard the environment but also create green jobs and support rural communities. By promoting sustainable forest management and non-timber forest products, the program empowers local populations while revitalizing natural resources.

Anchored in Pakistan's vision of green growth and aligned with its national and global climate commitments, the program represents a bold stride toward a low-carbon, climate-resilient, and inclusive green economy, ensuring a safer, healthier, and more sustainable future for generations to come.

OTHER DEVELOPMENT INITIATIVES

COMPREHENSIVE REVIEW OF CPEC PHASE-II PROJECTS

The first post-14th JCC, CPEC review meeting was held on 8th Oct 2025 to assess progress on Phase-II projects. Line Ministries were directed to prepare new initiatives and expedite work in SEZs, prioritizing projects with lasting public benefits. It was observed that the 14th JCC marked a new chapter in Pakistan-China relations, with the 15th JCC to be held in Pakistan on the 75th anniversary of diplomatic ties. CPEC Phase-II focuses on agriculture, industry, information technology, and people-to-people cooperation, emphasizing private sector participation and youth skill development. It was further informed that Pakistan will adopt the Chinese model for developing underdeveloped regions under the Livelihood Corridor and has signed an MoU with China's Development Research Center to support export enhancement and policy formulation.

PROMOTING FOREIGN INVESTMENT FROM CHINA AND QATAR

Digital Nexus held a meeting with the Ministry of Planning to explore opportunities for enhancing foreign investment from China and Qatar. Discussions centered on a proposed MoU with a Qatari digital marketing firm connecting over 100 Chinese enterprises seeking investment opportunities in Pakistan, particularly in resources such as sea salt and bauxite. Digital Nexus also proposed an insurance model to safeguard foreign investments and strengthen economic collaboration for sustainable growth.

REVIEW OF NATIONAL STRATEGY: RAPID POPULATION GROWTH

On 16th Oct 2025, a meeting of the committee established on the directions of the Prime Minister to address the rapid increase in population, was held. The committee noted that the unchecked rise in population has become a national concern, requiring an integrated strategy and strong coordination between the federation and provinces. It was emphasized that population growth has economic and social implications beyond health and must be addressed within the broader framework of national development planning. The committee discussed revising the population-based criteria in the NFC Award to link resource allocation with population management outcomes and noted that a comprehensive action plan is being developed in collaboration with provincial governments.

LAUNCHING THE DYNAMIC DATA DASHBOARD

PBS celebrated World Statistics Day 2025 under the theme "Driving Change with Quality Statistics and Data for Everyone," marked by the launch of its new website and interactive data dashboards. The initiative aims to "ensure that data is not just collected- it is understood, used, and trusted." The event marked a significant milestone in PBS's modernization journey. The newly launched digital platforms represented a major step toward building a smarter and more connected statistical infrastructure-one that empowers users, enhances transparency, and transforms data into meaningful insights. This initiative will help to promote data-driven decision-making and enhance public access to reliable and timely statistical information.

ENGAGEMENTS WITH DEVELOPMENT PARTNERS

PAKISTAN-U.S. PARTNERSHIP IN KNOWLEDGE AND INNOVATION

Minister for Planning met with Her Excellency Ms. Natalie Baker, U.S. Acting Ambassador to Pakistan, on 17th Oct, 2025 to discuss ways to deepen bilateral cooperation between Pakistan and the United States in diverse development sectors. The discussions focused on reviving and expanding the U.S.-Pakistan Knowledge Corridor to create enhanced opportunities for Pakistani scholars and professionals to pursue higher education and research in leading American universities, thereby contributing to human capital development and innovation-driven economic growth in Pakistan. The two sides also emphasized the need to enhance collaboration in technology, agriculture, minerals, and climate resilience, which are critical for sustainable development and long-term competitiveness. The importance of re-activating the bilateral dialogue group on education, science, and technology was underscored to institutionalize cooperation, promote joint research, and build stronger academic and scientific linkages between the two countries.

DEVELOPMENT OUTLOOK

The economy continues to demonstrate gradual improvement, supported by prudent fiscal management and targeted development initiatives. Despite fiscal pressures and post-flood recovery challenges, the Government remains focused on promoting inclusive and resilient growth through strategic investments in infrastructure, agriculture, clean energy, and digital transformation. Strengthened coordination with development partners and the alignment of CPEC Phase-II with the URAAN framework have enhanced project execution and delivery. Easing inflationary trends, improved fiscal management, and stronger monitoring and evaluation systems are contributing to a more balanced macroeconomic environment and setting the course for sustainable development.

“ *From Recovery to Growth: Strengthening Economic Foundations* ”

ANNEX I: KEY ECONOMIC INDICATORS

INDICATORS	UNIT	FY2024-25	FY2025-26	%CHANGE
Inflation		(Jul-Oct)	(Jul-Oct)	
Consumer Price Index	%	8.7	4.7	↓
Consumer Price Index (**Oct**)	%	7.2	6.2	↓
Fiscal Sector				
FBR Tax Collection	Rs. Billion	3,443	3,835	↑ 11.4
FBR Tax Collection **(Oct)**	Rs. Billion	879.7	950.6	↑ 8.1
External Sector				
Trade Deficit (Goods)	$ Billion	9.1	12.6	↑ 38.0
Exports (Goods)	$ Billion	10.9	10.4	↓ -4.0
Imports (Goods)	$ Billion	20.0	23.0	↑ 15.1
Remittances	$ Billion	11.9	13.0	↑ 9.3
Current Account Deficit **(Jul-Sept)**	$ Billion	-0.5	-0.6	↑
Financial Market				
Credit to Private Businesses (Upto 25th October)	Rs Billion	9,393	9,919	↑ 5.6
KSE-100 Index **(31st Oct)**	Index	88,967	161,631	↑ 81.7
Investment				
FDI (Net) **(Jul-Sept)**	$ Million	865	569	↓ 34.2
FDI (Inflows)	$ Million	1,332	886	↓ 33.5
FDI (Outflows)	$ Million	467	317	↓ 32.1

ANNEX II: PROJECTS APPROVED AND RECOMMENDED BY CDWP DURING SEPTEMBER 2025

S#	NAME OF PROJECT	SPONSORING AGENCY	TOTAL COST (Rs in Million)	DATE	STATUS
			FOOD & AGRICULTURE		
1.	Punjab Climate Resilient and Low Carbon Agricultural Mechanization Project (P-CLAMP)	Government of the Punjab	36,120.00	10-10-2025	Recommended to ECNEC
2.	Punjab Resilient and Inclusive Agriculture Transformation (PRIAT)-Revised	Government of the Punjab	80,423.867	10-10-2025	Recommended to ECNEC
3.	National Program for Animal Disease Surveillance, FMD and PPR Control and Animal Track and Traceability – in Compliance with National and International Standards	Ministry of NFS&R	7,350.00	10-10-2025	Approved
			ENERGY		
4.	220 kV Jamrud Substation along with Associated 220 kV Transmission Line (Revised)	M/o Energy (Power Div.)	14,928.790	10-10-2025	Deferred
5.	Construction of 3.0 MW Phullawai Hydropower project, District Neelum Valley, Azad Kashmir	Government of the AJ&K	1,089.488	10-10-2025	Approved
6.	Construction of 2.71 MW Khurshidabad Hydro Power Project	Government of the AJ&K	1,271.200	10-10-2025	Approved
7.	Construction of 1.95 MW Naushera Hydro Power Project District Muzaffarabad, AJK	Government of the AJ&K	1,058.880		Approved
			GOVERNANCE		
8.	Establishment of Public Financial Management Unit (PFMU), Finance Department & Program Support Unit (PSU), Planning & Development Board under Punjab Resource Improvement and Digital Effectiveness (PRIDE) Program - TA Component	Government of the Punjab	3,080.620	10-10-2025	Approved
			HEALTH		
9.	Extension of D-TALK & Insulin for Life	Government of the KP	1,388.499	10-10-2025	Approved
10.	Extension of Child Health Care Facilities in Southern Punjab and extension of Pediatric Sub-specialties services at the Children's Hospital & ICH, Multan	Government of the Punjab	6,401.800	10-10-2025	Approved
11.	National Health Support Program (Revised)	Government of the Punjab	2,170.605	10-10-2025	Approved

HIGHER EDUCATION					
12.	Immediate Needs for Artistic Innovation and Technology Integration at AROR University of Art, Architecture, Design & Heritage, Sindh	HEC	1,486.533	10-10-2025	Deferred
13.	UVAS Campus, Pattoki (Provision of Academic Block and Allied Facilities)	HEC	1,465.800	10-10-2025	Approved
PHYSICAL PLANNING & HOUSING					
14.	Construction of Wastewater Treatment Plant at Babu Sabu, Lahore	Government of the Punjab	52,199.604	10-10-2025	Recommended to ECNEC
15.	Construction of Legal Facilitation Center Islamabad High Court at Constitution Avenue, G-5/1, Islamabad (Revised)	Law & Justice Division	3,631.423	10-10-2025	Deferred
SOCIAL WELFARE					
16.	Strengthening Social Protection Delivery System in Sindh	Government of the Sindh	64,400.000	10-10-2025	Recommended to ECNEC
TRANSPORT & COMMUNICATIONS					
17.	Thar Coal Rail Connectivity with existing Railway Network including last mile connectivity with Port Qasim (1st Revised).	Ministry of Railways	90,033.163	10-10-2025	Deferred
18.	Preliminary Design/Drawings for Upgradation/Rehabilitation of Main Line-1 (Ml-1) and Establishment of Dry Port Near Havelian Under The China Pakistan Economic Corridor (Cpec) & Hiring of Design/Drawings Vetting Consultant (PC-II)(Revised)	Ministry of Railways	16,260.700	10-10-2025	Recommended to ECNEC
19.	Detailed Engineering Design of ML-1 Rohri–Khanpur-Multan (449 km) section with ADB Project Readiness Financing (PRF) (PC-II)	Ministry of Railways	3,217.570	10-10-2025	Approved
20.	Feasibility and Design of Bus Rapid Transit System (BRT) in Quetta City (PC-II)	Government of the Balochistan	1,229.810	10-10-2025	Approved
WATER RESOURCES					
21.	Kachhi Canal Project- Restoration of Flood Damages -2022 (RD 0+000 to RD 1005+000) (Up to the Extent of 500 Cusecs) (1st Revised)	Ministry of Water Resources	5,651.314	10-10-2025	Approved
22.	Pehur High Level Canal Extension Project (Revised PC-I)	Government of the KP	15,654.190	10-10-2025	Deferred

23.	Khyber Pakhtunkhwa Irrigated Agriculture Improvement Project (Revised)	Government of the KP	50,956.294	10-10-2025	Recommended to ECNEC
24.	Project Readiness Financing (PRF) for Punjab Water Resources Management (PWRM) 1st Revised PC-II	Government of the Punjab	1,673.328	10-10-2025	Deferred
CONCEPT CLEARANCE PROPOSALS					
CC-1	500 kV Transmission Lines for C-5 NPP	Power Division	90,033.163	10-09-2025	Cleared
CC-2	Realignment and Rehabilitation of Lasbela Canal, District Hub	Government of the Balochistan	16,260.700	10-09-2025	Cleared
CC-3	Provision of Equipment Assistance (CIDCA)	Ministry of Interior	3,217.570	10-09-2025	Cleared
CC-4	Punjab Nursing and Health Workforce Reforms Program	Government of the Punjab	1,229.810	10-09-2025	Cleared
CC-5	Punjab Inclusive Cities Program (PICP) Cities Stunting Reduction (CSR) by Improving Water and Sanitation Facilities	Government of the Punjab	75.000	10-09-2025	Cleared

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Macroeconomic Section

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