Monthly

ECONOMIC
UPDATE & OUTLOOK

July 2023

Government of Pakistan
Finance Division
Economic Adviser's Wing

TABLE OF Contents

Executive Summary	01
International Performance and Outlook	01
Monthly Performance of Pakistan's Economy	03
Economic Outlook	07
Economic Indicators	10

Executive Summary

FY2023 was a challenging fiscal year, however, it has witnessed noteworthy fiscal and current account balance improvements. The government's stern decisions and stabilization measures have steered the country towards a sustainable path. Growth targets of 3.5% are anticipated to be met through Kissan package, industrial support, export promotion, encouragement of the IT sector, and resource mobilization efforts.

On the global front, the economic activity in major advanced economies is still showing signs of weakness, mainly due to the continuation of monetary tightening measures. Inflation has fallen in some economies due to lower energy prices, but food and services prices continue to rise, contributing to persistent high inflation. Monetary tightening measures are still in place.

Consumer Price Index (CPI) inflation has declined to 29.4 percent in the month of June 2023 from 38.0 percent recorded in May 2023. The food inflation (urban) has declined from 48.1 percent to 40.8 percent. Sensitive price indicator (SPI) also declined by 0.07 percent on week ended 20th July, 2023.

The fiscal front has seen an important improvement, with the primary deficit reducing significantly from Rs. 945.3 billion last year to Rs. 112.0 billion during Jul-May FY2023. Furthermore, the fiscal deficit is also expected to decline from the previous year 7.9% of GDP, largely due to a 12% reduction in non-markup spending.

In order to contain persistently rising inflationary pressures and to maintain external sector stability, SBP had to increase the policy rate by 100 basis points to 22 percent in its last monetary policy committee meeting.

The current account deficit has also declined by 85.4 percent as compared to the last year. The current account has posted a deficit of $2.6 billion for FY2023, a reduction from the previous year's deficit of $17.5 billion. The current account has improved, resulting in a surplus of $334 million in June 2023.

International Performance and Outlook

OECD economic outlook estimated global growth to be 2.7% in 2023, with a modest pick-up to 2.9% in 2024 – both well below the average growth rate in the decade preceding the COVID-19 pandemic. Global GDP growth slowed substantially throughout 2022, but several of the factors weighing negatively are now unwinding. Falling energy prices and headline inflation, easing supply bottlenecks and the reopening of China's economy coupled with strong employment, all contribute to a projected recovery. Significant uncertainty about economic prospects remains, and the major risks to the projections are on the downside. One key concern is that inflation could continue to be more persistent than expected.

Emerging-market economies face challenges from tight global financial conditions: higher debt servicing costs, capital outflows, and reduced credit availability from foreign lenders. Moreover, rising geopolitical tensions and concerns about supply chain security have prompted several countries to implement trade and investment restrictions. Increasingly restrictive trade policies risk curtailing the gains from global trade and harming the development prospects of low-income countries.

Asian Development Outlook for July-2023 projects Developing Asia's outlook optimistic, as the China reopening and domestic consumption and investment continue to underpin growth in the region. The regional growth forecast is maintained at 4.8% for 2023 and marginally revised downward to 4.7% for 2024. It is projected that headline inflation is returning to pre-pandemic averages, as supply-side pressures from energy and food prices has been decreased. However, downside risk also prevails as higher-for-longer interest rates in the US and other advanced economies could dent growth prospects.

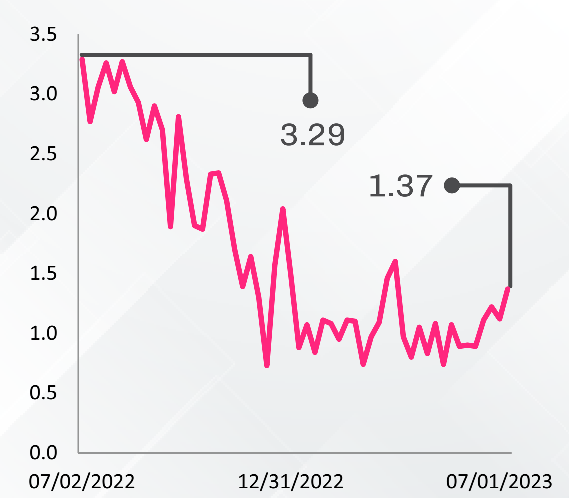
US economic activity increased slightly in recent weeks, with slow growth seen continuing in coming months, according to Federal Reserve Report "Beige Book".

Moreover, the report largely dovetailed with other recent data suggesting upward pressure on prices was softening. Price expectations were generally stable or lower over the next several months. Employment was also reported to have continued increasing "modestly". US consumer prices rose modestly in June by 0.2 percent on MoM basis and by 3.0 percent on YoY basis, registered smallest annual increase since August 2021. In the 12 months through June, the core CPI rose 4.8%. That was the smallest YoY gain since October 2021 and followed a 5.3% increase in May.

Nevertheless, inflation remains well above the Fed's 2% target, with the labor market still tight. Though employment gains were the smallest in two and half years in June, the unemployment rate fell close to historically low levels and wage growth was strong, implies Federal Reserve will resume to raise interest rates this month. The slow growth economic situation is also reflected through growth in WEI which is moving around 1% during second quarter of 2023 compared 3% during same period last year (Fig-1).

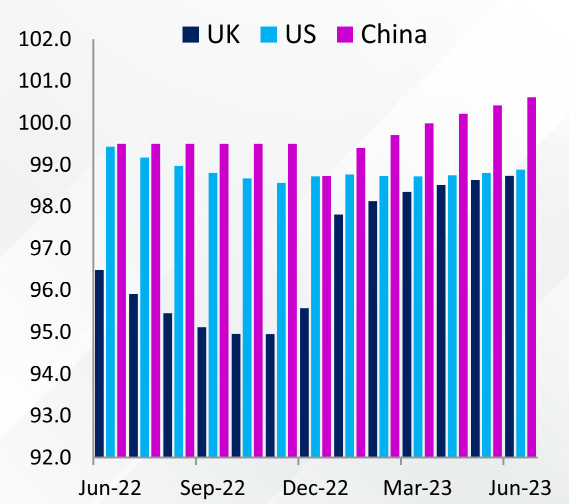
The J. P. Morgan Global Composite Output Index decreased to 52.7 in June 2023, from 54.4 in May 2023. The global economic upturn lost momentum at the end of the second quarter, as a downturn in manufacturing output was accompanied by slower growth at service providers. The expansion continued to be driven by the service sector as the business, consumer and financial services remained sluggish. The major growth was registered in India, Russia, US and UK all registered growth above the global average.

Fig-1: Growth in WEI (%)



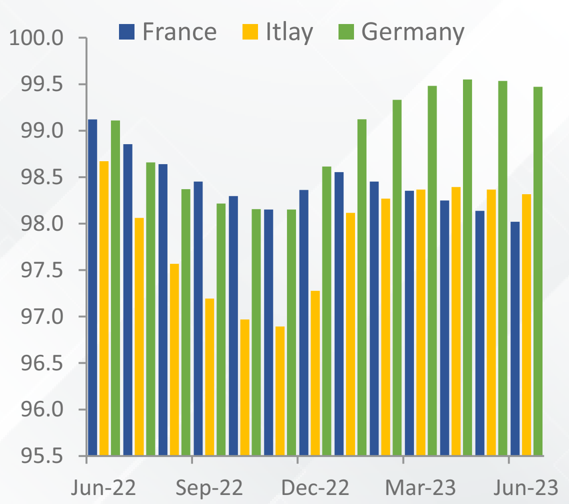
Source: Federal Reserve Bank of New York

Fig-2 (a): Composite Leading Indicator



Source: OECD

Fig-2 (b): Composite Leading Indicator



Source: OECD

The economic situation of Pakistan's major trading partners also showed through CLI, of which China, UK and US showing increasing growth momentum in the month of June as compared to May, however the euro area as a whole witnessed growth below its potential level (Fig-2, page # 2).

The FAO food prices index (FFPI) averaged 122.3 points in June 2023, declined by 1.7 points from May. The decline in June was driven by a significant decline in the price indices for vegetable oils, cereals and dairy, while the meat price index remained unchanged.

Global commodity prices fell in June 2023. Energy prices declined by 1.8 percent, led by coal 13.1 percent and oil 1.2 percent. Non-energy price fell by 1.9 percent. Food prices down by 3.5 percent. Fertilizer prices dropped 9.3 percent. Metal price declined 0.4 percent led by zinc 4.0 percent and aluminum 3.7 percent which were offset by gains in iron ore 7.9 percent. Precious metal eased by 2.7 percent.

Monthly Performance of Pakistan's Economy

2.1 Real Sector

2.1-a Agriculture

According to the initial estimates, the cotton area sown in Punjab was recorded at 1.947 million ha which comprises 96.43 percent of the target (2.019 million ha). Whereas cotton cultivation area in Sindh stood at 0.625 million ha, 92.98 percent of the target (0.672 ha). The total sown area stood at 2.676 million ha showing 96.7 percent of target (2.767 million ha). Further, improved quality of cotton seed has been used both in Punjab and Sindh which will auger well to achieve current year's target of 12.77 million bales.

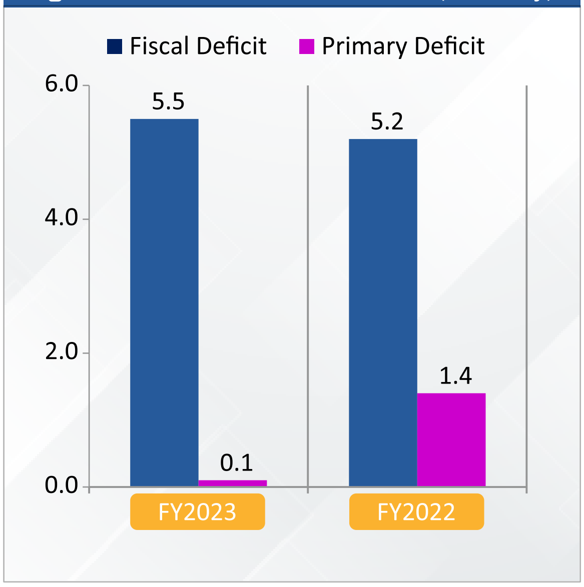
During Jul-May FY2023, the agriculture credit disbursement increased by 28.4 percent to Rs 1,565.2 billion as compared to Rs 1,219.3 billion last year. During May 2023, urea offtake was 459 thousand tonnes, which increased by 10 percent while DAP offtake was 66 thousand tonnes, which decreased by 30.1 per cent over May 2022.

2.1-b Manufacturing

Large Scale Manufacturing remained on a negative trajectory with the observed decline of 9.87 percent during Jul-May Fy2023 due to supply chain disruptions, inflationary pressures and resultant hikes in input prices, and continued contractionary policy stance at the domestic level to correct the macroeconomic imbalances. On a YoY basis, LSM nosedived by 14.37 percent in May 2023 and on MoM basis, it grew by 5.88 percent. During the period, 4 sectors witnessed positive growth which includes Wearing apparel, Leather Products, Furniture, and others (Football).

The automobile sector continues to face challenges due to an unfriendly economic environment as the total production witnessed a decline of 37.4 percent in FY2023 and total sales dipped by 37.8 percent. The poor performance in the Cars, Tractors and Trucks & Buses remain the major contributors to the overall decline of this sector as Car production and sale decreased by 55.0 percent and 58.7 percent, Tractors production and sale decreased by 46.1 percent and 47.5 percent, and Trucks & Buses production and sale decreased by 40.3 percent and 41.0 percent, respectively.

Fig-3: Fiscal Indicators % of GDP (Jul-May)



The sale of petroleum products was down by 26 percent in FY2023 to 16.6 mn tons from 22.6 mn tons in the same period last year. Oil sales clocked in at 1.3 mn tons in June 2023, a 31.0 percent decline on YoY basis.

In FY2023, total cement dispatches declined by 15.7 percent to 44.579 mn tons. In June 2023, demand for cement dispatches declined by 22.8 percent to 4.063 mn tons (5.264 mn tons in June 2022). Local cement sales by the industry came in at 3.487 mn tons in June 2023, a substantial decline of 30.0percent from the last year. Whereas exports surged by 102.6 percent from 284,471 tons to 576,309 tons during the same period.

2.2 Inflation

CPI inflation recorded at 29.4 percent on a year-on-year basis in June 2023 as compared to 21.3 percent in June 2022 whereas it increased to 38 percent in the previous month and average CPI inflation for July-June FY2023 stood at 29.2 percent compared to 12.2 percent during the same period of last year.

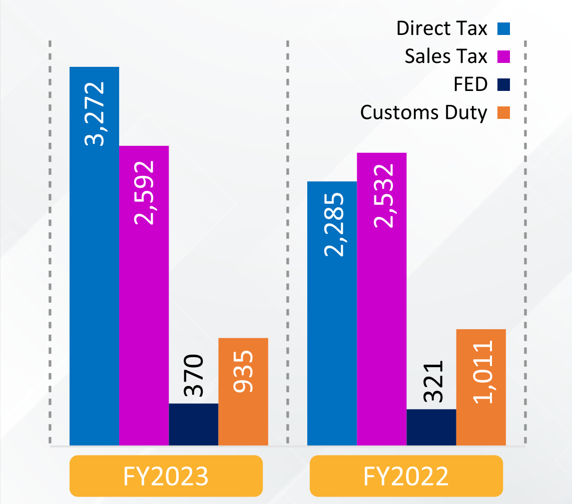
On a Month on Month (MoM) basis, it decreased to 0.3 percent in June 2023 compared to an increase of 1.6 percent in the previous month. The non perishable items and perishable items declined by 0.9 percent and 1.6 percent respectively on MoM basis. Similarly, the declined observed in Housing, water, electricity, gas & fuels 0.2 percent and Transport 2.2 percent. However, the increase observed in Furnishing & household equipment maintenance 1.6 percent, Restaurant & hotels 1.4 percent, Clothing & footwear 1.1 percent and Education 0.4 percent.

The SPI for the week ended on 20th July 2023, recorded a decrease of 0.07 percent as compared to previous week. Prices of 09 items declined, 12 items remained stable and 30 items increased.

2.3 Fiscal

During Jul-May FY2023, the fiscal deficit recorded at 5.5 percent (Rs 4,652.2 billion) against 5.2 percent (Rs 3,468.5 billion) in the comparable period of last year.

Fig-4: FBR Tax Collection (Rs. bn) (Jul-Jun)



Source: FBR

Net federal revenues grew by 24.4 percent to Rs.4,166.6 billion in Jul-May FY2023 against Rs 3,349.5 billion last year. The major contribution in revenues came from a 31 percent increase in non-tax collection on account of higher collection from petroleum levy during the period under review. Besides, other components like markup (PSEs & others, dividends, passport fees, royalties on oil/gas, and windfall levy against crude oil also contributed to increasing the non-tax collection. In absolute terms, non-tax revenues increased to Rs 1,476.1 billion during Jul-May FY2023 from Rs 1,124.1 billion last year.

Net provisional Tax collection, on the other hand, grew by 16.6 percent to stand at Rs 7,169.1 billion during Jul-Jun FY2023 against Rs 6,148.5 billion last year. Notable, domestic tax collection surpassed the target by Rs 102 billion to reach Rs 6,234.3 billion. It recorded an increase of 21.3 percent during FY2023 owing to higher collection from direct tax (43.2 percent), whereas customs duty reduced by 7.5 percent due to a significant contraction in imports.

On the expenditure side, total spending grew by 20 percent to reach Rs 8,849.6 billion during Jul-May FY2023 against Rs 7,361.5 billion last year. Within total, current expenditure grew by 22 percent to Rs 8,337.8 billion during Jul-May FY2023 against Rs 6,843.8 billion last year. The entire increase in current spending stemmed from an 80 percent rise in markup payments owing to a higher policy rate. In contrast, non-markup spending was reduced by 12 percent largely due to a 31 percent decline in subsidies and a 32 percent decrease in grants. However, a notable increase has been witnessed in grants for BISP and poverty alleviation funds indicating the government's commitment to pro-poor spending while creating fiscal space by reducing non-productive spending.

With a decline in non-mark-up spending, the primary deficit has been narrowed down to Rs.112.0 billion during Jul-May FY2023 from Rs.945.3 billion recorded last year.

2.4 Monetary

Monetary Policy Committee (MPC) has increased the policy rate by 100 bps to 22 percent, effective 27th June, 2023. The committee considered this action as necessary to keep real interest rate firmly in the positive territory on a forward-looking basis. This would help further anchor inflation expectations, which are already moderating over the last few months, and support bringing down inflation towards the medium-term target of 5 – 7 percent by the end of FY25.

During 1st July – 02nd June, FY23 money supply (M2) shows growth of 8.9 percent (Rs 2467.5 billion) compared growth of 7.8 percent (Rs 1901.7 billion) in last year. Within M2, NFA decreased by Rs 2137.8 billion as compared decrease of Rs 1725.7 billion in last year. On the other hand, NDA of the banking sector increased by Rs 4605.3 billion as compared an increase of Rs 3627.4 billion last year. Private Sector has borrowed Rs 25.4 billion as compared borrowing of Rs 1424.7 billion in last year.

2.5 External Sector

The Current Account posted a deficit of $ 2.6 billion for FY2023 as against a deficit of $ 17.5 billion last year, mainly due to contraction in imports. However, the current account posted a surplus of $ 334 million in June 2023 as against a deficit of $ 2321 million in same month last year, largely reflecting an improvement in trade balance. Exports on fob declined by 14.1 percent during FY2023 and reached $ 27.9 billion ($ 32.5 billion last year). Imports on fob declined by 27.3 percent during FY2023 and reached $ 52.0 billion ($ 71.5 billion last year). Resultantly the trade deficit (FY2023) reached to $ 24.1 billion as against $ 39.1 billion last year.

Exports in Services during FY2023 increased by 2.7 percent to $ 7.3 billion as against $ 7.1 billion. The imports in services decreased by 38.0 percent to $ 8.0 billion as compared to $ 12.9 billion same period last year. The trade deficit in services contained by 87.7 percent to $0.7 billion as against $ 5.8 billion same period last year.

As per PBS, during FY 2023, exports stood at $ 27.7 billion ($ 31.8 billion last year), declined by 12.7 percent. The major export commodities which have shown positive growth during the review period include Raw Cotton (322.8 percent in quantity & 104.8 percent in value), Fish & Fish Preparation (28.9 percent in quantity & 15.2 percent in value), Foot Balls (28.8 percent in quantity & 24.3 percent in value), Foot wear (35.5 percent in quantity & 13.7 percent in value), Surgical goods & Medical Instruments (5.9 percent in value) and pharmaceutical products (85.6 percent in quantity & 22.0 percent in value).

The total imports in FY2023 decreased to $ 55.3 billion ($ 80.1 billion last year), thus declined by 31.0 percent. Main commodities imported were Petroleum products ($7.6 billion), Petroleum crude ($ 4.9 billion), Liquefied Natural gas ($ 3.7 billion), Palm Oil ($ 3.6 billion), Plastic materials ($ 2.3 billion), Iron & Steel ($ 1.9 billion) and Medicinal products ($ 1.3 billion).

2.5.1 Foreign Investment

FDI reached $ 1455.8 million during FY2023 ($ 1935.9 million last year) decreased by 24.8 percent. FDI received from China $ 432.2 million (29.7 percent), Japan $ 183.0 million (12.6 percent), U.A.E $ 180.1 million (12.4 percent) and Switzerland $ 134.0 million (9.2 percent of total FDI). Power sector attracted highest

FDI of $ 622.6 million (42.8 percent of total FDI), Financial Business $ 275.1 million (18.9 percent), and Oil & Gas Explorations $ 135.1 million (9.3 percent).

Foreign Private Portfolio Investment has registered a net outflow of $ 18.2 million during FY2023. Foreign Public Portfolio Investment recorded a net outflow of $ 1008.0 million, on account of Sukuk repayment in December 2022. The total foreign portfolio investment recorded an outflow of $ 1026.2 million during FY2023 as against an outflow of 87.7 million last. Total foreign investment during FY2023 recorded an inflow of $ 429.7 million as against $ 1857.8 million last year.

2.5.2 Worker's Remittances

In FY2023, workers' remittances recorded at $ 27.0 billion ($ 31.3 billion last year), decreased by 13.6 %. MoM, remittances increased by 3.9% in June 2023 ($ 2.2 billion) as compared to May 2023 ($2.1 billion). Share of remittances (FY2023) from Saudi Arabia remained 23.9 percent ($6445.4 million), U.A.E 17.2 percent ($4648.6 million), U.K 15.0 percent ($4056.4 million), USA 11.4 percent ($3090.2 million), other GCC countries 11.8 percent ($3191.4 million), EU 11.5 percent ($3120.6 million), Australia 2.2 percent ($ 593.0 million), Canada 2.0 percent ($ 550.5 million), Malaysia 0.4 percent ($ 104.8) and other countries 4.5 percent ($1223.4 million).

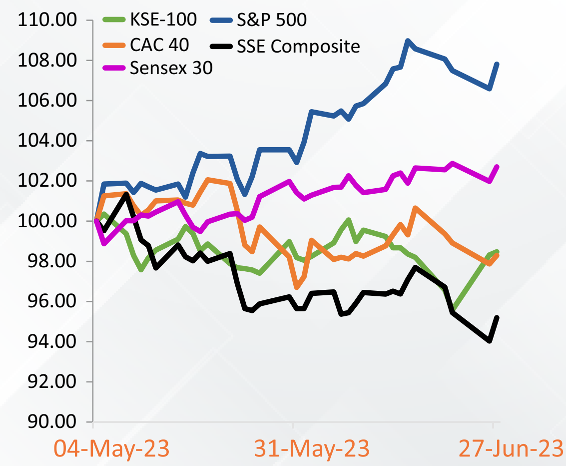
2.5.3 Foreign Exchange Reserves

Pakistan's total liquid foreign exchange reserves increased to $ 14.1 billion on July 12, 2023, as with the SBP's reserves raise significantly to $ 8.8 billion on account of $ 3.0 billion disbursement from friendly countries ($ 2 billion from Saudi Arabia and $1 billion from UAE) and $ 1.2 billion from IMF under Stand-By Arrangement. Whereas Commercial banks' reserves remained at $ 5.3 billion.

2.6 Performance of KSE Index

The performance of the stock market remained at par with the near past average. The KSE-100 index closed at 41,453 points as of end June 2023; this was a slight increase of 122 points as compared to the last month. The index was more than 400 points above its 06 months' average i.e., 40,994. As of end June 2023, the market capitalization of PSX settled at Rs 6,369 billion. However, on positive note the KSE-100 index crossed 46,000 mark and closed at 46,417 points as on 25th July 2023, highest in 15 months. During May-June 2023, the major world stock indices remained volatile. The KSE-100 index decreased by 1.5 percent (Fig-5), SSE Composite of China and CAC40 of France also declined by 4.8 and 1.7 percent respectively. Increase has been observed in Sensex 30 of India (2.7%) and S&P of US (7.8%).

Fig-5: Trend of Major World Standardized Indices



Source: PSX, Investing.com

Note: All indices are standardized to 100 on the initial day of the sample taken in this figure.

2.7 Social Sector

- BISP has released 4th quarterly tranche of FY2023 of Rs 81 billion under Benazir Kafaalat programme to its partner banks (Bank Alfalah and HBL) through their retail distribution network for disbursement amongst 9.0 million registered beneficiary families @ Rs 9,000 per household.
- Rs 16 billion is also released under Benazir Taleemi Wazaif stipend's installment of January to March for disbursement amongst 6.7 million

school-going students having at least 70% school attendance.

- Under the scheme, at primary level, Rs 2,000 is paid to a girl student while Rs 1,500 is given to a boy student. At the secondary level, a girl student and a boy student are paid Rs 3,000 and Rs 2,500, respectively. Similarly, at higher secondary level, the stipend is Rs 4,000 and Rs 3,500 for the female and male students, respectively.
- PPAF through its 24 Partner Organizations has disbursed 33,150 interest free loans amounting to Rs 1.45 billion during the month of June, 2023. Since inception of interest free loan component, a total of 2,402,497 interest free loans amounting to Rs 89.51 billion have been disbursed to the borrowers.
- During Jan-Jun 2023 Bureau of Emigration and Overseas Employment has registered 393,455 workers and 78,863 workers during June, 2023 for overseas employment in different countries under Prime Minister Youth Business & Agriculture Loan Scheme, the government has disbursed Rs. 11,582 million till April, 2023 to 23,275 beneficiaries for business and for the first time for Agriculture purpose.

Economic Outlook

3.1 Inflation

Inflation in July 2023 is expected to ease out compared to in the month of June 2023. The recent decrease in administered prices of petrol and diesel will be transmitted into lower domestic prices of essential items by impacting the transportation cost. Moreover, the declining international commodity prices are expected to offset the inflation spikes that emerged due to domestic supply shocks. The benchmark index of international food commodity prices declined again in June, 2023 led by price decreases for major cereals and most types of vegetable oils.

The timely measures taken by the government to boost the agriculture sector (Kissan Package) would result into better crop outlook and smoothen the domestic supplies, moreover, the expected political stability and stable exchange rate would help to achieve price stability. The inflation for the month of July 2023 is expected to remain in the range of 25-27 percent.

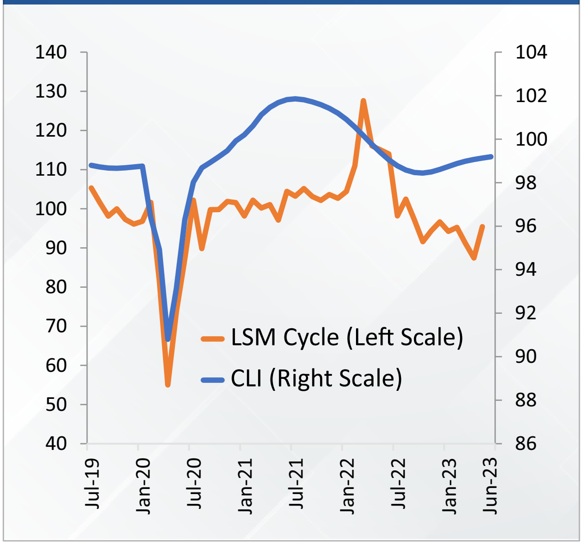
3.2 Agriculture

The input situation is expected to remain favourable during the period except for weather conditions. Farmers are advised to manage their activities keeping in view the weather forecast. The government is supporting agriculture sector by continuing pro-farmer incentives.

3.3 Industrial activity

The LSM cycle usually follows the cyclical movements in the main trading partners, but since it is focussed on the main industrial sectors and not on total GDP, it is somewhat more volatile than the cyclical component of GDP in Pakistan's main export markets. The upward movement of

Fig-6: Relationship between CLI and LSM cycle



Source: PBS, OECD and EAW Calculations

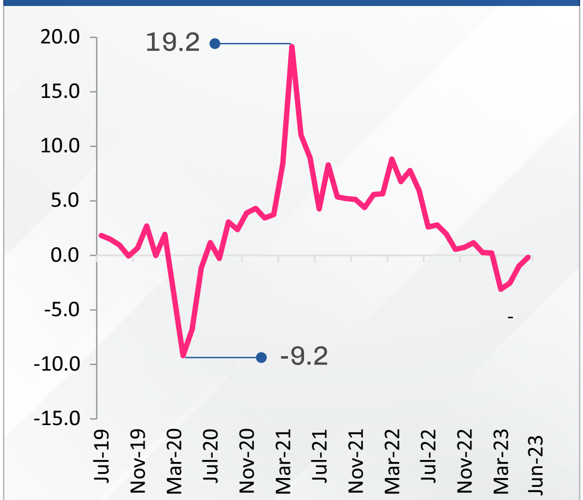
the CLI in the main export markets is indicating the strength of the signal that economies are going towards the revival phase although still below the potential except China who successfully entered into the phase of expansion. Following the CLI, the cyclical pattern of LSM seems to follow the cyclical pattern in the main export markets in the month of May. It is expected to further improve on a MoM basis, however, on a YoY basis it is expected to remain significantly negative on June 2023 due to the high base effect.

3.4 Overall Economic Activity

The Monthly Economic Indicator (MEI) is developed as a tool to distribute the past annual GDP numbers, as reported by the PBS, on a monthly/quarterly basis, and to nowcast on that same frequency GDP growth for the FY in which the National Accounts are not yet available. Fig-7 presents the MEI on a monthly basis since January 2019. It should be noted that some of the data underlying the June MEI are still provisional and may be revised next month.

The MEI calculated for July-22 to June-23 is well aligned to the newly published national accounts for FY2023. It indicates that since April, MEI, following upward trend, is showing the signs of improvement and is expected to be positive in the coming months.

Fig-7: Monthly Economic Indicator (MEI)



Source: EA Wing's Calculation

3.5 External

Amid the domestic and global scenarios, exports of goods and services as per BOP data in the month of June are on decreasing trend, which declined by 16.0% and 29% on MoM and YoY basis, respectively. Similarly, declining global commodity prices and contained domestic economic activities reflected in import numbers, decreased by 17.7% and 54.9% on MoM and YoY basis, respectively. This is also reflected in contained trade deficit for goods and services. Despite the decline in workers' remittances, significant decline in trade deficit reflected in surplus of current account for last two quarters of FY2023.

For FY2024, it is expected that both exports and imports will gradually increase in coming months. Taking other factors into account, the current account deficit will remain in sustainable limit in FY2024.

3.6 Fiscal

Despite a substantial decline in imports, LSM, and the overall slowdown in economic activity, the government's effective resource mobilization strategy remained effective in maintaining FBR tax collection growth at 16.6 percent, while non-tax grew by 31 percent. Similarly, on the expenditure side, though mounting interest expenditure remained a significant burden on fiscal accounts, curtailing non-interest spending triggered a primary deficit to narrow down.

For FY2024, the government is taking various measures for domestic resource mobilization. The government has unveiled a comprehensive strategy for every sector of the economy in an effort to revive economic growth and move towards a higher inclusive and sustainable growth trajectory. Further different administrative and policy measures have been introduced to increase the tax collection. Additionally, SBP's withdrawal of restrictions on imports will create demand for imports. All these measures will be supportive in improving the revenues. On the expenditure side, various austerity measures are in place that will be helpful in reducing non-productive expenditures.

3.7 Final Remarks

FY2023, a challenging year has ended. The government succeeded in ensuring the sustainability of the external and fiscal sectors through various tough decisions and stabilization measures. In FY2024, the government is gearing towards achieving higher growth of 3.5% through various measures like the Kissan package, industrial support, export promotion, encouragement of the IT sector, and resource mobilization, etc.

To achieve higher and sustainable economic growth, it will require prudent and effective economic decisions, political and economic certainty, and continuation of friendly economic policies along with enough foreign exchange financing. The recent IMF approval of the Stand- By Arrangement and other bilateral and multilateral inflows will pave the way to further improve the macroeconomic environment and the confidence of economic agents.

ECONOMIC INDICATORS

26 July, 2023

External Sector		2021-22 Jul-Jun	2022-23 Jul-Jun	% Change
Remittances ($ Billion)		31.3	27.0	▼ 13.6%
Exports FOB ($ billion)		32.5	27.9	▼ 14.1%
Imports FOB ($ billion)		71.5	52.0	▼ 27.3%
Current Account Deficit ($ billion)		17.5	2.6	▼ 85.4%
FDI ($ million)		1,935.9	1,455.8	▼ 24.8%
Portfolion Investment ($ million)		-78.0	-1,028.8	▼
Total Foreign Investment ($ million)		1,857.8	427.1	▼ 77.0%
Forex Reserves ($ Billion)	Total	15.512	14.138	-
	SBP	9.619	8.796	-
	Banks	5.893	5.342	-
		13-Jul-22	12-Jul-23	
Exchange Rate (PKR/US$)		210.11	277.48	-
		13-Jul-22	12-Jul-23	

Source: SBP

Fiscal Sector (Rs. Billion)	2021-22 Jul-May	2022-23 Jul-May	% Change
FBR Revenue (Jul-Jun)	6148	7169	▲ 16.6%
Non-Tax Revenue (Federal)	1124	1476	▲ 31.3%
PSDP (Including grants to Provinces)	518	512	▼ 1.2%
Primary Deficit	945	112	▼ 88.1%
Fiscal Deficit	3468	4652	▲ 34.1%

Source: FBR & Budget Wing

Monetary Sector	2021-22	2022-23	% Change
Agriculture Credit (Provisional) Jul-May	1,219.3	1,565.2	▲ 28.4%
Credit to Private Sector (Flows)	1424.7	25.4	▼ 98.2%
	1-Jul to 03-Jun	1-Jul to 02-Jun	
Growth in M2 (percent)	7.8	8.9	-
	1-Jul to 03-Jun	1-Jul to 02-Jun	
Policy Rate (percent)	15.00	22.00	-
	07-Jul-22	27-Jun-23	

Source: SBP

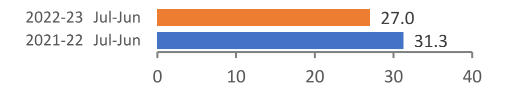
Inflation	2021-22	2022-23	% Change
CPI (National) %	21.3	29.4	-
	(Jun)	(Jun)	
	12.2	29.2	-
	(Jul-Jun)	(Jul-Jun)	

Real Sector			% Change
Large Scale Manufacturing (LSM) %	19.4	-14.4	-
	(May)	(May)	
	11.8	-9.9	-
	(Jul-May)	(Jul-May)	
PSX Index *	39844	46417	▲ 16.5%
	25-Jul-22	25-Jul-23	
Market Capitalization (Rs trillion)	6.73	7.04	▲ 4.6%
	25-Jul-22	25-Jul-23	
Market Capitalization ($ billion)	29.48	24.39	▼ 17.3%
	25-Jul-22	25-Jul-23	
Incorporation of Companies (Jul-Jun)	26,503	27,745	▲ 4.7%

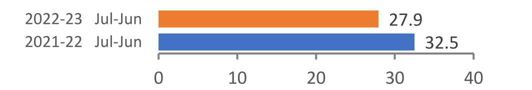
* : Formerly Karachi Stock Exchange (KSE)

Source: PBS, PSX & SECP

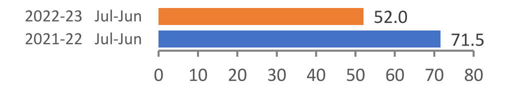
Remittances ($ bn) ▼ 13.6%



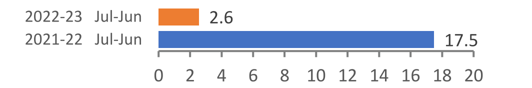
Exports FOB ($ bn) ▼ 14.1%



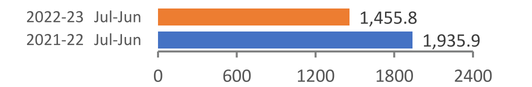
Imports FOB ($ bn) ▼ 27.3%



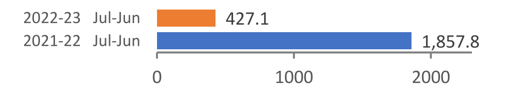
Current Account Deficit ($ bn) ▼ 85.4%



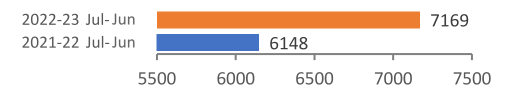
FDI ($ mn) ▼ 24.8%



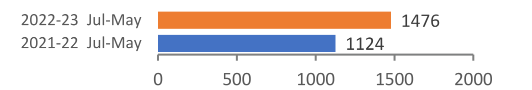
Total Foreign Investment ($ mn) ▼ 77.0%



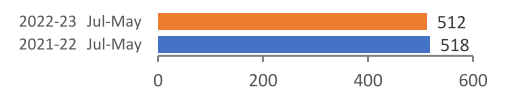
FBR Revenue (Rs.bn) ▲ 16.6%



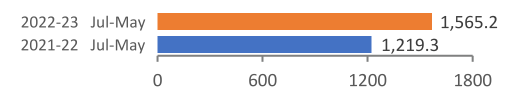
Non-Tax Revenue (Rs.bn) ▲ 31.3%



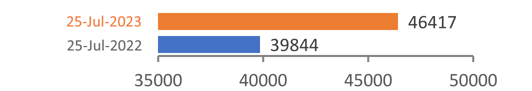
PSDP (Rs.bn) ▼ 1.2%



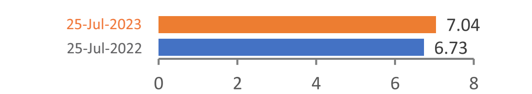
Agriculture Credit (Provisional) ▲ 28.4%



PSX Index ▲ 16.5%



Market Capitalization (Rs. bn) ▲ 4.6%



Market Capitalization ($ bn) ▼ 17.3%