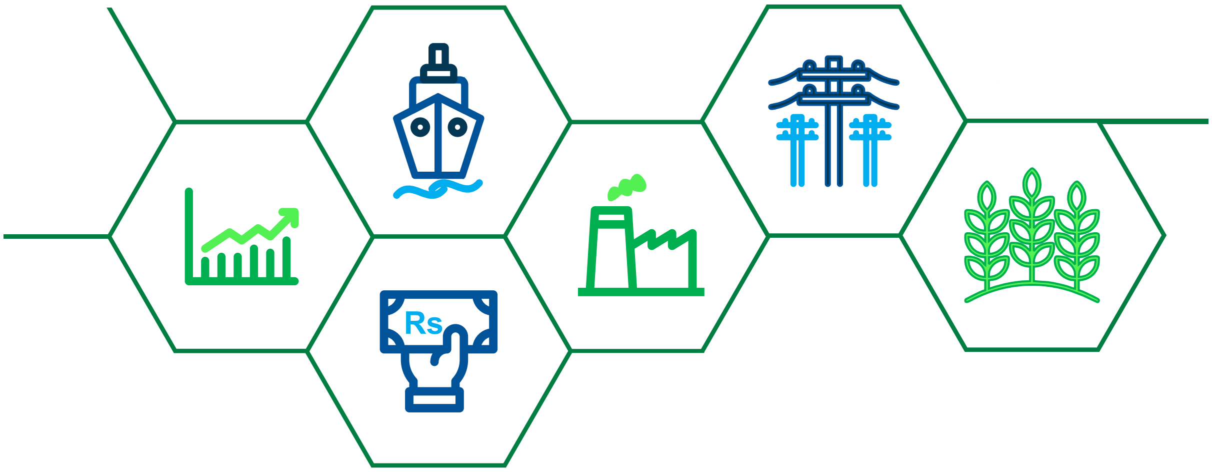


Monthly ECONOMIC UPDATE & OUTLOOK October 2022

Government of Pakistan
Finance Division
Economic Adviser's Wing

Contents

Executive Summary

- The global economy continues to face multiple and steep challenges. Latest IMF's World Economic Outlook (WEO) reveals that global growth will remain unchanged at 3.2 percent in 2022. More than a third of the global economy will contract this year as the Russian-Ukraine conflict has destabilized it. Gas prices in Europe have increased more than four-fold since 2021. The rising prospect of energy shortages, increasing costs of living and production are hampering economic activity. Given the size of China's economy and its importance for global supply chains, its zero COVID policy and weakening property sector will weigh heavily on global economic activity.

- **Real Sector:** Preliminary estimates of important Kharif crops 2022 reported a decline in the production of sugarcane, rice, maize, and cotton due to floods. Stabilization measures in the form of monetary and fiscal tightening and import compression strategies to correct the imbalances suppressed LSM by 0.4 percent during Jul-Aug FY2023.

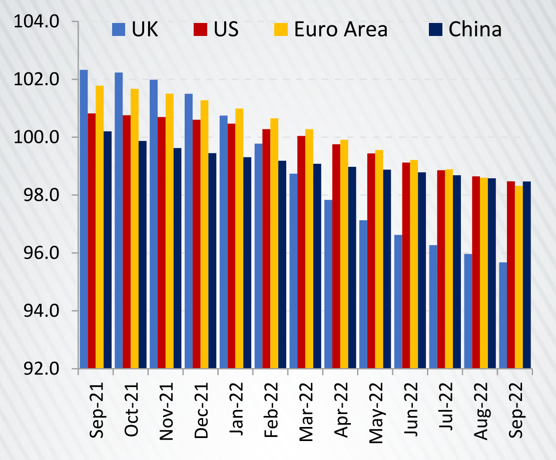
- **Fiscal, Monetary & External:** The fiscal deficit during July-August FY2023 has been recorded at 0.9 percent of GDP. In the first two months of the current fiscal year, net federal revenues grew by 12.3 percent. SBP has maintained the policy rate at 15.0 percent. During 1st July – 30th September, FY23 money supply (M2) shows growth of 1.5 percent. The Current Account posted a deficit of $ 2.2 billion for July-September FY2023

International Performance and Outlook

Across the globe, inflation is higher than seen in several decades, tightening financial conditions prevail in most regions, Russia-Ukraine conflict, and prolonged COVID-19 pandemic, all posing grave risks to the outlook. According to IMF-WEO October 2022, global growth is forecasted to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. Downside risks to the outlook remain elevated. Increasing price pressures remains the most immediate threat to current and future prosperity by squeezing real incomes and undermining macroeconomic stability. Central banks around the world are now more focused on restoring price stability, and the pace of tightening has accelerated sharply.

In China, the frequent lockdowns under its zero COVID policy have taken a toll on the economy, especially in the second quarter of 2022. Furthermore, the property sector, representing about one fifth of economic activity in China is rapidly weakening. Given the size of China's economy and its importance for global supply chains, this will weigh heavily on global economic activity.

Fig-1: Composite Leading Indicator



Source: OECD

The external environment is already very challenging for many emerging markets and developing economies. The sharp appreciation of the US dollar adds significantly to domestic price pressures. Capital flows have not recovered, and many low-income and developing economies remain in debt distress. The 2022 shocks will push global economy into recession that had only partially recovered following the pandemic.

The world's three largest economies China, the Euro Area, and the US will further shrink in 2022 and 2023. The negative revisions reflect the materialization of above downside risks. This recession like situation is also evident through Composite Leading Indicator position of Pakistan's main exports markets which is on declining trend during the last 12 months.

In US, Federal Open Market Committee (FOMC) seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate from 3 to 3.25 percent and anticipates that ongoing increases in the target range will be appropriate. In discussions leading up to a 0.75 percentage point rate hike, policymakers noted that inflation is especially taking its toll on lower-income Americans. Growth in the US is projected to decline from 5.7 percent in 2021 to 1.6 percent in 2022 and 1.0 percent in 2023, with no growth in 2022 on a fourth-quarter-over-fourth-quarter basis. Declining real disposable income continues to impact the consumer demand, and higher interest rates are taking a toll on spending, especially spending on residential investment. The phenomenon is reflected through growth in Weekly Economic Index, which is on declining trend (Fig-2).

The J.P.Morgan Global Composite Output Index fell to 49.7 in September 2022, from 49.3 in August. Output contracted in both the manufacturing and service sectors. National PMI data indicates slowdown in the US, the euro area (with the exception of France expansion) and the UK. Output rose in Japan, Brazil, Russia and Australia. Both the manufacturing and service sectors has observed the slowdown with recession due to severe downturn in the former. The US, Euro Area, Japan, UK and Brazil were among the larger economies to see new export business fall.

Fig-2: Growth in WEI

Source: Federal Reserve Bank of New-York

Global commodity prices declined in September 2022. Energy prices fell by 8.1%, led by natural gas Europe 15.6% and crude oil 8.1%. Agricultural prices eased 0.8 percent. Food prices changes little as a group as a 6.9 % increase in grains was balanced by a 3.8 % fall in edible oils. Fertilizers gained 6 %. Metal prices dropped 5.7%. Precious metals declined 4.6%.

Monthly Performance of Pakistan's Economy

2.1Real Sector

2.1-a Agriculture

According to FCA, the production of Sugarcane decreased by 7.9 percent to

81.6 million tonnes from 88.7 million tonnes of last year's production. Rice production declined by 40.6 percent to 5.5 million tonnes over last year's production of 9.3 million tonnes. Maize production decreased by 3.0 percent to 9.2 million tonnes compared to 9.5 million tonnes last year. The cotton production declined by 24.6 percent to 6.3 million bales from 8.3 million bales last year. The wheat production target for upcoming Rabi 2022-23 is fixed to the tune of 28.370 million tonnes from an area of 9.3 million acres.

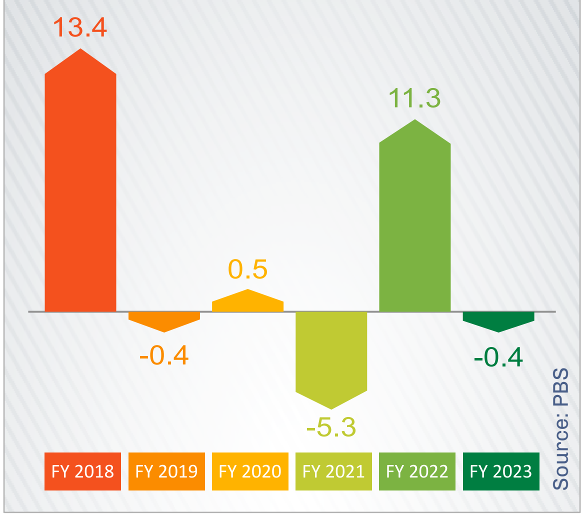
The farm tractors production and its sales declined by 36.2 percent (7,991) and 30.3 percent (8,379), respectively in July-September FY2023. During July-September FY2023, the agriculture credit disbursement increased by 31.5 percent to Rs 383.8 billion as compared to Rs 291.9 billion during same period last year. During Kharif 2022 (Apr-Sep), urea and DAP off-take was 3,137 thousand tonnes (3.7 percent less than Kharif 2021) and 491 thousand tonnes (44.8 percent less than Kharif 2021).

2.1-b Manufacturing

The performance of the industrial sector remained under pressure amid global headwinds and the floods. In Pakistan the stabilization measures in the form of monetary and fiscal tighten-ing, import compression strategies to correct the imbalances also suppressed the LSM by 0.4 percent during July-August FY 2023 against the growth of 11.3 percent in the same period last year. However, on YoY basis, LSM inched up by 0.6 percent while by 3.9 percent on MoM basis. During the period, 8 out of 22 sectors witnessed positive growth which includes Wearing apparel, leather Products, Chemicals, Iron & Steel products, Wood Products, Paper & Paperboard, Furniture and others while it decreased in Food, Beverages, Tobacco, Textile, Coke & Petroleum Products, Pharmaceuticals, Rubber Products, Non-Metallic Mineral Products, Fabricated metal, Electrical Equipment, Machinery and Equipment, Automobiles and Other Transport Equipment.

During July-September FY2023, performance of auto-industry remained subdued due to stabilization measures. Car production and sale decreased by 39.3 percent and 50.3 percent, respectively. Trucks & Buses production and sale decreased by 26.8 percent and 42.0 percent and tractor production and sale decreased by 36.2 percent and 30.3percent, respectively.

Fig-3: LSM Growth (%) July-August



In September 2022, cement dispatches dropped 6.83 percent to 4.276 million tonnes (4.589 million tonnes in August 2021) as a decline of 5.33 percent observed in local cement dispatches and 17.35 percent in exports dispatches. Cumulatively, during Jul-Sep FY2023, total cement sales were 9.613 million tons, which were 25.04 percent lower than sales of 12.825 million tons in the corresponding period of last year. Sale of petroleum products, during the period, plunged by 23 % to 4.4 million tons from 5.4 million tons in the same months of last fiscal year. On YoY basis, oil sales decreased by 22% in Sep 2022 to 1.5 million tons (2.0 million tons in Sep 2021).

2.2 Inflation

The CPI inflation increased to 23.2 percent on YoY basis in September 2022 as compared to an increase of 27.3 percent in the previous month and 9.0 percent in September 2021. On MoM basis, it decreased by 1.2 percent in September 2022 as compared to an increase of 2.4 percent in the previous month and an increase of 2.1 percent in September 2021.

During July-September FY2023, CPI inflation stood at 25.1 percent against 8.6 percent same period last year.

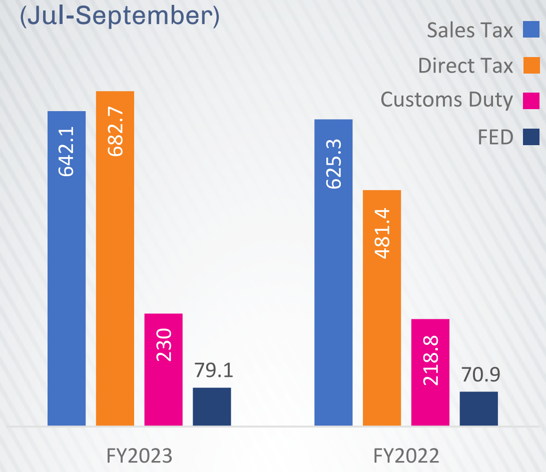
Food inflation rose due to nationwide floods that destroyed crops as well as farm lands. Initially, the disaster jacked up the prices of tomatoes and onions. However, the government resorted to import essential commodities and waived the custom duties, which eased out the pressure. The government was able to offset the negative effect of rupee's depreciation and agricultural destruction by countering price speculation and providing sufficient supplies through trade with neighboring countries.

2.3 Fiscal

The fiscal deficit during July-August FY2023 has been recorded at 0.9 percent of GDP (Rs.672 billion) against the deficit of 0.7 percent of GDP (Rs.462 billion) in the same period of last year. While the primary balance posted a deficit of Rs.90 billion (-0.1 percent of GDP) in July-August FY2023 against the deficit of Rs 37 billion (-0.1 percent of GDP) in the comparable period of last year.

In the first two months of the current fiscal year, net federal revenues grew by 12.3 percent to Rs 528 billion as compared to Rs 470 billion in the same period of last year. The growth has been realized on the back of an increase in both tax and non-tax revenues. On the other hand, total expenditures increased to Rs1320 billion in July-August FY2023 up from Rs 1104 billion in the last year, posting a growth of 19.6 percent.

Fig-4: FBR Tax Collection (Rs. Billion) (Jul-September)



Source: FBR

FBR Tax Collection

The provisional net tax collection in September FY2023 stood at Rs 684.8 billion against Rs 534.0 billion in the same month of last year, posting a growth of 28.2 percent. Thus, the first quarter of the current fiscal year ended up with a growth of 17.0 percent with a net tax collection of Rs 1633.9 billion against Rs 1396.4 billion in the comparable period of last year. Similarly, the target for the first quarter has also been surpassed by Rs. 24.4 billion.

Within total tax collection, direct taxes posted a healthy growth of 41.8 percent followed by FED at 11.6 percent, customs at 5.1 percent, and sales tax at 2.7 percent.

2.4 Monetary

SBP has maintained the policy rate at 15.0% in monetary policy decision held on 10th October, 2022. Recent floods have altered the macroeconomic outlook, inflation is expected to be higher and more persistent due to the supply shock to food prices.

During 1st July – 30th September, FY23 money supply (M2) shows growth of 1.5 percent (Rs. 415.0 billion) compared to decrease of 0.1 percent (-Rs. 25.9 billion) in last year.

Loans to private sector businesses witnessed expansion of Rs 99.7 billion during Q1-FY2023 compared to expansion of Rs 177.4 billion during same period last year. Of which, fixed investment loans observed an increase of Rs 100.1 billion compared Rs 89.2 billion in last year. On the other hand, working capital loans retired Rs 1.4 billion compared to borrowing of Rs 63 billion in last year, owing to some deceleration in economic activities. Manufacturing sector availed major share of fixed investment loans mainly for textile and cement sectors.

2.5 External Sector

The Current Account posted a deficit of $ 2.2 billion for July-September FY2023 as against a deficit of $ 3.5 billion last year, mainly due to increase in exports and contraction in imports. The current account deficit shrank to $ 316 million in September 2022 as against $ 676 million in August 2022, largely reflecting an improvement in trade balance. Exports on FOB grew by 5.5 percent during July-September FY2023 and reached $ 7.6 billion ($ 7.2 billion last year). Imports on FOB declined by 7.9 percent during July-September FY2023 and reached $ 16.0 billion ($ 17.4 billion last year). Resultantly the trade deficit (Jul-Sep FY2023) reached to $ 8.4 billion as against $ 10.2 billion last year.

As per PBS, during July-September FY 2023, exports increased by 2.6 percent to $ 7.2 billion ($ 6.9 billion last year). On YOY basis exports increased by 1.5 percent to $ 2.44 billion in September 2022 as against $ 2.40 billion in September 2021. The major export commodities which have shown growth during the review period include Readymade garments (5.8 percent in value & 39.7 percent in quantity), Cotton Cloth (4.2 percent in value despite 22.7 percent decline in quantity), Knitwear (15.4 percent in value & 64.6 percent in quantity), Carpet, Rugs & Mats (13.8 percent in value & 11.6 percent in quantity) Foot wear (27.1 percent in value and 68.8 percent in quantity), Foot Balls (59.1 percent in Value & 59.0 percent in quantity) and Others rice (0.8 percent in value despite a decline of 2.0 percent in quantity).

The total imports in July-September FY2023 decreased to $ 16.4 billion ($ 18.7 billion last year), thus declined by 12.4 percent. Main commodities imported were Petroleum products ($2388.7 million), Medicinal products ($ 372.3 million), Petroleum crude ($ 1355.0 million), Liquefied Natural gas ($ 969.8 million), Palm Oil ($ 1135.7 million), Plastic materials ($ 658.8 million) and Iron & Steel ($ 520.8 million).

2.5.1 Foreign Investment

FDI reached $ 253.4 million during July-September FY2023 ($ 479.2 million last year) decreased by 47.1 percent. On MOM basis, FDI recorded at $ 83.9 million in September 2022 as against inflow of $ 110.7 million in August 2022. FDI received from U.A.E $59.7 million (23.6 percent of total FDI), China $ 57.2 million (22.6 percent), Switzerland $ 34.9 million (13.8 percent), and Netherland $ 23.2 million (9.2 percent). Power sector attracted highest FDI of $ 126.5 million (49.9 percent of total FDI), Financial Business $ 74.4 million (29.4 percent), and Oil & Gas Explorations $ 16.0 million (6.3 percent).

Foreign Private Portfolio Investment has registered a net outflow of $ 12.1 million during July-September FY2023. Foreign Public Portfolio Investment recorded a net outflow of $ 18.2 million. The total foreign portfolio investment recorded an outflow of $ 30.3 million during July-September FY2023 as against inflow of $ 961.6 million last year. Total foreign investment during July-September FY2023 reached $ 223.1 million ($ 1358.5 million last year).

2.5.2 Worker's Remittances

In July-September FY2023, workers' remittances recorded at **$** 7.7 billion ($

8.2 billion last year), decreased by 6.3 percent. On MoM basis, remittances decreased by 10.5 percent in September 2022 ($ 2.4 billion) as compared to August ($ 2.7 billion). Share of remittances (Jul-Sep FY2023) from Saudi Arabia remained 24.6 percent ($ 1889.0 million), U.A.E 19.0 percent ($ 1461.9 million), U.K 14.2 percent ($ 1089.1 million), USA 10.6 percent ($ 816.8 million), other GCC countries 11.4 percent ($877.1 million), EU 10.8 percent ($ 828.8 million), Malaysia 0.5 percent ($ 37.6 million), and Other Countries 8.9 percent.

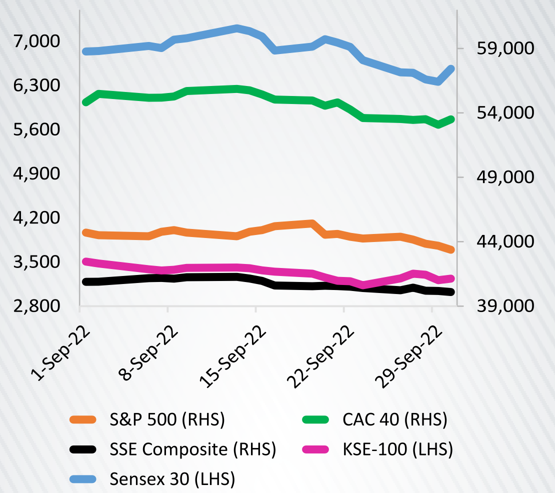
2.5.3 Foreign Exchange Reserves

Pakistan's total liquid foreign exchange reserves increased to $ 14.6 billion on October 26, 2022, with the SBP's reserves now stood at $ 8.9 billion. Commercial banks' reserves remained at $ 5.7 billion.

2.6 Performance of KSE Index

The KSE-100 index closed at 41,129 points as on 30th September 2022 while market capitalization managed at Rs 6,782 billion. The performance of major world indices is depicted in Fig-5:

Fig-5: Major World Indices



2.7 Social Sector

- Till 27th October, 2022 the government has disbursed Rs 66.7 billion among 2.67 million families of flood affected areas to help them recover their financial losses.
- PPAF through its 24 Partner Organizations has disbursed 40,979 interest free loans amounting to Rs 1.66 billion during the month of September, 2022. Since inception of interest free loan component, a total of 2,056,694 interest free loans amounting to Rs 75.07 billion have been disbursed to the borrowers.
- During January-September 2022 Bureau of Emigration and Overseas Employment has registered 615,110 emigrants and 85,900 emigrants during September, 2022 for overseas employment in different countries.
- Between 1 January and 27 September 2022, a total of 25,932 confirmed dengue cases and 62 deaths (Case Fatality Rate 0.25%) were reported in Pakistan, with 74% of these cases reported in the month of September alone. The current surge in cases follows unprecedented flooding that began in mid-June 2022. As of 22 September, the distribution of cases by province was available for 83% (n=21 777) of the total cases, of which 32% (n=6888) were reported from Sindh, 29% (n=6255) from Punjab (including the Islamabad Capital Territory), 25% (n=5506) from Khyber Pakhtunkhwa, and 14% (n=3128) from Balochistan. (WHO October 13, 2022)
- A rapid upsurge in reported malaria cases was observed after the floods. In Sindh province, confirmed malaria cases in August 2022 reached 69,123 compared to 19,826 cases reported in August 2021. In Balochistan province, 41,368 confirmed cases were reported in August 2022 compared to 22,032 confirmed cases in August 2021. These two provinces together account for 78% of all reported confirmed cases in Pakistan in 2022.

Reports from 62 high-burden districts indicate that additional 210,715 cases were reported in September 2022, compared to 178,657 cases reported in the same districts in August 2022 (WHO October 17, 2022).

Economic Outlook

In Pakistan, the economic environment is challenging due to damages caused by floods. The agriculture sector has been particularly hard hit by the destruction brought on by the floods, and due to forward linkages, this impact will also be transferred to other sectors of the economy, thus changing the overall economic outlook.

3.1 Inflation

In October 2022, international oil prices continued to decline. Thus, it can be predicted that the current cycle mean-reverting process has been extended. International food prices have been experiencing a decline during the previous three months. Furthermore, the broad money developments seem to be compatible with lower and stable inflation. On the other hand, the exchange rate in terms of Pakistani rupees to the US dollar has started appreciating. Thus, in the month under discussion, the local average prices of basic goods declined as compared to September which is likely to reduce CPI inflation. Moreover, the supply disruption in view of recent floods have resulted in a shortage of perishable food items which are posing risks of higher inflation.

The inflationary risks have partially been alleviated due to timely decisions to import perishable items by waiving off the customs duties. Administrative measures are also being taken to control price speculation to ease out inflation. In addition, the reversal of rupee depreciation after the government's action against private banks involved in artificially jacking up dollars assisted in strengthening the rupee against the dollar. Moreover, the declining international commodity prices are expected to offset the inflation spikes that emerged due to domestic supply shocks. Nevertheless, it can be expected that YoY CPI inflation in the month of October will maintain its declining tendency observed in September. It is expected that CPI inflation will remain in the range of 21-22.5%.

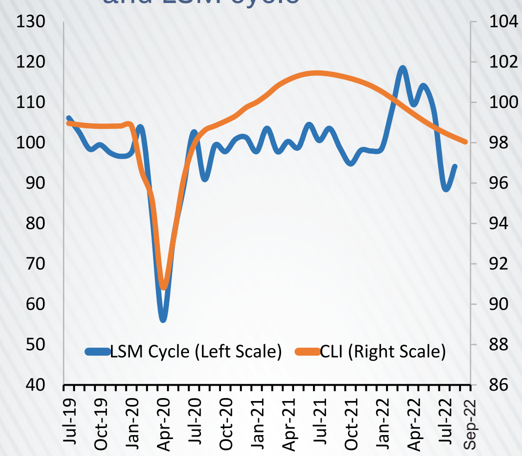
3.2 Agriculture

For Rabi crops 2022-23, certified seed availability will be 14 percent more compared to last year. According to Indus River System Authority, provinces have been allocated 30.25 MAF of water as compared to actual use of 27.42 MAF last year (Average system usage of 36.69 MAF). The prevailing weather conditions are supportive and the shortage with average system usage seems manageable. However, flood water in cropping areas poses some risks to wheat production despite government efforts to facilitate the farmers.

3.3 Industrial Activities

Industrial activity, measured by the LSM index is the sector that is most exposed to the developments in international markets as illustrated in Fig-6. It

Fig-6: Relationship between CLI and LSM cycle



Source: EAW Calculations based on PBS and OECD data compares the cyclical component of LSM with the weighted average CLI in Pakistan's main export markets. The CLI of some individual countries is constructed by the OECD to reflect the deviation of the current GDP from its potential level. The cyclical component of Pakistan's LSM output is obtained by extracting the stochastic trend from the seasonally adjusted LSM series. LSM index is published with a time lag of two months, whereas CLI is published with a one-month lag.

The LSM cycle is following the cyclical movements in the main trading partners, but since it is focused 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 cyclical position of Pakistan's main trading partners has deteriorated month after month since last fiscal year. However, on the basis of a baseline no-shock scenario, LSM moderately increased in August, both on YoY and MoM basis. This implies that as of August, no significant effect of the recent floods can yet be discerned in manufacturing output.

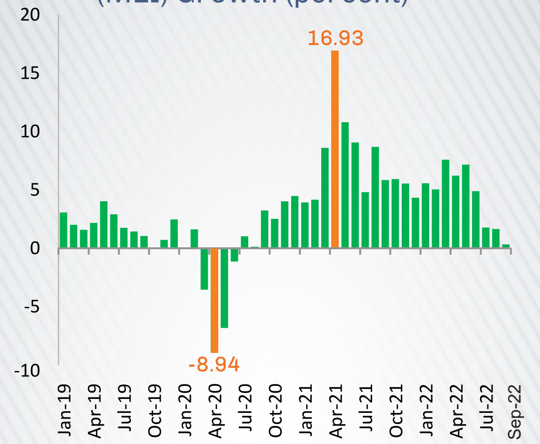
For September, the continuing deterioration in the cyclical position of the main trading partners and the recent devastating floods are likely to slightly slow down industrial activities in Pakistan.

3.4 Overall Economic Activity

The Monthly Economic Indicator (MEI) is based on combining monthly data of indicators that are proven to be correlated with GDP at constant prices. Fig-7 presents the MEI on monthly basis since January 2019. It should be noted that some of the data underlying the September MEI is still provisional and may be revised next month.

Since the start of the current FY, economic activity seems to have fallen to a lower growth path. Further, the slowdown in global economic growth

Fig-7: Monthly Economic Indicator (MEI) Growth (percent)



Source: EA Wing's Calculation

along with higher commodity prices is badly damaging the performance of Pakistan's main trading partners. Higher-than-expected inflation and the tight monetary policy stance of SBP are also affecting growth negatively. A slowdown in the LSM sector, albeit positive in August and higher production costs are the additional contributing factors with negative consequences for growth in the months ahead. In addition, moderation in imports may indicate a slowdown of domestic activities.

3.5 External

As expected, according to Balance of Payments data, the balance of trade in goods and services improved in September 2022. This was mainly attributed to a decline in imports, which was brought on by slower growth, government restrictions, and negative seasonal effects. Also, exports declined slightly due to sluggish foreign demand and domestic supply issues may have played a more important role. The outlook for the next month revealed that the trade balance will improve in the coming months on account of import contraction due to a deceleration in domestic economic activities and aggregate demand. However, exports scenario may improve due to revival of infrastructure in flood areas of the country.

Remittances are expected to revert back to around the level of US $ 2.7 billion. Therefore, in the baseline scenario, the current account balance is expected to move to equilibrium or even a slight surplus.

3.6 Fiscal

Large-scale relief and rehabilitation requirements resulting from the catastrophic flood have posed significant challenges to fiscal consolidation efforts. Since government needs to allocate higher resources for the rescue and rehabilitation of flood victims and the rebuilding of infrastructure, there will be significant pressure on overall expenditures. On the revenue side, despite import compression, the zero rates of Sales Tax on POL items, and the flood situation, FBR tax collection in the first quarter of the current fiscal year has been remarkable on the back of an effective revenue mobilization strategy. However, an expected slowdown in economic activity and growth due to the devastation triggered by the floods may impact domestic resource mobilization efforts.

3.7 Final Remarks

Overall economic outlook shows an optimistic picture of the economic performance in the coming months. The CPI inflation is declining, rupee has gained stability, current account balance is on improving trend. These development indicate that economic activity will remain positive and persistent in coming months.

For the future path of inflation, the exchange rate is of utmost importance. Moderating inflation also contributes to exchange rate stability, which in the benign case may generate a virtuous inflation-exchange rate cycle. Further, the exchange rate stability requires sound economic fundamentals. Besides inflation, also a manageable current account deficit and guaranteed financing of this deficit by healthy financial inflows are required. When markets get convinced about these prospects, speculative bubbles in the exchange market would be highly unlikely. In the baseline short to medium run, helped by sound domestic fiscal and monetary policies, the current account deficit is expected to reduce. A major risk factor, though, relates to the necessary imports to absorb the devastating consequences of the floods. However, downward revision of Pakistan's main trading partners' outlook may have a downside risk for exports in coming months.

For fiscal sector, catastrophic flood require rehabilitation and massive expenditures which will pose significant challenge for fiscal consolidation. On the other hand, growth prospects have weakened, along with contained economic activities and low demand will impact on resource mobilization. Thus, FY2023 is moving with challenges, seeking balance policy mix for stabilization.

In the long run, sound fundamentals and a healthy growing economy, a significant raise is required in gross fixed capital formation instead on consumption. This will increase the National Income significantly. Further, there is need to enhance the productive capacity and productivity in each sector to substitute imports by domestic production and provide more supply capacity to the foreign markets.

Economic Indicators

28th October, 2022

External Sector			
	2021-22 Jul-Sep	2022-23 Jul-Sep	% Change
Remittances ($ billion)	8.2	7.7	↓6.3
Exports FOB ($ billion)	7.2	7.6	↑5.5
Imports FOB ($ billion)	17.4	16.0	↓7.9
Current Account Deficit ($ billion)	3.5	2.2	↓
FDI ($ million)	479.2	253.4	↓47.1
Portfolio Investment- ($ million)	879.3	(30.3)	↓
Total Foreign Investment ($ million)	1,358.5	223.1	↓83.7
Forex Reserves ($ billion)	23.849 (SBP: 17.066) (Banks: 6.783) (On 26th Oct 2021)	14.626 (SBP: 8.884) (Banks: 5.742) (On 26th Oct 2022)	
Exchange rate (PKR/US$)	175.27 (On 26th Oct 2021)	220.68 (On 26th Oct 2022)	

Source: SBP

Fiscal (Rs Billion)			
	2021-22 (Jul-Aug)	2022-23 (Jul-Aug)	% Change
FBR Revenue (Jul-Sep)	1396	1634	↑17.0
Non-Tax Revenue	75	111	↑47.4
PSDP (incl. grants to provinces)	63	38	↓39.9
Fiscal Deficit	462	672	↑45.4
Primary Balance	-37	-90	↓

Source: FBR & Budget Wing

Monetary Sector			
	2021-22	2022-23	% Change
Agriculture Credit (provisional) Jul-Sep	291.9	383.8	↑31.5
Credit to private sector (Flows)	176.5 (1st Jul to 01st Oct)	84.3 (1st Jul to 30th Sep)	↓
Growth in M2 (percent)	-0.1 (1st Jul to 01st Oct)	1.5 (1st Jul to 30th Sep)	
Policy Rate (percent)	7.25 (21-Sep-2021)	15.00 (10-Oct-2022)	

Source: SBP

Inflation			
	2021-22	2022-23	% Change
CPI (National) (percent)	9.0 (Sep) 8.6 (Jul-Sep)	23.2 (Sep) 25.1 (Jul-Sep)	
Real Sector			
Large Scale Manufacturing (LSM) (percent)	19.1 (Aug) 11.9 (Jul-Aug)	0.6 (Aug) -0.4 (Jul-Aug)	
PSX Index*	41630 (On 1st Jul 2022)	41540 (On 26th Oct 2022)	↓0.22
Market Capitalization (Rs trillion)	6.96 (On 1st Jul 2022)	6.74 (On 26th Oct 2022)	↓3.16
Market Capitalization ($ billion)	33.99 (On 1st Jul 2022)	30.56 (On 26th Oct 2022)	↓10.09
Incorporation of Companies (Jul-Sep)	6217	6576	↑5.77

*: Formerly Karachi Stock Exchange (KSE)

Source: PBS, PSX & SECP