



Economic Adviser's Wing
Finance Division
Government of Pakistan



PAKISTAN ECONOMIC SURVEY

2022-23



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Government of Pakistan, Islamabad

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FOREWORD

The outgoing fiscal year 2022-23 has faced unprecedented challenges due to poor demand-driven policies of the previous government, unprecedented floods in 2022, and political uncertainty. In addition, the Russia-Ukraine war has severely disrupted the global demand-supply balance slowing global economic growth to 2.8 percent in the current year from 6.2 percent in 2021, whereas globally, the prices have also increased manifold. Above all, the unwitting economic managers of the PTI government led the country to a near-default situation by the time the coalition government took charge. Inconsistent policies, unsustainable fiscal deficit, the exponential rise in public debt, economic uncertainties, and mounting circular debt have been the main ingredients of PTI's tenure. As such, the last fiscal year of the previous government alone witnessed an overall fiscal deficit of 7.9 percent, whereas the trade deficit remained at US\$ 39.1 billion.

Nevertheless, the PMLN government has always proved its credibility by putting the economy on the right track. The investment in road and power infrastructure, in the first phase, through the China-Pakistan Economic Corridor (CPEC), the significant improvement in Pakistan's grading by the international financial rating agencies, the increase in market capitalization to over US\$ 100 billion, and the economic ranking at twenty-four are just a few examples of the PMLN efforts. However, the PTI government not only derailed the CPEC and reversed the other efforts but also exposed the country as an unattractive destination for foreign investors. During the current fiscal year, the government has attempted to stabilize the economy through fiscal consolidation measures and adopting the optimal policy mix. As a result, by the Grace of Allah Almighty, the declining trend of economic indicators is stopped, whereas the coming fiscal year is expected to revive growth toward its potential level.

During the current fiscal year, the government has achieved significant economic gains in terms of improved external and fiscal indicators. As a result, even with a significant increase in debt servicing, the fiscal deficit reduced to 4.6 percent of GDP in July-April FY2023 against 4.9 percent for the same period last year, while the primary balance has been reverted from deficit to surplus. Furthermore, during the first eleven months of the outgoing fiscal year, the trade deficit is narrow down by 40 percent and the current account deficit by 76 percent during July-April FY2023. The government has to take the tough decision of restricting non-essential imports to tackle macroeconomic imbalances and stabilize the national economy. However, to correct the economic fundamentals, along with many other initiatives, the government has focused on improving food security by offering Kissan Package and an optimal support price, improving investor confidence, starting barter trade with Iran, Afghanistan, and Russia, and increasing reliance on indigenous sources for electricity generation.

The Economic Survey 2022-23 accounts for Pakistan's economic performance during the outgoing fiscal year and the overall global as well as regional context in which the economy had to operate. The Economic Survey also provides a perspective on the economic challenges and the policy direction that must be maintained to meet these challenges successfully. I congratulate and thank the Finance Secretary, the Economic Adviser, and their team for preparing this important document. It will serve as an invaluable information tool for all stakeholders, including parliamentarians, policymakers, academia, and international development partners.

Senator Mohammad Ishaq Dar
Minister for Finance and Revenue

Islamabad, the 08th June, 2023

MESSAGE

The Pakistan Economic Survey 2022-23 presents an account of the country's economic performance in the outgoing fiscal year in an overall global context. The survey reflects the resilience and strength of the Pakistan economy in the face of unprecedented challenges posed by the Russia-Ukraine war, the ever-worsening impacts of climate change, the escalating monetary tightening, and growing policy challenges. The country's economic growth slowed in the outgoing fiscal year due to devastating floods, policy tightening and difficult but essential measures to tackle sizable fiscal and external imbalances. Floods caused extensive damage to agricultural land, livestock, roads, and other infrastructure, affecting the output of crops and livestock.

Despite the adverse impact of these factors, the Government of Pakistan took timely and effective policy measures for mitigating the socio-economic fallout and for supporting the economic recovery. The measures aimed at stabilizing the economy and tackling fiscal and external imbalances. Through comprehensive reforms, fiscal consolidation efforts, agriculture sector's improvements, human resource development, and social welfare programs, the Government is firmly committed to continue the revival of the economy. The resilience and determination of the people, combined with the governmental measures, would undoubtedly lead to a prosperous and inclusive future for Pakistan.

I deeply appreciate the efforts of the Economic Adviser and his team for the timely preparation of this document. I trust that the Pakistan Economic Survey 2022-23 will be a useful document providing meaningful information to decision-makers, academicians, policy experts, researchers, and other relevant stakeholders.

Imdad Ullah Bosal
Finance Secretary

Islamabad, the 08th June, 2023

PREFACE

Pakistan Economic Survey is a yearly flagship publication of the Ministry of Finance which highlights the trend of macro-economic indicators, development policies, strategies, as well as sectoral achievements of the economy. The Pakistan Economic Survey 2022-23 presents a comprehensive analysis of the performance of different sectors of the economy. The document examines the factors contributing to this year's growth and provides updated data on various economic and social indicators for the first nine to ten months of the current fiscal year.

The statistical data were obtained from ministries of the Government of Pakistan, provincial departments, and various organizations. I would like to thank them for their valuable input. Without their timely support, the Economic Survey would not have been completed.

I would offer my gratitude to worthy Minister for Finance & Revenue, Senator Mohammad Ishaq Dar, Minister of State for Finance & Revenue, Dr. Aisha Ghaus Pasha, Special Assistant to the Prime Minister on Finance, Mr. Tariq Bajwa, Special Assistant to the Prime Minister on Revenue, Mr. Tariq Mahmood Pasha and Finance Secretary, Mr. Imdad Ullah Bosal, for their support and guidance during the preparation of the Economic Survey. I am also highly indebted to EA Wing officers and officials, HRM Wing, and Debt Management Office for their continued support and hard work that led to complete the Economic Survey well on time.

Pakistan Economic Survey 2022-23 has greatly benefitted from the comments and insights of Dr. Aamer Irshad (FAO), Dr. Waseem Shahid Malik, Mr. Javed Sikander (Planning Commission) Dr. Shahzada M. Naeem Nawaz, Dr. Khurram Ejaz, Dr. Mahmood Khalid (PIDE), Dr. Saima Bashir (PIDE) Dr. Masood Sarwar Awan, (University of Sargodha), Dr. Merajul Haq (IIUI), Dr. Atif Ali Jaffery (Gujrat University), Dr. Imran Khan Jadoon (Comsats University), Mr. Muhammad Shuaib Malik, Dr. Syed Akhtar Hussain Shah, and Dr. Muhammad Arshad Khan. I sincerely acknowledge their inputs/views/comments, which improved quality of the Economic Survey. Continuous engagement, discussions, and advice from the senior officers of the Finance Division, especially Mr. Awais Manzur Sumra (SSF), Mr. Zulfiqar Younas (AFS), Mr. Tanvir Butt (AFS), Mr. Ali Tahir (AFS), Mr. Aamir Mahmood (AFS), Mr. Amjad Mahmood (AFS), and Mr. Kumar Sarwar Abbasi (AFS) have been very much productive for the overall improvement of this national document.

Hopefully, the Survey will fulfill the expectations of policymakers, economists, academicians, business practitioners, government agencies, students, researchers, media personnel, and those interested in developing a deeper understanding of Pakistan's economy. Constructive comments and suggestions for the improvement of this document are always welcome.

Dr. Imtiaz Ahmad
Economic Adviser

Islamabad, the 08th June, 2023

OVERVIEW OF THE ECONOMY

Global Economic Review

The global economy is experiencing the accumulative effects of the severe and relentless shocks - especially, the lingering ongoing Russia-Ukraine war, the ever-worsening impacts of climate change, the long-reaching after-effects of the COVID-19 pandemic, the escalating monetary tightening, and growing policy challenges - have driven many countries perilously close to crisis. Several economies are currently experiencing the highest-ever inflation due to strong consumer demand, persistent supply disruptions, and surging commodity prices. To achieve price stability and maintain stable expectations, central banks have responded with sharp policy tightening to bring inflation closer to their targets. The tentative early signs of a soft landing for the global economy at the beginning of 2023, which included ease in inflation and stable growth, have faded due to continual high inflation and recent turbulence in the financial sector.

The International Monetary Fund (IMF) has forecasted global growth at 2.8 percent in 2023 and expected to see a modest recovery to 3.0 percent next year. The risks associated with the outlook are highly skewed towards the downside, with more chances of a sharp economic slowdown. In an alternative scenario, with a more stressed financial sector, there is a possibility of deceleration of global growth to about 2.5 percent in 2023. IMF foresees the growth to remain around 3.0 percent over the next five years. The baseline forecast of 3.0 percent until 2028 makes it the lowest medium-term growth projection since 1990 and is quite below the average of 3.8 percent from the two previous decades. The weak global outlook indicates the need for tight policy stances to combat inflation, the fallout from deteriorating

financial conditions, and growing geo-economic polarization.

The sharply shrinking global financial conditions could have an intense impact on credit conditions and public finances, particularly in emerging markets and developing economies. It would result in large capital outflows, a high-risk premium, an appreciation in the dollar, and major declines in global economic activity amid lower confidence, household spending, and investment. In such severe circumstances, there is a possibility of stagnant per-capita income. The world is, therefore, entering a phase where economic growth remains slow in comparison to historical standards, financial risks have risen, and yet inflation has not decisively turned the corner.

The sharp contraction of global monetary policy since early 2022 has intensified fiscal and debt vulnerabilities and resultantly constrained fiscal space in many countries, especially in sub-Saharan Africa, Latin America, the Caribbean, and South Asia. The borrowing costs have sharply increased, and the strong dollar has pushed up the debt-servicing burden of dollar-denominated debt. Financing constraints have been limiting the ability of governments to invest in education, health, sustainable infrastructure, energy transition and acceleration of progress towards sustainable development while pushing the growing number of countries into near debt default.

With continued uncertainty, policymakers are focusing on preserving macroeconomic stability through tight monetary and fiscal policies while being mindful of the risks associated with financial stability. At the same time, they are accelerating structural reforms to strengthen potential growth and enhance resilience,

inclusion, and social safety net. In the near term, when fiscal space permits, countries should prioritize targeted and temporary support to protect the most vulnerable from still-high food and energy prices with cash transfers. In emerging markets, fiscal consolidation is necessary to continue to be anchored on a downward debt path, supported by revenue mobilization and expenditure containment measures, while strengthening social protection. In low-income, fragile, and conflict-affected countries or states, the lack of fiscal space to protect the vulnerable needs the support of the international community and global cooperation.

Pakistan Economic Review

The geopolitical situation, difficult financial environment, and high inflationary pressures have all had a substantial impact on the prospects for global growth. All these factors posed significant economic risks for Pakistan's economy as well. Devastating floods and political unrest further aggravated the situation. Thus, FY2023 has been a challenging year for Pakistan's economy. In FY2022, Pakistan's economy witnessed a high growth rate of 6.1 percent, however, it was unsustainable as it was largely driven by domestic demand, which was stimulated by expansionary fiscal policy and ended up with a high fiscal and current account deficit. Subsequently, the economy signaled excessive demand and overheating.

At the beginning of the FY2023, the economy confronted four major challenges that posed threats to Pakistan's socio-economic growth. These challenges include regaining sustainable macroeconomic stability, reducing poverty, fiscal consolidation, and addressing weaknesses in the external account. The overall vision of the government is to achieve high and sustainable GDP growth with price stability over the medium term. The government is committed to implementing home-grown macroeconomic and structural reforms for creating job opportunities and reducing the poverty. The government is trying to rebuild confidence of investors by addressing macroeconomic imbalances through an optimal policy mix. At the same time, it is protecting poor people through adequately funded social safety nets and targeted subsidies.

Pakistan received an unprecedented episode of torrential rains followed by flash flooding in July - August 2022 that affected 33 million people. Importantly, Sindh and Balochistan received six and seven times more rain than normal, respectively. With flood basins saturated with water, the natural drainage system was overwhelmed, and a vast area of rich farmland and human settlements was flooded, and the consequences were disastrous. The floods submerged one-third of the country in water, more than 1,700 people were dead and 8 million were displaced. An estimated 8.4 - 9.1 million more people could be forced into poverty as a direct consequence of this catastrophic. The losses amounted to 4.8 percent of GDP. The recovery and reconstruction needs are projected at 1.6 times the budgeted national development expenditure for FY2023.

The present government came into power in April 2022 with a broad-based agenda for moving towards sustainable macroeconomic stabilization which is primarily focused on rationalization of expenditures, removing unproductive subsidies to reduce burden on the budget; significant cuts in expenditures to reduce the budgetary deficit; increasing the tax and non-tax revenue of the government; and a tight monetary policy to fight inflation. The government has improved the Benazir Income Support Programme (BISP) and other programmes to enhance transparency so that the poor and vulnerable groups may be protected. Public-private partnerships have been encouraged as private investments are the main source of funding for economic development. The importance of sound governance, managerial and systemic mechanisms were also emphasized to ensure that the social sector investments remain cost-effective; thus, focusing on output-oriented service delivery.

These measures along with recent trends in most macroeconomic variables suggest that the disciplined implementation of the macroeconomic stabilization program has started paying dividends in current fiscal year. The efforts contributed to containing the fiscal deficit at 3.6 percent of GDP during the first three quarters of FY2023, a decrease from the 3.9 percent of GDP recorded in the

corresponding period last year. Likewise, in July-March FY2023, the primary balance achieved a surplus of Rs 503.8 billion (0.6 percent of GDP), against the deficit of Rs 447.2 billion (-0.7 percent of GDP) experienced last year, attributed to a slowdown in the growth of non-markup expenditures. The current account turned to a surplus of US\$ 750 million in March 2023 and US\$18 million in April 2023 marking the first monthly current account surplus since 2020. The current account deficit is likely to decelerate from as high as US\$ 17.5 billion in FY2022 to around US\$ 3.7 billion by the end of the out-going fiscal year. However, Pakistan's economy still faces pressures from an uncertain global security situation, higher inflation driven by a spike in food prices, the bewildering stock market, perceptible contraction in large-scale manufacturing, lower than anticipated foreign inflows, and burgeoning absolute financing requirements. Resultantly, abatement of inflationary pressure remained persistent and depicting price stubbornness.

Executive Summary

Growth and Investment: The severe macroeconomic imbalances, flood damages, domestic supply shocks, and international economic slowdown have dampened the economic growth to just 0.29 percent in FY2023. Following the budget announcement in June 2022, positive economic expectations and the performance of key indicators resulted in the government projecting GDP growth of approximately 5.0 percent in FY2023. However, the economy lost momentum in the first quarter of the ongoing fiscal year due to the severe downturn in the global economy and flash floods of July-August 2022 and as a result the economy suffered from significant domestic supply disruptions. The flood damage is estimated at Rs 3.2 trillion (US\$14.9 billion), the loss to GDP at Rs 3.3 trillion (US\$15.2 billion), and recorded need for rehabilitation of damages at Rs 3.5 trillion (US\$16.3 billion). On the international front, the prolonged Russia-Ukraine conflict adversely affected global growth and inflation remained unexpectedly high.

In FY2023, Pakistan's GDP grew by 0.29 percent, with 1.55 percent growth in agriculture,

-2.94 percent in industrial sector, and 0.86 percent in services sector. The GDP at current market prices recorded Rs 84,658 billion, showing a 27.10 percent growth over the previous year Rs 66,624 billion (US\$ 341 billion). The per capita income decreased from US\$ 1765 to US\$ 1568 in FY2023. This deceleration was attributed to the significant depreciation of PKR and the contraction in economic activity. For FY2023, the Investment-to-GDP ratio stood at 13.6 percent as compared to 15.6 percent in FY2022. The estimates of Gross Fixed Capital Formation (GFCF) stood at Rs 10093.5 billion showing an increase of 8.1 percent compared to FY2022. The industry-wise disaggregation of GFCF by the general government suggests an increase of 17.7 percent, 89.2 percent, and 5.9 percent in public administration & social security, education, and human health & social work, respectively.

Agriculture: Pakistan faced a heavy monsoon spell in July-August 2022 which damaged two main sub-sectors, i.e., crops and livestock. Moreover, the damage in the agriculture sector had a spillover effect on the industry and allied services sectors. As a result, domestic production remained below the required levels, raising the prices of all essential food items to a historic high. The total damage in the agriculture sector amounts to approximately Rs 800 billion (US\$ 3.725 billion). Restoring the livelihoods of smallholder farmers and livestock keepers was urgent and time-sensitive for meeting the upcoming Rabi cropping season 2022-23 and preventing further losses to livestock assets and production. To meet the domestic demand for food items, the government took up the matter immediately and allowed the import of essential food items on a fast-track basis from neighboring countries. The Rabi 2022-23 remained challenging for the peasants of Sindh and Balochistan, particularly being the most flood-affected areas. To lessen the miseries of flood affectees and revival of the agriculture sector, the government announced Kissan Package-2022.

Despite the flash floods in 2022, damage to Kharif crops, and the high base effect of last year's growth of 4.27 percent, the agriculture sector recorded a growth of 1.55 percent during

FY2023. The decline in important crops stood at 3.20 percent. Two important crops, i.e., cotton and rice, were badly damaged by the floods. A decline of 41.0 percent was observed in cotton which resulted in the production of 4.910 million bales as compared to 8.329 million bales last year. Similarly, rice witnessed a decline of 21.5 percent in production standing at 7.322 million tonnes as compared to 9.323 million tonnes last year. The loss in important crops to some extent has been compensated by growth in the production of wheat (5.4 percent), sugarcane (2.8 percent), and maize (6.9 percent). The production of wheat, sugarcane, and maize stood at 27.634 million tonnes, 91.111 million tonnes, and 10.183 million tonnes, respectively, compared to 26.209 million tonnes, 88.651 million tonnes, and 9.525 million tonnes last year. An increase of 0.23 percent has been witnessed in other crops due to an increase in oil seed production by 53.15 percent. Cotton Ginning, having a share of 0.97 percent in agriculture and 0.22 percent in GDP has declined by 23.1 percent due to a decrease in cotton production.

Livestock, having a share of 62.68 percent in agriculture and 14.36 percent in GDP, grew at 3.78 percent compared to 2.25 percent during last year. The fishing sector, having a share of 1.39 percent in agriculture value addition and 0.32 percent in GDP, grew at 1.44 percent compared to 0.35 percent during last year. The forestry sector, having a share of 2.23 percent in agriculture value addition and 0.51 percent in GDP, grew at 3.93 percent against 4.07 percent last year due to an increase in Timber production. Water availability during Kharif 2022 declined to 43.3 million-acre feet (MAF) from 65.1 MAF compared to Kharif 2021. Rabi season 2022-23 water availability stood at 29.4 MAF, recording an increase of 7 percent over Rabi 2021-22.

Overall domestic production of fertilizers during FY2023 (July-March) decreased by 8.3 percent over the same period of FY2022. In addition, the import of fertilizer also decreased by 26.2 percent, therefore, the total availability of fertilizer decreased by 11.2 percent during FY2023 (July-March). The total offtake of fertilizer nutrients witnessed a decrease of 15

percent. The reduction in fertilizers offtake is due to the high prices of Phosphatic and Potash fertilizers in the international/domestic market. Punjab's share in urea offtake is 67.7 percent, followed by Sindh (24.4 percent), KP (4.4 percent), and Balochistan (3.5 percent). Subsidy in the form of cheap natural gas and the budgeted subsidy was given on RLNG for two urea plants and imported urea by the government during FY2023.

During FY2023 (July-March), the agriculture lending financial institutions have disbursed Rs 1,222 billion, which is 67.2 percent of the overall annual target and 27.5 percent higher than Rs 958.3 billion disbursed during the same period last year. Furthermore, the outstanding portfolio of agricultural loans has increased by Rs 80.2 billion and reached Rs 712.9 billion at the end of March 2023 compared to Rs 632.7 billion at the end of March 2022, witnessing 12.7 percent growth. In terms of outreach, the number of outstanding borrowers reached 3.04 million in March 2023.

Manufacturing and Mining: The proliferation of risks, including the global economic slowdown and flood damages, coupled with the SBP's restrictive policies such as high-interest rates, import restrictions, and the closure of LCs to correct the balance of payments and control inflation, has created headwinds for businesses, consumer confidence, and investment. Thus, the industry weighed down by various domestic and external factors leading to a slowdown in its performance in FY2023. LSM remained on the negative side, at negative 8.11 percent during July-March FY2023 against the growth of 10.61 percent in the corresponding period last year. The four sectors witnessing growth include Wearing apparel, Leather Products, Furniture, and others (Football).

The mining and quarrying sector remained negative at 4.4 percent during July-March FY2023 against the dip of 7.0 percent last year. The development of the mining sector has been hindered by inadequate infrastructure, lacking technology, and insufficient financial resources. Production of major minerals such as coal, dolomite, barium sulphate, limestone, rock salt, and ocher witnessed a growth of 17.6 percent,

42.2 percent, 53.6 percent, 10.6 percent, 12.4 percent, and 15.4 percent respectively during July-March FY2023. However, some witnessed negative growth such as natural gas 9.3 percent, crude oil 10.2 percent, chromite 12.6 percent, magnesite 50.0 percent, gypsum 5.0 percent, sulphur 25.0 percent, soapstone 43.2 percent, and iron ore 51.6 percent.

Fiscal Development: The government is committed to reducing the fiscal deficit to ensure fiscal sustainability and macroeconomic stability. There are two major challenges, i.e., the first is to support vulnerable segments of society; and secondly, the difficult task of meeting expenditures on rising interest payments. For this purpose, the budget of the outgoing fiscal year outlined a strategy for fiscal consolidation. It entailed reducing unnecessary spending and improving tax revenues. These efforts helped in containing the fiscal deficit to 3.6 percent of GDP during the first three quarters of FY2023 against 3.9 percent of GDP recorded in the same period of last year. Similarly, the primary balance posted a surplus of Rs 503.8 billion (0.6 percent of GDP) during July-March FY2023 against a deficit of Rs 447.2 billion (-0.7 percent of GDP) last year owing to a slowdown in the growth of non-markup expenditures.

Total revenues increased by 18.1 percent in July-March FY2023 against the growth of 17.7 percent in the same period last year. Both tax and non-tax collection contributed to an increase in overall revenues. Tax revenues (federal and provincial) witnessed a growth of 16.5 percent on the back of a significant rise in FBR tax collection despite various economic challenges at the domestic and global levels. Non-tax revenues grew by 25.5 percent in July-March FY2023 on the back of higher receipts from petroleum levy, markup (PSEs and others), royalties on oil/gas, and passport fee.

The growth in total expenditures reduced to 18.7 percent in July-March FY2023 from a 27.0 percent increase observed in the same period of last year. Within total expenditures, current expenditures increased by 25.3 percent primarily driven by a 69.1 percent growth in markup payments as compared to a 0.7 percent

increase in the same period of FY2022. In contrast, non-markup current expenditures grew by 7.7 percent during July-March FY2023 against the substantial increase of 32.1 percent in the comparable period last year. The restricted growth during July-March FY2023 has been observed mainly due to the decline in expenditures on subsidies and grants and is consistent with the government's efforts to ensure fiscal consolidation.

FBR net provisional tax collection increased by 16.1 percent to Rs 5,637.9 billion against Rs 4,855.7 billion in a similar period last year. In the wake of a challenging economic environment, current performance indicates effective implementation of administrative and enforcement measures.

The fiscal consolidation efforts are on track and reaping the benefits in terms of better fiscal accounts during the first nine months of the current fiscal year. It is therefore expected that FY2023 would observe a considerable decline in fiscal deficit as compared to last year. In addition, the efforts to improve financial planning through PFM reforms will provide additional impetus to the government's efforts to further reduce the fiscal deficit over the medium term.

Money and Credit: The economy faces many headwinds on account of rising government borrowing costs and capital outflows which exacerbated fiscal and balance of payment pressures. To control persistent inflationary pressures and external sector imbalances, SBP continued with monetary tightening and the policy rate cumulatively increased by 725 bps during July-April FY2023.

During July-March FY2023, broad money (M2) witnessed an increase of Rs 1,193.7 billion (growth of 4.3 percent) as compared to Rs 698.4 billion (growth of 2.9 percent) during the same period last year. Within M2, the Net Foreign Assets (NFA) of the banking system decreased by Rs 2,060.6 billion as compared to a decline of Rs 1,197.7 billion last year. On the other hand, the Net Domestic Assets (NDA) of the banking sector increased by Rs 3,254.2 billion as

compared to Rs 1,896.2 billion during the same period last year.

During July - March FY2023, private sector credit increased by Rs 302.3 billion as compared to Rs 1,199.3 during the same period of last year. On average, it has posted a growth of 3.3 percent as compared to a growth of 15.7 percent last year. Slow domestic economic activities discouraged private sector credit offtake during July-March FY2023. The contraction of loans has been observed in both the working capital and fixed investment loans during the period under review. Accordingly, working capital loans reached Rs 113.4 billion during July-March FY2023 against Rs 608.7 billion during the same period last year. On the other hand, fixed investment loans decreased to Rs 147.5 billion against Rs 333.1 billion last year.

Capital Markets and Corporate Sector: The performance of major international stock markets remained volatile during the outgoing fiscal year, mainly due to global financial conditions. During July-March FY2023, the Morgan Stanley Capital International Emerging Market (MSCI-EM) Index declined by 1.0 percent, which is an index of 24 emerging stock markets. An increase has been observed in the S&P 500 of the US (8.6%), CAC 40 of France (23.6%), BSE Sensex 30 of India (11.3%), PSEi Composite of the Philippines (5.6%) and FTSE Straits Times of Singapore (5.1%). Contrarily, the Shanghai Composite of China, VN30 Index of Vietnam, Hang Seng of Hong Kong, and Kuala Lumpur Composite Index of Malaysia declined by 3.7 percent, 14.0 percent, 6.7 percent, and 1.5 percent, respectively.

The KSE-100 index registered a decline from 41,540.8 points to 40,000.8 points from 30 June 2022 to 31st March 2023. The Index closed at its highest point of 43,676.6 on 17th August 2022, whereas its lowest closing point was 38,342.2 on 17 January 2023. As of 31st March 2023, the number of listed companies stood at 526, with a market capitalization of Rs 6,108 billion. During July-March FY2023, corporations raised Rs 99.0 billion by issuing 20 debt securities. While 117 previous corporate debt securities worth Rs 826.6 billion remain outstanding. Moreover, during July-March FY2023, 2.96 million lots of

various commodities futures contracts including gold, crude oil, and US equity indices worth Rs 3.49 trillion were traded on Pakistan Mercantile Exchange Limited.

Inflation: The CPI inflation for the period July-April FY2023 was recorded at 28.2 percent as against 11.0 percent during the same period last year. The other inflationary indicators like Sensitive Price Indicator (SPI) recorded at 31.7 percent as against 16.9 percent last year. The Wholesale Price Index (WPI) recorded at 34.0 percent in July-April FY2023 compared to 22.9 percent same period last year. The inflationary pressures are emanating from weaker exchange rates, supply disruptions created by flood damages, higher global food prices, and broader tariff reforms for both electricity and fuels. The government is taking administrative actions, policy reforms, and relief measures to control the prices of essential items. The government is committed to maintain the strategic reserves of wheat, sugar, and pulses. District Price Control Committees are also monitoring the prices of essential items to ensure their availability at reasonable prices.

Global inflationary pressure intensified during recent years while during the last couple of months, the global supply chain has shown little improvement. The international commodity price outlook is favorable, which may offset the negative impact of currency depreciation. In addition, the better crop outlook due to timely measures, i.e., Kissan Package, expected political stability, and the stable exchange rate would help to achieve price stability. The inflation rate in the medium term, i.e., FY2024 and FY2025 will be normalized due to the high base effect as well as improvement in the agriculture sector, expected favorable global and domestic environments.

Trade and Payments: The balance of payments position during July-March FY2023 remained under pressure mainly due to adverse global shocks and domestic developments. The international commodity prices are still above the pre-pandemic level, having weighed on the external account. Moreover, the tightening of the global financial environment has made it difficult for emerging markets like Pakistan to

access international financial markets. Consequently, Pakistan's foreign exchange reserves and exchange rate came under pressure. Furthermore, the devastating flood in July-August 2022 has further aggravated the gloomy economic conditions.

The current account deficit (CAD) contained by 76 percent and was recorded at US\$ 3.3 billion during July-April FY2023, against a deficit of US\$ 13.7 billion in the same period last year. The improvement in CAD was on the back of a substantial decline in imports by 23 percent in July-April FY2023. Despite a contained CAD and lower materialization of multilateral inflows, SBP's foreign exchange reserves witnessed a decline mainly on the account of amortization of official loans and liabilities during July-April FY2023 and reached a level of US\$ 4.5 billion by the end of April 2023. Due to the external account pressure on the foreign exchange markets, the average monthly PKR against USD depreciated by 27.8 percent during July-April FY2023.

Public Debt: Total public debt was recorded at Rs 59,247 billion at end-March 2023. Domestic debt was recorded at Rs 35,076 billion while external public debt was recorded at Rs 24,171 billion or US\$ 85.2 billion.

The public debt portfolio witnessed various positive developments during July-March FY2023, some of which are highlighted as follows:

- Within domestic debt, the government relied on long-term domestic debt securities for financing its fiscal deficit and repayment of debt maturities.
- The Government repaid Rs 310 billion against its debt owed to the SBP. The cumulative debt retirement against SBP debt stood at Rs 2.0 trillion since July 2019.
- In addition to the existing 5-year Ijara Sukuk instrument, the government introduced 3-year and 1-year Ijara Sukuk instruments in January 2023 and February 2023 respectively. The target is to diversify shariah compliant instrument base and give more options to investors with an appetite

for Islamic investments. The government successfully issued Shariah- Compliant Sukuk instruments amounting to around Rs 401 billion.

- Within external debt, inflows from multilateral sources and foreign commercial banks remained major sources of gross external inflows. Under the 7th and 8th review of the IMF programme, US\$ 1,166 million was disbursed, while US\$ 1,500 million was received from Asian Development Bank under the 'Building Resilience with Active Countercyclical Expenditures (BRACE) programme. Asian Infrastructure Investment Bank (AIIB) co-financed the BRACE program to the tune of \$ 500 million. In addition, \$ 1,900 million in loans from commercial banks were also refinanced.
- The government rolled over US\$ 3,000 million in deposits each from China and Saudi Arabia which were utilized towards budgetary support.
- Saudi oil facility amounting to around US\$ 900 million was utilized (around US\$ 100 million each month).
- The government repaid international commercial loans to the tune of US\$ 5,541 million, out of which US\$ 4,541 million were bank loans, whereas US\$ 1,000 million was international Sukuk maturity.

The government's strategy to reduce its debt burden to a sustainable level includes a commitment to run primary budget surpluses, maintain low and stable inflation, promote measures that support long-term sustainable economic growth, and follow an exchange rate regime based on economic fundamentals. Additionally, the government is also committed to ensuring fiscal discipline through revenue mobilization and expenditure rationalization and maintaining debt sustainability over the medium term.

Education: According to Labor Force Survey 2020-21, literacy rate at national level remained 62.8 percent. The literacy rate has increased in all provinces, Punjab (66.1 percent to 66.3 percent), Sindh (61.6 percent to 61.8 percent), Khyber Pakhtunkhwa (52.4 percent to 55.1

percent), and Balochistan (53.9 percent to 54.5 percent) in the current year. There are 247 universities in the country with 57,204 thousand teachers in both public and private sectors functional in 2020-21, while 35.14 percent of faculty members are Ph.D., degree holders. During FY2023, the government allocated Rs 44.71 billion to HEC for the implementation of 154 development projects (138 ongoing & 16 new approved projects) of Public Sector Universities/HEIs.

In the first phase of the National Curriculum of Pakistan, the Single National Curriculum (SNC) for Grade Pre-I-V has been developed and textbooks have also been prepared. Moreover, the work on Teacher Training Modules (TTMs) and Assessment Framework is also developed. To enhance national harmony, peace, stability, and socio-economic development in the country, Madaris are facilitated and getting affiliated with the Board of Intermediate and Secondary Education as well as the Board of Technical Education for SSC / HSSC and in technical and vocational education examinations for the Madaris' students. Different measures are taken up at the federal and provincial levels to raise the standards of education in terms of quality education. The present government is putting its efforts and resources into the education sector with an aim to introduce a uniform curriculum, capacity building of teachers, establishment, renovation, and up-gradation of schools and colleges, mainstreaming of religious education, skill development, and promoting awareness.

Health and Nutrition: The government is particularly focused on ensuring quality and equitable access to health and nutrition services for the people. The country has stayed committed to meeting global targets of good health and well-being under the third Sustainable Development Goal (SDG). The performance of various health and nutrition indicators and targets shows a mixed picture. The government has also been trying to enhance financial allocations to the health sector to improve service delivery. The PSDP allocation for the health sector during FY2023 was 2.8 percent of the total development budget and 0.05 percent of GDP. Initiatives such as efforts to develop Integrated Disease Surveillance Response

System (IDSRS) will help the government in effectively dealing with public health emergencies in the future. The Extended Programme for Immunization (EPI) and TB Control Programme have also been effective as can be witnessed by the increase in treatment coverage under both programmes. The government has also intensified its efforts to ensure nutrition security in the country, as the formulation of a Multi-sectoral National Nutrition Policy (MS-NNP) has been initiated with the support of nutrition partners. This policy aims to mainstream nutrition in national socio-economic development plans and improve the country's nutrition status.

Population, Labour Force, and Employment:

Pakistan is the 5th most populous country in the world. According to the National Institute of Population Studies (NIPS), the estimated population of Pakistan is 229.22 million in 2022 of which 84.69 million reside in urban areas, whereas 144.53 million live in rural areas and the population density is 287 per Km. Pakistan's rapidly growing population means an increasing demand for food, schools, health facilities, jobs, and infrastructure, and it put pressure on the government for providing these services at an equal pace. The government is trying to overcome the issue of high population growth and fertility rate through different programmes like media campaigns, the establishment of Family Welfare Centers (FWCs), Reproductive Health Services Centers (RHSCs), and Mobile Services Units.

The Population and Housing Census is a vital national exercise linked with the provision of data for key policy-making matters. PBS is conducting the first-ever digital Population and Housing Census in 2023.

Pakistan has a large labour force that stands among the top 10 largest labour forces in the world. According to Labour Force Survey (LFS) 2020-21 employed Labour force increased to 67.25 million in FY2021 as compared to 64.03 million in FY2019. The government has launched different programmes under the umbrella of the "Prime Minister's Youth Development Programme" for improving employment opportunities for youth. These

programmes are expected to promote the norm of job creation rather than job seeking in youth and will increase the chances of better employment opportunities not only in the domestic market but also in the international market.

Transport and Communication: Modern transportation and communication infrastructure plays a pivotal role in attracting investments and achieving economic development in a country. Recognizing the significance of the transport and communication sector's contribution to economic growth, the government is actively pursuing the development of infrastructural facilities aimed at enhancing market access both within the country and across borders. The efforts in this regard are focused on building road, rail, and sea transportation linkages, reviving railways as a socially and financially viable organization, increasing the road density in rural and urban areas, equipping the ports and airports with modern cargo handling techniques, and improving the operational capacity according to the requirement of a growing economy. The PIA, Pakistan Railways, NHA, PNSC, Port Qasim Authority, Karachi Port, and communication sector players such as Pakistan Post and PBC has played a critical role in meeting the infrastructure needs of the country during FY2023. The work on CPEC has also been revived to foster regional connectivity and various infrastructure projects are underway.

Energy: Demand for energy increases due to the expansion of economic activities, population growth, and rapid technological change. However, energy supply bottlenecks and reliance on imported fossil fuels can be critical for the economic outlook of any country. With this context, the government has envisioned optimizing the utilization of indigenous energy sources including hydel, solar, wind, and thar-coal. During the outgoing fiscal year, the government approved the Framework Guidelines for Fast Track Solar Initiatives 2022 to promote and develop cost-effective local renewable energy sources. Primarily, this framework covers Solar PV Energy Substitution for Expensive Imported Fossil Fuels, Solar PV Generation on 11 kV Feeders, and Public Buildings Solarization. Furthermore, after

dealing with the electricity demand-supply gap, the government, in 2016, imposed a moratorium on new imported fuel-based power projects.

The Russia-Ukraine war has destabilized the global economies with more devastating consequences on the energy market. However, the government's vision is expected to improve the domestic energy outlook significantly. With three Thar coal-based power plants added during the current fiscal year, their total installed capacity has reached 3,300 MW. Furthermore, the installed capacity of six nuclear power plants is 3,560 MW. As such, from July-March FY2023, the total installed capacity and generation of electricity stood at 41,050 MW and 94,121 GWh, respectively. During July-March FY2023, the installed capacity of hydel, nuclear, renewable, and thermal sources stands at 25.8, 8.7, 6.8, and 58.7 percent, respectively. On the other hand, electricity generation from hydel, nuclear, renewables, and thermal remained at 28.6, 21, 4.2, and 46.2 percent, respectively. Moreover, out of the total electricity consumption of 77,745 GWh, household, Industrial, agriculture, and commercial sectors consumed 47.2, 28.0, 8.1, and 7.8, respectively.

The total demand for petroleum products remained at 13.1 million tonnes (declined by 21.9 percent), whereas the transport sector alone consumes about 78.5 percent of petroleum products. As such, the outgoing fiscal year mainly witnessed a decrease in demand for motor spirit, high-speed diesel, and furnace oil, comprising about 95 percent of total demand. To meet this demand, petroleum products, and crude oil imports remained at 6,118.3 thousand MT and 5858.4 thousand tonnes, respectively. On the other hand, the natural gas consumption amounted to around 3,267 MMCFD from July-March FY2023, which included 626 MMCFD RLNG. From total coal consumption of 15,416.5 thousand tonnes, power, brick kilns, and cement/other sectors consume 47.3, 21.5, and 31.1 percent, respectively.

Information Technology and Telecommunication: Information Technology has become a crucial facilitator in the development of a knowledge society and knowledge economy, playing a significant role

in economic progress. The government is actively pursuing the ‘Digital Pakistan Vision’ to promote a digital economy, leading to economic prosperity and empowerment of citizens. It aims to enhance the quality of life and economic well-being of people by ensuring affordable, accessible, and high-quality IT services for all. According to Kearney’s Global Services Location Index (2021), Pakistan ranked second globally as the most financially attractive location for offshore outsourcing of IT and ITeS. As of March 2023, there are 5,109 registered IT and ITeS companies under the Pakistan Software Export Board (PSEB), representing exporters. During the July-March period of FY2023, IT exports amounted to US\$ 1.94 billion, slightly lower than the previous year's US\$ 1.95 billion during the same period. IT exports constitute the largest proportion (35.1 percent) of all services sector exports. In the first three-quarters of FY2023, Pakistani freelancers contributed to foreign exchange earnings through remittances, with IT earning US\$ 156.9 million and non-IT earning US\$ 112.9 million, totaling US\$ 269.8 million. During the same period, PSEB added seven Special Technology Parks (STPs) to enhance infrastructure facilities across various cities in Pakistan, while IGNITE established eight National Incubation Centers (NICs) in different cities, supporting startups and women entrepreneurs. So far, NICs have successfully incubated over 660 startups out of 1,317 creating more than 126,000 jobs, attracting investments worth Rs 15.43 billion (US\$ 74 million) and generating combined revenue of Rs 9.13 billion. As of March 2023, the total telecom subscriptions in Pakistan, including mobile and fixed lines, reached 197 million, with a teledensity of 83.2 percent. The telecom sector contributed approximately Rs 139 billion (Provisional) to the national exchequer during July-December FY2023. The future economic transformation of Pakistan relies on harnessing the potential of the IT and telecom sectors. To achieve this, key initiatives of the government include the establishment of special technology zones, expansion of broadband and 5G networks, promotion of e-commerce and e-governance platforms, enhancement of cybersecurity and data protection measures, and

facilitation of foreign investment and collaboration.

Social Protection: BISP, a targeted unconditional cash transfer programme, is being implemented by focusing on poor women with long-term objectives including the fulfillment of SDGs, i.e., eradicating extreme chronic poverty and empowerment of women. The government of Pakistan provided Rs 400 billion to the BISP to execute the Social Protection programmes during FY2023. BISP is currently disbursing payments to around 9.00 million beneficiaries under Benazir Kafaalat Programme. During July-March FY2023, Rs 128.90 billion have been disbursed under this programme. BISP has disbursed Rs 69 billion to 2.76 million families in flood-affected areas to help them recover their financial losses.

BISP is also implementing a Wheat Seed Subsidy programme for eligible farmers to reach 185,928 farmers with a disbursement amount of Rs 5000/- per acre according to their verified area. Till 31 March 2023, an amount of Rs 2.94 billion has been disbursed to 122,687 farmers out of a targeted 185,928 farmers. Under Benazir Taleemi Wazaif Programme, 11.8 million children have been enrolled so far whereas 3.0 million children have been enrolled during July-March FY2023. So far, Rs 63.3 billion have been disbursed since inception of the Programme out of which Rs 23.4 billion have been disbursed during July-March FY2023.

Pakistan Poverty Alleviation Fund (PPAF) is continuing to support communities by providing access to improve infrastructure, energy, health, education, livelihoods, finance, and developing resilience to disasters. PPAF disbursed an amount of Rs 1.6 billion during July-March FY2023 through its Partner Organizations in 149 districts across the country. Pakistan Baitul Mal (PBM) is providing financial assistance to the destitute, widows, orphans, invalid, infirm, and other needy persons at the district level. For FY2023, Rs 6.04 billion is provided to PBM for its core projects/schemes.

During July-March, FY2023, expenditures amounting to Rs 2.94 billion were incurred on

16,231 scholarship cases, while Rs 691.51 million was disbursed as marriage grants of Rs 200,000 per worker benefiting 4,377 workers' families. The WWF has also disbursed Rs 780.96 million as a death grant of Rs 600,000 per worker – covering 1,425 cases of mishaps all over the country. During July-March FY2023, an amount of Rs 35.27 billion has been disbursed by EOBI.

The social protection system of Pakistan is having enormous potential to handle poverty and vulnerability issues and it is imperative to improve coordination between different agencies. It is important to establish a national social protection framework to synthesize federal and provincial initiatives, and to avoid duplication and wastage of resources.

Climate Change: Climate change poses serious challenges to social, environmental, and developmental activities, and leads to migration within and across national borders. The effects of global climate change in Pakistan are already evident in the form of the growing frequency of droughts, floods, erratic weather behavior, changes in agricultural patterns, reduction in freshwater supply, and the loss of biodiversity.

Forest, biodiversity, and wildlife resources have also suffered from the adverse effects of climate change. Besides, these resources are under tremendous pressure owing to changes in land use and habitat destruction. Due to population increase, the consumption of fuelwood and timber extraction has increased.

Pakistan is currently facing extremely high levels of air pollution with some urban areas reaching hazardous pollution levels across the year. National Clean Air Policy (NCAP) was launched in March 2023. The objective of this policy is to improve air quality in the country by reducing pollution. Pakistan presented an idea of the Loss and Damages Fund during COP 27 and later pushed for a consensus agreement on it, which was successfully adopted. The establishment of the fund reflects Pakistan's ability to not only speak and deliver for itself but also raise the voice for developing countries at the international level. Pakistan's representation as the Chair of the G-77 and China has marked the country's important position at the international negotiations and Pakistan's presence at COP-27 was greatly recognized and appreciated globally.



GROWTH AND INVESTMENT

GDP Growth

0.29% ↑
(FY2023)



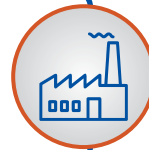
- Agriculture

1.55% ↑



- Industries

-2.94% ↓



- Services

0.86% ↑



**Per Capita
Income (US \$)**

1,568



Investment

13.63
(as % of GDP)



Savings

12.60
(as % of GDP)



GROWTH AND INVESTMENT

During FY2023, the Pakistan's economy faced international supply shocks, coupled with domestic natural disaster shock (Flood-2022), these shocks aggravated the growth vulnerability which was already being witnessed due to demand driven policies of the last year. While making the budget for FY2023, the government projected improvement in economic activities in FY2023 based on good expectations and the performance of key indicators. However, economy lost momentum in the first quarter of the ongoing fiscal year due to the severe downturn in the global economy and domestic supply shock induced by flash floods that engulfed a large part of agriculture land and jeopardize fiscal consolidation efforts of the government already recovering from the COVID-19. The agriculture sector's forward and backward linkages influenced important commodity sectors. Flood damage, GDP loss, and rehabilitation expenditures are PKR 3.2 trillion (US\$14.9 billion), 3.3 trillion (US\$15.2 billion), and 3.5 trillion (US\$16.3 billion), respectively. The difficult economic environment both at home economy and major trading partners has hampered the economic growth. Further, due to weak participation from the development partner and resource difficulties, GDP growth slowdown to 0.29 percent in FY2023.

In the international scenario, the prolonged Russia-Ukraine conflict adversely affected global growth and inflation more than expected. Thus, the increased international prices affect currencies, commodities, and production costs while there are three pass-through effects in the economy of Pakistan. First, it raised commodity prices, especially for food and energy, boosted

CPI inflation, lowered income value, and lowered aggregate demand. Second, supply chains and remittances disrupted Pakistan's trade-dependent economy. Third, global uncertainty has lowered confidence of businesses and asset values. Tighter financial conditions worldwide, especially in major trading partners, accelerated capital outflows

Nonetheless, it is widely understood that high prices can undermine the benefits of economic growth and adversely impact societal well-being. Despite the difficult economic situation, the government prioritized a balance between price stability and sustainable, inclusive growth. The Ministry of National Food Security & Research and the Ministry of Industries & Production in Pakistan are working together to maintain strategic wheat, sugar, and pulses reserves. The State Bank of Pakistan (SBP) has increased the policy rate to 21 percent to maintain low and stable inflation. The government allocated funds for the relief packages, including a Prime Minister relief package, a Ramzan Relief Package, and relief for flood-affected areas, to ensure the provision of essential commodities at subsidized rates through Utility Stores Corporation (USC). The allocation for the BISP Welfare schemes has been increased. The government is also expanding the network of Sasta Bazaars and Utility Store outlets to ease the inflationary pressure on the common man.

The primary economic sector LSM, which represents domestic industrial production, witnessed 8.10 percent decline in July-March FY2023, due to high inflation, currency depreciation, rapid monetary policy tightening, and financial market volatility. Most LSM sub-

sectors contracted. Contrary to LSM growth, the trade deficit in goods and services improved by 39.6 percent in July-April FY2023, due to a 28.4 percent drop in goods imports and a 39.6 percent drop in service imports, according to SBP data. Remittances fell 10.8 percent to US\$20.5 billion. However, a major drop in remittances offsets the goods and services trade imbalance. The current account deficit improved. However, Financial Account underperformance depleted foreign reserves and put the exchange rate under significant pressure.

On the fiscal side, to mitigate the economic damage caused by the floods, and provide relief to the vulnerable, the government took swift and timely measures that raised the need for additional public spending. At the same time, revenue mobilization activities were also hampered due to a downturn in economic activity. The government's prudent and calibrated response resulted in better fiscal accounts during the first nine months of the current fiscal year. During July-March FY2023, the fiscal deficit reduced to 3.6 percent of GDP (Rs 3,078.7 billion), and the primary balance posted a surplus of Rs 503.8 billion against a deficit of Rs 447.2 billion during the period under review, reflecting a slowdown in the growth of non-markup expenditures.

Balancing macroeconomic factors for long-term, sustainable, and inclusive growth requires attention to both supply and demand management and sectoral reforms in the economy. To keep supply-side strategies in focus, the government aims to expand production capacity, improving public and private investments domestically, attracting FDI, and participation in global value chains. This strategy also focuses on the investment friendly environment where potential investors feel confident making long-term decisions. Once production capacity increases, there will be a rise in the production of goods for export and import substitution, which can enhance trade performance. The government also understands that the focus should remain on infrastructure investment rather than consumption, and

engaging youth in entrepreneurship, which is indispensable to achieve sustainable growth raising the Per capita income. As such, the economy will be able to enhance the domestic production that will replace imports and offer more supply to foreign markets. These improvements are vital to boost the country's potential output and employment rates. Government is very much committed to ensuring stability and confidence in the economy.

Global Perspective

In the latest World Economic Outlook April 2023, the IMF revised the global growth forecast downward due to the weak performance in advanced economies and the monetary tightening stance at global level to address the problem of inflation. Global growth is expected to decelerate to 2.8 percent in 2023 and 3.0 percent in 2024, observing a drastic slowdown from 3.4 percent growth in 2022. The downside risk to global growth includes high inflation, the Russia-Ukraine conflict, and setbacks in China's recovery from Covid-19, including the worsening situation in the real estate sector. Global inflation is expected to decline from 8.7 percent in 2022 to 7.0 percent in 2023 on account of lower commodity prices, it will decline slowly, and return to target is unlikely before 2025 in most economies.

The situation between Russia and Ukraine dampens international economic activity. The economy was impacted a year later because of this dispute. Pre-conflict predictions put global economic growth in 2022 at 5 percent. The conflict also affected energy prices which slashed GDP growth to 3.4 percent in 2022. Due to interruptions in gas transit between Ukraine and Russia, both energy prices and volatility have increased. Because of their extensive economic and migratory ties to Russia, several nations in Eastern Europe and Central Asia have been impacted by the sanctions imposed. Further, in China, intermittent pandemic lockdowns due to zero-Covid policies and the weakening property sector are contributing to a slowdown the investment, industrial production, and retail sales. This inevitably has impacted

other economies due to China's larger role in trade and input supplies.

The global economy's gradual recovery from both the pandemic and the Russia-Ukraine conflict remains on track in 2023. China's reopened economy is rebounded. Supply chain disruptions are unwinding, while dislocations to energy and food markets caused by the war conflict are receding. Simultaneously, the massive and synchronized tightening of monetary policy by most central banks has started to bear its fruit, with inflation moving back towards targets. However, tightening of global financial conditions could have a dramatic impact on credit conditions and public finances, especially in emerging markets and developing economies. It would further precipitate large capital outflows, an increase in risk premia, a dollar appreciation, and lower investors' confidence, household spending and investment. However, the intensity of impact varies across countries, depending on trade and financial linkages, exposure to commodity price increases, and the strength of the existing inflationary pressure. Moreover, the risk posed by climate change continues to be a threat to future global economic growth.

Global Economic Growth and Pakistan Economy

Despite low participation in the global value chain, Pakistan's economy is influenced by economic growth in the major trading partners. The cyclical position of Pakistan's major trading partners, measured by the weighted average Composite Leading Indicators (CLI). The CLIs

show slow growth in 2022 and 2023 in OECD and major economies, which is dragged down by high inflation, rising interest rates, and falling share prices, remain below trend and continue to anticipate growth losing momentum in the US, the UK, and Canada, as well as in the euro area as a whole, including Germany, France, and Italy. The CLI for China (industrial sector) shows stabilization driven by the production of motor vehicles and share prices.

The cyclical nature of Pakistan's manufacturing sector, which has a ripple effect on the overall economy, is closely linked to the foreign CLI. The fluctuations in the manufacturing sector have a multiplier effect on the other sectors of the economy. Pakistan's growth performance in FY2023 has been negatively affected by a decline in the manufacturing sector output.

The economy has been significantly impacted by global inflation and rising commodity prices that increased domestic inflation, and deteriorated trade balance with depleted international reserves. The currency depreciation has further fueled domestic inflation. These factors, including external imbalances, fiscal deficits, and elevated interest rates, yet pose a risk to Pakistan's economic growth prospects in FY2023 and FY2024.

The supply-side and demand-side shocks transmit its effects on the economy through sectoral backward and forward linkages with varying intensities across sectors to drive economic growth, explained in Box-I.

Box - I: Sectoral Backward and Forward Linkages

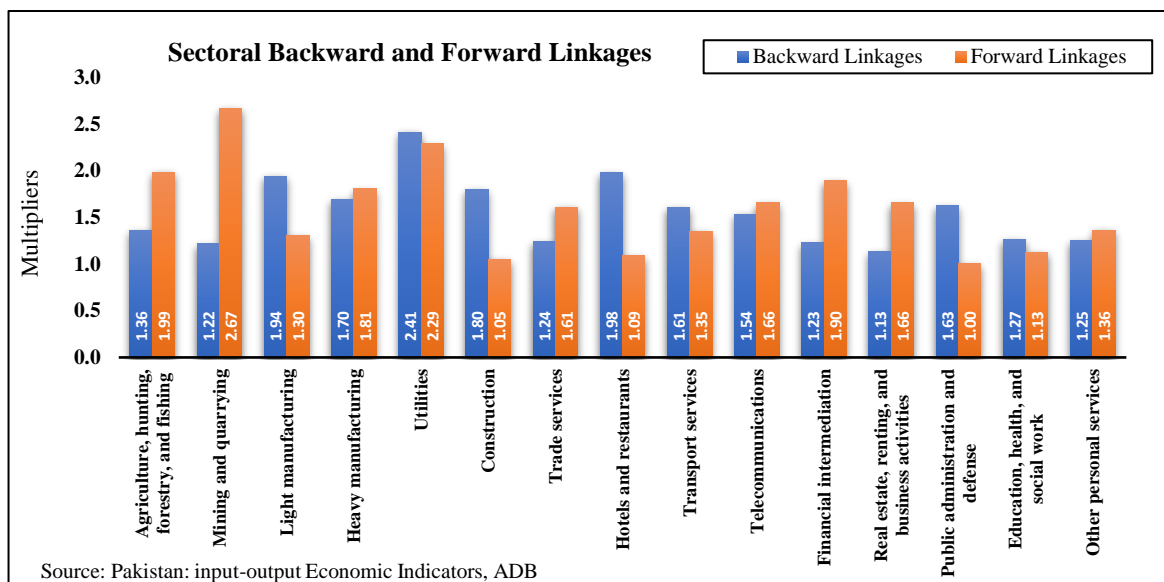
In the ongoing fiscal year, Pakistan's economy suffered a significant supply shock in the aftermath of the devastating floods of August 2022 in addition to massive disruptions in the external sector. Due to the forward and backward linkages of this key economic sector, the shock has considerably affected the output of the other sectors. The influence of the supply-side and demand-side shocks which flows through backward linkages and forward linkages varies across sectors and can play a vital role in driving economic growth.

Backward linkages refer to the intersectoral flows between a specific sector and the sectors that supply its required inputs. A high level of backward linkages indicates that a sector is heavily reliant on inputs from

other sectors. This reliance can have various implications, such as vulnerability to supply chain disruptions. However, strong backward linkages can also foster innovation and efficiency, as sectors can leverage the expertise and resources from a diverse range of suppliers.

Forward Linkages represent the relationships between a particular sector and the sectors that purchase its output. When a sector has strong forward linkages, it signifies that many other sectors depend on its products or services. This dependency can translate into market power, also the sector may become a crucial player in the economy. Additionally, strong forward linkages can encourage investments and growth in the sector, as demand from other sectors fuels its expansion. However, it may also create vulnerabilities, as downturns in the purchasing sectors could impact the sector's overall performance.

The sectoral backward and forward linkage of the Pakistan Economy is provided below:



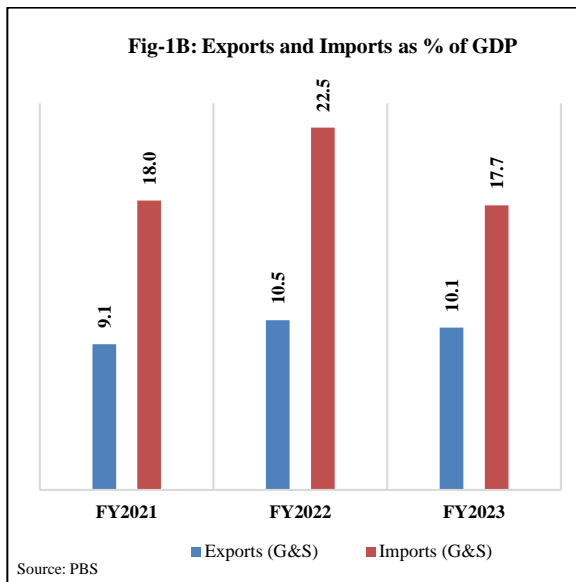
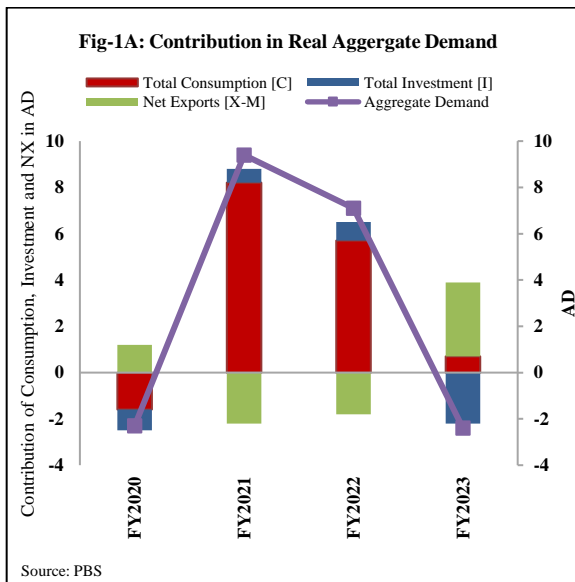
For example, the Agricultural sector is indispensable to the country’s economic growth, food security, employment generation, and poverty alleviation. The agricultural sector experienced a loss in GDP due to flash floods in FY2023. With strong forward and backward linkages with the industrial and services sectors, it has transmitted its impact on GDP growth. Let’s suppose, the agriculture sector’s forward linkages suggest that the Rs 1 million loss in agriculture GDP would reduce GDP by Rs 1.9 million through intersectoral flows.

Pakistan Economic Performance FY2023

In the post-COVID period, the economy started to stimulate the aggregate demand on account of the significant growth in workers’ remittances in FY2022, this led to an increase in consumption as a percent of GDP. The large contribution of the total consumption to aggregate demand in FY2022 overheated the economy (Fig-1A). The net exports and CAD increased steeply, and the Financial Account was not enough to offset the current account deficit, which increased

financing requirements and exerted severe pressure on the exchange rate (Fig-1B). Deteriorating external account position along with broad-based strengthening of USD against other currencies, the flood damages and increase in international prices hurt the economy.

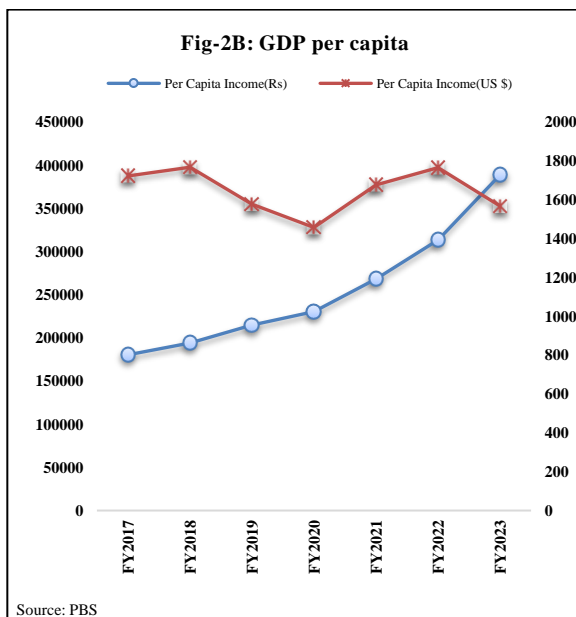
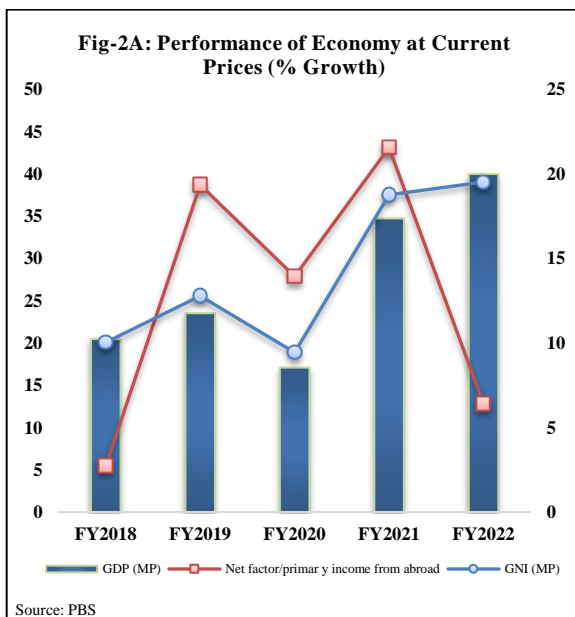
The tightening of monetary and fiscal policy was inevitable to improve the balance of payment issue which has played a role in the contraction of economic activity and economic slowdown in FY2023.



The net export improved and CAD recorded a deficit of US\$ 3.4 billion during Jul-Mar FY2023, against a deficit of US\$ 13.0 billion in the same period last year. However, aggregate demand is dampened which has slowdown economic growth.

Aggregate Demand Analysis

For FY2023, GDP at current market prices stands at Rs 84,657.9 billion showing a growth of 27.1 percent over last year (Rs 66,623.6 billion).



Gross National Income (GNI) is also used for measuring and tracking a nation's wealth which is calculated by adding Net Primary Income (NPI) to GDP (MP). Although the movement of GNI and GDP (MP) follow a similar pattern. However, after FY2018, significant growth was

observed in Net Primary Income (NPI) mainly due to substantial growth in workers' remittances on account of travel restrictions. However, during July-April FY2023, workers' remittances posted a negative growth of 11.0 percent due to a slowdown in the global

economy vis-à-vis in the main remit corridors, while NPI in rupees term posted a growth of 26.5 percent compared to 19.1 percent growth recorded last year. Regarding per capita income in dollar terms, there was a rebound seen in FY2021 which showed a decline in FY2023 and standing at US\$1568 which reflects the impact of rupee depreciation and decline in GDP growth.

Consumption: Household consumption consistently holds a large share in the GDP, it remained unaffected by inflationary pressures. The household consumption decision is crucial for long-term and short-term growth. Since FY2016, the increased share of household spending led to a surge in imports, as domestic production could not keep up with the rising consumer demand. This situation has amplified the role of international prices in domestic

inflation.

Table – 1, presents the components of Aggregate Demand. The final consumption expenditure covers private consumption, Non-Profit Institutions Serving Households (NPISH), and General Government Consumption. With regard to the household private consumption expenditures, it was observed that even an increase in the interest rate and steep depreciation of the Pak rupee exchange rate has slightly altered the consumption pattern in FY2023. This private consumption expenditure may not alter because of the workers’ remittances and cash transfers to the low segment of society through the relief packages. However, the share of public consumption is slightly decreased on account of contractionary public expenditures.

Table 1: Composition of GDP (at Current Prices): Expenditure Approach

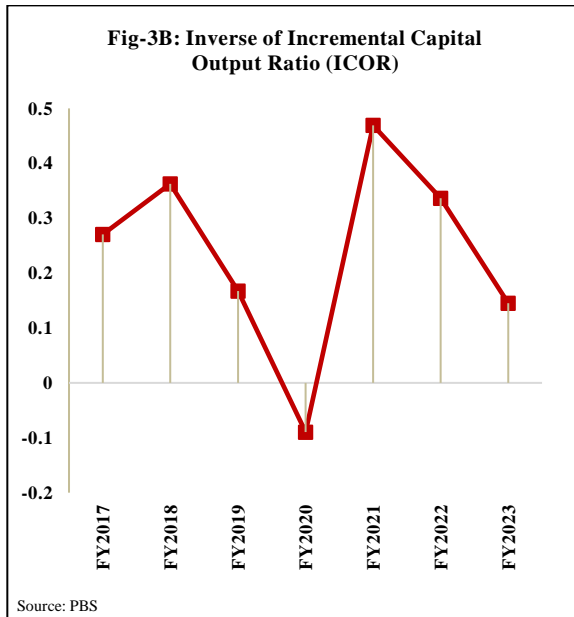
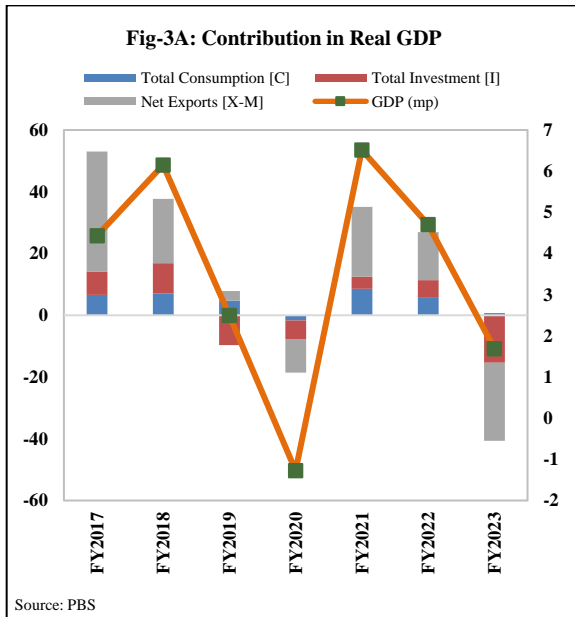
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
	As percent of GDP (MP)			Growth Rates (%)			Point Contribution		
Household Consumption	82.49	84.85	83.43	20.37	22.72	24.95	16.40	18.75	21.17
NPISH Consumption	0.97	0.89	0.80	11.03	9.77	13.66	0.11	0.09	0.12
General Government Consumption	10.93	10.50	9.73	8.89	14.60	17.84	1.05	1.60	1.87
Total Consumption [C]	94.39	96.24	93.96	18.82	21.65	24.07	17.56	20.44	23.16
Gross Fixed Investment	12.82	14.01	11.92	14.93	30.35	8.14	1.96	3.89	1.14
Private	9.85	10.54	8.81	12.62	27.66	6.18	1.30	2.73	0.65
Public including General Public	2.97	3.47	3.11	23.33	39.27	14.10	0.66	1.17	0.49
Changes in Stock + Valuables	1.71	1.71	1.71	17.45	19.32	27.07	0.30	0.33	0.46
Total Investment [I]	14.53	15.72	13.63	15.22	29.05	10.20	2.26	4.22	1.60
Exports (Goods & Services) [X]	9.05	10.55	10.08	14.33	39.02	21.41	1.33	3.53	2.26
Imports (Goods & Services) [M]	17.98	22.50	17.67	21.23	49.34	-0.20	3.70	8.87	-0.05
Net Exports [X-M]	-8.93	-11.96	-7.60	29.14	59.81	-19.27	-2.37	-5.34	2.30
Aggregate Demand [C+I+X]	117.98	122.50	117.67	18.01	23.89	22.06	21.15	28.19	27.02
Domestic Demand [C + I]	108.93	111.96	107.60	18.33	22.64	22.12	19.82	24.66	24.77
GDP (MP)	100	100	100	17.45	19.32	27.07	17.45	19.32	27.07

NPISH: Non-profit institutions serving households

Source: Pakistan Bureau of Statistics

Investment: The national income accounts define net capital outflows that must satisfy the identity in which net exports must equal the difference between its national saving and investment. If the net capital outflow is negative, the economy is experiencing a capital inflow where investment exceeds saving, and the

economy is borrowing from abroad in the form of foreign savings. In Pakistan, the investment to GDP ratio is stagnant at around 14 percent which is lowest among the regional countries. The contribution of investment to real GDP is shown in (Fig – 3A).



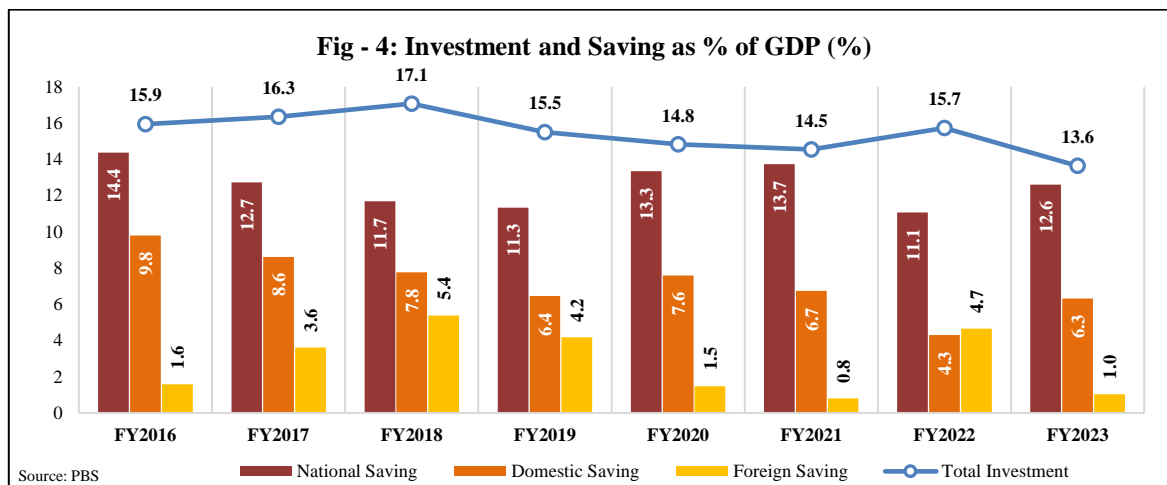
The impact of economic policies on the trade balance can always be found by examining their impact on domestic saving and domestic investment. Policies that increase investment or decrease saving tend to cause a trade deficit, and policies that decrease investment or increase saving tend to cause a trade surplus.

The current tight monetary policy stance, tight credit conditions, and fiscal measures led to showing its results. Despite a decline in primary income, the trade balance improved in FY2023(Fig-3A). In this scenario, investment to GDP declined in FY2023 while National savings increased and consumption as a percent of GDP also slightly contracted from 96.2 to 94.0 percent.

The inverse of incremental capital output ratio (ICOR) represents the production efficiency or addition of investment to produce the additional unit of GDP. The trend of Inverse ICOR suggests

that, despite achieving high GDP growth, investment is not showing as the driver of growth. Over the years, the marginal increase in investment is falling or at the low level which is required to produce the additional unit of GDP (Fig-3B).

The saving rate in Pakistan stuck around 11 percent while investment is around 14 percent. Foreign savings increase or decrease with an increase or decrease in GDP growth. For instance, in FY2022, high growth was due to high foreign savings (current account deficit) resulting in low domestic and national savings (Fig -4). However, on account of contractionary monetary and fiscal policy, in FY2023, the national saving increased from 11.1 percent to 12.6 while foreign savings reduced from 4.7 percent of GDP to 1.0 percent of GDP. Hence, the current savings and investment level is insufficient to boost sustainable growth.



The total investment contains three components: Gross Fixed Capital Formation (GFCF), changes in inventories, and net acquisition of valuables. The GFCF is defined as a change in fixed assets, used in the production process for more than one year. Whereas the changes in inventories are calculated as a change in the value of physical stocks of raw material, work-in-progress, and finished goods held by industries and producers of government services. Finally, Valuables are not used primarily for purposes of production or consumption but are held as stores of value over time to keep the production process smooth.

In FY2023, the Gross Fixed Capital Formation (GFCF) stood at Rs 10,093.5 billion against Rs 9,334 billion in FY2022, thus, posting a growth of 8.1 percent as compared to 30.3 percent growth in FY2022. During the same period, the GFCF in the private sector was estimated at 7,457.5 billion against Rs 7,023.7 billion in FY2022 showing a growth of 6.2 percent. The GFCF in Public Sector remained at Rs 472 billion during FY2023 compared to Rs 512 billion last year registering a negative growth of 7.9 percent. Likewise, the GFCF in the General Government sector during FY2023 stood at Rs 2,162 billion compared to Rs 1,798 billion during FY2022, posting a growth of 20.4 percent.

Private Sector GFCF: During FY2023, GFCF in Agriculture has the highest share of 29.3 percent in Private Sector GFCF which is almost consistent for the past few years and encouraging

as private investment increases in the key economic sector. Within the agriculture sector, private GFCF livestock share is around 23 percent. Followed by Real Estate activities with 22 percent compared to 18 percent in FY2022. The share of Manufacturing in Private Sector GFCF declined from 17 percent in FY2022 to 11 percent in FY2023. However, within Manufacturing, the share of Large Scale stood at 8 percent, while it was 14 percent in FY2022. The share of Transport and Storage declined to 7 percent in FY2023 as compared to 11 percent in FY2022.

The private sector GFCF in agriculture, forestry, and fishing recorded Rs 2,225 billion in FY2023 compared to Rs 1,814 billion in FY2022, posting a growth of 22.6 percent on account of an increase in the value of stock in the livestock. The estimate of GFCF in the LSM is composed of in-production and under-construction units. Estimates of in-production units have been derived based on a census/survey of listed and non-listed companies. Estimates of GFCF in respect of under-construction manufacturing units are based on the financial assistance of industrial investment disbursed by the Developmental Financial Institutions (DFIs), special banks, scheduled banks, modarbas & leasing companies. Based on data from all sources the GFCF for private LSM is estimated at Rs 616.1 billion against Rs 1,000.1 billion during FY2022 showing a decline of 38.4 percent. Expenditures on GFCF in Electricity, Gas & Water Supply industry stand at Rs 126.6

billion during FY2023 against Rs 103.0 billion in FY2022 registering a growth of 22.9 percent because of higher expenditure reported by K-Electric and IPPs. The GFCF in the construction industry for the year FY2023 is estimated at Rs 45.8 billion against Rs 59.7 billion, which is 23.3 percent lower than the previous year's estimates due to a decrease in imported construction machinery.

The GFCF in the wholesale & retail trade industry has declined by 18.7 percent during FY2023 and stands at Rs 382.2 billion. The estimates of private sector GFCF in the Transportation & Storage industry have declined by 29.6 percent in FY2023 to Rs 559.1 billion from Rs 794.7 billion in FY2023 due to lower imports as well as domestic sales of transportation equipment.

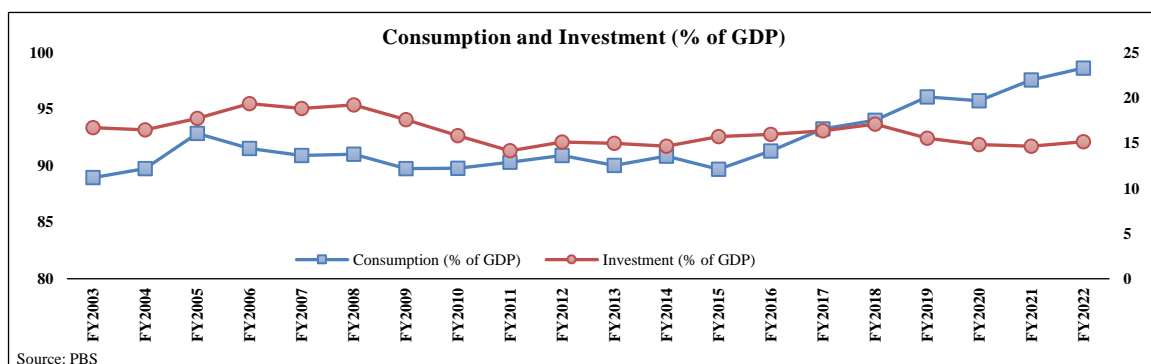
Public Sector Enterprises GFCF: During FY2023, except few, largely industries showed a decrease in GFCF compared to FY2022. During FY2023, GFCF in Public Sector is estimated at Rs 471.6 billion against Rs 512.1 billion during FY2022 recorded a decline of 7.9 percent. The major industries with negative growth in FY2023 over FY2022 are mining and quarrying with 29.9 percent due to OGDC, manufacturing with 52.3 percent because of the decline in the Karachi Shipyard & Engineering Works, and Pak Arab Refinery, electricity gas & water

supply with 18.1 percent due to decline in expenditure for WAPDA, and communication with 51.7 percent due to the reduction in on machinery & equipment for the PTCL and Ufone. However, public sector enterprises engaged in construction registered a positive growth of 13.8 percent due to CDA and LDA and transportation & storage 99.5 percent due to the PQA, PNSC, and National Logistic Cell (NLC).

General Government GFCF: Estimates of GFCF in the General Government sector are usually based on budgetary data of federal, provincial, and district governments, which are subject to changes on the basis of actual and reconciled expenditure by various tiers of government in subsequent years. Based upon the latest available information, the overall GFCF in general government services for the year FY2023 has been estimated at Rs 2164.4 billion with an increase of 20.4 percent over the revised estimates of Rs 1798.1 billion during FY2023. The GFCF related expenditure by federal, provincial, and district governments have increased by 13.8 percent, 24.8 percent, and 13.0 percent respectively. Further, industry-wise disaggregation of GFCF by general government suggests an increase of 17.7 percent, 89.2 percent, and 5.9 percent in public administration and social security, education, and human health & social work respectively.

Box-II: Investment vs. Consumption Led GDP Growth

Investment as percent of GDP is stagnant over the years while consumption as percent of GDP is expanding in Pakistan. This situation predicts two consequences for future growth trajectory.



First: the expansion of consumption as a percent of GDP will cause insufficient savings because low savings reduces the number of investible funds, low investments render growth spurts unsustainable, and poor growth generates fewer domestic savings. This ultimately increases the demand for foreign savings.

Second: the stagnant investment-GDP ratio suggests that it would not increase GDP based on domestic production. As a result, export earnings would not be increasing as a percent of GDP. Therefore, the current account balance will not attain sustainability without increasing savings and investment.

During the last decade, investment (percent of GDP) stuck at 14 to 15 percent while consumption (percent of GDP) increased from 86 percent to 99.6 percent, it implies that consumption, particularly, household consumption remained intact even during high inflation and high growth periods. The higher shares of consumption fueled imports since domestic production could not meet growing consumers' demand. Thus, on the one hand, it brings imported inflation, on the other hand, consumption-based growth is financed heavily by foreign savings.

The current measures to improve the growth in exports with a focus on increasing agriculture, IT, and industrial exports, increasing exports competitiveness, improving agricultural productivity, and improving the ease of doing business to attract both domestic and foreign investors would decrease the investment-saving gap and reduce the demand for foreign saving to resolve the trade balance issues.

Net Exports: In the aggregate demand, the role of net capital outflow in the form of Net exports is crucial due to the consistent gap in investment and saving. The net exports stand remained negative in FY2023, mainly due to the massive decline in imports on account of international economic slowdown and domestic demand. According to National Accounts data, Exports of Goods and Services posted a growth of 21.1 percent, while Imports of Goods and Services

posted a negative growth of 0.2 percent in FY2023. Generally, trade openness is frequently used to measure the importance of international transactions relative to domestic transactions. It is defined as the ratio of exports plus imports over GDP. Pakistan's openness to trade improved little after 2005 but declined after 2017. Trade openness is more closely linked to the situation of financing and trade balance.



Over the years, there is a significant increase in imports which decreased the share of Net exports

in GDP (Fig-5), it indicates a strong increase in consumption, in both government and private households that has aggravated the recent BOP crises. Moreover, the fall in the value of net export puts a severe limit on demand-driven growth.

Sectoral Growth Analysis – Production Side

The provisional growth rate of GDP for the year FY2023 is estimated at 0.29 percent. The growth of the agricultural, industrial, and services sectors has been estimated at 1.55 percent, -2.94 percent, and 0.86 percent respectively.

Box-III- Revised GDP for 2021-22

- The provisional GDP estimates for 2021-22 have been updated on the basis of the latest available data.
- The revised GDP growth rate for 2021-22 stands at 6.10 percent, higher than the provisional estimate of 5.97 percent.
- Agriculture sector's contribution to GDP has slightly declined from 4.40 percent to 4.27 percent. This was despite an improvement in the crops sub-sector, from 6.58 percent to 8.19 percent, due to a decrease in livestock (from 3.26 percent to 2.25 percent) and forestry (from 6.13 percent to 4.07 percent).
- The industrial sector's contribution has slightly declined from 7.19 percent to 6.83 percent, largely due to a decrease in electricity, gas, and water supply (from 7.86 percent to 3.14 percent). Growth in LSM, however, improved from 10.48 percent to 11.90 percent.
- The services sector saw an improvement from 6.19 percent to 6.59 percent. This was due to growth in the Wholesale and retail trade (from 10.04 percent to 10.32 percent), Information & Communication (from 11.90 percent to 16.32 percent), Finance & Insurance (from 4.93 percent to 7.18 percent), Public administration and social security (from -1.23 percent to 1.81 percent), Other private services (from 3.76 percent to 4.77 percent).

Sectoral point contribution is given in Table – 2.

Table 2: Sectoral Point Contribution at Constant Prices 2015-16

	2020-21	2021-22	FY2023	2020-21	2021-22	FY2023	2020-21	2021-22	FY2023
	As percent of GDP			Growth Rates (%)			Point Contribution		
A. Agriculture	23.03	22.63	22.91	3.52	4.27	1.55	0.83	0.98	0.35
B. Industry	18.96	19.09	18.47	8.20	6.83	(2.94)	1.52	1.29	(0.56)
Commodity Producing Sector (A+B)	41.99	41.72	41.39	2.39	1.90	(5.53)	2.35	2.28	(0.21)
C. Services Sector	58.01	58.28	58.61	5.91	6.59	0.86	3.42	3.82	0.50
GDP (GVA)	100.00	100.00	100.00	5.77	6.10	0.29	5.77	6.10	0.29

Note: Figures in parenthesis indicate negative growth

Source: Pakistan Bureau of Statistics

Agricultural Sector: The growth of the agriculture sector has been estimated at 1.55 percent in FY2023. This growth was majorly driven by some main crops such as wheat,

sugarcane, and livestock. Overall, the growth of the important crop is -3.20 percent due to the decrease in the production of Cotton and Rice. In FY2023, the crops of Cotton witnessed a decline

of 41 percent from 8.33 to 4.91 million bales, and Rice production also reduced by 21.5 percent from 9.32 to 7.32 million tons. The flood has engulfed a large part of agriculture land that has affected the production of these major crops.

However, positive growth of 5.4 percent has been observed in Wheat. Wheat production increased from 26.208 to 27.634 million tons in FY2023. Similarly, Sugarcane increased by 2.8 percent from 88.65 to 91.11 million tons, and Maize increased from 9.52 to 10.183 million tons. Other crops have posted a modest growth of 0.23 percent due to a slight increase in the production of pulses, vegetables, fodder, oil seeds, and fruits. In the aftermath of the flood, the Kissan Package which provided cheap agri loans, subsidy for interest-free loans, subsidy for fertilizer, funds for agro-SME, and free seeds including several other agri-linked reliefs have helped in the revival of agriculture growth.

The livestock sector which constitutes almost 62 percent share in agriculture, posted a growth of 3.78 percent. The other components of agriculture, forestry, and fishing posted growth of 3.93 and 1.44 percent, respectively.

Industrial Sector: The industrial sector posted a negative growth of 2.94 percent in FY2023. Industrial sector performance is more dependent on the Manufacturing sector which has a share of 65.0 percent in the industry. LSM is reflected by Quantum Index Numbers (QIM) data. Large Scale Manufacturing driven by QIM has posted a negative growth of 7.98 percent due to Food (-8.71 percent), Tobacco (-23.78 percent), Textile (-16.03 percent), Coke and Petroleum Products (-10.24 percent), Chemicals (-6.29 percent), Pharmaceuticals (-23.20 percent), Fertilizers (-9.54 percent), Non-metallic products which include cement (-10.75 percent), Iron & Steel Products (-4.02 percent), Electrical equipment (-11.15 percent), Automobiles (-46.01 percent) and other transport equipment (-38.91 percent). However, Electricity, gas and water industry show a growth of 6.03 percent

mainly due to higher output reported by the sources. The value added in the construction industry, mainly driven by construction-related expenditures by industries, has registered a negative growth of 5.53 percent mainly due to conservative reporting of construction-related expenditure by private as well as public sector enterprises and unusual increase in relevant deflator i.e. WPI building material.

The Mining and Quarrying which has a 9.0 percent share in Industry, the growth in mining and quarrying is -4.41 percent due to a decline in the production of natural gas, crude oil, and exploration cost. This sector also observed a negative growth of 7 percent in FY2022. The GFCF in Mining and Quarrying posted a negative growth of 23.5 percent in FY2023, while it posted negative growth of -1.9 percent in FY2022. Thus, there may be a lag effect of GFCF in this sector.

It is worth mentioning that during FY2023, the other components of Manufacturing, Small Scale, and Slaughtering posted growth of 9.0 and 6.3 percent, respectively. The positive growth in Small Scale and Slaughtering is probably driven by the substitution effect of restricted imports. Overall, the Manufacturing sector posted a growth of -3.94 percent.

Finally, Electricity, Gas and Water Supply, the other sub-sector of Industry posted a growth of 6.0 percent. One reason is that there was a 28.0 percent growth in Public GFCF during FY2022 in this sector. The lag effect of GFCF in this sector has played a role in the positive growth.

Services Sector:

The services sector constitutes the largest share of 58 percent in GDP for the last several years. The growth in the services sector shows a slow growth of 0.86 percent but with mixed trends within the industries.

Sub-sectors of Services with respective shares in Services and GDP in Table – 3.

Table 3: Components of Services FY2023

	Share in Services	Share in GDP	Growth Rate (%)
1. Wholesale & Retail Trade	30.70	18.00	(4.46)
2. Transport & Storage	18.20	10.70	4.73
3. Accommodation and Food Services Activities (Hotels & Restaurants)	2.50	1.40	4.11
4. Information and Communication	5.20	3.00	6.93
5. Finance and Insurance Activities	3.10	1.80	(3.82)
6. Real Estate Activities (OD)	9.80	5.70	3.72
7. Public Administration and Social Security (General Government)	7.50	4.40	(7.76)
8. Education	5.20	3.00	10.44
9. Human Health and Social Work Activities	2.90	1.70	8.49
10. Other Private Services	15.00	8.80	5.00

Source: Pakistan Bureau of Statistics

The Wholesale and Retail Trade industry which constitutes 30.7 percent of services and 18 percent of the total GDP, has declined by -4.46 percent due to negative growth of 4.57 in the output of crops, a decline of 8.1 percent in LSM, and the negative growth in imports (-12.68 percent).

On the contrary, Transportation & Storage, the second largest services sector has increased by 4.73 percent whereas accommodation and food services activities have grown by 4.11 percent. Information and communication increased by 6.93 percent due to an increase in telecommunication.

The finance and insurance industry show an overall decrease of -3.82 percent mainly due to high CPI- based deflator. Real estate activities grew by 3.72 percent while public administration and social security (general government) activities posted a negative growth of 7.76 percent due to high deflator.

Education has witnessed a growth of 10.44 percent due to public sector expenditure. Human health and social work activities also increased by 8.49 percent due to the general government. The provisional growth in other private services is 5.0 percent.

Outlook

The government is committed to put the

economy on a stable path by focusing on exports and investment. In the medium term, the growth projection is set at 5.0-5.5 percent considering the stability in prices and fiscal & external sector sustainability.

To achieve these targets, the government is focusing on the growth in exports with a focus on increasing agriculture, IT, and industrial exports, increasing competitiveness, improving agricultural productivity, improving the ease of doing business to attract both domestic and foreign investors, strengthening the resource mobilization, creating better job opportunities, encouraging entrepreneurship, strengthening the social safety net and human capital development. The overall aspiration is to build a structure of highly inclusive and sustainable growth that remains there in all its splendor.

The federal and provincial governments are working together to put the economy on a higher and more sustainable growth trajectory by focusing on different sectors of the economy, such as agriculture, industries, and services. The coordinated effort between the federal and provincial governments is essential in achieving the medium-term growth target and ensuring sustainable economic development for the country in the long run.

The global economy is showing signs of recovery from the challenges posed by both the pandemic and the Russia-Ukraine conflict.

China's economy is rebounding, and the disruptions in the global supply chain are expected to improve by 2024. Therefore, the industrial sector is projected to show improvement in FY2024.

In FY2024, the better crop outlook due to several measures of the agriculture sector especially the

Kissan Package, political stability, and the stable exchange rate would help to achieve price stability. The inflation rate in the medium term i.e., FY2024 and FY2025 will be normalized due to the high base effect as well as improvement in the agriculture sector and favorable global factors.



AGRICULTURE

GROWTH

Agriculture

1.6% ↑



Crops

-2.5% ↓



Livestock

3.8% ↑



Forestry

3.9% ↑



Fishing

1.4% ↑



INPUTS

Agriculture
Credit

27.5% ↑



Fertilizer
Off-Take

3,311
(Thousand Tonne)



Improved Seeds
Availability

655.9
(Thousand Tonne)



AGRICULTURE

Agriculture sector, contributing 22.9 percent in GDP and 37.4 percent in employment generation, ensures food security and provide raw material to the industrial sector. It is also a source of foreign exchange earning and significant for sustainable growth. However, from last couple of years, the country observed climatic shocks which adversely affected agriculture sector. This sector's productivity is highly sensitive to the frequency of adverse climatic events like flood and drought along with abnormal heat waves, rain, and glacial melt. More severely, the prolonged precipitation patterns increase river and inland water levels, resulting in flash and seasonal river and urban flooding commonly experienced in the recent past. Thus, flood hazard remains highly susceptible to other climatic factors, as it badly influences humans' social-economic and politico-cultural domains. During July-August 2022, Pakistan witnessed an unprecedented episode of territorial rains followed by flash flooding that damaged primarily two main sub-sectors, i.e., crops (important and others) and livestock.

Pakistan contributes not even 1 percent of global greenhouse gas emissions but is ranked among the top ten climate-affected countries. Moreover, damages in agriculture sector had spillover effect on industry and allied services sectors. Resultantly, domestic production remained below the required levels, raising the prices of all essential food items to historic high. Restoring the livelihoods of subsistence farmers and livestock keepers was urgent and time sensitive, so that agriculture and livestock activities may be restored to their normal level before the Rabi season. As such, the government took up the matter immediately, allowed import of essential food items on fast-track basis. To lessen the

miseries of flood affectees and revival of the agriculture sector, the government announced Kissan Package-2022.

Agriculture Performance 2022-23

Consequent upon the Floods-2022, the Rabi season crops have shown higher yield, which compensated the crop damages of the Kharif season, leading to an overall growth of agriculture sector to 1.55 percent. As such, the production growth of wheat (5.4 percent), sugarcane (2.8 percent), and maize (6.9 percent) compensated the negative growth of cotton (41.0 percent) and rice (21.5 percent). Furthermore, the normalization of livestock activities also led convergence toward the stability path. The overall decline of important crops during this year is 3.20 percent. This year witnessed an increase of 0.23 percent in other crops (contribute 3.32 percent in GDP) primarily due to increase in Oil seeds production by 53.15 percent. Cotton Ginning having share of 0.97 percent in agriculture and 0.22 percent in GDP has declined by 23.01 percent due to decrease in cotton production. However, it is well compensated by the increase in production of other crops.

Livestock having share of 62.68 percent in agriculture and 14.36 percent in GDP, grew at 3.78 percent compared to 2.25 percent during last year. The forestry sector having share of 2.23 percent in agriculture value addition and 0.51 percent in GDP, grew at 3.93 percent against 4.07 percent last year due to increase in timber production. Fishing sector having share of 1.39 percent in agriculture value addition and 0.32 percent in GDP, grew at 1.44 percent compared to 0.35 percent during last year (Table 2.1).

Table 2.1: Agriculture Growth (Base=2015-16) (%)

Sector	2017-18	2018-19	2019-20	2020-21	2021-22(R)	2022-23(P)
Agriculture	3.88	0.94	3.91	3.52	4.27	1.55
1.Crops (i+ii+iii)	4.61	-4.38	6.32	5.83	8.19	-2.49
i) Important Crops	4.27	-8.59	5.24	5.82	5.41	-3.20
ii) Other Crops	4.65	3.62	9.21	7.95	11.93	0.23
iii) Cotton Ginning	8.27	-11.23	-4.06	-13.08	9.22	-23.01
2.Livestock	3.59	3.65	2.80	2.38	2.25	3.78
3.Forestry	2.24	7.22	3.36	3.35	4.07	3.93
4.Fishing	1.57	0.78	0.63	0.73	0.35	1.44

R: Revised P: Provisional

Source: Pakistan Bureau of Statistics

Water availability during Kharif 2022 declined to 43.3 Million Acre Feet (MAF) from 65.1 MAF during Kharif 2021. While for Rabi 2022-23, it stood at 29.4 MAF, recorded an increase of 7 percent over Rabi 2021-22 (Table 2.2).

Table 2.2: Actual Surface Water Availability (Million Acre Feet)

Period	Kharif	Rabi	Total	% increase/decrease over the average system usage (103.5 MAF)
Average system usage	67.1	36.4	103.5	-
2015-16	65.5	32.9	98.4	-4.9
2016-17	71.4	29.7	101.1	-2.3
2017-18	70.0	24.2	94.2	-9.0
2018-19	59.6	24.8	84.4	-18.5
2019-20	65.2	29.2	94.4	-8.8
2020-21	65.1	31.2	96.3	-7.0
2021-22	65.1	27.4	92.5	-10.6
2022-23	43.3	29.4	72.7	-29.8

Source: Indus River System Authority

Box-I: Floods 2022; Damage and Loss in Agriculture

The 2022 monsoon rains followed by flooding were unprecedented in the history of Pakistan and had devastating impacts on the lives and livelihoods of the people, particularly the rural population and those relying on agriculture. The devastating flooding affected 33 million people in 94 districts across Pakistan, took the lives of more than 1,700 people, displaced around 7.6 million people, and resulted in the loss of critical agricultural infrastructure, standing crops, grain storage, and livestock. Sindh and Balochistan provinces were the hardest hit among Pakistan’s six provinces/regions. About 14.6 million people were in need of food security and livelihood (agriculture) related emergency assistance.

Pakistan’s agriculture sector was the hardest hit sector both in terms of damages and losses. About 4.4 million acres of crops were damaged and around 1 million animals lost. Total damages and losses amounted to US\$ 30.13 billion, of which agriculture suffered US\$12.9 billion (43% of total damages and losses). The crop sub-sector contributed to 82% of the total damage and losses, livestock to 7%, and fisheries/aquaculture to 1%. Out of the total need of US\$16 billion for recovery and reconstruction, US\$ 4 billion (25%) was required for the agriculture sector.

The losses and damages in the agriculture sector are expected to spillover effects on lives and livelihoods, poverty levels, food insecurity, and malnutrition, particularly among the poorest and most vulnerable rural communities. The preliminary findings of the Integrated Food Security Phase Classification (IPC) conducted by FAO and IPC partners for 43 vulnerable/flood-affected districts in Sindh, Balochistan and Khyber Pakhtunkhwa in April 2023, estimate around 10.5 million people (29 % of the rural population) are food

insecure (in IPC Phase 3 and 4) during April-October 2023. The number is expected to rise to 11.81 million people (32 % of the rural population) from November 2023 to January 2024.

In the immediate aftermath of the flood disaster, Government organizations at federal & provincial level and development partners especially FAO and partners ran an emergency campaign for most flood-affected farmers across the country. It is highly likely that the agriculture sector will return to normal by the Rabi season 2023, which is evident by the normal harvest of wheat and other food crops.

Source: Food and Agriculture Organization of the United Nations, Pakistan

I. Crop Position

During 2022-23, the contribution of important crops recorded at 18.23 percent to value addition in agriculture sector and 4.18 percent to GDP. Other crops contributed 14.49 percent in value addition of agriculture sector and 3.32 percent in GDP. The data for the last five years regarding area, production and yield of important crops are given in Table 2.3.

a) Important Crops

i) Cotton

During 2022-23, cotton crop is drastically damaged due to the climatic changes. Cotton season started with the 7-10°C rise in temperatures from the last few years in months of March till May coupled with shortage of irrigation water, causing severe heatwave, which affected cotton germination, seedlings growth and leaf wilting problem. This year cotton recorded 0.3 percent contribution to GDP and 1.4 percent to the value added in agriculture. During 2022-23, cotton area sown increased to 2,144 thousand hectares against 1,937 thousand hectares last year, revealing a growth of 10.7 percent. However, due to floods that swept away the entire crops in Sindh & Balochistan its production remained low at 4.910 million bales against last year's 8.329 million bales, showing a dip of 41.0 percent. In Punjab, cotton producing districts Rajanpur, DG Khan and Taunsa were worst hit and damaged the cotton crop. Moreover, the insect pests, especially Pink bollworm, Whitefly and Thrips remained prevalent during the season.

ii) Sugarcane

Sugarcane is a tropical crop cultivated mainly in Punjab, Sindh and Khyber Pakhtunkhwa. It provides raw material to the 2nd largest agro-based sugar industry over the country. It

provides employment to millions of rural farming and non-farming community. In addition, it is a major source of livestock fodder during winter season. Its production accounts for 3.7 percent in agriculture's value addition and 0.9 percent in GDP. During 2022-23, sugarcane was cultivated on 1,319 thousand hectares showing increase of 4.7 percent compared to 1,260 thousand hectares last year. The main factor contributed to more area sown were lucrative market prices of last year. Its production increased by 2.8 percent to 91.111 million tonnes over last year (88.651 million tonnes).

iii) Rice

After wheat, rice is the second main staple food crop and second major exportable commodity after cotton. It contributes 1.9 percent of value added in agriculture and 0.4 percent in GDP. During the last few years, production of coarse types is increasing as the farmers are bringing more areas under coarse hybrid types. During 2022-23, the crop was cultivated on 2,976 thousand hectares, recorded decline of 15.9 percent over 3,537 thousand hectares last year. Its production declined from 9.323 million tonnes in 2021-22 to 7.322 million tonnes in 2022-23, registering a negative growth of 21.5 percent. Rice production, however, is lower than last year. This less production in combination with high input prices has caused increase in paddy price.

v) Maize

Maize contributes 3.0 percent value added in agriculture and 0.7 percent to GDP. During 2022-23, maize crop was cultivated on 1,720 thousand hectares, showing increase of 4.1 percent over last year's cultivation of 1,653 thousand hectares. However, its production increased by 6.9 percent to 10.183 million tonnes

from 9.525 million tonnes last year. As such, the increase in production was mainly due to increase in area sown and improved yield.

iv) Wheat

During 2022-23, wheat was cultivated on 9,043 thousand hectares against last year's area of 8,977 thousand hectares recorded increase of 0.7 percent. Wheat contributes 8.2 percent value added in agriculture and 1.9 percent to GDP. The

production of wheat stood at 27.634 million tonnes compared to 26.208 million tonnes last year, a growth of 5.4 was observed in wheat production. Wheat production increased as government has announced Kissan Package-22 to mitigate the impact of Flood-2022 losses. The government has also increased Minimum Support Price (MSP) to Rs 3900/40 kg compared to Rs 2200/40 kg ensuring better economic returns to mitigate higher input cost.

Table 2.3: Area, Production & Yield of Important Crops (Area: 000 Hectare; Production: 000 Tonnes; Yield: Kg/Ha)

Year		2018-19	2019-20	2020-21	2021-22	2022-23(P)
Cotton	Area	2,373	2,517	2,079	1,937	2,144
	Change (%)	-	6.1	-17.4	-6.8	10.7
	Production*	9,861	9,148	7,064	8,329	4,910
	Change (%)	-	-7.2	-22.8	17.9	-41.0
	Yield	707	618	578	731	390
	Change (%)	-	-12.6	-6.5	26.5	-46.6
Sugarcane	Area	1,102	1,040	1,165	1,260	1,319
	Change (%)	-	-5.6	12.0	8.2	4.7
	Production	67,174	66,380	81,009	88,651	91,111
	Change (%)	-	-1.2	22.0	9.4	2.8
	Yield	60,956	63,841	69,534	70,341	69,085
	Change (%)	-	4.7	8.9	1.2	-1.8
Rice	Area	2,810	3,034	3,335	3,537	2,976
	Change (%)	-	8.0	9.9	6.1	-15.9
	Production	7,202	7,414	8,420	9,323	7,322
	Change (%)	-	2.9	13.6	10.7	-21.5
	Yield	2,563	2,444	2,525	2,635	2,460
	Change (%)	-	-4.6	3.3	4.4	-6.6
Maize	Area	1,374	1,404	1,418	1,653	1,720
	Change (%)	-	2.2	1.0	16.6	4.1
	Production	6,826	7,883	8,940	9,525	10,183
	Change (%)	-	15.5	13.4	6.5	6.9
	Yield	4,968	5,614	6,305	5,764	5,922
	Change (%)	-	13.0	12.3	-8.6	2.7
Wheat	Area	8,678	8,805	9,168	8,977	9,043
	Change (%)	-	1.5	4.1	-2.1	0.7
	Production	24,349	25,248	27,464	26,208	27,634
	Change (%)	-	3.7	8.8	-4.6	5.4
	Yield	2,806	2,868	2,996	2,920	3,056
	Change (%)	-	2.2	4.5	-2.5	4.7

P: Provisional * : Thousand bales
Source: Pakistan Bureau of Statistics

b) Other Crops

During 2022-23, gram production declined by 24.7 percent to 238 thousand tonnes compared to 316 thousand tonnes last year due to decrease in area sown. The production of rapeseed & mustard, bajra and tobacco recorded an increase

of 98 percent, 13.3 percent, and 0.1 percent respectively, however production of Jowar and barley declined to 23.4 percent and 2.6 percent, respectively. The area and production of other crops is given in Table 2.4.

Table 2.4: Area and Production of Other Kharif and Rabi Crops (Area: 000 Hectares; Production: 000 Tonnes)

Crops	2021-22		2022-23(P)		% Change in production
	Area	Production	Area	Production	
Bajra	227	226	241	256	13.3
Jowar	77	64	59	49	-23.4
Gram	862	316	830	238	-24.7
Barley	38.2	38	36.1	37	-2.6
Rapeseed & Mustard	276	402	509	796	98.0
Tobacco	43.6	133.6	43.7	133.7	0.1

P: Provisional

Source: Pakistan Bureau of Statistics

During 2022-23, the production of potato increased by 4.8 percent, while there is decrease in the production of moong (48.9 percent), chillies (43.1 percent), mash (31.1 percent),

onion (18.3 percent) and masoor (2.6 percent). The area and production of other crops is given in Table 2.5.

Table 2.5: Area and Production of Other Crops (Area: 000 Hectares; Production: 000 Tonnes)

Crops	2021-22		2022-23(P)		% Change in production
	Area	Production	Area	Production	
Masoor	6.4	3.9	6.5	3.8	-2.6
Moong	302	264	218	135	-48.9
Mash	8.0	6.1	7.0	4.2	-31.1
Potato	314	7,937	341	8,319	4.8
Onion	141	2,062	128	1,684	-18.3
Chillies	58	144	31	82	-43.1

P: Provisional

Source: Pakistan Bureau of Statistics

i) Oilseeds

During FY2023 (July-March), 2.681 million tonnes edible oil (including oil extracted from imported oilseed) of value Rs 826.482 billion (US\$ 3.562 billion) was imported. Local production of edible oil during FY2023 (July-

March), is provisionally estimated at 0.496 million tonnes. Total availability of edible oil during FY2023 (July-March) from imports and local production is estimated at 3.177 million tonnes. The area and production of oilseed crops is given in Table 2.6.

Table 2.6: Area and Production of Major Oilseed Crops (000 Tonnes)

Crops	2021-22			2022-23 (P)		
	Area (000 Acres)	Production		Area (000 Acres)	Production	
		Seed	Oil		Seed	Oil
Cottonseed	4,740	2,126	255	5,103	1,244	149
Rapeseed & Mustard	798	478	153	1,260	785	251
Sunflower	133	83	32	179	124	47
Canola	122	81	31	200	130	49
Total	5,793	2,768	471	6,742	2,283	496

P: Provisional

Source: Pakistan Oilseed Department (POD), Pakistan Bureau of Statistics

Government has taken steps to address various issues of Oilseed Sector. This include a Sub-Group on Oilseeds under Agriculture Task Force and constitution of a committee of all stakeholders for deliberation on policy framework, oilseed production in the country and import substitution of edible oils. Subsequently, the Ministry of National Food Security and Research (MNFS&R) is in process of presenting first ever comprehensive National Oilseed Policy. The policy will focus on

enhancing production of edible oils and reduce dependence on imports, improving profitability of the oilseed growers, access to credit facility, availability of good quality sowing seed at reasonable prices, dissemination of latest approved production technology to the oilseed growers. Another key feature of the policy is to recommend measures for improving the quality of edible oils to protect the health of people and rationalize consumption.

Box-II: Kissan Package-2022		
Sr. #	Announcement	Current Progress
01	Agri loan disbursement target enhanced from Rs 1,419 billion to Rs 1,819 billion	As of 28 th April, 2023 Rs 1.305 trillion has been disbursed as agriculture credit which is around 71.7% of the overall annual target among more than 3 million farmers under revolving credit facility.
02	Waiver of mark-up on outstanding loans for subsistence farmers in the flood affected areas	Mark up of Rs 3.076 billion has been waived off for the flood affected farmers.
03	Provision of subsidy for interest-free loans for subsistence farmers in the flood affected areas	Rs 3.991 billion have been disbursed as interest free loans among flood affected farmers.
04	PM's Youth Business and Agriculture Loan (PMYBAL) scheme	Loans of Rs 5.478 billion have been advanced to farming youth under PMYBAL scheme.
05	Mark-up subsidy and Risk Sharing scheme for farm mechanization	Under Farm Mechanization scheme, so far more than Rs 70 million has been disbursed at 7% mark up for purchase of farm machinery.
06	Reduction in DAP price to Rs 11,250/bag from Rs 13,750 (Rs 2,500/bag)	By negotiations with the private sector a price reduction of Rs 2,500 per bag was achieved. Avg. DAP price on 30 th March was Rs 10,431/ bag which is 12.49 % higher than last year.
07	Subsidy on imported Urea	A subsidy of Rs 30 billion was announced on imported urea for the farmers. Avg. Price is Rs 2,779 per bag. Management issues at districts level.
08	Inclusion of Agro-SMEs in SME modernization scheme	Under Agro-SMEs scheme Rs 2.096 billion have been disbursed among agri. Businesses.
09	Interest free loans to landless farmers in the flood affected areas	In the flood affected areas, interest free loans of Rs 2.17 billion were disbursed among 15,710 farmers.
10	PIU value increased from Rs 4,000/- to Rs 10,000/-.	In order to increase access to credit for farming community PIU value increased from Rs 4,000/- to Rs 10,000/-.
11	Import of up to 5-year-old tractors with duty reduction.	To facilitate farm mechanization Import of up to 5-year-old tractors with duty reduction has been allowed.
12	Reduction in CKD duty from 35% to 15% for new tractors manufacturers.	To attract investment in tractor manufacturing, this package has introduced reduction in CKD duty from 35% to 15% for new tractors manufacturers.

Source: Ministry of National Food Security & Research

II. Farm Inputs

i) Fertilizer

Fertilizer, one of the key inputs in determining the crop productivity, contributes on an average 30 to 50 percent towards crop's yield. Share of

fertilizer in cost of production of major crops in Pakistan is 10 to 15 percent. Urea and Diammonium Phosphate (DAP) are the major fertilizers used in Pakistan.

Overall domestic production of fertilizers during FY2023 (July-March) decreased by 8.3 percent

over the same period of FY2022. In addition, the import of fertilizer also decreased by 26.2 percent, therefore, total availability of fertilizer decreased by 11.2 percent during FY2023 (July-March). Total offtake of fertilizer nutrient witnessed decrease by 15 percent. Reduction in fertilizers offtake is due to high prices of Phosphatic and Potash fertilizers in international/domestic market and flood 2022. Punjab's share in urea offtake is 67.7 percent, followed by Sindh (24.4 percent), KP (4.4 percent) and Balochistan (3.5 percent). Subsidy in the form of cheap natural gas and budgeted subsidy was given on RLNG for two urea plants and imported urea by the government during FY2023.

Total availability of urea during Kharif 2022 was about 3,460 thousand tonnes, comprising of 200 thousand tonnes of opening inventory, 3,158 thousand tonnes of domestic production and 103 thousand of imported supply (Table 2.7). Total urea offtake was about 3,137 thousand tonnes, leaving inventory of 294 thousand tonnes for Rabi 2022-23. Availability of DAP was 912

thousand tonnes, comprising of 276 thousand tonnes of opening inventory, 451 thousand tonnes of local production and 185 thousand tonnes of imported supplies. DAP offtake was 490 thousand tonnes leaving an inventory of 460 thousand tonnes for the upcoming Rabi 2022-23.

Rabi 2022-23 started with an opening inventory of 294 thousand tonnes of urea (Table 2.7). Domestic production during Rabi 2022-23 was estimated around 2,928 thousand tonnes and 298 thousand tonnes of imports. Thus, total availability is around 3,520 thousand tonnes. Offtake is estimated around 3,470 thousand tonnes, leaving a closing balance of 67 thousand tonnes for upcoming Kharif 2023. DAP availability during Rabi 2022-23 is estimated about 988 thousand tonnes, which includes 460 thousand tonnes of opening inventory, domestic production of 226 thousand tonnes and 302 thousand tonnes of imported supplies. Offtake of DAP during Rabi season 2022-23 is about 702 thousand tonnes, leaving a balance of 284 thousand tonnes for next season.

Table 2.7: Fertilizer Supply Demand Situation (000 Tonnes)

Description	Kharif (Apr-Sep) 2022		Rabi (Oct-Mar) 2022-23	
	Urea	DAP	Urea	DAP
Opening Stock	200	276	294	460
Imported Supplies	103	185	298	302
Domestic Production	3,158	451	2,928	226
Total Availability	3,460	912	3,520	988
Offtake/Demand	3,137	490	3,470	702
Write on/off	-29	38	17	-1.7
Closing Stock	294	460	67	284

Source: National Fertilizer Development Centre

ii) Improved Seed

Seed is the primary input for the agriculture sector and plays an important role in increasing agricultural productivity and therefore in food security and poverty alleviation. Certified seed is the starting point for a successful harvest as well as an important risk management tool. The production of certified seed is carefully controlled from the beginning under a quality assurance and regulation system. Seed certification is a legally approved system for quality control of seed multiplication and production. Worldwide, it is reckoned that most

countries have focused on the use of certified seed to increase its profitable agricultural productivity with the application of internationally acceptable quality parameters.

Achievements in the Seed Sector

1. International Collaboration

In order to develop seed sector in Pakistan, Federal Seed Certification & Research Department (FSC&RD) International Cooperation section was in the process of deliberations through different cooperation proposals with the following countries and

international organizations; Russia, ECO, China, EU, Germany, USA, FAO, Turkey, France, Iran and Norway.

2. Distinctness, Uniformity and Stability (DUS) Examination

A total of about 231 new candidate lines of Vegetables, Pulses, Fruits, Paddy, Maize, Oilseed, Flower, Fodder, Wheat and Cotton have been examined for DUS trials during the period under review. DUS examination is under progress.

3. Track and Traceability of Certified Seed

FSC&RD, in collaboration with provincial agriculture extension departments, has started

track and traceability of certified seed so that the impact of these interventions could be calculated at farmer level. The traceability data revealed that total wheat seed availability was 511,378 MT before processing stage, out of which companies processed 462,048 MT and certified seed tags (6,359,482) were issued for 319,937 MT after testing by FSC&RD. A total of 319,937 MT of certified seed of rust tolerant varieties was supplied by the seed dealers. Certified seed was sold to farmers, i.e., 69 percent of total seed availability (40 percent) of total seed requirement (1,142,375 MT). The area, seed requirement and seed availability during FY2023 (July-March), are given in Table 2.8.

Table 2.8: Area, Seed Requirement and Seed Availability (Metric Tonnes)

Crop	Sowing Area (000 Hectare)	Total Seed Requirement	Seed Availability*			
			Public	Private	Imported	Total
Wheat	8,923	1,101,991	49,330	462,049	0	511,379
Cotton	2,077	41,048	386	25,601	0	25,986
Paddy	3,070	45,618	1,940	45,641	4,448	52,029
Maize	1,337	33,012	9	7,141	17,521	24,676
Pulses	1,185	42,674	681	6,017	0	6,699
Oilseeds	830	4,100	9	1,305	367	1,681
Vegetables	280	8,400	13.3	89	2,160	2,262
Fodders	2,038	61,140	0.5	12,068	16,304	28,372
Potato	166	415,000	0	0	2,807	2,807
Total	19,905	1,752,983	52,369	559,916	43,606	655,891

* : The seed availability figures are given provisionally i.e. on the basis of seed sampling and testing uptill now final figure will be available till May,2023

** : Wheat seed testing data is provisional (on the basis of before processing of seed testing). After processing, expected losses are 10 percent and rejection factor of seed lots is around 3 percent. Number of tags issued to any company depends on after processing on after processing seed quantity and market driven demand of seed

Source: Federal Seed Certification & Registration Department, M/o NFS&R

iii) Farm Mechanization

Farm mechanization is an important element to accelerate growth in agriculture sector. The federal government continued the relief allowed on supply of imported farm machinery and equipment through budget FY2023. GST on tractors has been withdrawn and custom duty on agricultural machinery and equipment has been exempted to promote and encourage mechanized farming in the country.

The domestic tractor industry has played a pivotal role in fulfilling the requirements of farming community. The number of operational tractors in the country is around 692,626 resulting in availability of around 0.9 horsepower (HP) per acre against the required power of 1.4 HP per acre. During 2022-23 (July-March), total tractor production stood at 22,626 compared to 41,872 produced over same period last year, showing decrease of 46 percent (Table 2.9).

Tractors Model-(HP)	Tractor Price (Rs)	Production (Units/ Nos.)	Sales (Units/ Nos.)
Al-Ghazi Tractors Limited			
480-S (55-HP)	1,772,500	2,481	2,156
480-S (Power Plus)	1,847,000	832	736
GHAZI (65-HP)	2,037,000	2,932	2,850
640 (75-HP)	2,651,800	1,553	1,549
Dabang (85-HP)	2,728,300	154	134
NH-70-56 (4*4) (85-HP)	3,564,700	29	33
Total		7,981	7,458
M/s Millat Tractors Limited			
MF-240 (50 HP)	1,524,000	1,127	1,011
MF-350 Plus (50 HP)	1,770,000	2,140	1,545
MF-260 (60 HP)	1,756,000	268	638
MF-360 (60 HP)	1,856,000	1,638	1,503
MF-360 4WD (60 HP)	2,583,000	1,244	1,103
MF-375 (75 HP)	2,306,000	1,013	501
MF-375 4WD (75 HP)	2,387,000	1,572	2,203
MF-385 (85 HP)	2,989,000	2,500	2,602
MF-385 4WD (85 HP)	3,083,000	3,143	2,669
Total		14,645	13,775
Grand Total		22,626	21,233
No GST on tractors is levied in tractors by the government in Budget 2022-23			
Source: Tractor Manufacturers, Federal Water Management Cell			

iv) Irrigation

The monsoon season (July-September) 2022 witnessed above normal rainfall defying some historical high records stood at 387.8 mm, showing a drastic increase of 175.3 percent against the normal average rainfall of 140.9 mm. During post-monsoon season (October-December) 2022, rainfall recorded at 21.5 mm

against the normal average rainfall of 26.4 mm, showing a decrease of 18.6 percent. However, during winter season (January-March) 2023, rainfall remained below at 63.8 mm against the normal average rainfall of 74.1 mm, revealing a decrease of 13.9 percent. Rainfall recorded during the reference period is given in Table 2.10.

	Monsoon Rainfall (Jul-Sep) 2022	Post Monsoon Rainfall (Oct-Dec) 2022	Winter Rainfall (Jan-Mar) 2023
Normal**	140.9	26.4	74.1
Actual	387.8	21.5	63.8
Shortage (-)/excess (+)	+246.9	-4.9	-10.3
% Shortage (-)/excess (+)	+175.3	-18.6	-13.9

*: Area Weighted **: Normal/Long Period Average of 1961-2010

Source: Pakistan Meteorological Department

Canal head withdrawals decreased by 34 percent during Kharif 2022 to 43.27 MAF from 65.08 MAF during Kharif 2021. During Rabi

2022-23, it increased to 7 percent to 29.37 MAF from 27.42 MAF during Rabi 2021-22. The province-wise details are shown in Table 2.11.

Table 2.11: Canal Head Withdrawals (Below Rim Stations) (Million Acre Feet)

Province	Kharif (Apr-Sep) 2021	Kharif (Apr-Sep) 2022	% Change in Kharif 2022 Over 2021	Rabi (Oct-Mar) 2021-22	Rabi (Oct-Mar) 2022-23	% Change in Rabi 2022-23 Over 2021-22
Punjab	33.13	26.14	-21	14.65	15.96	9
Sindh	28.96	15.56	-46	11.08	12.31	11
Balochistan	1.94	0.80	-59	1.00	0.80	-20
Khyber Pakhtunkhwa	1.05	0.76	-27	0.70	0.32	-55
Total	65.08	43.27	-34	27.42	29.37	7

Source: Indus River System Authority

Water is essential to meet the food security challenges and to feed the country's growing population. Deforestation, reservoir sedimentation, dwindling river supplies, rising population and climate change impacts have put Pakistan's limited water resources under immense stress. Extremely inefficient irrigation techniques and practices like flood irrigation, over-exploitation of groundwater, inadequate storage capacity and surface water and groundwater pollution have collectively led to loss of quantity and quality of water. Inadequate budget for the development of water resources is another major issue for completion of ongoing projects causing delay in accruing the proposed benefits.

Storage of flood water and conservative and efficient use of available water resources is direly needed for sustainable irrigation, drinking purpose and industrial growth. Strategy of Integrated Water Resources Management recognizes the need to introduce appropriate policy measures, institutional reforms, and knowledge-based interventions to make water infrastructure and management system more efficient and sustainable.

Main targets for 12 years (i.e., 2018-2030) under National Water Policy (2018) are;

- i. 33 percent reduction (i.e., 15.24 MAF) in the 46 MAF river flows lost in conveyance through watercourses lining,
- ii. Live storage capacity enhancement of 10 MAF,
- iii. 30 percent increase in water use efficiency through modern irrigation techniques. By

increasing 30 percent water use efficiency, irrigation efficiency will be increased from 39 percent to 50.7 percent for increase in future agriculture production and food security.

- iv. Refurbishment of irrigation infrastructure, real-time monitoring of water distribution for transparent water accounting and development of unified authentic database to have reliable water resources assessment.

According to the National Agriculture Policy of Pakistan (2018), the potential area that can be brought under cultivation in the country is estimated to be around 13.78 million acres.

During FY2023, an amount of Rs 87.055 billion (11.97 percent of total PSDP) was allocated for 76 water sector development projects/studies (including Mohmand Dam Rs 12.06 billion, Diamer Basha Dam Rs 20 billion, Diamer Basha Land Acquisition Rs 7 billion and Nai Gaj Dam 5.0 billion). Out of this, Rs 46.904 billion have been Released/Sanctioned till 3rd quarter against which utilization is Rs 35.751 billion. It is expected that entire water sector budget allocation for the FY2023 will be utilized by the end of June, 2023.

Key Achievements of July-March FY2023

- Despite the heavy floods in 2022, construction activities remained in progress on both mega projects of national importance, that is, Diamer Basha Dam and Mohmand Dam projects. Owing to the dwindling water supplies in the country, both the dams are backbone of the agricultural economy of Pakistan. On completion, these dams will greatly mitigate

water shortages by additional storage of 7.076 MAF and power shortages by adding 5,300 MW in the national grid.

- Kachhi Canal (Phase-I) with 102,000 Culturable Command Area (CCA) in Balochistan remained operational. Around 57,000 Acres of this command area has been developed by GoB, and the remaining will be developed. However, command area of remaining works has not yet been developed.
- Work on Kachhi Canal Phase-I (remaining works) having additional 30,000 acres CCA remained in full swing.
- In order to supply irrigation water to cultivatable land in KP and to utilize due share of KP in WAA 1991, PC-I of Chashma Right Bank Canal (Lift-cum-Gravity) (CRBC) amounting Rs 189.606 billion was approved by ECNEC on 07.10.2022. Project aims to irrigate 286,100 Acres of land in KP.
- To reduce the existing shortfall in the water demand currently being faced by Quetta City, revised PC-I of Mangi Dam project amounting Rs 13.248 billion was approved by ECNEC on 06.07.2022. The proposed Mangi Dam will enable a supply of 8.1 mgd (15.1 cusecs) to Quetta City, Balochistan
- Works on Kurram Tangi Dam Phase-I (Kaitu Weir Diversion and allied works) remained in progress in North Waziristan.
- Approval of Sindh Water & Agriculture Transformation Plan (SWAT) amounting to Rs 70.446 billion by ECNEC on 06.12.2022.
- Under Karachi Transformation Plan (Storm Water Drain Projects), Restoration & Revamping of Gujjar Nullah & Orangi Nullah remained in progress.
- Revised PC-I of Naulong Multipurpose Dam Project (Jhal Magsi, Balochistan) amounting to Rs 39.9 billion approved by ECNEC. Key objectives of the project are to provide irrigation water for Command Area Development of 47,000 acres of land and to produce 4.4 MW electricity

- Provision of Rain Water Harvesting in Pakistan Building Code 2022 has been initiated by Pakistan Engineering Council with consultation of M/o PD&SI and other line agencies.

Post-Flood 2022 Scenario

Because of high vulnerability to climate change, Pakistan has experienced devastating calamity in monsoon 2022 caused by heavy rainfall and flash flooding that have severely affected one-third of the country. Flood disaster caused more than 1,700 casualties, nearly 8 million people have reportedly been displaced and 33 million people have been affected (PDNA, 2022).

Considering the emergency situation, besides tireless efforts of rescue and relief activates across the country, together with local, national, and international partners, Government of Pakistan with the support of international humanitarian and financial agencies immediately intimated rehabilitation, reconstruction activities and taken policy decisions to recover from the impacts of this calamity. Some of the measures taken by Government of Pakistan in Post- Flood 2022 scenario are illustrated as under:

- Honorable Prime Minister of Pakistan issued directives for updation of National Flood Protection Plan-IV (NFPP-IV) in line with Flood 2022 scenario considering flood protection measures against flash floods and hill torrents. Accordingly, updation of NFPP-IV has been initiated.
- Approval of Emergency Flood Assistance Project, Sub Head Reconstruction & Rehabilitation of Irrigation Infrastructure at Balochistan amounting to Rs 12.5 billion by ECNEC on 06.12.2022.
- Approval of Post-Flood 2022 Reconstruction Programme: Resilience Enhancement and Livelihood Diversification in Balochistan (Umbrella PC-I) amounting to Rs 88.0 billion by ECNEC on 04.01.2023
- Approval of Sindh Flood Emergency Rehabilitation Project (Irrigation

Component) amounting to Rs 48.327 billion by ECNEC on 06.12.2022.

amounting to Rs 15.0 billion by ECNEC on 06.12.2022.

- Approval of Reconstruction & Rehabilitation of Irrigation, Drainage System and flood protection works in KP
- Physical progress of the major on-going projects is given Table 2.12.

Table 2.12: Major Water Sector Projects under Implementation

Project	Location	App. cost (Rs million)	Live Storage	Irrigated Area	Status
Diamer Basha Dam (Dam Part only)	KP & GB	479,686	6.40 MAF	1.23 Million Acres	ECNEC approved dam part of the project on 14-11-2018 (out of Rs 479 billion Rs 237 billion will be federal grant, Rs 144 billion commercial financing, Rs 98 billion WAPDA equity). Physical progress is 9 percent.
Mohmand Dam Hydropower Project (800 MW)	Mohmand District, KP	114,285 (dam part) cost	0.676 MAF	16,737 Acres	Phase-I ECNEC approved on 30-06-2018 at a total cost of Rs 309.558 billion (dam part+ power generation cost). Physical progress is 20.4percent.
Kachhi Canal (Phase-I)	Balochistan	80,352	-	72,000 Acres	Phase-I completed. Out of 102,000 acres CCA about 57,000 acres developed in Dera Bugti, Balochistan. However, command area of remaining works has not yet been developed. Physical progress is 99.87 percent.
Nai Gaj Dam	Dadu, Sindh	46,980	160,000 (AcreFeet)	28,800 Acres (4.2 MW Power Gen.)	Physical Progress 42.78 percent.
KurramTangi Dam (Phase-I, Kaitu Weir)	KP	21,059	0.90 MAF	16,400 Acre (18.9 MW Power Gen.)	Physical Progress 64.7 percent
Naulong Dam	JhalMagsi, Balochistan	39,900	0.20 MAF	47,000 Acres (4.4 MW Power Gen.)	Updated 2 nd revised PC-I approved by ECNEC on 07.10.2022. Physical Progress 1.75 percent.
Mangi Dam Project	On Khost river, Quetta Balochistan	13,248	29509.78 (Acre Feet)	8.1 MGD	Revised PC-I approved on 06.07.2022. Physical Progress 57.3 percent.
Hingol Dam	Lasbela, Balochistan	421.372	0.816 (MAF)	65,000 Acres (1.37 MW Power Gen.)	Detailed Engg. Design is in progress. 16 percent progress achieved.
Murunj Dam	Rajanpur, Punjab.	349.956	0.60 (MAF)	120,000 Acres (12 MW Power Gen.)	Feasibility study progress is 90 percent.
Sindh Barrage	Thatta, Sindh.	327.528	1.80 (MAF)	-	Feasibility study progress is 96 percent.
K-IV Greater Water Supply Scheme	Sindh	126,000	-	260 MGD (Water Supply)	Physical Progress 1.0 percent.
Chashma Right Bank Canal (CRBC) Lift-cum-Gravity	KP	189,606.428	-	286,100 Acres	ECNEC approved the PC-I on 07.10.2022
Restoration & Revamping of Gujjar Nullah	Sindh	14,854	-	To mitigate urban flooding in	Physical Progress 80 percent. Financial Progress 85.79 percent as per revised approved PC-I

Table 2.12: Major Water Sector Projects under Implementation

Project	Location	App. cost (Rs million)	Live Storage	Irrigated Area	Status
Restoration & Revamping of Orangi Nullah	Sindh	15,007.25	-	metropolitan city of Karachi -	Physical Progress 75 percent. Financial Progress 90.79 percent as per revised approved PC-I

Source: Ministry of Planning, Development & Special Initiatives

iv) Agricultural Credit

SBP has allocated the indicative agricultural credit disbursement target of Rs 1,819 billion for FY2023, which is 28.2 percent higher than last year's disbursement of Rs 1,419 billion. Currently, 46 formal financial institutions are providing agriculture loans to the farming community, which include 5 major commercial banks, 13 medium sized domestic private banks, 6 Islamic banks, 02 specialized banks (ZTBL & PPCBL) and 11 microfinance banks besides 9 Microfinance Institutions/Rural Support Programmes (MFIs/RSPs).

During FY2023 (July-March), the agriculture

lending financial institutions have disbursed Rs 1,222 billion, which is 67.2 percent of the overall annual target and 27.5 percent higher than Rs 958.3 billion disbursed during the same period last year. Further, the outstanding portfolio of agricultural loans has increased by Rs 80.2 billion and reached Rs 712.9 billion at end March 2023 compared to Rs 632.7 billion at end March 2022, witnessing 12.7 percent growth. In terms of outreach, the number of outstanding borrowers has reached 3.04 million in March 2023. The comparative disbursements of agriculture lending banks/institutions against their annual indicative targets during FY2023 (July-March) are given in Table 2.13.

Table 2.13: Supply of Agriculture Credit by Institutions

(Rs Billion)

Banks	Target FY2022	FY2022 (July-March)		Target FY2023	FY2023 (July-March)		% Change over the Period
		Disbursed	Achieved (%)		Disbursed	Achieved (%)	
5 Major CBs	900	525.7	58.4	966	666.7	69.0	26.8
ZTBL	105	47.0	44.8	124	47.1	38.0	0.2
PPCBL	13	4.8	36.9	13	6.2	47.7	29.1
DPBs (13)	327	196.1	60.0	350	259.6	74.2	32.4
IBs (6)	120	54.0	45.0	103	62.0	60.2	14.9
MFBs (11)	195	112.1	57.5	230	158.7	69.0	41.5
MFIs/RSPs	40	18.6	46.6	33	21.6	65.4	15.9
Total	1,700	958.3	56.4	1,819	1,221.9	67.2	27.5

Source: State Bank of Pakistan

Analysis of the sector-wise disbursement reveals that out of the total disbursement of Rs 1,221.9 billion, the farm sector has received Rs 625.1 billion (51.2%) and Rs 596.8 billion (48.8%) has been disbursed to non-farm sector during July-March FY2023. However, the data of farm credit by land holdings reveals that Rs 234.4 billion has been disbursed to the subsistence farm size which witnessed 37.5 percent growth during the period. Moreover, Rs 83.1 billion has been disbursed to economic farm size and Rs 307.7

billion to above economic farm size witnessing a growth of 29.7 percent. Under non-farm sector, agriculture lending institutions disbursed Rs 170.3 billion to small farms with positive growth mainly due to credit off take in non-farm sector activities, especially in livestock/dairy and meat sector. Moreover, Rs 426.6 billion has been disbursed to large farms showing a growth of 19.8 percent during July-March FY2023. The sector-wise comparative details of credit disbursements are given in Table 2.14.

Sector (Land Holding/Farm size)	FY2022 (July-March)		FY2023 (July-March)		% Growth over the Period
	Disbursement	% Share in Total	Disbursement	% Share in Total	
A Farm Sector	474.0	49.5	625.1	51.2	31.9
1 Subsistence Holding ¹	170.5	17.8	234.4	19.2	37.5
2 Economic Holding ²	66.2	6.9	83.1	6.8	25.5
3 Above Economic Holding ³	237.3	24.8	307.7	25.2	29.7
B Non-Farm Sector	484.3	50.5	596.8	48.8	23.2
1 Small Farms	128.2	13.4	170.3	13.9	32.8
2 Large Farms	356.0	37.2	426.6	34.9	19.8
Total (A+B)	958.3	100.0	1,221.9	100.0	27.5

Source: State Bank of Pakistan

In terms of sectoral and purpose-wise performance of agriculture credit, the production loans of farm sector increased by 35.3 percent, whereas development loans declined by 13.8 percent during July-March FY2023. Further, under non-farm sector, the livestock/dairy and

meat sector witnessed 20.2 percent growth and poultry sector recorded 25.5 percent growth during the period under review. The sector-wise/purpose-wise agricultural credit disbursements are shown in Table 2.15:

Sector & Purpose	FY2022 (July-March)		FY2023 (July-March)		% Growth over the Period
	Amount Disbursed	% Share within Sector	Amount Disbursed	% Share within Sector	
A Farm Sector	474.0	49.5	625.1	51.2	31.9
1 Production Loans	441.3	93.1	596.9	95.5	35.3
2 Development Loans	32.7	6.9	28.2	4.5	-13.8
B Non-Farm Sector	484.3	50.5	596.8	48.8	23.2
1 Livestock/Dairy & Meat	269.7	55.7	324.1	54.3	20.2
2 Poultry	168.9	34.9	212.0	35.5	25.5
3 Fisheries	9.6	2.0	13.1	2.2	36.9
4 Forestry	-	-	0.008	0.001	-
5 Others	36.1	7.5	47.5	8.0	31.7
Total (A+B)	958.3	100	1,221.9	100	27.5

Source: State Bank of Pakistan

SBP's Initiatives for the Promotion of Agriculture Financing

For promotion of agricultural financing, some of the major initiatives taken by SBP in collaboration with federal and provincial governments are as under:

A. PM's Kissan Package 2022: To facilitate farmers and revive the economic activities in flood affected areas, SBP is implementing various agricultural financing related

components of PM's Kissan Package-2022 as given in Box-II. Besides above dedicated schemes for agriculture, agro-based SMEs have also been allowed to avail financing under SBP's ongoing scheme for SME Modernization, in line with PM's Kissan Package-2022.

B. Adoption of Agriculture Credit Scoring Model for Banks' Performance: SBP has introduced a scoring model to monitor agriculture credit performance of banks and

¹ Landholding in acres (Punjab and KP up to 12.5, Sindh up to 16.0 and Balochistan up to 32.0)

² Landholding in acres (Punjab and KP 12.5-50.0, Sindh 16.0-64.0 and Balochistan 32.0-64.0)

³ Landholding in acres (Punjab and KP above 50.0, Sindh and Balochistan above 64.0)

to promote fairness and transparency in gauging the individual performances of agriculture lending banks. The scoring model uses multi-dimensional criteria based on various indicators to reflect the numerical value of each bank's performance on agriculture credit. The objective of scoring model is to increase banks' focus on key areas that must be catered for enhancing agriculture financing in the country.

C. Introduction of Champion Bank Concept for Underserved Areas:

To address the challenge of increasing agriculture credit outreach in underserved areas, SBP has introduced the concept of provincial/regional Champion Banks in underserved areas. In this regard, SBP has nominated six banks as Champion Banks. These banks spearhead the efforts in their respective assigned underserved areas/regions from Southern Punjab, Sindh, KP, Balochistan, AJK and GB to enhance the flow of credit and bring more borrowers into the fold of formal credit network. To implement this model, six Regional Agricultural Coordination Committees (RACCs) have been established under the Champion Banks and the committees consist of members from banks, provincial governments, agriculture chambers and other stakeholders, etc. Accordingly, the quarterly RACC meetings were regularly conducted in respective underserved regions wherein the decisions/activities for the promotion of agriculture sector are being undergone successfully.

D. Implementation of Risk Mitigation and Incentive Schemes

- i. **Crop Loan Insurance Scheme (CLIS) & Livestock Insurance Scheme for Borrowers (LISB):** Under CLIS and LISB, GoP bears insurance premium for small farmers availing agriculture credit from banks for cropping or livestock purposes. During the period from July 2008 to June 2022, banks have submitted premium claims of Rs 10.6 billion against 6.9 million beneficiaries. Insurance premium for small livestock farmers, availing bank financing, continues to benefit farmers as premium

claims of Rs 3.09 billion against 0.91 million beneficiaries have been received during period July 2014-June 2022.

- ii. **Credit Guarantee Scheme for Small & Marginalized Farmers (CGSMF):** With the support from federal government, SBP has been offering CGSMF since 2016. This scheme can be availed by banks for providing loans to small farmers, with default protection of up to 50 percent. The scheme has been recently merged into Interest Free Loans & Risk Sharing Scheme for Landless Farmers (IF&RSLF) for 6 months to facilitate revival of flood affected small farmers. Since inception of the scheme, more than 150,000 farmers have benefitted from the scheme against Rs 1.1 billion funds released by the federal government. However, more funds have been committed by the GoP under IF&RSLF to carry-out the scheme in flood affected areas.

E. Implementation of Electronic Warehouse Receipt Financing (EWRP) uptake strategy:

EWRP is a form of credit, extended by banks to farmers, traders and processors against commodities/agricultural produce stored in accredited warehouses. In order to allow banks to start EWRP in line with SECP's Collateral Management Company (CMC) Regulations 2019, SBP issued necessary amendments in its Prudential Regulations while allowing EWRs as acceptable collateral for bank financing. Further, to sensitize banking industry and kick start EWRP in Pakistan, SBP formally rolled-out EWRP Uptake Action Plan in February 2022 wherein 25 banks signed the System Usage Agreements (SUA) with CMC. EWRP is initially started for maize and rice crops in four districts of Punjab, that is, Okara, Sheikhpura, Hafizabad and Kasur. In this regard, financing targets on pilot scale have been assigned to banks for FY2022 and FY2023.

III. Forestry

According to the latest findings of National Forest Reference Emissions Level (FREL), the forest covered area in the country is 4.786

million hectares, which is 5.45 percent of the total area. Within the forest cover area, dry temperate forests hold the largest share (36 percent), followed by sub-tropical broadleaved shrub (19 percent), moist temperate (15 percent), Chir Pine (13 percent), Riverine (4 percent), irrigated plantation (4 percent), thorn (3 percent), mangrove (3 percent) and subalpine forests (2 percent). The rapid growth in population and dependence on the natural resources posed negative impact on forestation and rendered the country one of the most vulnerable to climate change effects. As a result, natural resources are under tremendous pressure owing to change of land use and habitat destruction and consumption of fuel wood and timber extraction. Such pressures have rendered most of the forests of poor and medium density in need of drastic restocking on war footing.

IV. Livestock and Poultry

a) Livestock

The livestock sector has emerged as the largest contributor to agriculture, accounting for approximately 62.68 percent of the agriculture value added and 14.36 percent of the national GDP during FY2023. Animal husbandry is a critical economic activity for rural dwellers in Pakistan, with over 8 million rural families engaged in livestock production and deriving from 35 to 40 percent of their income from this sector.

The gross value addition of livestock has increased to Rs 5,593 billion in FY2023 from Rs 5,390 billion in FY2022, indicating a growth of 3.8 percent. Additionally, the net foreign exchange earnings of the livestock sector contribute around 2.1 percent of the total exports in the country.

The government has recognized the potential of

this sector for economic growth, food security, and poverty alleviation in the country, and has accordingly focused on its development. The overall strategy for livestock development revolves around promoting "private sector-led development with public sector providing enabling environment through various policy interventions". Regulatory measures have been implemented to enhance per unit animal productivity by improving veterinary health coverage, husbandry practices, animal breeding practices, artificial insemination services, use of balanced ration for animal feeding, and controlling livestock diseases of trade and economic importance, such as Foot & Mouth Disease (FMDE), Peste des petits ruminants (PPR), and Avian Influenza.

To address investment-related issues in the value-added livestock export sector, the government is developing export meat processing zones and disease-free zones for FMD, PPR, HPAI, among others. The government is also establishing the modern slaughterhouses based on the industry's requirements. To boost livestock sector, financial sector provides various schemes for a limited period.

The focus of the present government is on breed improvement for enhanced productivity, establishing a nucleus herd, identifying breeds that are well adapted to various agro-ecological zones of Pakistan, and importing high-yielding exotic dairy, beef, mutton breeds, and genetic materials. By implementing these measures, the government aims to stimulate growth in the livestock sector, generate employment opportunities, and contribute to the overall economic growth and food security of the country. The national herd population of livestock for the last three years is given in Table 2.16.

Species	2020-21¹	2021-22¹	2022-23¹
Cattle	51.5	53.4	55.5
Buffalo	42.4	43.7	45.0
Sheep	31.6	31.9	32.3
Goat	80.3	82.5	84.7
Camels	1.1	1.1	1.1
Horses	0.4	0.4	0.4

Species	2020-21 ¹	2021-22 ¹	2022-23 ¹
Asses	5.6	5.7	5.8
Mules	0.2	0.2	0.2

¹: Estimated figure based on inter census growth rate of Livestock Census 1996 & 2006

Source: Ministry of National Food Security & Research

The position of milk and meat production for the last three years is given in Table 2.17.

Species	2020-21 ¹	2021-22 ¹	2022-23 ¹
Milk (Gross Production)	63,684	65,745	67,873
Cow	23,357	24,238	25,151
Buffalo	38,363	39,503	40,678
Sheep ²	41	42	42
Goat	991	1,018	1,046
Camel ²	932	944	956
Milk (Human Consumption)³	51,340	52,996	54,707
Cow	18,686	19,390	20,121
Buffalo	30,691	31,603	32,542
Sheep	41	42	42
Goat	991	1,018	1,046
Camel	932	944	956
Meat⁴	4,955	5,219	5,504
Beef	2,380	2,461	2,544
Mutton	765	782	799
Poultry meat	1,809	1,977	2,160

1: The figures for milk and meat production for the indicated years are calculated by applying milk production parameters to the projected population of respective years based on the inter census growth rate of Livestock Census 1996 & 2006.

2: The figures for the milk production for the indicated years are calculated after adding the production of milk from camel and sheep to the figures reported in the Livestock Census 2006.

3: Milk for human consumption is derived by subtracting 20 percent wastage (15 percent faulty transportation and lack of chilling facilities and 5 percent in suckling calf nourishment) of the gross milk production of cows and buffalo.

4: The figures for meat production are of red meat and do not include the edible offal's.

Source: Ministry of National Food Security & Research

The estimated production of other livestock products for the last three years is given in Table 2.18.

Products	Units	2020-21 ¹	2021-22 ¹	2022-23 ¹
Eggs	Million Nos.	21,285	22,512	23,819
Hides	000 Nos.	18,751	19,384	20,039
Cattle	000 Nos.	9,759	10,127	10,509
Buffalo	000 Nos.	8,878	9,142	9,414
Camels	000 Nos.	114	115	117
Skins	000 Nos.	60,837	62,250	63,697
Sheep Skin	000 Nos.	11,947	12,088	12,231
Goat Skin	000 Nos.	30,946	31,784	32,645
<u>Fancy Skin</u>	000 Nos.	17,945	18,377	18,821
Lamb Skin	000 Nos.	3,548	3,590	3,633
Kid Skin	000 Nos.	14,397	14,787	15,188
Wool	000 Tonnes	47.9	48.4	49.0
Hair	000 Tonnes	30.2	31.0	31.8
Edible Offal's	000 Tonnes	452	465	478
Blood	000 Tonnes	75.0	77.0	79.0
Casings	000 Nos.	61,461	62,888	64,351
Guts	000 Nos.	19,929	20,599	21,292

Table 2.18: Estimated Livestock Products Production

Products	Units	2020-21 ¹	2021-22 ¹	2022-23 ¹
Horns & Hooves	000 Tonnes	66.2	68.2	70.2
Bones	000 Tonnes	990.3	1,020.7	1,052.0
Fats	000 Tonnes	313.6	322.9	332.5
Dung	000 Tonnes	1,405	1,448	1,493
Urine	000 Tonnes	425	437	450
Head & Trotters	000 Tonnes	282.4	290.4	298.7
Ducks, Drakes & Ducklings	Million Nos.	0.37	0.35	0.34

1: The figures for livestock product for the indicated years were calculated by applying production parameters to the projected population of respective years.

Source: Ministry of National Food Security & Research

b) Poultry

The poultry sector is a critical component of the livestock industry, providing employment opportunities to over 1.5 million people in Pakistan. With a substantial investment of more than Rs 1,056 billion, this industry has experienced impressive growth, averaging a remarkable 7.3 percent annual growth rate over the past decade. This expansion has led to Pakistan becoming the eleventh largest poultry producer in the world, with vast potential for future growth and advancement.

To further strengthen and develop this industry, the poultry development strategy focuses on key areas such as disease control, utilizing cutting-edge technology for poultry production in controlled environments, processing and value addition, improving poultry husbandry practices, and expanding product diversification. To achieve these goals, the GoP has implemented farmer-friendly policies and interventions to support both rural and commercial poultry production. The estimated production of commercial and rural poultry products for the last three years is shown in Table 2.19.

Table 2.19: Estimated Domestic/Rural & Commercial Poultry

Type	Units	2020-21 ¹	2021-22 ¹	2022-23 ¹
Domestic Poultry	Million Nos.	91.22	92.62	94.04
Cocks	Million Nos.	12.85	13.20	13.55
Hens	Million Nos.	44.72	45.52	46.34
Chicken	Million Nos.	33.65	33.90	34.15
Eggs ²	Million Nos.	4,472	4,552	4,634
Meat	000 Tonnes	127.22	129.76	132.36
Duck, Drake & Duckling	Million Nos.	0.37	0.35	0.34
Eggs ²	Million Nos.	16.47	15.78	15.12
Meat	000 Tonnes	0.50	0.48	0.46
Commercial Poultry	Million Nos.	1,486.09	1,632.06	1,792.46
Layers	Million Nos.	64.01	68.49	73.28
Broilers	Million Nos.	1,407.73	1,548.51	1,703.36
Breeding Stock	Million Nos.	14.34	15.06	15.81
Day Old Chicks	Million Nos.	1,470.38	1,617.41	1,779.16
Eggs ²	Million Nos.	16,797	17,944	19,170
Meat	000 Tonnes	1,681.64	1,846.48	2,027.57
Total Poultry				
Day Old Chicks	Million Nos.	1,504	1,651	1,813
Poultry Birds	Million Nos.	1,578	1,725	1,887
Eggs	Million Nos.	21,285	22,512	23,819
Poultry Meat	000 Tonnes	1,809	1,977	2,160

1: The figures for the indicated years are statistically calculated using the figures of 2005-06.

2: The figures for Eggs (Farming) and Eggs (Desi) are calculated using the poultry parameters for egg production.

Source: Ministry of National Food Security & Research

Impact of Floods July-August 2022 on Livestock Sector

The floods that occurred from July-August 2022 in Pakistan, as a result of heavy rainfall, have had a devastating impact on the livestock sector. According to NDMA updates dated 18-11-2022, estimated 1,164,270 livestock perished (Balochistan: 500,000 (42.9%), Sindh: 436,435 (37.5%) and Punjab: 205,106 (17.6%), KP: 21,328 (1.8%), AJK: 792 (0.1%) and GB 609 (0.1%) have perished because of the floods. The highest number of animal deaths occurred in Balochistan, followed by Sindh, Punjab, KP, while AJK and GB had comparatively fewer losses of animals and poultry birds.

Impact of Lumpy Skin Disease (LSD) on Livestock Sector

LSD is a vector borne viral disease of cattle and buffalo, emerged in Pakistan in November 2021 and has since spread throughout all four provinces, including GB and AJK. The disease is characterized by the appearance of nodules or lumps on the skin of affected animals, which can range in size from a few millimeters to several centimeters. The disease is transmitted by insect vectors, such as biting flies or mosquitoes, as well as through direct contact between infected and susceptible animals. The primary reason behind the spread of the disease in Pakistan was the mass movement of sacrificial animals during Eid-ul-Azha. Around 221,339 cases have been reported in Pakistan, but the actual number is likely higher due to the absence of a real-time

disease surveillance system.

Although the mortality rate is currently less than 1 percent but has caused significant economic losses in terms of reduced milk and meat production, abortions, infertility, damage to hides of affected cattle, trade restrictions on animal products, loss of livelihoods for farmers, and distortion in the milk and meat value chain. Exotic breeds have been found to be more susceptible to the disease than local breeds, and a limited survey in the in districts of Rahim Yar Khan and Chakwal found that milk production was reduced by 72 to 73 percent for at least 60 days post-disease onset. The estimated economic loss, if the disease remains uncontrolled, is Rs 80.4 billion based on the total susceptible cattle population of 53.4 million in the country.

There is currently no specific treatment for lumpy skin disease, and prevention efforts focus on vaccination and vector control measures. Vaccination has been shown to be effective in reducing the incidence and severity of the disease and can help to limit its spread.

Table 2.20 provides summary statistics of LSD cases reported in Pakistan by respective provincial livestock departments. Punjab has the lowest morbidity rate of 0.239 percent, while AJK has the highest morbidity rate of 1.165 percent. KP has the highest mortality rate of 0.0532 percent. The total number of cases in Pakistan is 221,399, with 38,092 animal deaths and a mortality rate of 0.0917 percent.

Table 2.20: Summary Statistics of LSD Cases in Pakistan (Numbers)

Province /Administrative Unit	Cattle population	Total Cases	Animals Recovered	Animals Died	Animals Vaccinated	Mortality Rate (%)	Morbidity Rate (%)
Punjab	14,635,446	35,046	26,509	1,242	2,261,178	0.0085	0.239
Sindh	11,392,469	53,668	53,097	571	3,711,538	0.0050	0.471
KP	8,837,227	92,357	52,002	34,818	1,262,797	0.0532	0.844
Balochistan	6,140,540	22,225	12,520	469	89,586	0.0076	0.362
GB	-	-	-	-	-	-	-
AJK	545,239	18,103	15,874	992	127,501	0.0653	1.165
Pakistan	41,550,921	221,399	160,002	38,092	7,452,600	0.0917	0.533

-:no data is provided / available

Source: Ministry of National Food Security & Research

Ongoing Projects

The federal government has launched following programmes under the Prime Minister's National Agriculture Emergency Programme:

Prime Minister Initiative for Backyard Poultry Project: This project aims to distribute five million high-laying backyard birds to the public across the country over a period of four years, at subsidized rates. These birds have already been pre-vaccinated, making them a low-maintenance and sustainable source of animal protein, which can help combat undernourishment in the population.

The total cost of the project is Rs 1.6 billion, with 30 percent of the funding being contributed jointly by the federal and provincial governments. The remaining cost will be borne by the beneficiaries. Since its launch in July 2019, the project has distributed 3,257,205 backyard poultry birds to 454,293 beneficiaries across the country.

Prime Minister Initiative for Save the Calf Project: This project aims to save 380,000 male calves from early slaughter over a period of four years by providing financial incentives of Rs 6,500 per calf to farmers. In addition to reducing mortality rates through improved nutrition and husbandry practices, this intervention also provides stock for feedlot fattening, which enhances productivity and results in higher quality beef, leading to increased profits for farmers and reduced rural poverty.

The total cost of the project is Rs 3.4 billion, with the federal government contributing 20 percent of the total cost and the remaining funding being shared by provincial governments. Since its launch in July 2019, the project has saved 201,286 calves through financial and technical support to 106,593 farmers across the country. In addition, 69,413 farmers have received training on improved husbandry practices and the calf-rearing business model.

Prime Minister Initiative for Calf Feedlot Fattening in Pakistan: Under this project

Rs 4,000 for each calf in the country, while in Balochistan a cash incentive of Rs 1500 is given for each fattened sheep/goat. This intervention promotes feedlot fattening as a viable business in the country, ultimately leading to economic growth and poverty reduction. The total cost of the project is Rs 2.4 billion. Since its launch in July 2019, the project has provided financial and technical support to 54,817 farmers across the country, resulting in the fattening of 235,667 calves. In Balochistan, 310,000 kid/lambs have been fattened for mutton production. In addition, 47,059 farmers have been trained on improved husbandry practices and the feedlot fattening business model.

V. Fisheries

Fisheries as a sub-sector of agriculture plays significant role in the economy and towards food security of the country as it reduces pressure on demand for mutton, beef, and poultry. During FY2023 (July-March), total fish production remained at 700 thousand MT (marine: 475 thousand MT and inland: 225 thousand MT) showing an increase of 0.6 percent compared to same period of last year's fish production of 696 thousand MT (marine: 468 thousand MT and inland: 228 thousand MT).

Pakistan's major fish & fish preparations buyers are China, Thailand, Malaysia, Middle East, Sri Lanka, and Japan etc. During FY2023 (July-March), a total of 151.030 thousand MT (US\$ 355 million) of fish & fish preparations were exported compared to 116.333 thousand MT (US\$ 309 million) during same period last year showing an increase of 29.8 percent in quantity and 14.8 percent in value terms. Since resumption of exports to the EU countries, different consignments of finfish and shellfish have been sent by 03 companies to the EU, which successfully cleared after 100 percent laboratory analysis at EU borders. Further, a number of initiatives are being taken by federal and provincial fisheries departments which include, inter alia, strengthening of extension services. Export of seafood to EU countries is given in Table 2.21:

Table 2.21: Export of Seafood to EU Countries FY2023 (July-March)

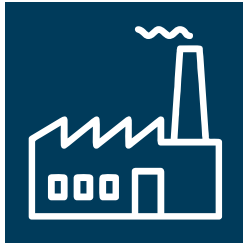
Commodity/ Country	Fish		Squids		Shrimp		Crabs		Total	
	Quantity (MT)	Value US\$ (000)	Quantity (MT)	Value US\$ (000)	Quantity (MT)	Value US\$ (000)	Quantity (MT)	Value US\$ (000)	Quantity (MT)	Value US\$ (000)
Belgium	410	1,036	-	-	1,235	5,440	-	-	1,645	6,476
Netherlands	99	369	-	-	56	236	-	-	155	605
Spain	-	-	112	296	-	-	-	-	112	296
UK	736	2,632	-	-	269	519	8	46	1,013	3,197
Total	1,245	4,037	112	296	1,560	6,195	8	46	2,925	10,574

Source: Marine Fisheries Department

Outlook:

To overcome flood losses during 2022 and uplift the agriculture sector, the government has taken various above narrated measures which would have positive impact on the sector. The better crop productivity is expected for upcoming

years, due to various incentives for the farmers and the sector. The increase in agriculture productivity would directly be contributed to the GDP and indirectly have long lasting effect on the overall economy of the country by enhancing the income of the common peasants.



MANUFACTURING AND MINING

LSM Growth Rate -8.1% ↓



Textile Growth -16.0% ↓



Wearing Apparel 31.7% ↑



Furniture 48.3% ↑



Leather Product 2.5% ↑



Extraction of Principal Minerals

Coal

8,661
(000 M.T)



Crude Oil

19.48
(Million Barrel)



Natural Gas

25.58
(000 M.CU.Mtr)



MANUFACTURING AND MINING

Manufacturing holds a dominant position within Pakistan's industrial sector, contributing 12.01 percent to the country's GDP. Pakistan's national accounts divides manufacturing sector into three main categories: Large Scale Manufacturing (LSM), Small Scale Manufacturing (SSM), and Slaughtering. LSM is comprised of businesses with ten or more employees and accounts for 78.4 percent of the Quantum Index of Manufacturing (QIM), which measures LSM performance. The QIM is derived from the Census of Manufacturing Industries conducted in 2015-16. SSM information is based on a survey conducted in 2015 and covers both industrial and household units engaged in manufacturing with fewer than ten employees. Slaughtering sector performance is calculated using a method that measures the value added of the sector's output. The mining and quarrying sector contributes around 1.6 percent of GDP and includes activities related to the extraction of natural resources and construction materials.

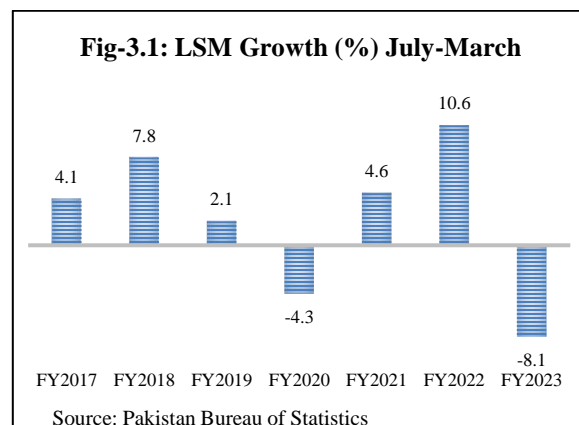
3.1 Performance of Large-Scale Manufacturing

The global economy was recovering well until the Russia-Ukraine conflict began in February 2022, which has disrupted the restoration of global supply chains that were earlier impeded by lockdowns and limited trade traffic. The conflict caused the prices of essential commodities to rise sharply, strengthening inflationary pressures triggered by the global economic recovery backed by massive fiscal and monetary policies in 2020. The central banks initially overlooked these pressures but eventually realized the need for a robust monetary policy response. This response being crucial in nature as in one side, it drove capital to the US markets, leading to the US dollar appreciating and widening current account

deficits in net importing economies. On the other end, it dampened the overall economic activities.

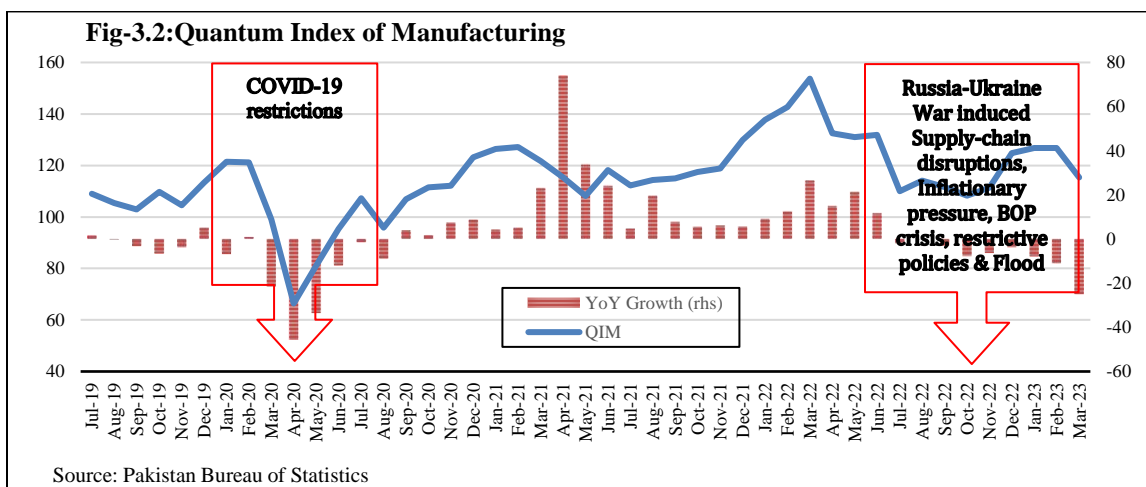
Pakistan being among the frontier economies suffered the most, because with weak global demand, the country faced a triple whammy of higher inflation, currency depreciation, and widened current account deficit in the start of FY2023. These factors left the government with limited room for maneuver on account of tight financial conditions while aiming for fiscal discipline. Complicating matters further, the flash flood further exacerbated the existing challenges and resulted in supply disruptions and significant losses of crucial crops. The year was marked by tumultuous events and challenges, making it a turbulent year for Pakistan.

The proliferation of risks, including global economic slowdown and flood damages, coupled with the SBP's restrictive policies to correct the balance of payments and control inflation, such as high interest rates, import restrictions, and closure of LCs, have created headwinds for business and consumer confidence, as well as investment. Thus, the industry of Pakistan weighed down by various domestic and external factors leading to slowdown in its performance in FY2023. (Fig-3.1).



During July-March FY2023, the growth performance of LSM was in the negative territory, at 8.11 percent against the growth of 10.61 percent in the corresponding period last year. During the period, 4 sectors witnessed positive growth which includes, Wearing apparel, Leather Products, Furniture, and others

(Football). The main contributors towards overall negative growth of 8.11 percent are, Food (-1.62), Tobacco (-0.57), Textile (-3.16), Garments (2.94), Petroleum Products (-0.68), Cement (-0.85), Pharmaceuticals (-1.30), and Automobiles (-1.85).



On year-on-year (Y-o-Y) basis, the growth of LSM contracted by 24.99 percent in March 2023 against 26.29 percent growth in the same month last year (Fig. 3.2). While, on Month-on-Month (M-o-M) basis, the growth of LSM declined by 9.09 percent in March 2023 as compared to

growth of 0.06 percent in February 2023.

3.2 Group-wise Analysis of LSM

Group-wise growth of LSM during July-March FY2023 is given in Table 3.1.

Table 3.1: Group wise growth of LSM

S#	Groups	Weights	% Change (Jul-Mar)	
			2021-22	2022-23
1	Food	10.69	11.21	-8.71
2	Beverages	3.84	0.54	-3.39
3	Tobacco	2.07	16.69	-23.78
4	Textile	18.16	3.23	-16.03
5	Wearing Apparel	6.08	33.92	31.68
6	Leather Products	1.23	2.16	2.47
7	Wood Products	0.18	151.85	-66.22
8	Paper & Board	1.63	17.00	-5.42
9	Coke & Petroleum Products	6.66	1.82	-10.24
10	Chemicals	6.48	8.02	-6.29
	Chemicals Products	2.55	15.86	-1.49
	Fertilizers	3.93	3.29	-9.54
11	Pharmaceuticals	5.15	-0.42	-23.20
12	Rubber Products	0.24	-20.57	-8.08
13	Non-Metallic Mineral Products	5.01	1.08	-10.75
14	Iron & Steel Products	3.45	16.55	-4.02

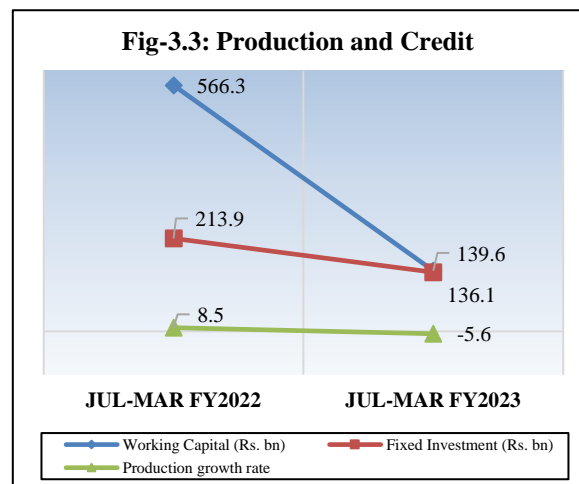
Table 3.1: Group wise growth of LSM

S#	Groups	Weights	% Change (Jul-Mar)	
			2021-22	2022-23
15	Fabricated Metal	0.42	-6.56	-13.83
16	Computer, electronics and Optical products	0.03	0.77	-26.52
17	Electrical Equipment	2.05	-0.84	-11.15
18	Machinery and Equipment	0.39	13.51	-46.01
19	Automobiles	3.10	53.77	-42.48
20	Other transport Equipment	0.69	-10.81	-38.91
21	Furniture	0.51	282.11	48.26
22	Other Manufacturing (Football)	0.32	38.43	34.82

Source: Pakistan Bureau of Statistics

It can be seen from the table 3.1 that textile sector witnessed a dip of 16.03 percent during July-March FY2023 as compared to 3.23 percent growth in the same period last year. The decline in Pakistan's textile sector can be attributed to multiple factors. Firstly, a global economic slowdown has decreased the demand for Pakistani textile products. Secondly, flood damages have resulted in losses for the cotton industry¹, which constitutes half of the industry's required cotton input. Finally, the contractionary policy stance, including higher policy rate, increased energy charges, and restrictions on the import of raw materials and machinery has made it harder for businesses to operate and export. Further, reduction in the spread between the policy rate and subsidized financing rates (such as Export Financing Scheme & Long Term Financing Facility) has discouraged industrialists who heavily rely on such financing facilities to meet their working capital needs (Fig-3.3). Major growth originated from woolen segment production with a significant surge of 65.9 percent in woolen & carpet yarn, and 17.2 percent in woolen & worsted cloth. Production of yarn, cloth, towels, and woolen blankets showed the negative growth of 19.5, 10.7, 13.1, and 45.1 percent, respectively.

Wearing apparel has gained traction local as well as in international market as garments production grew at 31.68 percent during the period. The export of garments also escalated with 33.9 percent growth in terms of quantity during July-March FY2022.



The performance of food group remained subdued with the negative growth of 8.71 percent during the period under review against the growth of 11.21 percent same period last year. Cooking oil, vegetable ghee, and starch related products came up with significant growth of 12.4, 8.7, and 5.7 percent, respectively. Production of wheat & rice milling sharply contracted by 12.7 percent, mainly triggered by a hefty decline of 21.5 percent in the production of rice owing to the flood. The flood impacted the production activities especially sugar, bakery products and chocolate & sugar confectionery as it witnessed a drop of 14.3 percent.

Coke and Petroleum products down by 10.24 percent in July-March FY2023 against the growth of 1.82 percent same period last year. Economic meltdown, high global energy prices

¹ As the production of cotton declined by 41.1 percent due to flash flood.

amid second and third round effect of exchange rate depreciation depressed the overall growth momentum except for jet fuel oil and petroleum (n.o.s.) which grew by 15.8 and 13.8 percent, respectively.

Growth of automobile sector plunged by 42.48 percent during July-March FY2023 against 53.77 percent growth last year. The drop in production was because of the shortage of components and completely knocked-down (CKD) kits due to regulated imports. Also, consecutive price hikes on account of higher inflation, persistent depreciation and limited financing are the biggest deterrents to growth going forward.

Iron & Steel production nosedived by 4.02 percent during the period under review against the growth of 16.55 percent in the same period last year. Billets/Ingots, mainly used in construction industry, experiences a negative growth of 14.3 percent indicating a lower demand from construction related industries. However, and H/C.R.Sheets/Strips/Coils/plates grew by 2.7 percent. Non-metallic Mineral Products contracted by 10.75 percent as compared to 1.08 percent increase last year.

Chemicals is subdivided into two components

i.e., chemical products and fertilizers with the total weight of 6.48 in QIM. The chemical products showed the contraction of 6.29 percent against 8.02 percent growth seen previously, while fertilizers production dived down by 9.54 percent.

Pharmaceuticals witnessed a dip of 23.2 percent during July-March FY2023, against 0.42 percent last year, triggered by hefty decline observed in Liquids/syrups, injections, tablets and galenicals. Electrical equipment declined by 11.15 percent as compared to a dip of 0.84 percent same period last year.

The performance of furniture group remained outstanding with a growth of 48.26 percent during July-March FY2023. Leather products grew by 2.47 percent against 2.16 percent last year.

Other manufacturing particularly footballs production substantially increased by 34.82 percent during the period under review. The sector picked up the growth by pent-up demand in international market and marked a growth of 36.47 percent in exports quantity.

Production of selected items of LSM is given in Table 3.2.

Table-3.2: Production of Selected Industrial items of LSM

S#	Items	Unit	Weights	July-March		% Change	% Point Contribution
				2021-22	2022-23		
1	Deep freezers	(Nos.)	0.167	87,070	83,889	-3.65	-0.01
2	Jeeps and Cars	(Nos.)	2.715	198,969	111,751	-43.83	-1.76
3	Refrigerators	(Nos.)	0.246	1,027,947	723,868	-29.58	-0.07
4	Upper leather	(000 sq.m.)	0.398	11,149	10,424	-6.50	-0.02
5	Cement	(000 tonnes)	4.650	36,543	31,733	-13.16	-0.85
6	Liquids/syrups	(000 Litres)	1.617	144,574	101,595	-29.73	-0.86
7	Phos. fertilizers	(N tonnes)	0.501	601,184	446,135	-25.79	-0.16
8	Tablets	(000 Nos.)	2.725	14,690,798	11,379,437	-22.54	-0.44
9	Cooking oil	(tonnes)	1.476	362,882	407,791	12.38	0.23
10	Nit. fertilizers	(N tonnes)	3.429	2,505,757	2,331,445	-6.96	-0.27
11	Cotton cloth	(000 sq.m.)	7.294	788,285	703,920	-10.70	-0.79
12	Vegetable ghee	(tonnes)	1.375	1,068,734	1,161,833	8.71	0.14
13	Cotton yarn	(tonnes)	8.882	2,594,690	2,088,900	-19.49	-1.77
14	Sugar	(tonnes)	3.427	7,759,825	6,646,437	-14.35	-1.00
15	Tea blended	(tonnes)	0.485	112,544	95,851	-14.83	-0.08
16	Petroleum Products	(000 Litres)	6.658	10,716,258	9,703,925	-10.24	0.02
17	Cigarettes	(Million No)	2.072	46,063	35,108	-23.78	-0.57

Source: Pakistan Bureau of Statistics (PBS)

3.3 Textile Industry

The manufacturing industry of Pakistan primarily relies on textiles and has the most extended production chain. This sector holds immense potential for value addition at every stage of processing, starting from cotton to ginning, spinning, fabric, dyeing, finishing, made-ups, and garments. Roughly 25 percent of industrial value-added is contributed by this industry. Despite seasonal and cyclical changes, textile products continue to maintain an average share of around 59.53 percent in national exports.

3.3.1 Ancillary Textile Industry

The ancillary textile industry encompasses various components, including cotton spinning, cotton cloth, cotton yarn, cotton fabric, fabric processing, home textiles, towels, hosiery and knitwear, and readymade garments. These commodities are produced both at the large-scale organized sectors as well as at the unorganized cottage/small and medium units. The performance of the ancillary textile industries is highlighted below:

i. Cotton Spinning Sector

The spinning sector is a crucial part of textile production. According to Textile

Commissioner's Organization records, it currently consists of 408 textile units, including 40 composite units and 368 spinning units. These units have a total of 13.414 million spindles and 140,000 rotors installed, with 9.5 million spindles and 112,600 rotors in operation, and a capacity utilization of 69.33 percent and 71 percent, respectively, during July-March FY2023.

ii. Cloth Sector

The sector is mainly producing low-value grey cloth of inferior quality, and its problems stem from poor technology, a scarcity of quality yarn, and a lack of institutional financing for its development. The number of looms installed in Cotton Textile Mills is 9084, with 6384 currently in operation. Production of cotton cloth by mill sector has substantially decreased by 10.7 percent, while non-mills performance remained subdued and recorded negative growth of 9.2 percent during July-March FY2023. Exports in term of quantity and value both suffered badly and declined by 25.4 percent and 14.3 percent, respectively. Data pertaining to production and export of clothing sector is presented in Table 3.4.

Table 3.4: Production and Export of Clothing Sector

Production	July-March 2022-23	July-March 2021-22	% Change
Mill Sector (000. Sq. Mtrs.)	703,920	788,285	-10.70
Non Mill Sector (000. Sq. Mtrs.)	5,540,820	6,103,340	-9.22
Total	6,244,740	6,891,625	-9.39
Cotton Cloth Exports			
Quantity (M.SqMtr.)	256.506	343.753	-25.38
Value (M.US\$)	1,538.031	1,795.458	-14.34

Source: Textile Commissioner's Organization

iii. Textile Made-Up Sector

The made-up sector, which is a value-added segment of the textile industry, includes various sub-groups such as towels, tents and canvas,

cotton bags, bed-wear, hosiery, knitwear, and ready-made garments, including fashion apparel. Export performance of made-up sector during July-March FY2023 is presented in Table 3.5.

Table 3.5: Export of Textile Made-Ups

	(July-March) 2022-23	(July-March) 2021-22	% Change
Hosiery Knitwear			
Quantity (M.DoZ)	133.197	120.415	10.61
Value (M.US\$)	3,390.335	3,729.682	-9.10

Table 3.5: Export of Textile Made-Ups

	(July-March) 2022-23	(July-March) 2021-22	% Change
Readymade Garments			
Quantity (M.Doiz)	58.47	37.291	56.79
Value (M.US\$)	2,657.265	2,863.567	-7.20
Towels			
Quantity (M Kgs)	144.855	166.809	-13.16
Value (M.US\$)	745.288	819.589	-9.07
Tents/Canvas			
Quantity (M Kgs)	28.654	28.399	0.90
Value (M.US\$)	102.766	82.145	25.10
Bed Wears			
Quantity (000 MT)	302.825	394.824	-23.30
Value (M.US\$)	2,031.741	2,448.86	-17.03
Other Made up			
Value (M.US\$)	534.761	627.006	-14.71

Source: Textile Commissioner's Organization

Knitwear exports, including knitted and processed fabrics, garments, bed sheets, and socks, account for the largest share (16.55 percent) of the nation's textile exports. The export of knitwear increased by 10.6 percent in quantity terms, while it decreased by 9.1 percent in terms of value during the period under review.

The readymade garments sector has become a significant small-scale industry in Pakistan, catering to considerable demand both domestically and internationally. Owing to huge potential and demand, its exports show a massive growth of 56.8 percent in quantity, while in terms of value it declined by 7.2 percent during the review period. The performance of canvas slightly improved in terms of quantity which increased by 0.9 percent while in terms of value it grew by almost 25 percent.

iv. Synthetic Textile Fabrics

Artificial silk such as Synthetic fibers Nylon, Polyester, Acrylic and Polyolefin dominate the market. There are currently five major producers of synthetic fibers in Pakistan, with a total capacity of 636,000 tons per annum. Synthetic textile fabrics worth US\$ 309.4 million were

exported as compared to US\$ 343.6 million last year which is showing a fall of 9.9 percent. In quantitative terms, the exports of synthetic textile decreased by 31.3 percent.

v. Woolen Industry

The main products manufactured by the woolen industry are carpets and rugs. The exports of carpets during July-March FY2023 are given in the Table 3.6.

Table 3.6: Exports of Carpets and Rugs (Woolen)

	(July-March) 2022-2023	(July-March) 2021-22	% Change
Quantity (Th.Sq.Mtrs)	1.91	1.794	6.47
Value (M.US\$)	56.618	60.992	-7.17

Source: Textile Commissioner's Organization

vi. Jute Industry

The main products manufactured by the jute industries are jute sacks and hessian cloth, which are used for packing and handling of wheat, rice and food grains. The installed and working capacity of jute industry is given in the Table 3.7.

Table 3.7: Installed and Working Capacity of Jute

	(July-March) 2022-23	(July-March) 2021-22	% Change
Total No. of Units	10	10	0.0
Spindles Installed	25,060	25,060	0.0
Spindles Worked	18,344	16,973	8.1
Looms Installed	1,186	1,134	4.6
Looms Worked	819	737	11.1

Source: Textile Commissioner's Organization

3.4 Other Industries

3.4.1 Automobile Industry

With the exception of Buses, there has been a significant decline in the productivity of all sectors of the automobile industry during July-March FY2023 as compared to the same period in FY2022. The decline in growth was primarily attributed to the import restrictions on the automobile industry, considering automobiles as luxury items, with the aim of reducing the current account deficit. In May 2022, the SBP imposed restrictions on the auto industry, requiring prior permission for the import of raw materials and crucial parts (CKDs) needed for local manufacturing of automobile parts. The government initially allowed the industry to operate at about 50 percent of production capacity until foreign exchange constraints eased. However, with the deteriorating situation of Pak-rupee exchange rate the restrictions on auto imports persisted, which in turn severely impacting the growth of the industry. As a result, the industry's size almost halved resulting in substantial revenue loss for the government and significant job losses in society.

There were additional contributing factors as well. The policy rate, which was at 10 percent one year ago, gradually increased to 21 percent. During this time, value of the Pakistani rupee significantly declined, and inflation continued to soar. As a result, auto financing became more expensive, and inflation also drove up the prices of automobiles, dampening demand in the market due to reduced disposable incomes. Furthermore, the industry faced challenges due to the upward revision of sales tax, capital value tax, and withholding tax rates.

As evident from the provided table 3.8, with the exception of buses, there has been a substantial decline in the local auto industry during July-March FY2023 as compared to same period last year. The growth in the case of buses was an anomaly, primarily due to existing demand and available reserve stocks of parts and CKDs for buses. Next to buses, heavy commercial vehicles, particularly trucks, also experienced a decline of 39.8 percent as demand diminished.

The production and sales of passenger cars saw a significant decline during July-March FY2023, with production down by 47.3 percent to 87,820 units and sales down by 50 percent to 85,776 units, compared to 166,768 units and 172,612 units produced and sold during July-March FY2022, respectively. This decline in production and sales was observed across all segments of passenger cars, and was primarily attributed to import restrictions that resulted in intermittent non-production days, leading to a loss in growth for the industry. Despite the addition of two new products, Cherry Tiggo and Sazgar Haval, the production and sales of light commercial vehicles (LCV) and sport utility vehicle (SUVs) also experienced a decline of 20 percent and 25 percent, respectively, due to import restrictions.

The farm tractor sector experienced a significant decline during the period with production and sales tend to decline by 46 percent and 49 percent, respectively. Sales amounted to 21,233 units, compared to 41,603 units sold in the corresponding period of the previous year. This sharp decline can be attributed to various factors, including constraints on the import of raw materials and critical parts, which have impacted the overall productivity of farm tractor sector. Additionally, the industry has been grappling with a persistent tax anomaly, where billions of rupees are locked up in refunds, hindering the natural growth of the industry.

The two/three wheelers sector experienced a significant and unprecedented decline in production and sales, with a decrease of 33.3 percent and 33.0 percent, respectively. Notably, all units within the two/three wheeler sector showed negative growth during the period, as they faced supply constraints of crucial parts due to import restrictions. Two/three wheelers are known to offer a cost-effective mode of public transportation for the lower income group, but at the same time, they are highly price-sensitive. The massive exchange rate losses during July-March FY2023 resulted in rampant inflationary conditions, leading to inevitable price increases, which in turn reduced demand in the market for two/three wheelers. Table 3.8 summarizes the category-wise production of automobiles.

Table 3.8: Production of Automobiles

Category	Installed Capacity	No. of Units		
		2021-22	2022-23	% Change
		(July-March)	(July-March)	
Car	341,000	166,768	87,820	-47.3
LCV/Jeeps/SUV/Pickup	52,000	32,341	25,938	-19.8
Bus	5,000	459	606	32.0
Truck	29,000	4,445	2,677	-39.8
Tractor	100,000	41,872	22,626	-46.0
2/3 Wheelers	2,500,000	1,389,027	925,943	-33.3

Source: Pakistan Automotive Manufacturer Association (PAMA)

The automobile sector in the country contributes approximately 4 percent to the GDP and constitutes around 15 percent of the LSM sector, making it a significant contributor to industrial output and capable of meeting domestic automobile demands. It is also a major revenue generator and job multiplier. Over the past four decades, the country has developed a strong engineering base with investments from international brands and technology transfers.

3.4.2 Fertilizer Industry

Fertilizer, one of the key inputs in determining the crop productivity, contributes on an average 30 to 50 percent towards crop's yield. Share of fertilizer in cost of production of major crops in Pakistan is 10-15 percent. Urea and Diammonium Phosphate (DAP) are the major fertilizers used in Pakistan. Other fertilizers in use are Calcium Ammonium Nitrate (CAN), Nitrophos (NP), Mono-Ammonium Phosphate (MAP), Single Super Phosphate (SSP), Ammonium Sulfate (AS), NPKs, Sulfate of Potash (SOP) and Muriate of Potash (MOP). There are nine urea manufacturing plants: one DAP, two CAN and NP each, four SSP and one SOP in the country.

Overall domestic production of fertilizers during July-March 2023 decreased by 8.3 percent over the same period of previous fiscal year. The decrease in fertilizer production was attributed to closure of two urea manufacturing plants (Fatimafert and Agritech) during January to 29th March, 2023 due to non-availability of gas and interrupted supply of gas to the Fuji Fertilizer Bin Qasim Limited plant.

Import of fertilizer also decreased by 26.2 percent, therefore, total availability of fertilizer decreased by 11.2 percent during first nine months of current fiscal year. Total offtake of fertilizer nutrients has witnessed decrease by 15 percent. Reduction in fertilizers offtake is due to high prices of phosphatic and potash fertilizers in international / domestic market and floods during August-September, 2023.

Total availability of urea during Kharif 2022 was 3,460 thousand tonnes, comprising of 200 thousand tonnes of opening inventory, 3,158 thousand of domestic production and 103 thousand of imported supply. Total offtake was 3,137 thousand tonnes, leaving inventory of 294 thousand tonnes for Rabi 2022-23. Availability of DAP was 912 thousand tonnes comprising 276 thousand of opening inventory, 451 thousand tonnes of local production and 185 thousand tonnes of imported supplies. DAP offtake was 490 thousand tonnes leaving an inventory of 460 thousand tonnes for upcoming Rabi 2022-23.

Rabi 2022-23 started with opening inventory of 294 thousand tonnes of urea. Domestic production during Rabi 2022-23 is estimated around 2,928 thousand tonnes and 298 thousand tonnes of imports. Thus total availability will be 3,520 thousand tonnes. Offtake is around 3,470 thousand tonnes leaving a closing balance of 67 thousand tonnes for upcoming Kharif 2023. DAP availability during Rabi 2022-23 is estimated about 988 thousand tonnes, which includes 460 thousand tonnes of opening inventory, 302 thousand tonnes of imported supplies and domestic production of 226

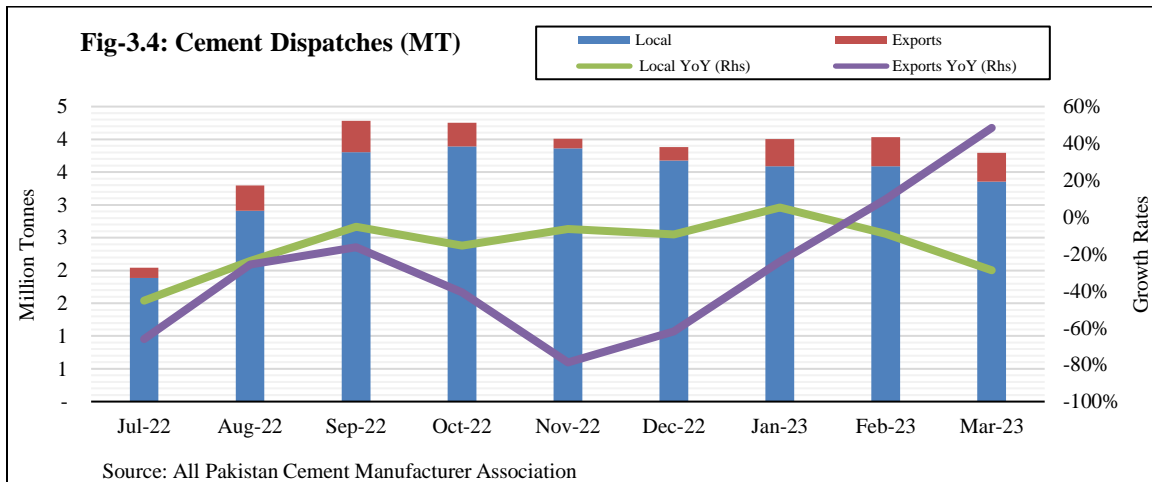
thousand tonnes. Offtake of DAP during Rabi season is around 702 thousand tonnes, leaving a balance of 284 thousand tonnes for next season.

3.4.3 Cement Industry

Cement industry in Pakistan has faced significant challenges in recent months, including a decrease in demand due to the impact of floods on infrastructure and construction slowdown caused by political uncertainty. The government’s fiscal constraints and limited foreign aid have delayed rehabilitation efforts, further affecting cement demand. Additionally, the economic slowdown in global markets has resulted in lower cement exports, with countries like Sri Lanka and Bangladesh facing foreign exchange crises. Besides, the industry has also been impacted by the massive increase in prices of construction materials. Despite being one of the top cement producers in the world, the cement sector in Pakistan is currently facing

various challenges, which have affected its progress and sales in recent months.

Cement industry showed a hefty decline of 24.2 percent in March FY2023 on Y-o-Y basis due to massive decline in exports. Total cement dispatches stood at 3.80 million tonnes (mt) as against 5.01 mt last year. Domestic consumption suffered a contraction of 28.7 percent and reached to 3.36 mt as compared to 4.71 mt in March FY2022. Despite the challenges, there was a positive aspect with an uptick in export shipments, which surged by 48.5 percent from 0.30 mt to 0.44 mt over the same timeframe. The launch of two developmental projects by the World Bank in Afghanistan, resulting in the construction of concrete roads and streets, has created a surge in the demand for cement in Afghanistan. As a result, the exports of cement from Pakistan to Afghanistan have increased significantly in last two months.



Northern Region

Domestic consumption in the north recorded at 2.72 mt in March FY2023 as compared to 3.85 mt dispatches in the same month last year thus showing a negative growth of 29.3 percent. Exports from north grew by 24.6 percent and stood at 0.10 mt during the period as compared to 0.08 mt same period last year.

Southern Region

Domestic consumption in the south decreased by 26.2 percent and reached to 0.64 mt in March FY2023 as compared to 0.86 mt in March FY2022. While exports from the region

increased by 57.4 percent, from 0.21 mt to 0.34 mt in March FY2023.

Cumulative Dispatches

Total local dispatches during July-March FY2023 dipped by 15.5 percent to 30.56 mt from 36.17 mt last year. Additionally, total exports during the same period amounted to 3.04 mt, reflecting a decline of 34.5 percent as compared to 4.64 mt in the corresponding period of the previous year. Dispatches in the northern region experienced a significant decline of 16.3 percent, whereas the southern region witnessed a notable drop of 10.9 percent in local dispatches. Exports

from the north surged by 14.6 percent, while south witnessed fall of 43.1 percent during the period.

Cumulative dispatches (local & exports) posted

a decline of 17.6 percent and reached 33.6 mt during July-March FY2023 against 40.8 mt in the corresponding period. Data related to cement production capacity and dispatches is reported in Table 3.9.

Table 3.9: Cement Production Capacity & Dispatches (Million Tonnes)

Years	Production Capacity	Capacity Utilization (%)	Local Dispatches	Exports	Total Dispatches
2015-16	45.62	85.21	33.00	5.87	38.87
2016-17	46.39	86.90	35.65	4.66	40.32
2017-18	48.66	94.31	41.15	4.75	45.89
2018-19	59.74	78.48	40.34	6.54	46.88
2019-20	63.63	75.14	39.97	7.85	47.81
2020-21	69.92	82.15	48.12	9.31	57.43
2021-22	69.92	75.65	47.64	5.26	52.89
July-March					
2021-22	51.94	78.58	36.17	4.64	40.82
2022-23	74.24	60.34	30.56	3.04	33.60

Source: All Pakistan Cement Manufacturers Association (APCMA)

3.5 Small and Medium Enterprises

Globally, Small and Medium Enterprises (SMEs) are recognized as a critical pillar for poverty alleviation, as they generate employment opportunities, increase living standards, and promote equitable income distribution. Small and Medium Enterprises Development Authority (SMEDA) is a government agency in Pakistan that is responsible for promoting the development of SMEs in the country. It has a comprehensive mandate to promote the growth of the SME sector in order to support their role in economic development, with initiatives that include business development services, infrastructure development, industry support, human capital development, and partnerships with national and international development organizations. Key activities/achievements of SMEDA during July-March FY2023.

National SME Policy 2021

During the FY2023, significant progress was made in implementing the National SME Policy 2021 in Pakistan. In terms of the regulatory and tax environment, the Government of Khyber

Pakhtunkhwa simplified regulations by eliminating the need for non-hazardous structure NOCs, reducing NOC timelines, exempting small traders from trade license fees, and introducing an E-Challan System for regulatory compliance. Efforts were made to support entrepreneurship, innovation, and incubation through the proposal for adopting the Limited Liability Partnership Act 2017. Women entrepreneurship development initiatives included a consultative meeting and a diagnostic study, while market access was enhanced through plans for an SME Export Readiness & E-Commerce Support Program and the launch of an E-Commerce Initiative. Additionally, the establishment of the SME Registration Portal (SMERP) allowed for the registration of 324 SMEs, with 236 SMEs receiving SME Size Certificates.

National Business Development Program for SMEs (NBDP)

The NBDP is a government-funded project that provides start-up support and business improvement services to SMEs. The program offers Business Development Services (BDS) such as marketing, technology, incubation,

research & development, and organizational development services. Its goal is to facilitate the growth of 314,901 SMEs over five years with a total budget of Rs 1954.978 million. In FY 2023, Rs 282.104 million has been allocated. The program has provided formalization and management information to 115,650 SMEs and capacity-building support to 53,018 SMEs. Additionally, grant programs have been launched, including 122 early-stage start-up grants, growth-stage start-up matching grants, and 50 organizational grants disbursed to SMEs to support the development of their internal infrastructure and systems.

1000 Industrial Stitching Units, All Over Pakistan

SMEDA is executing a government-sponsored PSDP project aimed at promoting value addition in the field of textile garments. The project seeks to establish industrial stitching units across the country by providing financial assistance through matching grants. Under the project, 60 percent of the grant in the form of machinery is funded by the project while the owner/entrepreneur of the stitching unit bears the remaining 40 percent of the cost. The total cost of the project is Rs 350.54 million, with Rs 80 million allocated for FY 2022-23. The plan is to establish 40 units in the current fiscal year, and 156 applications were received and validated between July-March FY 2023.

Institutional Strengthening & Stakeholders Networking

SMEDA has signed a MoU with HEC and 5 Higher Education Institutions (HEIs) to implement a pilot project called National Idea Lab (NIL) aimed at improving the country's entrepreneurial ecosystem. The universities include NUST Islamabad, NTU Faisalabad, IMS Peshawar, NEDUET Karachi, and BUIITEMS Quetta. Awareness seminars on SMEDA and NIL were conducted at NUST, NTU Faisalabad, and IMS-Peshawar during the period under review.

NBDP has introduced an E-Commerce Awareness, Training & Incubation Support activity in Pakistan to encourage and promote E-

commerce business startups and link SMEs with local and international markets. Two Business Development Service Providers (BDSPs), Extreme Commerce and Enablers Insight Pvt. Limited, have been engaged through a competitive process. The initiative has two components: Online Awareness, Training and Amazon Private Label Bootcamp for SMEs Program on E-commerce, and E-commerce Business Development Support through Incubation Centers.

SMEDA ONE WINDOW (SOW) – A Step towards Creating a Hassle-Free Business Environment for SMEs

SMEDA has launched the One Window (SOW) program to link SMEs and startups with regulatory authorities for compliance with regulations. The program aims to simplify the process of starting and running a business by consolidating federal and provincial government procedures. It offers subsidies in service fees and provides guidance on requirements based on business ownership structure. During July-March FY 2023, 109 applications were received and 84 Letters of Intent (LOI) issued. The program aims to benefit smaller enterprises, which suffer disproportionately from the burden of compliance.

Technology Up-gradation, Common Facility Centers & Business Facilitation Centers

The Federal Government is supporting the development of SMEs through initiatives such as building skills, providing access to technology, and developing modern business infrastructure. SMEDA is implementing several PSDP funded projects from July-March FY 2023, including establishing a product development center for composites based sports goods, running a SME business facilitation center, establishing business skill development centers for women, implementing skill training programs in Batik and Screen Printing, establishing agro food processing facilities, identifying land for the project and hiring personnel, and providing research, regulatory insight, and advocacy assistance for SMEs. Additionally, following over the counter services are shown in Table 3.10.

Table 3.10: SMEDA Over the Counter Services

Sr. No.	Initiatives	July-March FY2023
1.	SME Facilitation	1,501
2.	Pre-feasibility Studies Development (New & Updated)	16
3.	Investment Facilitation (Rs million)	27.5
4.	Business Plans	1
5.	Training Programs	108
6.	Theme Specific Helpdesks	36
7.	Cluster / District Profiles (New and Updated), Diagnostic / Value Chain Studies	6
8.	Trade Analysis	3
9.	Translation of Urdu prefeasibility study	4
10.	SMEDA Web Portal (Download Statistics)	71,724
11.	SME Observer	1 Issue
12.	SMEDA Newsletter	3 Issues

Source: SMEDA

Special Projects with International Development Partners

SMEDA is working with international development partners on two projects. The first is the SMEDA Industrial Support Program, which provides technical assistance to SMEs to improve productivity, quality, and energy efficiency. During July-March 2023, the program introduced Japanese productivity improvement tools, conducted training programs, performed energy audits, provided technical assistance for Photovoltaic (PV) system installation, implemented Internet of Things (IoT) solutions, and developed technical guides. The second project is called GRASP and aims to boost the competitiveness of small-scale firms in the livestock and horticulture sectors in Sindh and Balochistan provinces. During the same period, SMEDA supported the project by procuring office equipment, acquiring office spaces, conducting need assessments, and organizing training programs. Additionally, new businesses were registered in Sindh and Balochistan.

3.6 Mining and Quarrying

The mining and quarrying sector contributes around 1.6 percent of Pakistan's GDP and employs around 200,000 people directly. The sector includes activities related to the extraction of natural resources such as minerals, coal, and precious stones from the earth. It also includes

the production of fuels such as coal and petroleum, which are used for energy production. Additionally, the sector includes quarrying activities, which involve the extraction of construction materials such as sand, gravel, and limestone used in various construction projects. The sector provides essential raw materials to various industries, including cement, construction, and steel. However, the sector faces challenges such as outdated mining practices, lack of investment, and inadequate government policies and regulations. The sector posted a negative growth of 4.4 percent during FY2023 against the contraction of 7.0 percent last year.

3.6.1 Minerals

Pakistan possesses abundant reserves of various minerals including coal, copper, gold, chromite, mineral salt, and bauxite among others, owing to its distinctive geological features. However, the development of the mining sector in Pakistan has been hindered by inadequate infrastructure, lacking technology, and insufficient financial resources.

During July-March FY2023, production of major minerals such as Coal, Dolomite, Barytes, Lime Stone, Rock Salt and Ocher witnessed the growth of 17.6, 42.2, 53.6, 10.6, 12.4 and 15.4 percent, respectively. Further details of the extraction of principal minerals are given in the Table 3.11.

Table 3.11: Extraction of Principal Minerals

Minerals	Unit of Quantity	2019-20	2020-21	2021-22	July-March		%Change FY23/FY22
					2021-22	2022-23*	
Coal	000 M.T	8,428	9,229	9,677	7,365	8,661	17.60
Natural Gas	000 M.CU.Mtr	37.29	36.22	37.03	28.2	25.58	-9.29
Crude Oil	M.Barrels	28.09	27.56	28.09	21.70	19.48	-10.23
Chromite	000 M.T	121	140	195	127	111	-12.60
Magnesite	000 M.T	16	15	6	6	3	-50.00
Dolomite	000 M.T	302	388	487	325	462	42.15
Gypsum	000 M.T	2,150	2,527	2,325	1,232	1,170	-5.03
Lime Stone	000 M.T	65,810	76,632	58,362	39,581	43,793	10.64
Rock Salt	000 M.T	3,369	3,366	2,716	2,037	2,289	12.37
Sulphur	000 M.T	20	19	16	12	9	-25.00
Barytes	000 M.T	55	52	128	84	129	53.57
Iron Ore	000 M.T	574	806	717	620	300	-51.61
Soap Stone	000 M.T	150	289	301	259	147	-43.24
Marble	000 M.T	5,797	7,917	6,626	4,781	4,401	-7.95
Ocher	000 M.T	132	107	91	65	75	15.38

*: Provisional

Source: Pakistan Bureau of Statistics (PBS)

Each province has its own Mines and Minerals Department which is responsible for exploration, exploitation, and investment promotion of mineral endowments in the provinces. Efforts are being made for scientific exploration and exploitation of the mineral resources in all provinces. The provincial government has given prompt attention towards the development of minerals. Following initiatives have been taken during the period of July-March FY 2023.

Major Initiatives of Punjab:

- New policies for rock salt and limestone mining to promote sustainable and value-added opportunities,
- Competitive bidding for prospecting licenses and mining leases for all minerals in Schedule 3,
- Issuance of exploration licenses for cement plants, coal, and iron ore areas,
- Establishment of a Citizen Contact Center for public access to information and services, and
- Redrafting of Punjab Mining Concession Rules and new Mines & Minerals Regulation Act 2022 in progress.

Major Initiatives of Khyber Pakhtunkhwa

- Deployment of Mining Cadastre System, allowing investors to access mineral title information and manage their granted mineral titles,

- Granting of 1,968 Prospecting Licenses, conversion of 245 Prospecting Licenses into Mining Lease, and renewal of 30 Mining Leases,
- Establishment of regional offices in newly merged districts with a One Window facilitation Centre, and
- Signing of an agreement with Geological Survey of Pakistan for Geological Mapping of Khyber Pakhtunkhwa to identify new mineral investment potential zones.

Major Initiatives of Sindh

- Strengthening of Directorate General Mines and Mineral Development (M&MD): The Directorate General M&MD in Karachi is undergoing construction and renovation to create a comfortable work environment for officials to improve work performance and service delivery. The project includes the establishment of a Mineral Testing Lab, purchasing hardware/furniture/fixtures, geological/lab equipment for exploration activity, and vehicles for field monitoring and officers.
- Profile Study for Identified Minerals for Reserves Estimation in Province of Sindh: The objective of the study is to determine the quantity, quality, and search for new minerals in the province, attracting foreign/local investments and generating economic and employment opportunities.

The data collected will be made available to the public and private investors, and the study will promote activities in public and private sectors while introducing modern mining methods to minimize wastage of minerals.

Major Initiatives of Balochistan

- The Reko-Diq dispute has been settled, and mineral agreements have been reached, bringing in US\$7 billion investment and 7000+ jobs. Investor's confidence is increasing, leading to more interest in the province's mineral resources.
- The Government of Balochistan has established two companies to explore and mine mineral resources in the province. Balochistan Mineral Resources Company Limited (BMRL) and Balochistan Mineral Exploration Company (BMEC) have initiated exploration work and joint ventures with international investors to increase revenue and establish indigenous human resources in modern mining.
- A financial consultant has been hired to analyze the fiscal regime of the Mines & Minerals Development Department and explore possibilities of enhancing revenue from the mineral sector.
- The automation of the licensing regime, royalty management, and inspection on sites has been initiated with the project "Institutional Strengthening Automation of Royalty Regime in Mining Sector." Most modules of the software development have been completed, and data digitization has been carried out.
- The Exploration Promotion Division of DGMM is managing the project to generate mineral resource data of Balochistan using drone-held magnetometers for mineral reconnaissance, aiming to attract mining sector investors from all over the world.
- The integrated development of mining sites has been initiated to enhance labour welfare and safety measures, with the provision of scholarships, safety equipment for inspectorate of mines, and other measures.
- The government is constructing and strengthening check posts and installing

digital weighbridges to curb pilferage and ensure proper record keeping.

- The department is exploring the possibility of establishing a mineral testing laboratory under PPP mode to attract several investors, as Balochistan lacks testing laboratories despite its rich potential of mineral resources.

3.7 Conclusion and Outlook

The fiscal year 2023 has been a challenging one for Pakistan's economy, as the country faced multiple headwinds from both external and internal factors. This resulted in muted performance of LSM as industrial production is mainly dependent on global prospects, import of capital goods, and subsidized financing. Thus, the future prospects of industrial sector are moderate as the strength and duration of the recovery in commodity prices will be a function of many factors, such as the supply chain resilience, and the pace of global economic recovery.

Looking at the upside, once the global shocks of the war in Ukraine, supply chain disruptions, and the resultant spike in commodity prices fade away, the road to global growth and trade prospects would be smoother. Further, china's reopening may provide fresh impetus. Concurrently, on the domestic front, government stabilization measures started reaping its benefits in the form of controlled current account and fiscal deficits, resultantly the policy stance may shift to normalization after gaining full stability in balance of payments. Accommodative policies may give impetus to the stagnant industrial growth will have widespread spillover benefits to other sectors of the economy.

In addition, the government has implemented various initiatives to foster the growth of the industrial sector. Firstly, the government is ensuring a reliable energy supply to export-oriented sectors, particularly the textile industry, by exempting industrial feeders from load-shedding. Additionally, tariff headings for the industrial and manufacturing sectors have been rationalized. Furthermore, sales tax exemptions have been granted for the import and local

supply of solar panels, encouraging the adoption of renewable energy sources.

Moreover, the government has approved the "Greenfield Industrial Policy" aimed at promoting the adoption of new and efficient technologies in the industry. As part of this policy, custom duties are waived on the import of plant and machinery, reducing costs for industrial development.

In the medium term, the government is actively working to address energy-related issues. Initiatives such as the Solar Policy and Power Sector Indigenization Plan (PSIP) are being pursued to generate sufficient energy and promote the localization of electrical power equipment under the National Electricity Policy. Additionally, the government is considering

policy measures, including an improved tariff structure, to create a favorable environment for investors interested in establishing local petrochemical production plants.

Furthermore, the government is implementing reforms under the Pakistan Regulatory Modernization Initiative (PRMI) to reduce regulatory burdens on businesses, particularly SMEs). Efforts are underway to support the establishment of Special Economic Zones (SEZs) to promote industrialization. Online Investment Facilitation Services are being introduced to streamline processes such as work visa issuance, security clearance, and entry passes for investors. Additionally, a projects portal has been created to provide information and support to potential investors.



FISCAL DEVELOPMENT

Jul-Mar FY2023

Total Revenue (Rs. Trillion)

6.94

Tax Revenues **16.5%**
Rs 5.62 tr ↑



Non-Tax Revenues **25.5%**
Rs 1.32 tr ↑



Total Expenditure (Rs. Trillion)

10.02

Current Expenditure **25.3%**
Rs 9.24 tr ↑



Development Expenditure **-1.8%**
Rs 1.01 tr ↓



Fiscal Deficit (% of GDP) **3.6%** ↓



Primary Surplus (% of GDP) **0.6%**



FISCAL DEVELOPMENT

In 2022, the global economy experienced a series of detrimental shocks that muddled not only the present situation but also the outlook for the future. Amidst the recovery from the impact of the COVID-19 pandemic, the Russian-Ukraine war triggered a new crisis by disrupting food and energy markets and intensifying global inflationary pressures. Besides, the instability in the financial sector further exacerbated the situation. In such a highly volatile and challenging economic environment, the expansionary fiscal policy stance adopted in response to the pandemic-induced recession largely came to an end. Due to high inflation and the need to reduce debt vulnerabilities, many countries around the world moved to a tightening stance in 2021–22.

Fiscal deficits across the globe reduced to 4.7 percent of GDP on average in 2022 from 9.6 percent in 2020. Overall fiscal deficits are expected to increase slightly up to 5.0 percent of GDP on average due to increasing interest costs and an anticipated increase in public spending mainly due to higher spending on wages and pensions to compensate for past inflation¹. As economies encounter expenditure pressures, fiscal tightening is expected to slow down global economic activity in 2023. Furthermore, ongoing geopolitical tensions may further necessitate substantial increases in defence spending and budgetary support to mitigate the negative effects of international trade disruptions.

The geopolitical tension, tight financial conditions, and high inflationary pressures have all had a substantial impact on global growth expectations. Pakistan is no exception. The combination of these factors together with flood-

related devastation resulted in a weaker economy, with lower growth expectations. Besides coping with these issues, the government still implemented strict budgetary and monetary policies.

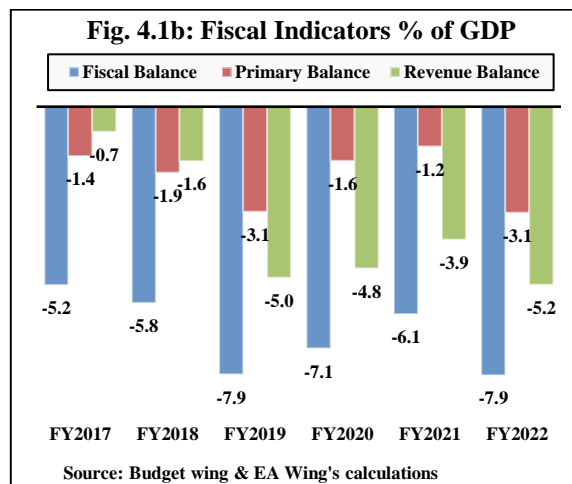
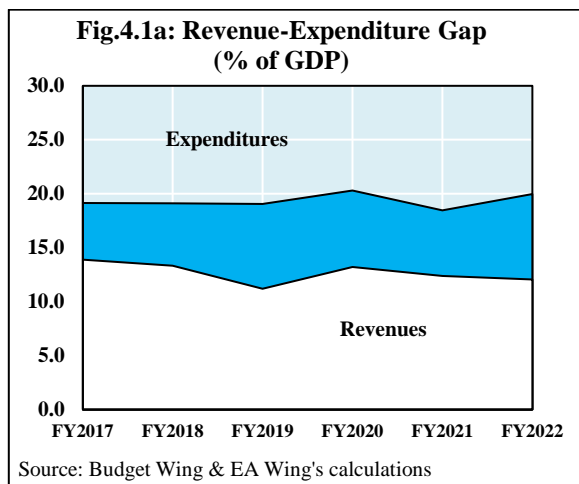
From the start of the current fiscal year, the government followed tight budgetary conditions. However, conditions became severe due to the devastating impact of floods which added to the already existing economic woes of the country. Economic activities across the country stalled as a result of the widespread destruction of the agriculture sector and infrastructure, especially roads and bridges, and other essential services caused by the flood. Additionally, supply disruptions increased domestic food prices that were already at a higher level due to rising international commodity prices and the depreciation of the currency. Thus, the need for additional public spending for reconstruction and rehabilitation was increased. Furthermore, revenue mobilization activities were jeopardized due to a downturn in economic activity. In the wake of these challenges, the government took swift and timely measures to mitigate the economic damage, including cash grants and food assistance to affected families and assistance to farmers through the Kisaan package.

The government is committed to reducing the fiscal deficit to achieve fiscal sustainability and macroeconomic stability despite significant challenges. On one hand, the challenge is to support vulnerable segments of society and on the other hand, there is the daunting task of meeting expenditures on rising interest payments. For this purpose, the government is strictly following prudent expenditure

¹IMF Fiscal Monitor, April 2023

management and an effective domestic resource mobilization strategy. These efforts helped in containing the fiscal deficit to 3.6 percent of GDP during the first nine months of the current fiscal year against 3.9 percent of GDP recorded in the same period of last year. Similarly, the primary balance posted a surplus of Rs 503.8 billion (0.6 percent of GDP) during July-March

FY2023 against a deficit of Rs 447.2 billion (-0.7 percent of GDP) last year owing to a slowdown in the growth of non-mark-up expenditures. The current fiscal performance demonstrates that fiscal consolidation initiatives are on track despite enormous challenges caused by domestic and global economic conditions.



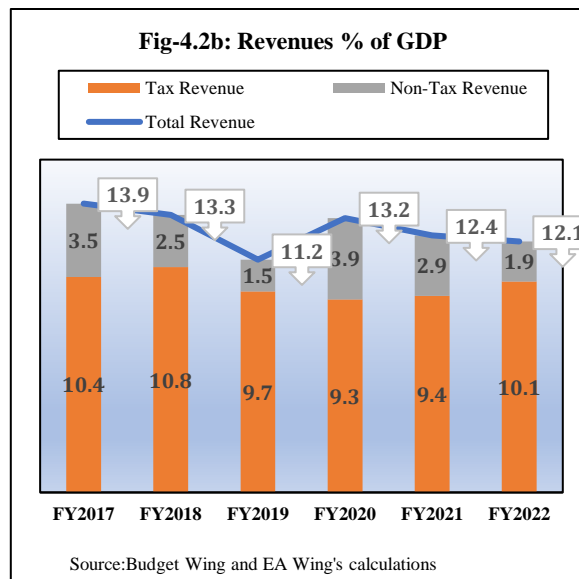
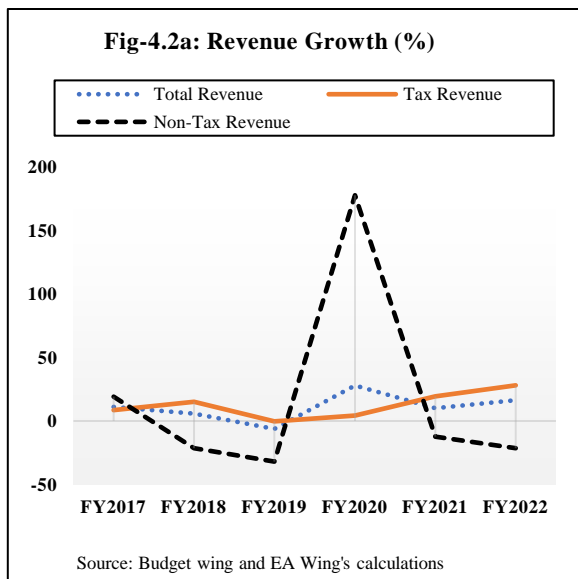
Fiscal Performance (FY2022)

The unprecedented rise in expenditures during FY2022 compared to the revenues put the fiscal sector under severe pressure. Consequently, the revenue expenditure gap widened, and overall, the indicators of fiscal performance witnessed a sharp deterioration in FY2022. For instance, the fiscal deficit widened by 55 percent and reached Rs 5,259.9 billion in FY2022 against Rs 3403.3 billion in FY2021. In terms of GDP, the fiscal deficit increased to 7.9 percent from 6.1 percent during the period under review. The primary deficit reached Rs 2077.5 billion in FY2022 (-3.1 percent of GDP) from Rs 653.6 billion in FY2021 (-1.2 percent of GDP) owing to higher growth in non-markup expenditure. Similarly, a sharp rise in current expenditures relative to revenues jacked up the revenue deficit from 3.9 percent of GDP in FY2021 to 5.2 percent of GDP in FY2022.

driven by increased tax collection from both the federal and provincial governments. Tax collection grew by 28.1 percent to Rs 6755.2 billion in FY2022 against Rs 5272.7 billion in FY2021. In fact, FBR was able to record a substantial increase in tax collection during the year due to various policy and operational measures (digitization, transparency, and taxpayer facilitation), higher prices, and a surge in imports.

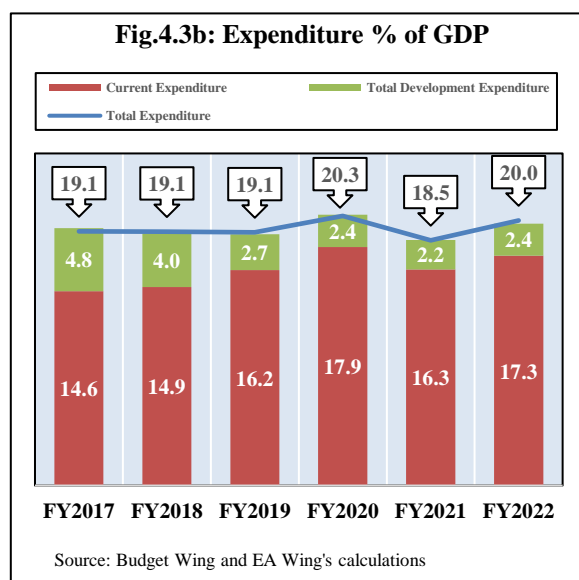
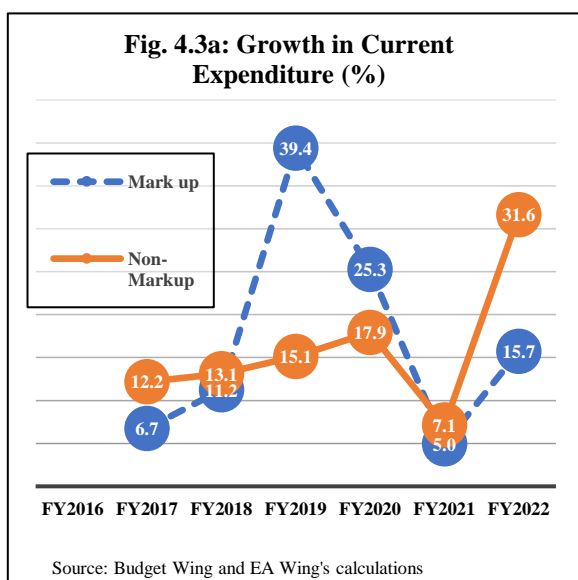
On the other hand, non-tax revenues fell by 21.5 percent and reached Rs 1280.2 billion in FY2022 from Rs 1630.7 billion in FY2021. The drop in non-tax collection was primarily due to a decline in receipts from SBP profits and the considerable decrease in levy receipts owing to the suspension of the petroleum development levy during FY2022. Non-tax revenues fell sharply for the second consecutive year in fiscal year 2022 following an exceptionally high growth in FY2020. In FY2020, the sharp rise was attributed to the significant increase in profits from the SBP, the Pakistan Telecom Authority (PTA), and mark-up income from Public Sector Enterprises (PSEs).

Total revenues grew by 16.4 percent to Rs 8035.4 billion (12.1 percent of GDP) in FY2022 against Rs 6903.4 billion (12.4 percent of GDP) in FY2021. The revenue growth was largely



Total expenditures grew by 29.0 percent (20.0 percent of GDP) in FY2022 from 6.8 percent growth (18.5 percent of GDP) in FY2021. The pace in expenditure growth was driven by a substantial rise in current spending triggered by expenses related to the procurement of the COVID-19 vaccine, IPPs circular debt payments, higher markup payments, and social sector spending. Higher global oil and

commodity prices in response to the Russia-Ukraine war further exacerbated the situation. In the face of these challenges, the announcement of POL subsidies under the Prime Minister Relief Package during the second half of FY2022 further restricted the fiscal space. Overall, the expansionary fiscal policy stance in FY2022 overturned the consolidation gains of the preceding two years.



Current expenditures increased by 26.8 percent in FY2022 against the 6.5 percent growth witnessed during FY2021. The increase was observed on the back of a 33.3 percent growth in

federal spending fueled by both markup and non-mark-up expenditures. The trend of component-wise expenditures is presented in Table 4.1.

Table 4.1: Trends in Components of Expenditure (% of GDP)

Year	Total Expenditure	Current Expenditure	Markup Payments	Defence	Development Expenditure*	Non-Interest Non-Defence Exp	Fiscal Deficit	Revenue Deficit	Primary Balance
FY2016	17.7	14.3	3.9	2.3	4.0	11.5	4.1	-0.8	-0.3
FY2017	19.1	14.6	3.8	2.5	4.8	12.8	5.2	-0.7	-1.4
FY2018	19.1	14.9	3.8	2.6	4.0	12.7	5.8	-1.6	-1.9
FY2019	19.1	16.2	4.8	2.6	2.7	11.7	7.9	-5.0	-3.1
FY2020	20.3	17.9	5.5	2.6	2.4	12.2	7.1	-4.8	-1.6
FY2021	18.5	16.3	4.9	2.4	2.2	11.2	6.1	-3.9	-1.2
FY2022	20.0	17.3	4.8	2.1	2.4	13.1	7.9	-5.2	-3.1
FY2023 B.E	18.1	15.6	5.1	2.0	2.4	11.1	4.9	-2.3	0.2

* excluding net lending, B.E= budget estimates

Source: Budget Wing, Finance Division and EA Wing's Calculations

The growth in markup payments remained restricted at 0.7 percent during July-March FY2022 down from 11.9 percent in the same period of FY2021. However, this trend was reversed during the last quarter of FY2022 wherein the markup payments increased to more than Rs 1 trillion. The increase was witnessed both in domestic and external markup payments. With the increase in the policy rate during the latter half of the current year, the depreciation of the Pak-Rupee together with the increase in LIBOR rates in international markets triggered markup payments to grow by 15.7 percent in FY2022 against 5.0 percent growth in FY2021. However, the share of markup payments in current expenditure was reduced to 28 percent in FY2022 from 30 percent in FY2021.

Higher subsidies remained critical in non-markup expenditures. It grew by 260 percent, owing mostly to increased fuel and energy subsidies. The power and petroleum sectors received the most with a total of Rs 1193 billion in FY2022 compared to Rs 349.0 billion in FY2021. Thus, the share of subsidies to current expenditure climbed to 13.3 percent in FY2022 from 4.7 percent in FY2021.

During FY2022, defence expenditures grew by

7.2 percent against 8.5 percent growth in FY2021. While the expenditures under the running of civil government increased by 8.1 percent in FY2022 after witnessing a decline of 3.5 percent in FY2021. Higher expenditures in this category were noticed due to different relief measures for federal employees to compensate them for income losses caused by higher inflation.

Total development spending increased by 30.5 percent in FY2022 compared to 7.2 percent in FY2021. The PSDP spending climbed by 33.5 percent primarily due to higher development expenditures by the provincial governments, which increased by 58.0 percent for the second consecutive year. Whereas the federal PSDP (net excluding development grants to provinces) declined by 9.2 percent during the year. The decline was primarily attributed to the government's strategy to rationalize development expenditures by prioritizing key development projects to limit escalating fiscal imbalances in FY2022. However, infrastructure, social sector, and regional development for merged districts and special areas (AJ&K, GB) remained the main priority areas under the federal PSDP.

Structure in Tax Revenues

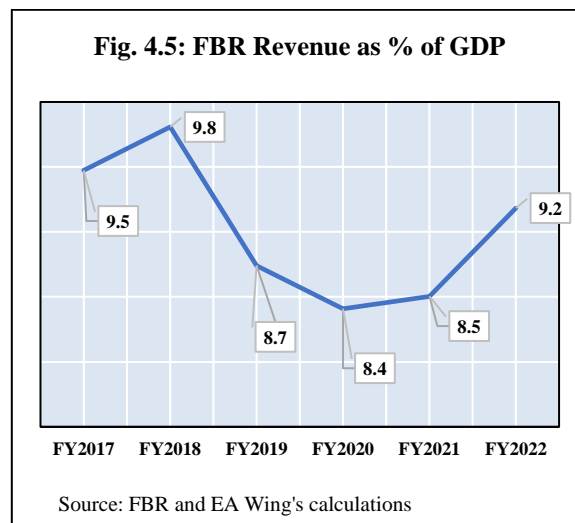
Buoyant tax revenues provide a steady and reliable source of income for a country. It is a fundamental source of public funds for investments in human capital, infrastructure, and the delivery of critical public services, like healthcare and education. Finally, taxes can be used to reduce the burden of public debt, which can help to ensure long-term economic stability.

Pakistan has been struggling to collect sufficient revenues to finance its own development objectives. Federal Board of Revenue (FBR) provides the major contribution to the country’s tax revenue while additional contribution to the country’s tax revenues is provided by the provinces is meager, which are responsible to collect sales tax on services, excise duties, stamp duties, motor vehicle tax, land revenues, etc.

In FY2022, FBR was not only able to surpass the Rs 6.0 trillion mark for the first time in its history, but it also exceeded its upward revised revenue target of Rs 6100 billion by Rs 48.5 billion. Various measures to improve tax collection helped it to achieve a healthy growth of 29.6 percent in FY 2022 against 18.7 percent rise in the preceding year. The net tax collection in FY2022 stood at Rs 6148.5 billion compared to Rs 4,745.0 billion in FY2021. Despite significant growth in absolute terms, the FBR tax-to-GDP ratio hovered between 8.4 to 9.8 percent in the last seven years (Fig. 4.5).

Over the years, Pakistan has been confronting several issues in its tax structure, such as a narrow tax base, lack of enforcement, poor documentation, exemptions/concessions, fragmentations across provinces for different tax rates, complexity of tax code, widespread tax

evasion and avoidance, etc. As a result, Pakistan’s revenue-to-GDP ratio is at the lowest level.



FBR tax collection witnessed broad-based growth in all its revenue heads during FY2022. Particularly, during the second half of FY2022, the growth was more than 27 percent despite challenges, like local and international geopolitical situations, inflation, and zero rating of petroleum products. In FY2022, customs duties recorded the highest growth at 35 percent, followed by direct taxes at 32 percent, sales tax at 27.4 percent, and Federal Excise Duty (FED) at 15.7 percent. The share-wise analysis shows that direct taxes contributed 37.2 percent in total FBR tax collection, while indirect tax contribution remained at 62.8 percent during FY2022. Within total FBR collection, sales tax remained the top revenue-generating source with a 41.2 percent share, customs duty 16.4 percent, and FED 5.2 percent, respectively. The structure of federal tax revenue is presented in Table 4.2.

Table 4.2: Structure of Federal Tax Revenue (Rs Billion)

Year	Total (FBR)	Tax Rev as % of GDP	Direct Taxes	Indirect Taxes			
				Customs	Sales	Excise	Total
FY2016	3,112.7	9.5	1,217.3	404.6	1,302.7	188.1	1,895.4
			[39.1]	{21.3}	{68.8}	{9.9}	[60.9]
FY2017	3,367.9	9.5	1,344.2	496.8	1,329.0	197.9	2,023.7
			[39.9]	{24.5}	{65.7}	{9.8}	[60.1]
FY2018	3,843.8	9.8	1,536.6	608.4	1,485.3	213.5	2,307.2
			[39.7]	{26.4}	{64.4}	{9.3}	[60.0]

Table 4.2: Structure of Federal Tax Revenue (Rs Billion)

Year	Total (FBR)	Tax Rev as % of GDP	Direct Taxes	Indirect Taxes			
				Customs	Sales	Excise	Total
FY2019	3,828.5	8.7	1,445.5	685.6	1,459.2	238.2	2,383.0
			[37.8]	{28.8}	{61.2}	{10.0}	[62.2]
FY2020	3,997.4	8.4	1,523.4	626.6	1,596.9	250.5	2,474.0
			[38.1]	{25.3}	{64.5}	{10.1}	[61.9]
FY2021	4,745.0	8.5	1,731.3	748.4	1,988.3	277.0	3,013.7
			[36.5]	{24.8}	{66.0}	{9.2}	[63.5]
FY2022	6,148.5	9.2	2,284.9	1,010.7	2,532.2	320.7	3,863.6
			[37.2]	{26.2}	{65.5}	{8.3}	[62.8]
FY2023 (B.E)	7,470.0	9.6	3,039.0	953.0	3,076.0	402.0	4,431.0
			[40.7]	{21.5}	{69.4}	{9.1}	{59.3}

B.E: Budget Estimate

[] as % of total taxes , { } as % of indirect taxes Source: Federal Board of Revenue

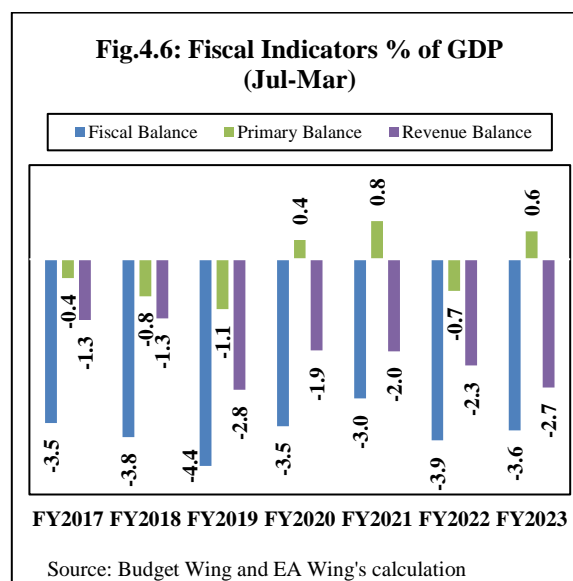
Despite significant economic challenges, FBR’s various initiatives to improve tax collection yielded remarkable performance. The Point of Sales (POS) system for documenting the retail sector and the Track and Trace System (TTS) for capturing some of the major large-scale manufacturing (LSM) sectors across the country, were particularly important in enhancing tax collection.

Fiscal Performance (July-March FY2023)

To address the challenges posed by the expansionary fiscal policy stance adopted in FY2022 and to create an environment conducive to sustainable and inclusive growth, the current fiscal year's budget outlined a strategy for fiscal consolidation. It entailed reducing unnecessary spending and improving tax revenues. Moving away from untargeted subsidies was also prioritized to create ample fiscal space to safeguard the poor against inflation.

The government’s prudent and calibrated response resulted in better fiscal accounts during the first nine months of the current fiscal year. During July-March, FY2023, the fiscal deficit was contained at 3.6 percent of GDP against 3.9 percent recorded in the same period of last year. Similarly, the primary balance posted a surplus of Rs 503.8 billion in July-March FY2023 as compared to a deficit of Rs 447.2 billion last

year, reflecting a slowdown in the growth of non-markup expenditures. However, the revenue deficit deteriorated indicating a higher growth in current expenditures due to a substantial increase in markup payments.



According to the consolidated fiscal operations, total revenues increased by 18.1 percent from Rs 5,874.2 billion in July-March FY2022 to Rs 6,938.2 billion during July-March FY2023. Both tax and non-tax collection contributed to an increase in overall revenues. Tax revenues (federal and provincial) witnessed a growth of 16.5 percent on the back of a significant rise in FBR tax collection despite various economic

challenges at the domestic and global level. In absolute terms, total tax collection reached Rs 5,617.7 billion in July-March FY2023 against Rs 4,821.9 billion in the same period of last year.

The information pertaining to the consolidated revenue and expenditure of the government is depicted in Table 4.3.

Table 4.3: Consolidated Revenue and Expenditure of the Government

	FY2023 B. E	July-March		Growth
		FY2023	FY2022	
A. Total Revenue	10,370.0	6,938.2	5,874.2	18.1
% of GDP	13.3	8.2	8.8	-
a) Tax Revenue	8,260.0	5,617.7	4,821.9	16.5
% of GDP	10.6	6.6	7.2	-
Federal (FBR Taxes)	7,470.0	5,155.9	4,383.6	17.6
% of GDP	9.6	6.1	6.6	-
Provincial Tax Revenue	790.0	461.8	438.3	5.4
b) Non-Tax Revenue	2,110.0	1,320.5	1,052.2	25.5
% of GDP	2.7	1.6	1.6	-
B. Total Expenditure	14,167.0	10,016.9	8,439.8	18.7
% of GDP	18.1	11.8	12.7	-
a) Current Expenditure	12,183.0	9,244.6	7,378.0	25.3
% of GDP	15.6	10.9	11.1	-
Federal	8,627.0	6,607.9	5,209.9	26.8
Markup Payments	3,950.0	3,582.4	2,118.5	69.1
% of GDP	5.1	4.2	3.2	-
Defence	1,563.0	1,000.7	881.9	13.5
% of GDP	2.0	1.2	1.3	-
Provincial	3,557.0	2,636.7	2,168.2	21.6
b) Development Expenditure & Net Lending	1,984.0	1,060.4	1,051.1	0.9
% of GDP	2.5	1.3	1.6	-19.7
PSDP	1,893.0	1,014.0	1,032.7	-1.8
Federal	644.0	292.9	308.6	-5.1
Provincial	1,249.0	721.0	724.1	-0.4
c) Net Lending	91.0	46.5	18.4	-
d) Statistical discrepancy	-	-288.1	10.7	-
C. Overall Fiscal Balance	3,797.0	-3,078.7	-2,565.6	20.0
% of GDP	4.9	-3.6*	-3.9**	-
D. Primary Balance	-153.0	503.8	-447.2	-
% of GDP	-0.2	0.6	-0.7	-
E. Revenue Balance	-1,813.0	-2,306.4	-1,503.9	53.4
% of GDP	-2.3	-2.7	-2.3	-
Financing	3,797.0	3,078.7	2,565.6	20.0
i) External Sources	1,611.2	-682.8	981.5	-
ii) Domestic	2,185.0	3,761.5	1,584.2	137.4
- Bank	93.2	1,958.8	1,051.7	86.2
- Non-Bank	1,996.3	1,802.7	532.4	238.6
- Privatization Proceeds	96.4	-	-	-
GDP at Market Prices	78,197	84,658	66,624	27.1

*: on the basis of Provisional GDP estimates

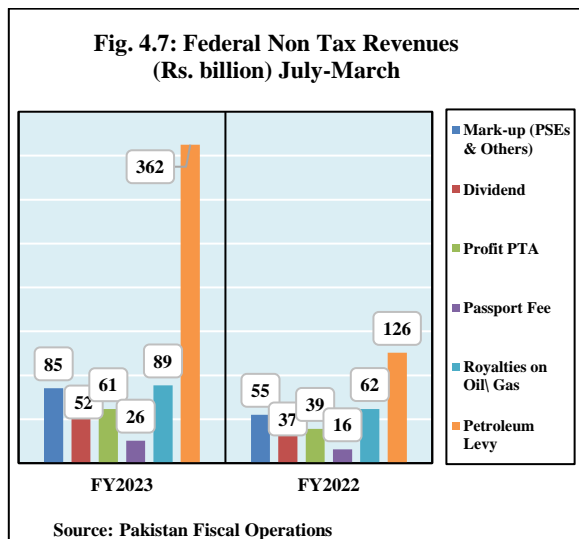
** : on the basis of Revised GDP

Source: Budget Wing, Finance Division; B.E = Budget Estimates

Similarly, non-tax revenues increased by 25.5 percent to stand at Rs 1,320.5 billion during July-March FY2023 against Rs 1,052.2 billion in

the comparable period of last year. In total, the federal non-tax collection increased by 26.7 percent, while provincial non-tax collection

increased by 12.8 percent. Higher receipts from petroleum levy, markup (PSEs and others), royalties on oil/gas, and passport fee remained the main drivers to trigger a substantial growth in federal non-tax revenues during the period under review.



During the current fiscal year, massive floods caused unexpected expenditures to meet immediate needs like the cost of additional doctors, teachers, rubble removal, and temporary shelters together with cash grants and food assistance to affected families. Nonetheless, the government's fiscal consolidation measures during the year supported better expenditure control.

The government has taken various austerity measures to curtail expenditure and ensure rational utilization of public money to reduce the fiscal deficit. Under these measures, a ban was implemented on the purchase of all types of vehicles except utility vehicles, creation of new posts, treatment abroad at government expense, purchase of office furniture, purchase of machinery and equipment, official visits abroad by Govt. functionaries where GoP funding is involved except obligatory visits and official lunches/dinners / hi-tea except for foreign delegations.

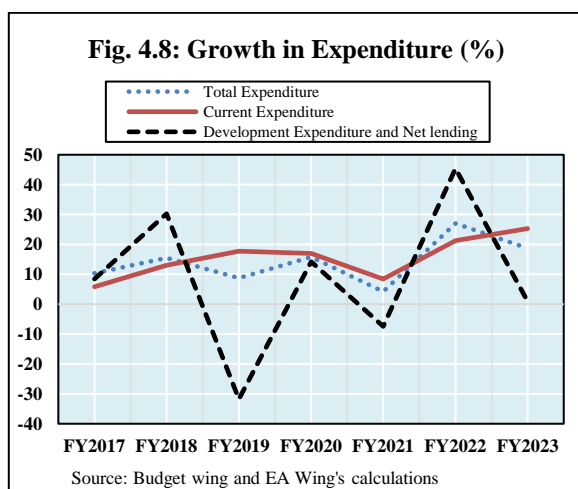
Keeping in view the economic and financial challenges being faced by the country and to conserve scarce resources, the government decided to take further steps to curtail expenditures and bring austerity in public expenditure. For this purpose, a National Austerity Committee was constituted to recommend additional measures. The additional measures for austerity were approved by the Federal Cabinet in its meeting held on 22nd February 2023 (Box-I). To ensure the implementation of these decisions, the Prime Minister has constituted a committee for the implementation of national austerity measures. The committee held 2 meetings on 27th February 2023 and 13th March 2023 under the chair of the Finance Minister in the Finance Division to review the progress of implementation of austerity measures approved by the Federal Cabinet.

Box I: Austerity Measures

- Federal Ministers, Advisers, MOSs, and SAPMs voluntarily forego salary and allowances.
- All Ministers will continue to pay for utilities, i.e. gas, electricity, water, and telephone from their own pocket.
- All luxury vehicles presently deployed with cabinet members shall be withdrawn.
- Only one security vehicle shall be provided to the cabinet members where necessary.
- Cabinet members shall travel in Economy Class on domestic and foreign visits. No support staff shall be allowed to accompany on foreign visits.
- Cabinet members shall not stay in 5-star hotels during their visits abroad.
- **15% cut** (on an annualized basis) shall be applied in Non-Employee Related Expenses (ERE) current expenditure of all Ministries/Divisions/Attached Departments/Sub-ordinate Offices/Autonomous Bodies, etc. Necessary adjustments in their budget shall be made by the concerned Principal Accounting Officer.
- There shall be a complete ban on the purchase of all new durables till June 2024.
- There shall be a complete ban on the purchase of all vehicles till June 2024.
- Foreign travel of officers shall be allowed only on obligatory visits and in Economy Class. No support staff shall be allowed to accompany.
- Officers on visit abroad shall not stay in 5-star hotels.

- Official vehicles in use of Ministries/Divisions of the Federal Government shall stand withdrawn from those senior officers who are already availing the benefit of car monetization. Action will be taken against the misuse of official vehicles.
- Security vehicles deployed with government officers shall be withdrawn. A committee under Interior Minister may allow a maximum of one vehicle on a case-to-case basis where there is a serious threat to the officer.
- No luxury vehicle shall be allowed for use by cabinet members, public functionaries, and government officers.
- Teleconferencing shall be promoted to reduce traveling and lodging expenditures.
- No new entity shall be created in the Federal Government.
- There shall be a complete ban on the creation of new administrative units (Divisions, Districts, Sub-Divisions and Tehsils) for two years.
- The Single Treasury Account, on which work has been initiated by the Finance Division, shall be implemented immediately.
- Public/government servants shall not be allotted more than one plot with immediate effect.
- A committee under the Law Minister will identify official residences above 1000sq yards for sale/utilization in PPP mode.
- Single dish in case of meal, and tea and biscuits on other occasions shall be served in government events/meetings. This will be served at official premises and not in the hotel except in the case of a foreign delegation.
- The Cabinet may like to request the Chief Justice of Pakistan and Provincial Chief Ministers to take similar decisions for their respective institutions/governments.

Total expenditure grew by 18.7 percent to Rs 10,016.9 billion in July-March FY2023 against Rs 8,439.8 billion in the same period of last year. Within total expenditures, current expenditures increased to Rs 9,244.6 billion during July-March FY2023 from Rs 7,378.0 billion in the same period of FY2022, showing a growth of 25.3 percent.



Higher growth in current expenditures during July-March FY2023 is mainly driven by a 69.1 percent growth in markup payments as compared to a 0.7 percent increase in the same period of FY2022. The significant rise in markup

payments has been attributed to a rise in servicing on both domestic and foreign debts due to higher policy rates at the domestic and international levels and a Pak-Rupee depreciation. In contrast, non-markup current expenditures grew by 7.7 percent during July-March FY2023 against the substantial increase of 32.1 percent in the comparable period last year. The restricted growth during July-March FY2023 has been observed mainly due to the decline in expenditures on subsidies and grants and is consistent with the government's efforts to ensure fiscal consolidation.

During July-March FY2023, expenditures of Rs. 524.4 billion were incurred under subsidies as compared to Rs 575.2 billion in the comparable period of last year. Thus, it reduced by 8.8 percent during the first nine months of the current fiscal year, against an unprecedented growth of 181.6 percent in the same period last year. The decline has been realized on the back of lower subsidies to the power sector that reduced by 24.2 percent to reach Rs 388.9 billion during July-March FY2023 against Rs 512.8 billion in the same period last year. According to the breakup of subsidies, Rs 20.7 billion was provided to the Utility Store Corporation for the Ramzan Package and Prime Minister Package to

provide support to the oppressed segments of society. Similarly, grants to others were reduced by 32.9 percent during July-March FY2023 against a substantial increase of 116.8 percent recorded in the comparable period last year. In absolute terms, expenditures on grants stood at Rs 617.5 billion in July-March FY2023 against Rs 920.0 billion in the same period last year. However, within total grants, the expenditures on Benazir Income Support Program and Pakistan Poverty Alleviation Fund grew by 67.5 percent and 15.7 percent, respectively, during July-March FY2023.

Contrary to the sharp increase in current expenditures, development expenditures, and net lending recorded a marginal increase of 0.9 percent to stand at Rs 1,060.4 billion during July-March FY2023 against Rs 1,051.1 billion in the comparable period of last year. Within total, expenditures under PSDP (Federal and Provincial) registered a decline of 1.8 percent to Rs 1,014.0 billion in July-March FY2023 against Rs 1,032.7 billion in the same period of last year.

The Federal PSDP (including development grants to provinces) stood at Rs 328.8 billion during July-March FY2023 against Rs 452.3 billion in the same period of last year, showing a decline of 27.3 percent. The pace of utilization during July-March, FY2023 is relatively slow mainly due to low quarterly release ceilings for the 1st half i.e., 30 percent against 50 percent during the same period of last financial year. Furthermore, austerity measures also dampen the utilization. The main priority areas under federal PSDP during the current fiscal year are

infrastructure (energy, transport & communication, water resource development), the Social sector, particularly, SDGs, and regional development for merged districts and Special areas (AJ&K,GB).

The financing requirements during July-March FY2023 were met through domestic sources. The domestic resources fetched Rs 3,761.5 billion during July-March FY2023, out of which, financing from banks stood at Rs 1,958.8 billion and from non-banks Rs 1,802.7 billion.

FBR Tax Collection (July-April FY2023)

FBR net provisional tax collection increased by 16.1 percent to Rs 5637.9 billion against Rs 4,855.8 billion in a similar period last year. The domestic component of tax revenue collected by the FBR increased by 20.2 percent and stood at Rs 4,886.1 billion in the first ten months of the current fiscal year as compared to Rs 4,064.0 billion last year.

The net collection of direct tax has registered a growth of 44.2 percent during the first ten months of FY 2023. The net collection of direct tax has increased from Rs 1,743.7 billion in July-April FY2022 to Rs 2,514.9 billion during July-April FY2023. The bulk of the tax revenues of direct taxes is realized from income tax. The major contributions of income tax have come from contracts, imports, and profit payout. The tax payments with tax declaration and collection on demand have also shown high growth. Table 4.4 presents the detail of FBR tax-wise collection.

Table 4.4: FBR Tax Collection

Revenue Heads	FY2022 Actual	July-April (Rs billion)		% Change
		FY2022	FY2023 (*)	
Direct Tax				
Gross		1,754.2	2,528.8	44.2
Refund/Rebate		10.5	13.9	-
Net	2,284.9	1,743.7	2,514.9	44.2
Indirect Tax				
Gross		3,365.7	3,391.2	0.8
Refund/Rebate		253.7	268.2	-
Net	3,863.6	3,112.0	3,123.0	0.4
Sales Tax				
Gross		2,289.2	2,327.5	1.7
Refund/Rebate		224.9	237.5	-

Table 4.4: FBR Tax Collection

Revenue Heads	FY2022 Actual	July-April (Rs billion)		% Change
		FY2022	FY2023 (*)	
Net	2,532.2	2,064.2	2,090.0	1.2
Federal Excise				
Gross		256.1	283.9	10.9
Refund/Rebate		0.004	2.8	-
Net	320.7	256.0	281.2	9.8
Customs				
Gross		820.5	779.7	-5.0
Refund/Rebate		28.8	27.9	-
Net	1,010.7	791.8	751.9	-5.0
Total Tax Collection				
Gross		5,120.0	5,920.0	15.6
Refund/Rebate		264.2	282.0	-
Net	6,148.5	4,855.8	5,637.9	16.1

* : Provisional

Source: FBR

The gross and net sales tax collection during July-April FY2023 has been Rs 2327.5 billion and Rs 2090 billion showing growths of around 1.7 percent and 1.2 percent, respectively. Around 64 percent of total sales tax was contributed by sales tax on imports during July-April FY2023, while the rest was contributed by the domestic sector.

The collection of FED during July-April FY2023 has recorded a growth of 9.8 percent. The net collection stood at Rs 281.2 billion during July-April FY2023 as against Rs 256 billion during the same period last year. The major revenue spinners of FED are cigarettes, cement, beverages/food, motor cars, air travel, etc.

Customs duty has registered negative growth of 5.0 percent during July-April FY2023. The net collection has declined from Rs 791.8 billion during July-April FY2022 to Rs 751.9 billion during July-April FY2023, owing to the import compression policy for fiscal stabilization. The major revenue spinners of customs duty have been mineral fuels, vehicles, edible oil, and machinery.

The FBR is committed to achieving its assigned

tax revenue target during FY 2023. As part of the 9th Review under the Extended Fund Facility Program of the IMF, new revenue measures of Rs 170 billion were taken through Finance Supplementary Act, 2023 which came into force on 23rd February 2023. However, the risks /challenges to FBR's revenue outlook are unprecedented import compression, a slowdown in economic activity, and litigation of important revenue measures in the High Courts and the Supreme Court. The revenue mix of the FBR comprises 49 percent of the revenue coming from the import of goods. The import compression since the beginning of FY2023, which is more aggravated in the third quarter and fourth quarter of FY 2023 is hurting the revenue stream.

The Super Tax that was imposed in FY 2023 on high-earning persons has been challenged in the High Courts of Sindh, Punjab, and Islamabad. The decision of the Sindh High Court is pending in appeal before the Honorable Supreme Court of Pakistan and the High Courts of Punjab and Islamabad have yet to decide the issue. As interim relief to FBR, the Honorable Supreme Court has allowed 50 percent of the recovery of Super Tax

Box II: Major Reforms Initiatives and Achievements

- **Ease of Doing Business:** Indicators relating to “Trading across Border” improved by 31 ranks from 142 to 111 in 2021, showing a remarkable improvement in simplification and automation of international trade.
- **Automated Duty Drawback Payment System:** To facilitate exporters, the manual rebate approval system has been replaced with Risk Management System (RMS) based, fully automated processing of duty drawback and payments.
- **Pakistan Single Window (PSW):** PSW Act, 2021 has been enacted and its rules have been notified. PSW is making significant progress in reducing the time and cost of doing business by digitalizing Pakistan’s cross-border trade and eliminating paper-based processes.
- **WeBOC:** This is a fully automated customs clearance system implemented at all seaports, dry ports, and land border stations, including the features of paperless processing and online payments for traders.
- **Risk Management System:** It is part of WeBOC clearance which is continuously upgraded from time to time. Currently, about 57 percent of the import declarations are being cleared through the green channel, while about 85 percent of the export consignments are allowed clearance through the green channel.
- **Enhancing Regional Connectivity of Pakistan with Central Asian Republics:** This has been achieved through the signing of agreements, simplification of Transit Procedures, and Automated Clearance. Pak-Uzbekistan Transit Agreement was finalized and operationalized. Recently, three more agreements have been signed with China, Russia, and Tajikistan.
- **Focused Administrative Effort for Revenue Mobilization:** This includes action against mis-invoicing through better valuation, auctions, recoveries, etc.
- **Control of Smuggling:** For the first time, a counter-smuggling policy was laid out with collaborative arrangements with other Federal and Provincial Law Enforcement Agencies. This has resulted in huge seizures of smuggled goods and contraband. Moreover, a countrywide operation against illegal POL outlets (sealing of illegal outlets/ petrol pumps with criminal proceedings against owners), through which legitimate imports of POL products increased with a corresponding increase in revenue collection.
- **Greater Facilitation of Trade at the Borders:** FBR has been able to reduce the percentage of imports and exports that undergoes documentary and/or physical inspection through a yellow or red channel by customs at the border.
- **Risk-Based Audit:** The selection of cases for Tax Year 2019 is in a process that is based upon a scientific approach through the Risk Based Audit Management System (RAMS) which covers all segments of taxpayers. The purpose of RAMS is to identify and select non-compliant taxpayers and improve compliance behavior across taxpayer segments. This would enable FBR to not only focus on non-compliant taxpayers but also ensure that the audit process is effective, fair, and conducted with integrity; thus, building the confidence of compliant taxpayers in the Audit system.
- **Automation of Audit Monitoring System / Audit Dashboard:** A software solution has been designed to provide continuous monitoring of the audit cases with sufficient documentation and assistance to the auditors. FBR has conducted and completed several cases of comprehensive field audits of large taxpayers selected through the Audit Policy 2019 by the risk-based selection tool and monitored by the Compliance Unit through this software.
- **Track and Trace System (TTS):** Currently, the TTS has been implemented in sugar, fertilizer, and tobacco sectors. Phase-1 of cement sector implementation is planned for June 2023 onwards. It has currently been implemented in 81 facilities in the sugar sector, 15 facilities in the fertilizer sector, and 9 facilities in the tobacco sector.
- **Inland Revenue Enforcement Network (IREN):** IREN has also been established for curbing the illicit tobacco and sugar movement in different areas of the country. IREN enforcement measures have led to the seizure of illicit tobacco and raids have been conducted for the enforcement of a track and trace system.
- **Automated Issuance of Refunds:** To facilitate taxpayers, a centralized automated refund system is functioning successfully with no requirement for manual application and verification. This system issues refunds directly to the bank accounts of the taxpayers without any face-to-face interaction with tax authorities.

- **Reduction in Withholding Lines:** FBR has been following a rigorous agenda to analyze different withholding lines with respect to their yield and impact on taxpayers. Consequently, the number of withholding lines has been reduced to 31 from 58 since FY 2019-20.
- **Fostering a Culture of Interprovincial Coordination and Data Sharing:** FBR has been working together with provincial authorities to standardize and harmonize tax management to the extent possible. Consequently, FBR has signed memorandums of understanding on data sharing and Immovable property valuation tables.
- **Broadening of the Tax Base (BTB):** Devoted BTB units have been established at Regional Tax Offices for the registration of new taxpayers based on information received. Field formation-wise targets have been assigned for the financial year 2022-23. The aim is to expand the tax base from the existing 1.2 million paid filers to 3.5 million paid filers up to the fiscal year 2023-24. FBR has registered 912,392 new taxpayers during the current year as of 31st March FY2023, against the target of 700,000 new taxpayers.

Source: FBR

Provincial Budget

The overview of the provincial budget shows that in FY2023 total provincial revenues are expected to increase by 24.3 percent to reach Rs 5612.7 billion against the revised estimates of Rs 4515.7 billion in FY2022. The increase in revenues is expected from 22.6 percent and 67.8 percent rise in both tax and non-tax revenues, respectively. On the other hand, total

expenditures are budgeted to increase by 16.4 percent to reach Rs 5938.2 billion in FY2023 against the revised estimates of Rs 5102.2 billion in FY2022. During FY2023, the share of current and development expenditures in total expenditures is expected to remain at 70.2 percent and 29.8 percent, respectively. An overview of the provincial budget is given in Table 4.5.

Table 4.5: Overview of Provincial Budgets (Rs billion)

Item	Punjab		Sindh		Khyber Pakhtunkhwa		Balochistan		Total	
	FY2022 (R.E)	FY2023 (B.E)	FY2022 (R.E)	FY2023 (B.E)	FY2022 (R.E)	FY2023 (B.E)	FY2022 (R.E)	FY2023 (B.E)	FY2022 (R.E)	FY2023 (B.E)
Total Provincial Own Taxes	289.7	337.0	267.9	347.5	50.1	52.7	24.1	34.8	631.8	772.0
Share in Federal Taxes (Divisible Pool)	1,764.4	2,156.6	837.2	1,023.3	558.5	682.6	295.7	378.9	3,455.8	4,241.4
Total Tax Revenues	2,054.1	2,493.6	1,105.1	1,370.8	608.6	735.3	319.8	413.6	4,087.6	5,013.3
Total Non-Tax Revenues	76.0	159.5	80.9	97.8	64.3	63.2	19.9	83.8	241.1	404.4
All Others	23.7	10.6	22.5	25.2	136.2	145.4	4.6	13.8	187.0	195.0
Total Revenues	2,153.8	2,663.7	1,208.5	1,493.8	809.1	943.9	344.3	511.3	4,515.7	5,612.7
Current Expenditures	1,423.7	1,711.9	1,037.2	1,199.5	894.1	913.8	306.3	342.8	3,661.3	4,168.0
Development Expenditures	647.9	685.0	269.6	459.7	420.9	418.2	102.6	207.3	1,440.9	1,770.2
Total Expenditures	2,071.5	2,396.9	1,306.8	1,659.2	1,315.0	1,332.0	408.9	550.1	5,102.2	5,938.2

Source: Provincial Finance Wing, Finance Division; B. E = Budget Estimates; R.E = Revised Estimates

Allocation of Revenues between the Federal Government and Provinces

According to the distribution of resources under the 7th NFC Award, federal transfers to provinces (divisible pool and straight transfers) are budgeted at Rs 4,366.3 billion in FY2023. During July-March FY2023, federal transfers to

provinces reached Rs 2,953.1 billion against Rs 2,584.2 billion last year, showing an increase of 14.3 percent.

The province-wise share in federal transfers (Table 4.6) is as follows: Punjab (Rs 2,164.6 billion), Sindh (Rs 1,094.12 billion), KPK

(Rs 713.5 billion inclusive of 1 percent war on terror), and Balochistan (Rs 394.1 billion).

Table 4.6: Transfers to Provinces (Rs billion)

	FY2023 B. E	Release
Divisible Pool	4,241.4	2,864.1
Straight Transfers	124.917	88.996
Total	4,366.3	2,953.1
Province-wise		
Punjab	2,164.6	1,455.2
Sindh	1,094.1	727.1
KPK	713.5	484.0
Balochistan	394.1	286.8
Total	4366.3	2953.1

Source: Provincial Finance Wing, Finance Division

Provincial Fiscal Operations

Performance (FY2022)

Against the target of Rs 570 billion in FY2022, the provincial governments generated a combined surplus of Rs 351 billion, which was higher than the Rs 313.6 billion achieved in FY2021. It was mainly contributed by Punjab and Sindh, while KPK and Balochistan posted a deficit during the year. The consolidated provincial revenues grew by 25.7 percent to reach Rs 4687.5 billion in FY2022 against Rs 3728.0 billion in FY2021. The increase in revenues was largely attributed to a 30.9 percent increase in federal transfers during the year.

Province-own revenue receipts (provincial tax and non-tax) grew by 12.4 percent to reach Rs 740.7 billion in FY2022 against Rs 658.7 billion in FY2021. The increase is primarily attributed to 20.5 percent in provincial taxes in FY2022 over the preceding year. Within provincial taxes, the highest collection was observed in sales tax on services followed by stamp duties and motor vehicle tax. An increase in domestic economic activity and effective measures for revenue mobilization by the provincial governments caused a significant rise in provincial taxes. In contrast, receipts under non-tax collection declined by 14.6 percent to Rs 128.3 billion in FY2022 from 150.3 billion in FY2021 on the back of a decline in receipts from markup and hydroelectricity profit. Table 4.7 presents an overview of provincial fiscal operations.

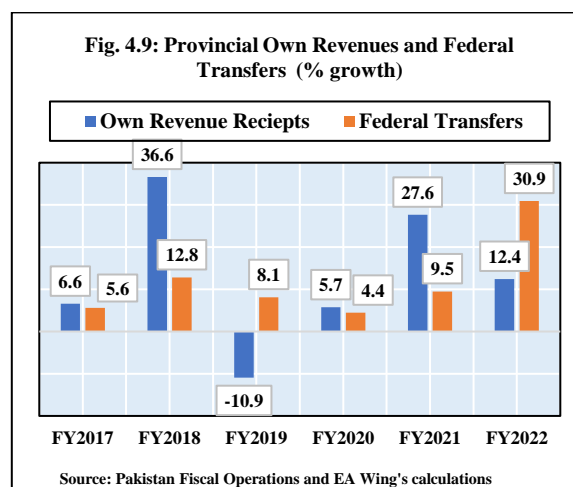


Table 4.7: Overview of Provincial Fiscal Operations (Rs billion)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	July-March	
								FY2023	FY2022
A. Tax Revenue	2,145.4	2,287.6	2,618.8	2,799.6	2,917.6	3,250.3	4,201.4	3,414.9	3,022.5
Provincial Taxes	283.3	321.8	401.4	401.8	413.6	508.4	612.4	461.8	438.3
Share in Federal Taxes	1,862.2	1,965.8	2,217.4	2,397.8	2,504.0	2,741.9	3,589.0	2,953.1	2,584.2
B. Non-Tax Revenue	93.3	79.5	146.7	86.3	102.4	150.3	128.3	105.8	93.7
C. All Others	55.1	61.2	173.0	110.0	221.0	327.5	357.8	156.3	278.9
Total Revenue (A+B+C)	2,293.9	2,428.2	2,938.5	2,995.9	3,241.0	3,728.0	4,687.5	3,677.0	3,395.2
a. Current Expenditure	1,559.8	1,739.3	2,080.7	2,350.8	2,541.9	2,844.2	3,200.8	2,662.7	2,192.4
b. Development Expenditure	592.4	852.2	880.1	506.2	622.0	770.2	1,216.6	721.0	724.1
c. Statistical Discrepancy	-65.7	-147.4	-4.8	-51.1	-147.9	-200.0	-80.9	-162.8	-121.1
Total Expenditure (a+b+c)	2,086.5	2,444.1	2,956.0	2,805.9	3,016.1	3,414.4	4,336.5	3,221.0	2,795.4
Overall, Balance	207.4	-15.9	-17.5	190.0	224.9	313.6	351.0	456.0	599.8

Source: Pakistan Fiscal Operations

During FY2022, provincial expenditure increased by 27.0 percent to reach Rs 4336.5 billion as compared to Rs 3414.4 billion in

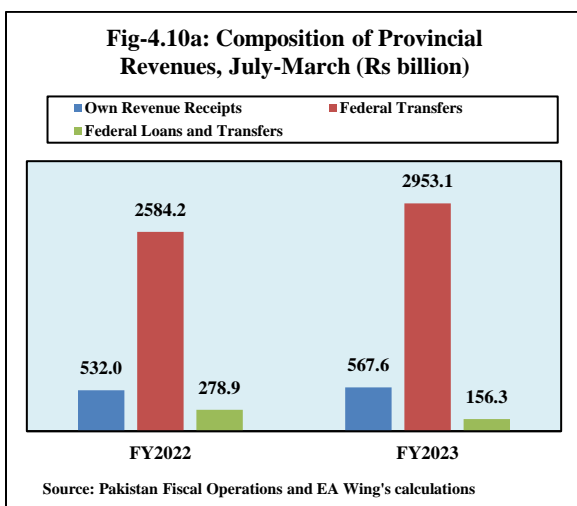
FY2021. The main driver of expenditure growth was a 58.0 percent increase in development spending. Higher spending on construction and

transport services, housing, community development, health, and social protection drove the increase in development expenditure. The current expenditure, on the other hand, increased by 12.5 percent to Rs 3200.8 billion in FY2022 against Rs 2844.2 billion in FY2021. The rise was observed mainly due to higher spending on executive & legislative organizations, financial & fiscal affairs, transfers under general public services, public order & safety affairs, health, education affairs & services, agriculture, food, irrigation, forestry & fishing, and construction & transport under economic affairs.

Performance (July-March FY2023)

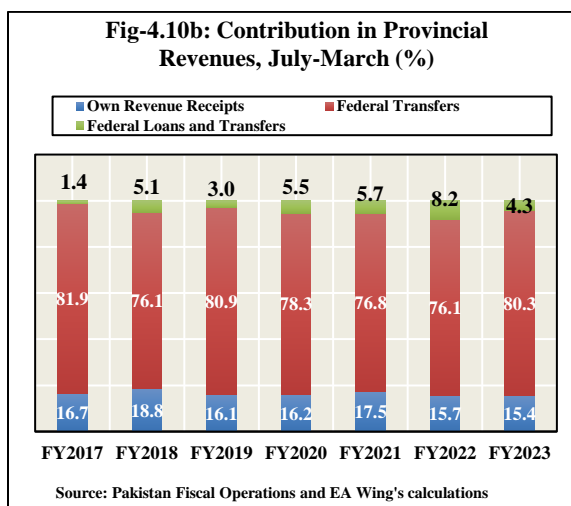
The slowdown in domestic economic activities during the current fiscal year has also been translated into the revenue performance of provincial governments. Total revenues of the

provincial government grew by 8.3 percent during July-March FY2023 against the growth of 31.4 percent recorded last year. Within total revenues, the provincial taxes stood at Rs 461.8 billion during July-March FY2023 against Rs 438.3 billion in the comparable period of last year. Thus, the tax collection increased by only 5.4 percent on the back of a 14.5 percent growth in sales tax on services GST and a 9.0 percent increase in excise duty. While tax revenues from stamp duties and motor vehicle tax were reduced by 5.6 and 8.8 percent, respectively, during the period under review. On the other hand, the non-tax collection grew by 12.9 percent to Rs 105.8 billion during the first nine months of the current fiscal year as compared to Rs 93.7 billion recorded last year. The receipts from irrigation, dividends, fiscal administration, social services, and food and agriculture, etc. remained the major revenue spinners within the non-tax collection.



Thus, total provincial own revenue receipts grew by only 6.7 percent to reach Rs 567.6 billion in July-March FY2023 against Rs 532.0 billion in the comparable period of last year. Whereas provinces received Rs 2,953.1 billion from the federal government under NFC award during July-March FY2023 against Rs 2,584.2 billion in the same period of last year.

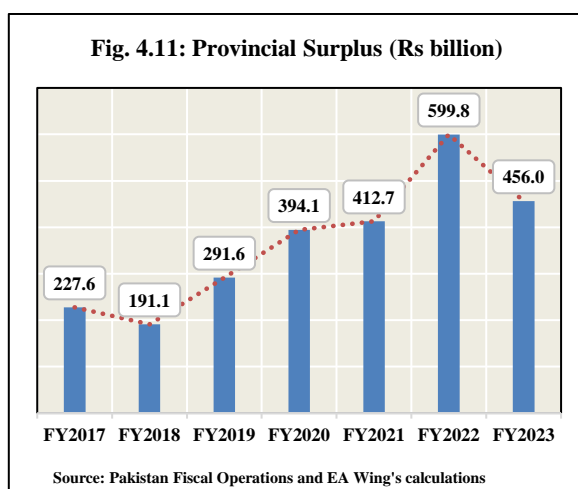
During July-March FY2023, total provincial expenditure slowed down to 15.2 percent (Rs 3,221.0 billion) down from 28.7 percent (Rs 2,795.4 billion) registered last year owing to a decline in development spending. Conversely, current expenditure observed a sharp rise by



posting a growth of 21.5 percent against the 12.5 percent observed last year. In absolute terms, it increased to Rs 2,662.7 billion during July-March FY2023 from Rs 2,192.4 billion in the same period of last year. The main impetus came from expenditures on social protection, agriculture, food, irrigation, forestry & fishing, fuel & energy, health, education affairs, and services, etc. On the other hand, development expenditures witnessed a marginal contraction of 0.4 percent during July-March FY2023 owing to a decline in development spending under general public services, recreational, culture and religion, and health. While development expenditures in the area of environment and

social protection witnessed a significant increase during the year.

Overall, the provinces posted a cumulative surplus of Rs 456.0 billion during July-March FY2023 against the surplus of Rs 599.8 billion in the comparable period last year. The major contribution of the provincial surplus came from Punjab with a surplus of Rs 262.5 billion, followed by Sindh (Rs 144.7 billion), Balochistan (Rs 43.4 billion) and KPK (Rs 5.4 billion), respectively.



Public Financial Management Reforms (PFM)

Public Financial Management Act (PFM) promulgated in 2019 is an important step toward improving public financial management in Pakistan. It aims to improve financial planning, ensure the efficient and effective utilization of funds, and promote transparency and accountability.

Several initiatives have already been taken to make PFM reforms a holistic exercise including the establishment of the office of Chief Finance and Account Officer to assist and support the Principle Accounting Officer (PAO), empowering PAO to utilize his budget grant without endorsement by the Finance Division, amendments in Federal Treasury Rules to facilitate pensioners, amendment in GFR 13(3) to empower the head of an office to authorize any gazette officer serving under him to incur expenditure, amendment in GFR 130, sub-rule 3 to authorize Police Station House Officers

(SHOs) of Islamabad Capital Territory (ICT) as Drawing and Disbursement Officers (DDOs) for their respective jurisdictions in ICT, Established TSA phase-I system in Ministries, Division, Attached Departments, and Sub-Ordinate Offices (MDAS), Awareness workshops have been conducted on the TSA phase-II system for Public Entities, the Cash Forecasting Unit (CFU) has been established under the Budget Wing, Financial Management and Powers of Principal Accounting Officers Regulations, 2021 has been reviewed in consultation with stakeholders for incorporation of amendments in the said regulations, and amendments in Sr. No. 4,41,43 & 81 have been made in the schedule of Financial Management and Powers of Principal Accounting Officers Regulations, 2021.

While continuing the agenda for reforms in Public Financial Management (PFM), receipt and Payment Rules, Grant in Aid Rules, and General Financial Rules (drafted in consultation with stakeholders) is in the advanced stages of approval.

Way Forward

Pakistan entered FY2023 with multipronged challenges and the risk of default. However, with prudent and calibrated policies, the risk of default was successfully averted. The budget FY2023 centered on strong fiscal consolidation with an objective to ensure fiscal sustainability and macroeconomic stability. The fiscal deficit was budgeted to be 4.9 percent of GDP, with the primary balance in a surplus of Rs 153 billion. Similarly, the GDP growth for FY2023 was projected at 5.0 percent. However, massive floods at the start of the current fiscal year caused a detrimental impact on all sectors of the economy, altering the entire scenario and outlook of the economy. It put tremendous pressure on the overall expenditure needed for relief and rehabilitation efforts. Despite these difficulties, the government has remained focused on fiscal consolidation efforts during the current fiscal year to keep the fiscal deficit within manageable limits. These efforts paid off in terms of a contained fiscal deficit at 3.6 percent of GDP and a primary surplus of Rs503.8 billion during the first nine months of the current fiscal year.

Currently, higher markup payments due to higher policy rates both at the domestic and global levels are putting tremendous pressure on the expenditure side. To that end, the government is attempting to control different non-productive spending through austerity measures. Furthermore, the emphasis is on providing targeted subsidies to deserving segments of society. The objective is to keep the fiscal deficit under control, encourage sustainable economic growth, and keep the primary balance at a sustainable level. On the revenue side, FBR tax collection, although growing at 16.1 percent, it remained below the target set for the first ten months of the current fiscal year. The slowdown in economic activity and import compression along with litigation of important revenue measures in the High Courts and the Supreme Court have created multifaceted challenges for FBR to achieve its

assigned target of Rs 7,640 billion during FY2023. Nonetheless, FBR is putting all its efforts through various policy and administrative measures to improve tax collection.

Despite significant challenges due to the global and domestic economic environment, the fiscal consolidation efforts are on track and reaping the benefits in terms of better fiscal accounts. It is therefore expected that the fiscal year 2023 would observe a considerable decline in fiscal deficit as compared to last year. To this end, additional austerity measures, various tax policies, and administrative reforms to improve tax collection, as well as efforts to improve financial planning through PFM reforms will provide additional impetus to the government's efforts to further reduce the fiscal deficit over the medium term.



MONEY & CREDIT

Policy Rate

16.4%

(Avg Jul-Apr FY2023)



**Broad Money
(M2)**

Rs. 1,193.7 bn

(Growth of 4.3 %)
(Jul-31st Mar, FY2023)



NFA

Rs. -2,060.6 bn

(Jul-31st Mar, FY2023)



NDA

Rs. 3,254.2 bn

(Jul-31st Mar, FY2023)



**Private Sector
Credit**

Rs. 302.3 bn

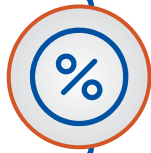
(Jul-31st Mar, FY2023)



**Weighted Average
Lending Rate**

16.3%

(Avg Jul-Mar FY2023)



**Weighted Average
Deposit Rate**

9.1%

(Avg Jul-Mar FY2023)



MONEY AND CREDIT

Prudent Monetary Policy in times of crisis is more than a strong defense. It generally moved to manage the supply of money in the economy to achieve twin objectives- price stability and output growth. The global economy seems to move on a gradual recovery path from the challenges of pandemic and Russia-Ukraine conflict. China is rebounding strongly after reopening of its economy. Global supply-chain disruptions are slowing down, while the disturbances to energy and food markets caused by the Russia-Ukraine conflict are receding. Simultaneously, synchronized tightening of monetary policy by most central banks should start to materialize desired dividends, with inflation rebound toward targets.

The global growth will bottom out at 2.8 percent in 2023 before rising modestly to 3.0 percent in 2024. Global inflation will decrease gradually from 8.7 percent in 2022 to 7.0 percent in 2023 and expected to reach at 4.9 percent in 2024.

However, an emerging challenge and most worrisome issue is the sharp monetary policy tightening during 2022 have serious side effects for the financial sector. Yet the global financial system is showing considerable strains, however, recent banking turmoil in the US as well as financial instability in the Europe, triggered significant emergency responses by central banks to prevent further instability. Shares of banks in major emerging market economies have experienced little contagion from the banking turmoil in the US and Europe.¹

Policies with immediate impact ensuring a durable fall in inflation: With inflation still well above targets for most economies, the priority remains reducing inflation and ensuring that expectations stay anchored while containing financial market strains and minimizing the risk of further turbulence.

Relating to SBP monetary policy with global perspective, Pakistan economy is facing global headwinds on domestic inflation and macroeconomic imbalances. Aiming to this, SBP has initially started monetary policy normalization since September 2021 to counter inflationary pressures and to control macroeconomic imbalances. During September 2021 to April 2023, SBP has increased the policy rate by 1400 bps to 21 percent. At first round, economy has witnessed some exchange rate stability but inflationary pressures remained persistent. Afterwards, economy had suffered with flood which changed the whole scenario. Economy is confronting with both domestic and global challenges, which further aggravate the situation and create complex scenario for monetary policy direction. SBP has continued with monetary tightening which paid off some dividends for external sector stability. But inflationary and exchange rate depreciation pressures remained persistent. So, it's time to re-think about monetary policy around the world and to learn lessons from evolving and challenging situation for global output and inflation stabilization.

Box-I: Direction of Global Monetary Policy, New Challenges and Lessons

During the COVID-19 crisis, government spending increased significantly in the form of stimulus packages across the globe. Fiscal expansion seems to have been a primary driver of inflation, particularly in advanced economies. But as spending was increasing, countries were hit by supply shocks, which added further to inflationary pressures.

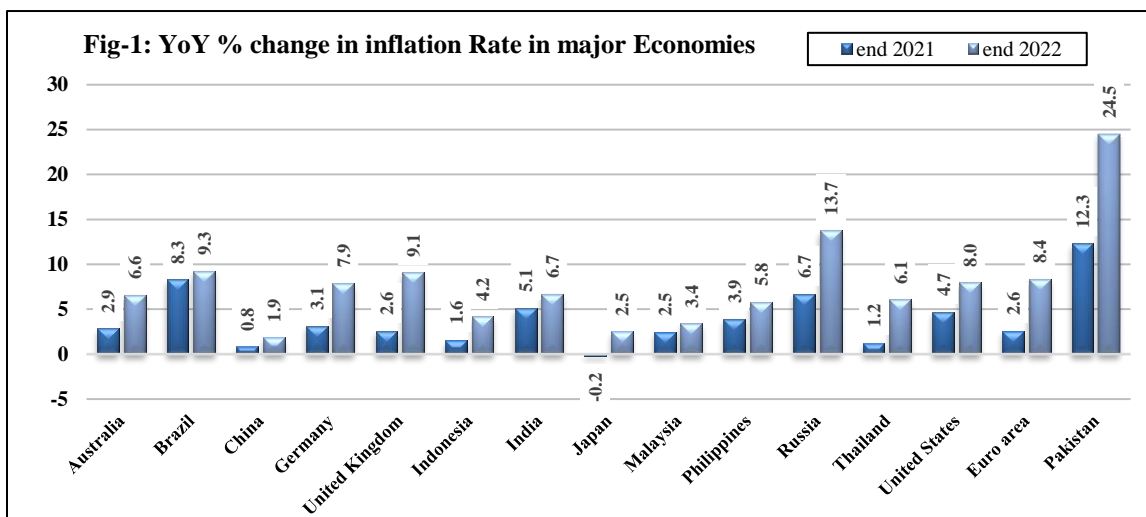
¹<https://www.imf.org/en/Blogs/Articles/2023/04/11>

Powerful non-economic forces – the COVID-19 pandemic and the Russia-Ukraine conflict reshaped economic developments in 2022. As the 2022 progressed, an expansion that observed in 2021- lost some momentum, with supply constraints, COVID variants and geo-political tensions blowing headwinds.

Against this backdrop, global inflation soared to multi-decade highs. At first, higher inflation was considered transitory, but it proved persistent and broadening over time. In response, central banks generally brought forward the timing and pace of policy tightening. Higher inflation and shifting expectations of the policy response led to bouts of financial market volatility with financial conditions tightening substantially in 2022. The mixture of these forces makes a challenging future outlook of global economy.

In several Emerging Market Economies (EMEs), central banks responded quickly to rising inflation. By early 2022 major central banks of these economies had started to remove accommodation. The Central Bank of China was an important exception; it eased as the economy softened and inflation remained subdued.

In Advanced Economies (AEs), central banks responded more slowly to macroeconomic shocks. Initially, many attempted to “look through” seemingly transitory higher inflation. But as the 2022 progressed, central banks wound back their forward guidance, signaling an earlier start of policy normalization.



The Federal Reserve (FED) and the European Central Bank (ECB) have both embarked on their most aggressive monetary tightening cycle in decades in response to soaring inflation. The inflationary pressures appeared first in America and headline inflation outpaced in other major developed markets, peaking at 9% on YoY basis in June 2022, a 40-year high. Peak inflation in the Euro Area has come later, at a record high level of 10.7% YoY basis in October 2022 due to the region’s heavy exposure to gas supply disruptions and Russia-Ukraine conflict rather than a post-COVID surge in domestic demand.

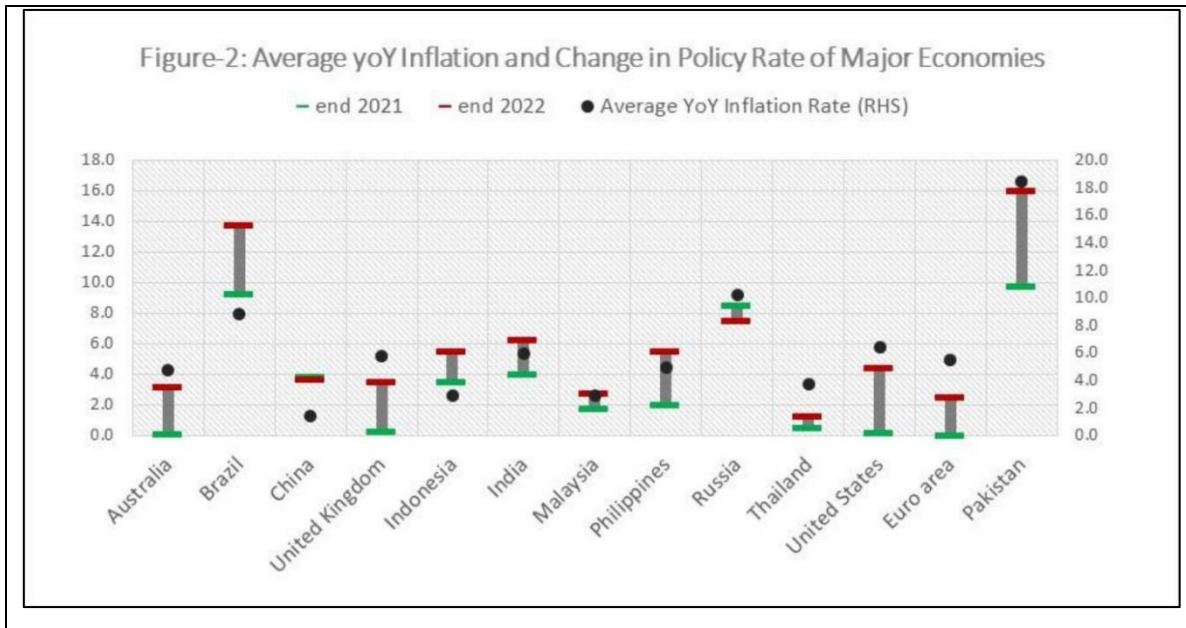
Although inflation is likely to ease steadily in 2023, it is expected that interest rates to stay at peak level until mid-2024, with important implications for global economy.

Table 5.1: Current policy Rate in Selected Economies* (%)

Ghana	29.5
Pakistan	20.0
Egypt	18.25
Chile	11.25
Brazil	13.75
US	4.65
Mexico	7.88
Bangladesh	4.00
India	6.50
UK	4.25
Phillipines	6.25

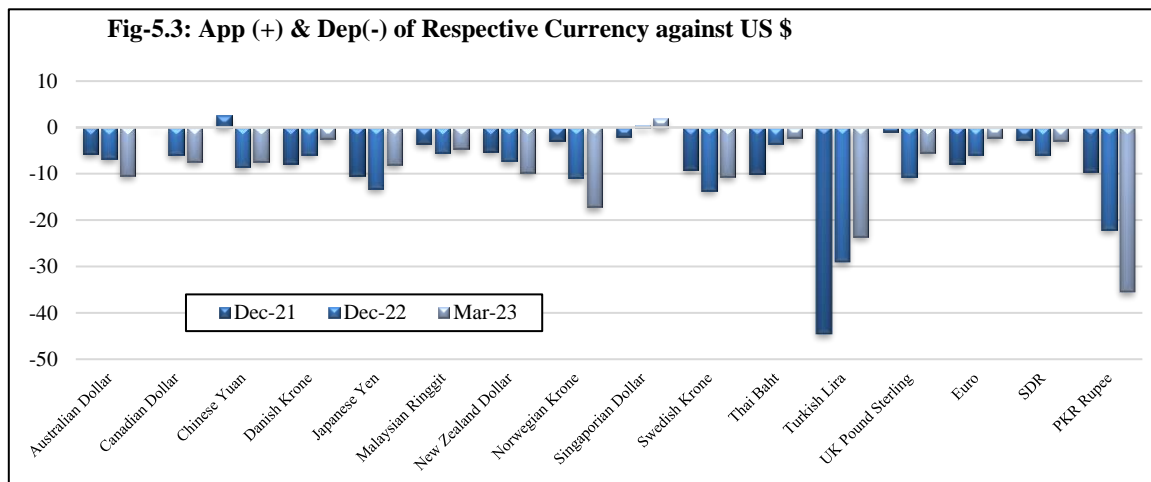
* March 2023

Source: Haver Analytics, CBRates.com



Box-II: The Changing Nexus between Commodity Prices and the US Dollar

After reaching a record high level in 2022, the USD depreciated slightly against the Euro and other major currencies at the start of 2023 as US inflation began to ease back and the ECB started to raise policy rate more aggressively, in line with the FED decisions.



Commodity prices and the value of the USD have recently moved up and down in tandem. Most remarkably, they both surged in 2021 and 2022 and subsequently weakened together. This was a marked departure from the standard pattern whereby dollar strength goes hand in hand with weaker commodity prices. Since most commodities are priced in dollars and movements in USD have amplified commodity price swings in terms of local currency.

Abrupt co-movement between the USD and the commodity prices may be due to temporary and structural factors. Temporary factors include the macro-financial stability consequences of higher commodity prices, which provoked a flight-to-safety into the USD, and the more rapid monetary policy tightening in the United States than in other major economies. Structural ones include the United States’ emergence as a net energy exporter, which has seen the dollar behave like a “commodity currency”. The commodity price-dollar nexus may have changed temporarily due to the specific nature of the shocks to the global economy in 2022.

It is expected that another modest dollar depreciation in 2023 will be observed as inflation eases slightly faster in the US than in the Euro area and as the FED-ECB interest rates differential narrows further. Nonetheless, the dollar will remain strong by recent historical standards throughout 2023 and into early 2024, when the global economic outlook stabilizes and the interest rates differential with other major central banks begins to narrow further.²

Monetary Policy Stance in Pakistan

FY2022 ended with significant economic growth of 6.1 percent along with macroeconomic imbalances, emerging inflationary pressures, historic high imports bill and trade deficit and depleting FX reserves resulted in depreciation of PKR. The growth stemmed from conducive policy environment for real sector growth included expansionary fiscal and monetary policies.

Table-5.2: Policy rate (%)

w.e.f	Policy rate
26/06/2020	7.00
21/09/2021	7.25
22/11/2021	8.75
15/12/2021	9.75
08/04/2022	12.25
24/05/2022	13.75
13/07/2022	15.00
28/11/2022	16.00
24/01/2023	17.00
03/03/2023	20.00
05/04/2023	21.00

Source: State Bank of Pakistan

Lagged impact of pro-growth policies at the time of COVID, translated in excessive aggregate demand. Coupled with global challenges and series of macroeconomic shocks including multiple waves of COVID-19, lingering supply chain disruptions, commodity super-cycle, the outbreak of Russia-Ukraine conflict and global monetary policy tightening, particularly in the US, which transfers pressures on emerging market currencies included Pakistan.

As these shocks started to materialize and reflected in high-frequency indicators, SBP

started monetary policy normalization since September 2021 from 7.0 percent, which was kept unchanged for the last 15 months. Cumulatively, the policy rate increased by 675 bps to 13.75 percent during FY22. Moreover, SBP also introduced other measures to counter demand-side pressures on import payments. These measures include an increase in the cash reserve requirement (CRR) for commercial banks (average by one percentage point to 6 percent and minimum to 4.0 percent), tightening of prudential regulations (PRs) for consumer and auto financing³, and twice imposition of cash margin restrictions (CMRs) on additional imported items (114 items in Sep-2021 and 177 items in Apr-2022). In addition, it was decided to increase the frequency of monetary policy reviews from six to eight times a year, with a view to making the process of monetary policy formulation more responsive to the fast-changing situation.

At the start of FY2023, the economy was confronting both domestic and external challenges, domestic economic activity was expected to moderate due to contractionary monetary and fiscal policies. However, flash flood has further aggravated the challenging economic situation and deteriorated economic growth prospects.

In the first meeting of current fiscal year (CFY) held in July 2022, policy rate was increased by 125 bps to 15 percent with the objective to contain domestic demand and prevent de-anchoring of inflation expectations. Moreover, in this decision the rates of export finance scheme (EFS) and long-term financing facility

² Bis.org

³ PRs effectively prohibited financing for imported vehicles, and tightened regulatory requirements for financing of domestically manufactured/assembled vehicles of more than 1000 CC engine capacity and other consumer finance facilities like personal loans and credit cards. Also, the maximum tenure of auto finance facility was reduced from 5 years to 3 years for vehicles above 1000 CC engine displacement and from 7 years to 5 years for vehicles up to 1000 CC engine displacement.

For more details, see the SBP's press release titled 'State Bank of Pakistan revises Prudential Regulation for Consumer Financing to moderate import and demand growth', dated September 23, 2021.

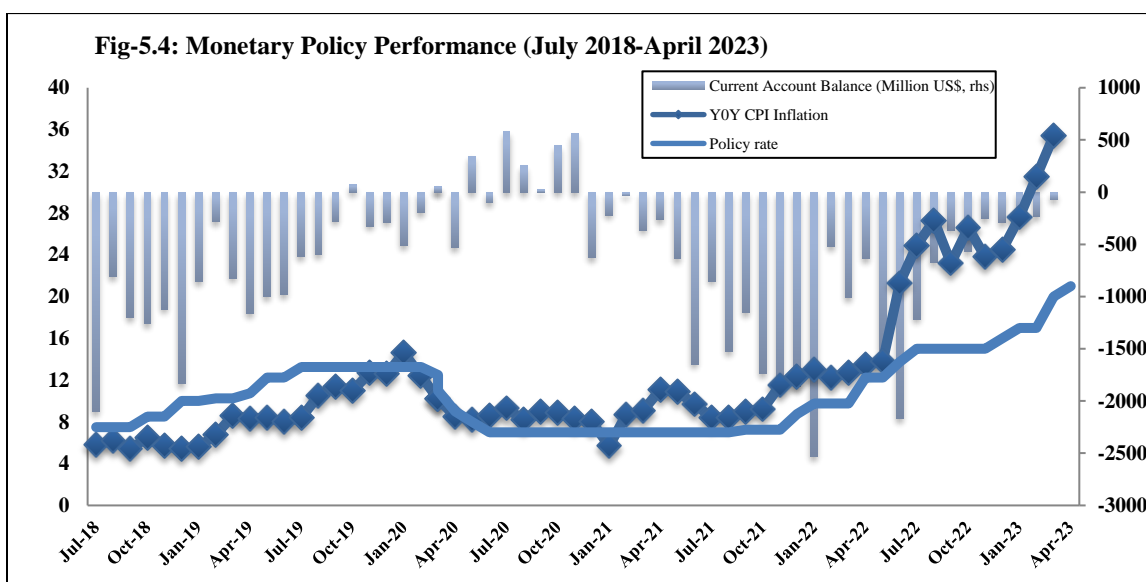
(LTFF) were linked to the SBP policy rate with discount of 500 bps.

Over to the next two meetings held in August and October 2022, policy rate was kept unchanged at 15 percent on account of observed desired developments of moderate domestic demand, inflation remained in line with expectations and altered economic outlook due to flood.

Policy rate was increased by 100 bps each in subsequent two meetings held in November 2022 and January 2023. The decisions were

made on account of strong and persistent broad-based inflationary pressures than expected.

The situation further deteriorated after fiscal and external adjustments which changed the inflation outlook for FY2023 to 27-29 percent against the November 2022 projection of 21-23 percent. In response to this, policy rate was further increased by 300 bps to 20 percent in meeting held in March and further by 100 bps to 21 percent in April 2023. Cumulatively, policy rate increased by 725 bps during Jul-Apr FY2023.



Recent Monetary and Credit Developments

During 01st July-31st March FY2023, broad money (M2) has witnessed an increase of Rs 1,193.7 billion (growth of 4.3 percent) as compared to Rs 698.4 billion (growth of 2.9 percent) during same period last year. Within M2, Net Foreign Assets (NFA) of banking system decreased by Rs 2060.6 billion as compared decline of Rs 1197.7 billion last year. NFA’s point contribution has decreased to 7.4 percent as compared to negative contribution of

4.9 percent during same period last year. This shows deteriorated external sector position and depleting FX reserves. On the other hand, Net Domestic Assets (NDA) of the banking sector increased by Rs 3254.2 billion (point contribution of 11.7 percent) as compared to Rs 1896.2 billion (point contribution of 7.8 percent) during same period last year. A significant growth in NDA is offset by negative growth of NFA, which contained growth of M2 during the period under review (Table 5.3).

Table - 5.3: Profile of Monetary Indicators

	Rs billion				
	FY2022 (Stocks)	Flows			
		FY21	FY22	31-Mar-23	01-Apr-22
Net Foreign Assets (NFA)	-753.2	1,240.9	-1,478.0	-2060.6	-1197.7
Net Domestic Assets (NDA)	28,355.9	2,148.8	4,782.9	3254.2	1896.2
Net Government Borrowing	19,622.9	1,717.9	3,357.7	2389.7	883.4

	FY2022 (Stocks)	Flows			
		FY21	FY22	31-Mar-23	01-Apr-22
Borrowing for Budgetary Support	18,506.5	1,625.2	3,133.0	2414.5	938.5
From SBP	5,141.4	-1,206.3	-191.1	405.8	52.4
From Scheduled Banks	13,365.0	2,831.5	3,324.1	2008.8	886.1
Credit to Private Sector	9,241.2	766.2	1,612.1	302.2	1199.3
Credit to Public Sector Enterprises (PSEs)	1,393.4	-53.8	-43.3	197.1	4.2
Broad Money	27,602.6	3,389.7	3,304.9	1193.7	698.4
Reserve Money	9,326.5	983.6	663.1	816.7	391.5
Growth in M2 (%)		16.2	13.6	4.32	2.87
Reserve Money Growth (%)		12.8	7.7	8.76	4.52

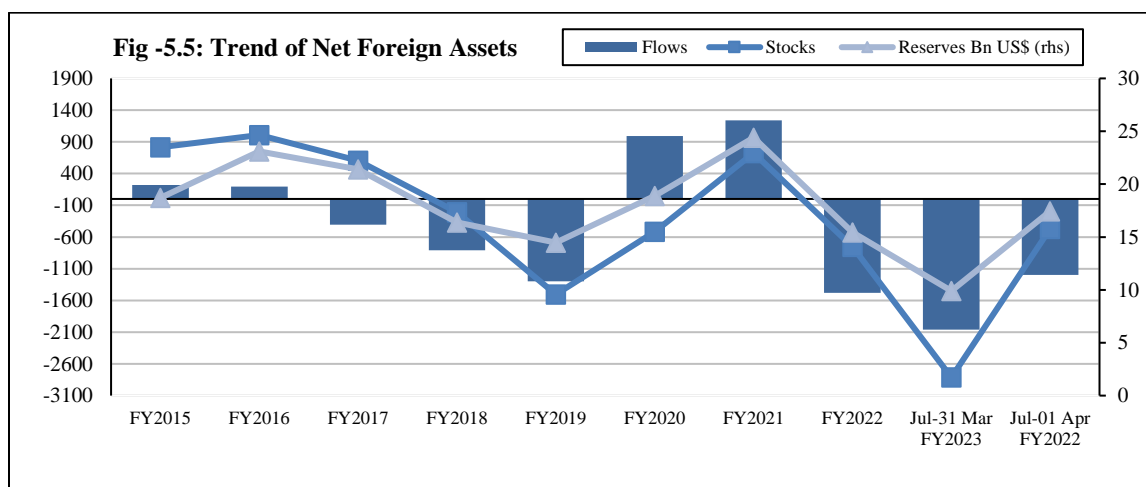
Source: SBP

The NFA of SBP observed contraction of Rs 1,665.8 billion during the period under review as compared decline of Rs 1197.7 billion in last year. This decline was observed on account of payment pressures due to high international commodity prices and exchange rate depreciation. In addition, the scheduled repayments of external debt increased the gross financing requirements of the country. However, in the absence of adequate external inflows, these payments were partially financed by drawdown in SBP reserves during the period under review.

Whereas, NFA of scheduled bank decreased by Rs 394.8 billion as compared an increase of Rs 62.9 billion in last year, shows increase in foreign liabilities of commercial banks. On the

contrary, NDA of SBP observed expansion of Rs 2,617.5 billion against Rs 1,420.3 billion in last year. On the other hand, NDA of scheduled banks witnessed expansion of Rs 636.7 billion against expansion of Rs 475.9 billion in last year. The significant expansion in NDA was observed primarily due to higher budgetary borrowing. Therefore, M2 growth completely stemmed from growth in NDA which partially offset by contraction in NFA growth.

Reserve Money (RM) grew by 8.8 percent (Rs 816.7 billion) during 1st Jul-31st March, FY2023 as compared to growth of 4.5 percent (Rs 391.5 billion) during same period last year. RM grew more than double compared to last year, entirely came from growth in NDA of SBP, which partially offset by negative NFA of SBP.



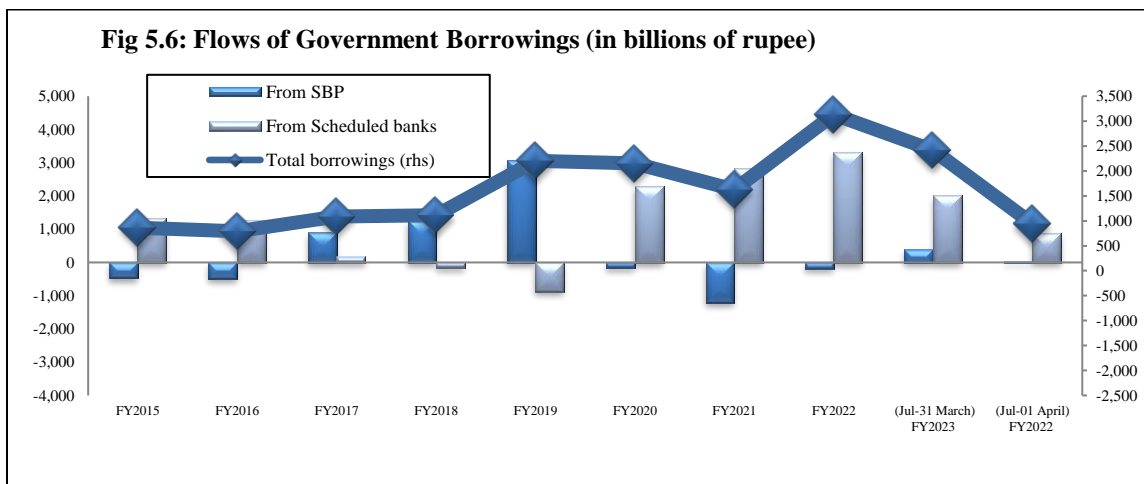
Credit to Public Sector Enterprises (PSEs) observed an increase of Rs 197.1 billion as

compared to an expansion of Rs 4.2 billion during same period last year.

Government Borrowing

During the period 01st Jul-31stMar, FY2023, Government borrowing for budgetary support increased to Rs 2414.5 billion as compared to Rs 938.5 billion during the same period last year. During July-March, FY2023, budget deficit financing from domestic sources stood at Rs 3761.5 billion as compared to Rs 1,584 billion

during same period last year. This increased in financing requirements elevated pressure on domestic banking system due to absence of adequate external loan inflows. Resultantly, net government borrowing from banking system stood at Rs 2,389.7 billion as compared to the government borrowing of Rs 883.4 billion during the same period last year.



Commodity Finance

Commodity operation means advances provided either to Government, public sector corporations and private sector for the procurement of commodities such as cotton, rice, wheat, sugar, fertilizer, etc. Both federal and provincial governments borrow from scheduled banks to finance their purchases of commodities.⁴ The proceeds from the sale of such commodities are subsequently used to retire commodity borrowing.

Commodity finance witnessed net borrowing of Rs 229.7 billion (posted growth of 25.4 percent) in FY2022 against borrowing of Rs 90.6 billion (growth of 11.1 percent) in FY2021. The outstanding stock of commodity finance amounted to Rs 1,133.7 billion in FY2022 as compared to Rs 904.0 billion in FY2021. Borrowing for commodity finance during FY2022 is mainly reflected the borrowing of Rs 1,011.6 billion by wheat procurement agencies from banking system as compared to Rs 788.2 billion in FY2021.

During 01st Jul-31stMar FY2023, loans for commodity finance observed a net retirement of Rs 22.1 billion as compared to Rs 56.5 billion during comparable period last year.

During July-24th March FY2023, loans for wheat financing witnessed a net retirement of Rs 58.5 billion as compared to the retirement of Rs 45.6 billion during same period last year. Likewise, loans for sugar financing shows net borrowing of Rs 23.5 billion during the period under review as compared to the retirement of Rs 8.6 billion in last year. Fertilizer financing witnessed net borrowing of Rs 12.7 billion against net retirement of Rs 5.1 billion last year. Rice financing shows net borrowing of Rs 13 million as compared to the net retirement of Rs 15.0 million in last year. Likewise, Cotton financing observed net borrowing of Rs 173 million as compared to the net borrowing of Rs 82.0 million last year.

Credit to Private Sector⁵

During FY2022, credit to private sector increased to Rs 1,612.1 billion (growth of 21.1

⁴Glossary, Monthly Statistical Bulletin, SBP

⁵Islamic Financing, Advances (against Murabahaetc), Inventories and other related Items previously reported

under Other Assets have been reclassified as credit to private sector.

percent) as compared to Rs 766.2 billion (growth of 11.2 percent) in FY2021. The significant growth of credit to private sector is mainly stemmed from both working capital and fixed investment credit demand. Working capital credit demand increased on account of expansion in economic activities and increase in cost of production. Similarly, fixed investment credit demand augmented from concessionary financing schemes including the LTFE and the Temporary Economic Refinance Facility (TERF).

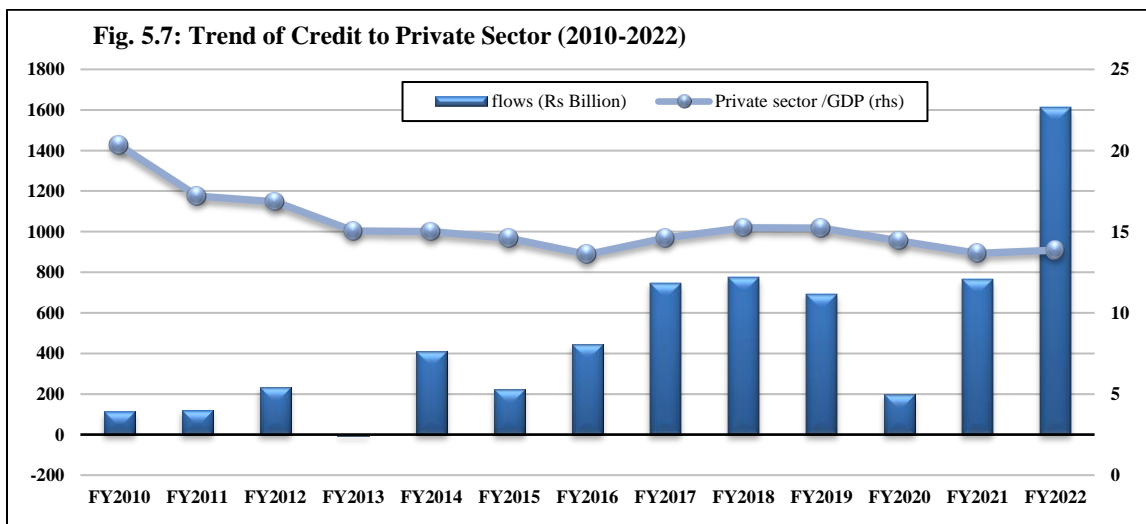
Working capital loans significantly increased by Rs 698.8 billion in FY2022 against Rs 169.5 billion in FY2021. On the other hand, short terms loans also increased on account of expansion in real sector economic activities, particularly LSM and export-led activities. Sectoral distribution shows that with in manufacturing sector, textile sector availed major share of loans in FY2022. Beside, elevated commodity prices and depreciation of PKR have increased credit demand of sectors related to the import dependency, such as cotton, paper &

paper board and refined petroleum product.

Fixed investment loans increased substantially to Rs 451.4 billion in FY2022 as compared to an increase of Rs 203.5 billion in FY2021. A significant credit growth was observed for machinery import and capacity expansion. Credit demand stemmed from textile, cement, telecommunication and power sector to expand their operations in FY2022.

During 1st July-31stMarch FY2023, private sector credit increased by Rs 302.3 billion as compared to Rs 1,199.3 during same period of last year. On average, it has posted growth of 3.3 percent as compared to growth of 15.7percent in last year. On YoY basis, it has posted growth of 8.1 percent as on 31stMarch, 2023 as compared to the growth of 20.8 percent in last year.

Credit demand declined due to host of domestic and global factors, such as slow-down in domestic economic activities, uncertain economic environment, high cost of borrowing, low export demand due to global growth pessimistic prospects and financial turbulence.



Sectoral Analysis

Overall, private sector credit revealed a declining trend and reduced from Rs 1,162.6 billion (growth of 17.0 percent) during July-March, FY2022 to Rs 257.3 billion (growth of 3.1 percent) during July-March FY2023.

The sectoral distribution of private sector credit indicates that loans to private sector businesses decreased to Rs 271 billion during July-March

FY2023 as compared an increase of Rs 1002.2 billion during comparable period last year. Contraction of loans has been observed in both the working capital and fixed investments loans during the period under review. Accordingly, working capital loans reached at Rs 113.4 billion during July-March FY 2023 against Rs 608.7 billion during same period last year. On the other hand, fixed investment loans reached to Rs 147.5 billion against Rs 333.1 billion in last year.

Table -5.4: Sector-wise Private Sector Credit Distribution

Loans Classified by Borrowers (By Type of Finance) (Rs billion)										
Position at the end of March 2023 Based on ISIC 4 Classifications of Private Sector Businesses	Total credit		Working capital		Fixed investment		LTFF		EFS	
	(Jul-Mar) FY2022	(Jul-Mar) FY2023	(Jul-Mar) FY2022	(Jul-Mar) FY2023	(Jul-Mar) FY2022	(Jul-Mar) FY2023	(Jul-Mar) FY2022	(Jul-Mar) FY2023	(Jul-Mar) FY2022	(Jul-Mar) FY2023
Description										
Loans to Private Sector Business	1002.2	271.2	608.7	113.4	333.1	147.5	202.9	9.3	101.1	-52.2
A. Agriculture, forestry and fishing	22.4	12.5	12.9	-1.2	8.5	13.8	0.6	0.1	0.1	-0.2
B. Mining and quarrying	1.1	4.5	-4.3	7.3	5.4	-2.8	0.0	0.0	-0.1	-0.1
C. Manufacturing	789.0	277.4	566.3	139.6	213.9	136.1	194.9	11.0	99.4	-44.4
10 - Manufacture of food products	148.7	84.1	134.1	89.1	13.9	-5.1	15.1	0.2	15.3	-2.1
a- Wheat Processing	-20.7	-30.4	-21.1	-30.8	0.4	0.4	0.2	0.7	-0.1	0.0
b- Rice Processing	62.4	50.0	57.1	47.6	5.1	2.5	0.8	-0.1	10.4	-1.5
13 - Manufacture of textiles	334.1	146.0	235.3	100.5	94.6	46.3	94.6	-4.5	64.8	-23.5
19 - Manufacture of coke and refined petroleum products	25.5	46.4	21.1	44.9	4.5	1.4	1.4	-0.1	0.0	0.9
20 - Manufacture of chemicals and chemical products	24.5	-11.9	3.9	-31.3	20.5	19.4	16.5	2.9	5.0	0.3
D. Electricity, gas, steam and air conditioning supply	30.0	-10.7	3.7	-1.7	26.4	-9.1	-1.7	-1.3	-0.3	0.0
E. Water supply; sewerage, waste management and remediation activities	0.8	-8.4	1.4	-8.3	-0.6	-0.1	0.0	0.0	0.0	0.0
F. Construction	31.0	7.2	-1.2	9.4	-5.7	1.7	-5.3	1.1	0.0	0.0
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	46.1	-28.2	38.2	-24.4	6.0	-16.8	0.1	-2.0	0.7	-6.3
H. Transportation and storage	14.0	-7.8	10.2	-0.9	3.1	-6.8	1.8	0.2	0.0	0.0
I. Accommodation and food service activities	-1.6	-3.3	-2.4	-1.1	0.8	-1.3	1.4	0.7	0.1	-0.2
J. Information and communication	66.8	45.9	-5.7	9.4	72.5	35.4	9.2	-0.2	2.8	0.9
K. Real estate activities	5.9	-1.5	0.8	-0.2	-0.2	-3.1	0.1	0.0	0.0	0.0
L. Professional, scientific and technical activities	-0.5	2.3	-1.4	0.7	0.9	1.0	1.7	0.0	0.1	-0.2
M. Administrative and support service activities	-3.9	-3.0	-1.6	-8.4	-2.2	5.5	0.4	-0.1	-1.5	-1.1
N. Education	4.4	-3.8	-1.4	-1.1	0.5	-0.7	-0.2	-0.2	0.0	0.0
O. Human health and social work activities	-0.8	-2.1	-1.0	-0.4	0.1	-1.0	0.6	-0.1	0.0	0.0
P. Arts, entertainment and recreation	-0.2	-1.1	0.1	-0.2	-0.5	-1.2	0.0	0.0	0.0	0.0
Q. Other service activities	-2.0	-8.8	-6.0	-4.9	4.3	-3.0	-0.7	0.0	-0.2	-0.5

Source: SBP

With regard to the consumer financing, during July-March FY2023, consumer financing observed the same behavior as the private sector credit (Table 5.5). Consumer financing shows retirement of Rs 21.1 billion (2.3 percent reduction) as compared to Rs 143.6 billion (growth of 20.3 percent) during same period last

year. Consumer loans demand curtailed due to reduction of consumer financing in automobile sector. For instance, loans for transport sector curtailed from Rs 55.5 billion in July-March FY2022 to retirement of Rs 50.9 billion in July-March FY 2023, registering a negative growth of 13.8 percent.

Table-5.5: Consumer Financing

Rs billion

Description	July-March (Flows)		Growth (%)*	
	FY2022	FY2023	FY2022	FY2023
Consumer Financing	143.6	-21.1	20.3	-2.3
1) For house building	66.6	14.1	64.3	7.0
2) For transport i.e. purchase of car	55.5	-50.9	18.0	-13.8
3) Credit cards	13.9	16.4	25.2	22.6
4) Consumers durable	1.4	-0.5	23.5	-6.2
5) Personal loans	6.2	-0.2	2.6	-0.1
6) Other	0.2	-0.2	24.0	-18.4

* Growth is calculated on the basis of Stocks.

Source: State Bank of Pakistan

House-building sector has witnessed meager growth of 7.0 percent (Rs 14.1 billion) during July-March FY2023 against a significant growth of 64.3 percent (Rs 66.6 billion) in last year. Housing and construction finance decelerated amid rise in cost of construction, temporary halted in fresh disbursements under the schemes of Mera Pakistan Mera Ghar, rising domestic policy uncertainty, and a slowdown in

construction activities.

Monetary Liabilities

Monetary liabilities include currency in circulation, demand deposits, time deposits and resident foreign currency deposits.

Currency in Circulation (CiC)

During 01stJuly-31stMarch FY2023, CiC

observed an increase of Rs 700.1 billion (growth of 9.2 percent) against expansion of Rs 401.2 billion (growth of 5.8 percent) during same period last year. As a result, currency-to-M2

ratio reached at 28.7 percent as on 31st March as compared 29.2 percent during same period last year.

Table-5.6: Monetary Aggregates (Stocks position) Rs million

Items	As on End June		As on 31st March	
	2021	2022	2021-22	2022-23
A. Currency in Circulation	6,909,937	7,572,465	7,311,109	8,272,602
Deposit of which:				
B. Other Deposits with SBP	68,004	95,319	84,185	90,778
C. Total Demand & Time Deposits incl. RFCDs	17,319,755	19,934,849	17,600,851	20,432,923
of which RFCDs	1,046,150	1,212,791	1,122,176	1,347,159
Monetary Assets Stock (M2) A+B+C	24,297,696	27,602,634	24,996,145	28,796,304
Memorandum Items (%)				
Currency/Money (M2)	28.4	27.4	29.2	28.7
Other Deposits/Money (M2)	0.3	0.3	0.3	0.3
Total Deposits/Money (M2)	71.3	72.2	70.4	71.0
RFCD/Money (M2)	4.3	4.4	4.5	4.7

Source: State Bank of Pakistan

Deposits

During 01st July-31st March FY2023, bank deposits mobilization (including demand, time and Resident Foreign Currency Deposits (RFCD) increased by Rs 498.1 billion (growth of 2.5 percent) as compared an increase of Rs 281.1 billion (growth of 1.6 percent) during same period last year. Within deposits, demand deposits increased by 629.5 billion as compared to an increase of Rs 276.3 billion during same period last year. Deposit mobilization has increased amid high interest rates and favorable returns on bank deposits.

Whereas, time deposits decreased by Rs 265.8 billion as compared decline of Rs 71.2 billion in last year. On the contrary, RFCDs increased by Rs 134.4 billion against an increase of Rs 76.0 billion last year on account of massive PKR

depreciation (around 28 percent) during Jul-Mar, FY2023. As a result, currency-to-deposits ratio stood at 40.5 percent as of 31st March, 2023 as compared to 41.5 percent in last year.

Monetary Management

The liquidity conditions in inter-bank money market remained relatively strained during July-March FY23 as compared to the same period last year. The average outstanding Open Market Operations (OMOs) almost doubled and soared to a highest level of Rs 6,520.5 billion during the review period as compared to Rs 2,641.8 billion in the same period last year. The government's increased reliance on scheduled banks for its financing needs in the absence of central bank borrowing, affected the liquidity conditions of commercial banks.

Table-5.7: Average Outstanding Open Market Operations¹ Rs billion

	FY18	FY19	FY20	FY21	FY22	FY23
Full Year	1,228.7	(23.8)	1,103.2	1,291.1	2,615.3	5,759.9
Q1	1,440.9	1,035.2	1,337.7	1,048.3	2,127.2	5,323.0
Q2	1,530.5	-257.6	912.8	822.8	1,875.0	5,436.1
Q3	1,123.5	-641.2	892.4	1,158.0	2,641.8	6,520.5
Q4	813.1	-247.4	1,270.0	2,135.2	3,817.3	

¹: The data does not include the impact of outright OMOs.

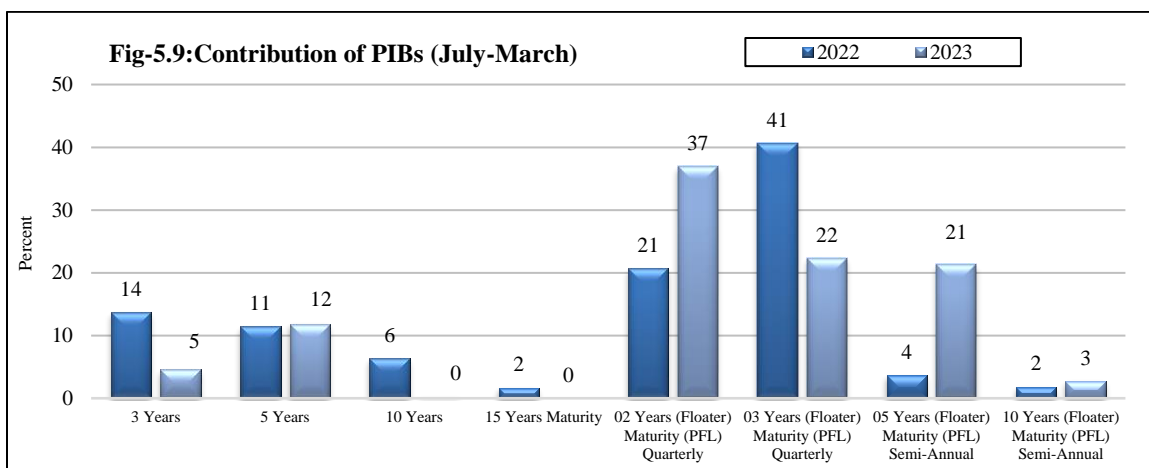
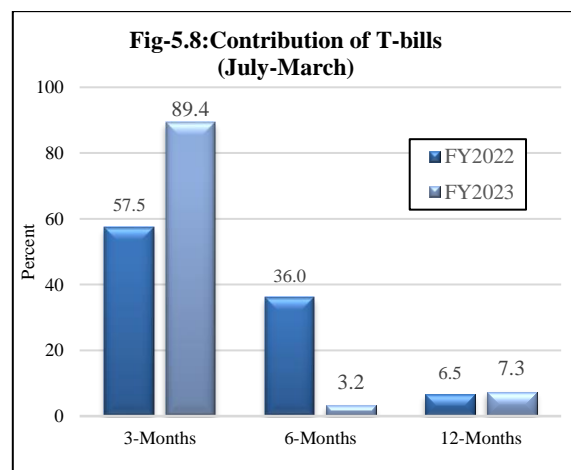
Note: (+) amount means net injections. (-) amount means net mop-up.

Source: State Bank of Pakistan

During July-March FY2023, market offered a total amount of Rs 28,808.9 billion in primary auction for T-Bills, slightly higher than Rs 26,426.5 billion offered amount during same period last year. Within the offered amount, the Government has raised Rs 15,514.6 billion (54 percent of the offered amount) in the T-Bill's auction as compared to last year accepted amount of Rs 12,959.5 billion (49.0 percent of the offered amount). The acceptance for the tenors under T-Bills mainly generated within 3 months. During July-March FY2023, around 89.4 percent of outstanding T-Bills acceptance for 3-months, followed by 7.3 percent for 12-months and 3.2 percent under 6-months, indicating market's expectations of further tightening of monetary policy stance in near future because market offered a significant amount at higher rates.

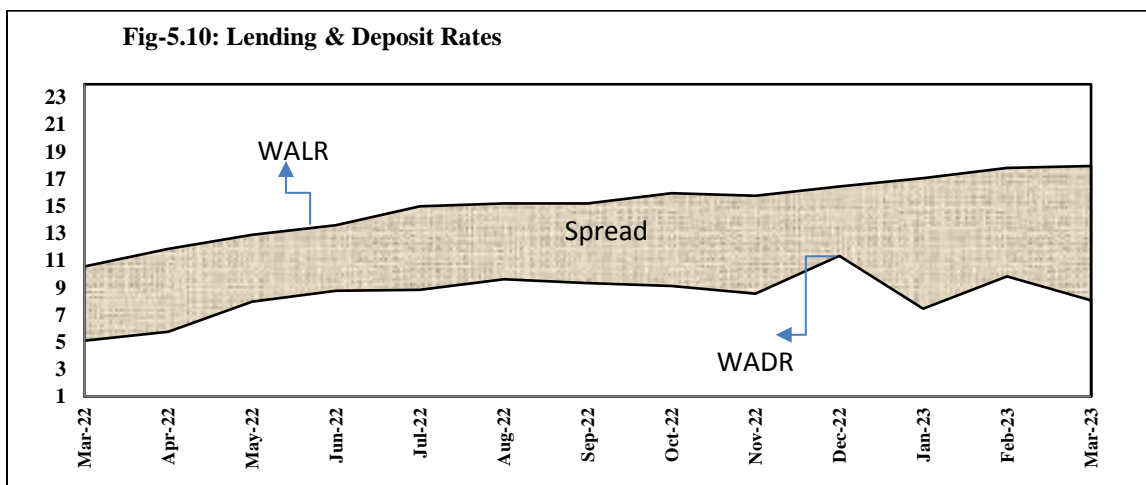
During July-March FY2023, Government remained inclined towards floating rate long-term debt instrument that is Pakistan Investment Bonds (PIBs). Market offers Rs 3,587.6 billion under fixed rate PIBS which is around 33.0 percent of offered amount, while for floaters, the market offered Rs 7,179.8 billion, 67.0 percent of the offered amount. Keeping in view higher

yields demanded by the market relative to prevailing cut-offs, the Government accepted only Rs 968.9 billion from fixed coupon PIBs (16.6 percent of the accepted amount). In this backdrop, floaters helped the Government to raise medium-to-long term debt. Given these favourable traits of floaters, the Government was able to raise Rs 4,861.4 billion via issuances of floating rate PIBs (83.4 percent of accepted amount). Moreover, 2Y quarterly coupon PIBs remained the market's most favored instrument floaters which contribute around 44 percent of floaters accepted amount.



In the presence of persistent high inflationary pressures, an aggressive monetary tightening has been adopted and policy rate increased by 8.8 percent to 21 percent during last 12 months. The pass-through effect of tight monetary policy stance on Weighted Average Lending Rate (WALR) was increased from 10.6 percent on gross disbursement in March 2022 to 18.0 percent in March 2023. Similarly, Weighted

Average Deposit Rate (WADR) offered on fresh deposits also increased from 5.1 percent in March 2022 to 8.1 percent in March 2023. Accordingly, banking spread (difference between the lending and deposit rates and the cost of channeling funds through intermediaries) increased from 5.5 percent in March 2022 to 9.9 percent in March 2023.



Financial Sector

To create conducive and enabling environment for the banking industry, the SBP continued to play its regulatory and supervisory role during FY2023.

Financial Performance and Standing of Banking Sector

The banking sector performed reasonably well during CY22.⁶ For instance, asset-base of the banking sector expanded by 19.1% (YoY) in CY22 (19.6% growth in CY21). The expansion was mainly due to increase in investments and advances. During the reviewed period, advances recorded robust growth with major push from domestic private advances with growth of 16.4% on YoY basis.

Deposits of the banking sector grew at relatively slower pace of 8.0% on YoY basis and reached to Rs 23.5 trillion by end Dec-22 (17.3% expansion in CY21). Likewise, current accounts contributed 67.7% increase in total deposits on

YoY basis, followed by increase in rate sensitive deposits (i.e. saving and fixed deposits).

Asset Quality indicators of the lending portfolio improved as the infection ratios, such as gross Non Performing Loans (NPLs) to gross loans, fell to 7.3% by end Dec-22 from 7.9% end Dec-21. The ratio of net NPLs to net loans marginally rose to 0.8% (0.7% in Dec-21) and the ratio of net NPLs to Capital rose to 4.6% by end Dec-22 (4.0% at end Dec-21). However, these ratios remained their lowest levels over the last two decades.

The solvency indicators, such as Capital Adequacy Ratio (CAR), of banking sector improved and reached to 17.0% by end Dec-22 (16.7% at end Dec-21) due to higher growth in regulatory capital. The prevailing CAR was well above the domestic and international minimum benchmarks of 11.5% and 10.5%, respectively. With steady earnings and low NPLs and capital impairment ratio, the solvency of the banking sector remained comfortable.

Table -5.8: Highlights of the Banking Sector Industry

	CY16	CY17	CY18	CY19	CY20	CY21	CY22
Key Variables (Rs. billion)							
Total Assets	15,831	18,342	19,682	21,991	25,124	30,058	35,796
Investments (net)	7,509	8,729	7,914	8,939	11,935	14,554	18,400
Advances (net)	5,499	6,512	7,955	8,249	8,292	10,121	11,818
Deposits	11,798	13,012	14,254	15,953	18,519	21,720	23,461
Equity	1,353	1,381	1,406	1,658	1,862	1,942	2,086
Profit Before Tax (ytd)	314	267	243	304	411	451	703
Profit After Tax (ytd)	190	158	149	171	244	264	336
Non-Performing Loans	605	593	680	761	829	860	924
Non-Performing Loans (net)	90	76	110	141	97	75	97

⁶ CY indicate Calendar Year

Table -5.8: Highlights of the Banking Sector Industry

	CY16	CY17	CY18	CY19	CY20	CY21	CY22
Key Financial Sector Indicators (percent)							
NPLs to Loans (Gross)	10.1	8.4	8	8.6	9.2	7.9	7.3
Net NPLs to Net Loans	1.6	1.2	1.4	1.7	1.2	0.7	1
Capital Adequacy Ratio (all banks)	16.2	15.8	16.2	17	18.6	16.7	17
Advances to Deposit Ratio	46.6	50.1	55.8	51.7	44.8	46.6	50.4

Note: Statistics of profits are on year-to-date (ytd) basis.

Source: State Bank of Pakistan

Financial Development

Table 5.9: Financial Depth

Years	M2/GDP
2010-11	36.6
2011-12	38.1
2012-13	39.6
2013-14	39.6
2014-15	41.0
2015-16	44.1
2016-17	45.7
2017-18	46.2
2018-19	40.6
2019-20	44.0
2020-21	43.5
2021-22	41.2
31st March	
2021-22	37.5
2022-23	34.0

Source: EA Wing Calculation, Finance Division

Financial sector development is an important determinant of economic growth. It promotes economic growth through capital accumulation and technological progress by increasing the savings rates, mobilizing and pooling savings, producing information about investment, facilitating and encouraging the inflows of foreign capital, as well as optimizing the allocation of capital.

Countries with well-developed financial systems tend to grow faster over long periods of time. A large body of empirical evidence suggests that

the effect of financial development on economic growth is causal: financial development is not simply an outcome of economic growth but also it contributes to this growth. Additionally, it also reduces poverty and inequality by broadening access to finance to the poor and vulnerable groups, facilitating risk management by reducing abrupt shocks, increasing investments and productivity that result in higher income generation.

Financial sector development can enhance the growth of small and medium sized enterprises (SMEs) by providing access to finance.

Financial development (i.e. financial depth) can be measured by different macroeconomic variables such as domestic credit to the private sector as a percentage of GDP, broad money, M2) as a percentage of GDP, and stock market capitalization as percentage of GDP, among others. However, in this survey financial depth is measured by M2/GDP ratio (in percent), which is widely used as an indicator of financial sector deepening (Table 5.9), where higher values represent a more developed financial sector. This ratio has witnessed a substantial increase from 36.6 percent in FY2011 to 41.2 percent in FY2022, indicating a gradual development of financial sector due to various reform measures by the SBP for the development of financial system in Pakistan.

Box-III: Financial Sector Reforms during July-March FY2023

The robust performance of the banking sector and its financial soundness was contributed by various regulatory and policy reforms undertaken by SBP. The key policy reforms are highlighted below:

Strengthening of Regulatory and Supervisory Environment

SBP, in line with the international best practices, introduced a comprehensive set of reforms to enhance supervision and resilience of the banking system.

➤ **Supervisory Reforms**

• **Removal of Pakistan from FATF’s Grey List**

The FATF team conducted an on-site visit of Pakistan from 29th August 2022 to 2nd September 2022 to assess progress of Pakistan under the FATF’s Action Plans of 2018 and 2021. The continued engagement of Finance Division, EAD and SBP with FATF/APG officials was fruitful, as Pakistan has been removed from the FATF.

➤ **Foreign Exchange (FX) Regime**

• **International Trade**

○ **Automated Issuance & Verification of Electronic Proceeds Realization Certificate (ePRC) & Statement of PRCs**

For the facilitation of non-resident Pakistanis and their resident counterparts, Authorized Dealers (ADs) were advised to automate the process of issuance and verification of ePRCs, on account of the receipt of remittances from abroad. This initiative has facilitated the beneficiaries of inward remittance in Pakistan as they can now retrieve their ePRC and S-PRC from the Bank’s PRC portal on few clicks, without submitting request, visiting or following up the bank.⁷

○ **Special Regulatory Measures to Support Software, IT Service Companies & Freelancers**

Various regulatory measures have been taken by SBP to encourage the software/ IT service companies and freelancers engaged in the export of services to earn and repatriate their export proceeds to Pakistan, and retain up to 35 percent of their proceeds in form of FCY, in exporters’ special foreign currency retention accounts (SFCA).⁸

○ **Utilization of Funds held in Exporters’ Special Foreign Currency Account**

To facilitate exports of goods /services, SBP has enhanced the scope of utilization of funds available in their Special Foreign Currency Accounts covering additional avenues such as, payments for software purchasing, hosting and licensing subscription, etc.⁹

• **Remittances**

○ **Extended Home Remittances Channel to Receive Donation/ Charity from Abroad**

In order to deal with an unprecedented climate catastrophe observed in Pakistan, realizing the need of the hour, the scope of Pakistan Home Remittances Channel has been extended to accept home remittance inflows received as donation/charity.¹⁰

• **Exchange Companies (ECs)**

○ **Incentivizing Exchange Companies for Mobilization of Home Remittance**

SBP in coordination with the Government of Pakistan, has motivated the ECs to further mobilize the home remittances, by providing them an incentive of PKR 1 for each USD of home remittance surrendered in interbank market.

• **Connecting Overseas Pakistanis with the Banking System of Pakistan**

○ **Roshan Pension Plan**

Roshan Pension Plan (RPP) has been introduced as another useful addition in the product suite of Roshan Digital Account (RDA). RPP is an exclusive product for the Non- Resident Pakistanis (NRPs) and Pakistani Origin Card (POC) holders to digitally and remotely contribute in RPP financially securing their post retirement life.

○ **Roshan Digital Business Account (RDBA)**

In order to facilitate the business entities incorporated abroad with majority shareholding of NRPs, the authorized dealers/banks have been given general permission to open and maintain RDBAs of such entities. This landmark initiative taken by SBP will strengthen the business alliances of NRP owned entities abroad with their homeland Pakistan.

➤ **Reinforcing Measures for Financial Stability and Systemic Risk Assessment**

SBP has instituted regulatory and supervisory framework that is in line with the best international practices. SBP is continuously working to strengthen the safety nets for enhancing the stability of the banking sector. SBP issued “Regulations for Lender of Last Resort (LOLR) facility under Section 17G of the SBP Act, 1956” in FY2022 with the objective to prevent liquidity stress in a scheduled bank from

causing the insolvency, avoid or minimize the possibility of deposit run; and protect and maintain the stability and integrity of the banking and payments systems. Further, the deposit insurance coverage limit is doubled from PKR 250,000 per depositor to PKR 500,000 per depositor for eligible deposits.

➤ **National Financial Inclusion Strategy (NFIS)**

SBP adopted the extended NFIS in 2019, after meeting the headline targets of 50% adult population to have a bank account, as envisioned in NFIS 2015-20. The NFIS 2023 action plan, to be executed during 2019-23, has set the vision to achieve inclusive economic growth through enhancement in access to bank accounts, promotion of access to finance to SMEs, farmers, low-cost housing and provision of Shariah compliant banking solutions. NFIS 2023 outlines the national vision, framework, action plan and headline targets of 65 million digital active transaction accounts including 20 million women owned accounts by 2023.

➤ **Measures Taken to Promote Digital Financial Services**

• **Regulatory Reforms for Promotion of Digitization**

○ **Guidelines for Downtime of Digital Channels/Services**

In order to increase transparency, accountability, and prompt resolution of downtime in digital banking channels in Pakistan, SBP advised banks, microfinance banks (MFBs), Electronic Money Institutions (EMIs), Payment System Operators/Providers (PSOs/PSPs), to report all planned and unplanned downtimes in their digital banking channels. In this regard, all Regulated Entities (REs) are required to notify their customers and SBP at least one week in advance of any planned activity that may result in a service disruption of digital banking channels. For emergency downtimes of 30 minutes or more, the REs must report immediately to SBP and their customers, using the reporting templates provided by SBP.

○ **Broadening Access via Non-Bank Fin-techs**

One of the reasons for high level of financial exclusion is bank's inability to innovate and having limited outreach. SBP has provided enabling regulatory framework for Fin-techs to offer innovative digital payment services in Pakistan. To enable Fin-techs, SBP issued the Rules for Payment Systems Operators (PSOs) and Payment Service Providers (PSPs) and regulations for Electronic Money Institutions (EMIs) in 2014 and 2019 respectively. SBP has fast tracked the licensing process of EMIs and during the year under review, four EMIs are live with commercial operations whereas six entities are in different phases of approval such as in-principle approvals and pilot operations. As of December 31, 2022 the outstanding e-money balance stood at PKR 1.4 billion with more than 1.2 million wallets and 1.8 million payment cards.

○ **Roshan Digital Account (RDA)**

Another key initiative that enables NRPs to open and operate account without lengthy documentation. As of March 31, 2023, 549,445 overseas Pakistanis from 175 countries have opened accounts and have sent funds valuing USD 5.9 billion.¹¹

Source: State Bank of Pakistan

Islamic Banking

Assets of Islamic Banking Industry (IBI) posted YoY growth of 29.5 percent in CY22, marginally lower than growth of 30.6 percent observed in CY21. Similarly, deposits of IBIs witnessed growth of 22.6 percent in CY22 compared to growth of 24.3 percent in CY21.

The network of IBI consisted of 22 Islamic

banking institutions (6 full-fledged Islamic Banks (IBs) and 16 conventional banks having standalone Islamic Banking Branches (IBB) are providing Shariah compliant products and services through their network of 4,396 branches spread across 129 districts of the country by end December, 2022. In addition to branches, 1,516 Islamic banking windows (dedicated counters at conventional branches) are also providing

⁷<https://www.sbp.org.pk/epd/2022/FEC5.htm>

⁸<https://www.sbp.org.pk/epd/2023/FECL2.htm>

⁹<https://www.sbp.org.pk/epd/2023/FECL3.htm>

¹⁰<https://www.sbp.org.pk/epd/2022/FECL14.htm>

¹¹ Data Source: <https://www.sbp.org.pk/RDA/Progress.html>

Shariah compliant Islamic banking services.

Breakup of the data between IBs and IBBs shows that the share of IBs and IBBs in overall

assets of IBI was registered at 54.5 percent and 45.5 percent, respectively by the end of September, 2022.

Table- 5.10: Islamic Banking Industry

	CY17	CY18	CY19	CY20	CY21	CY22*
Total Assets (Rs. Billion)	2,272.0	2,658.0	3,284	4,269	5,577	7220
Total Deposits (Rs billion)	1,885.0	2,203.0	2,652	3,389	4,211	5161
Share in Banks' Assets (Percent)	12.4	13.5	14.9	17	18.6	20.3
Share in Banks' Deposits (Percent)	14.5	15.5	16.6	18.3	19.4	22

* Provisional

Source: State Bank of Pakistan

Table -5.11: Financing Products by Islamic banks (Percent Share)

Mode of Financing	CY17	CY18	CY19	CY20	CY21	CY22
Murabaha	13.2	13.6	12.9	13.7	13.6	12.0
Ijara	6.4	6.2	5.7	4.8	4.4	4.2
Musharaka	22.0	19.9	19.8	22.7	24.9	25.2
Mudaraba	0.0	0.0	0.0	0.0	0.0	0.0
Diminishing Muskaraka	30.7	33.3	34.1	33.6	33.8	34.8
Salam	2.8	2.4	2.6	1.9	2.0	1.6
Istisna	8.2	9.1	9.5	8.3	8.3	9.3
Qarz/Qarz-e-Hasna	0.1	0.0	0.0	0.0	0.0	0.1
Others	16.7	15.5	15.4	15.0	13.0	12.8
Total	100.1	100.0	100.0	100.0	100.0	100.0

Source: State Bank of Pakistan

Mode-wise financing breakup revealed that Diminishing Musharaka has highest share in overall financing of IBI followed by Musharaka and Murabaha in CY22.

Microfinance

The Microfinance Banks (MFBs) posted positive growth in terms of number of borrowers, gross loan portfolio and average loan

balance during FY2023 despite continued to struggle and recover from the adversities inflicted by the COVID-19 pandemic and floods of 2022. However, many borrowers of MFBs were unable to honor their debt obligations, which in turn placed MFBs under considerable financial stress owing to escalated loan loss provisioning and charging off overdue facilities.

Table-5.12: Microfinance Industry Major Indicators (Rs billions)

Indicators	FY2022	FY2023*	Annual Growth (%)
Number of Branches	3,823	4,058	6.1
No. of Borrowers	8,122,085	9,092,247	12
Gross loan portfolio	392.6	491.2	25.1
Average Loan Balance (in Rs.)	48,335	54,031	11.8

*up to December 2022

Source: PMN MicroWatch, various issues

As of December 2022, around 36 institutions providing microfinance services. Out of 36 MFBs, 12 are deposit taking, 01 Islamic Banking Institutions (that is, MCB Islamic Bank), while

rest are non-bank microfinance providers. The microfinance industry players operated through 4,058 branches spread in 139 districts across the country.

Table -5.13: Microfinance Banking Indicators (Rs billions)

Indicators	FY22 (Dec 21)	FY23 (Dec 22 ^P)	Annual Growth (%)
No. of Borrowers	4,667,422	5,328,686	14.2
Gross Loan Portfolio	290.2	361.7	24.6
Average Loan Balance (in Rs.)	62,176	67,880	9.2
Deposits	423	515.1	21.9
No. of Depositors	75,526,797	90,779,276	20.2
Equity	56.7	44.8	-20.9
Assets	582.1	754.1	29.6
Borrowings	59	67.2	13.95
NPL	5.16%	6.70%	29.84

Source: Financial Soundness Indicators, SBP.

Branchless Banking (BB) Performance

SBP's measures regarding the use of Digital Payment Services have further pushed the

growth trajectory. The number of agents, mobile wallets and deposits witnessed significant growth during CY22.

Table -5.14: Branchless Banking Indicators

BB Indicators	CY21	CY22	Growth (%)
Number of Agents	587,547	622,884	6
Number of Accounts	78,809,751	97,096,597	23
Deposits (Rs In millions)	65,580	88,488	35
No. of transactions ('000')	2,501,293	3,049,483	22
Value of transactions (Rs in millions)	8,971,352	12,601,739	40

Source: Agricultural Credit & Microfinance Department, SBP.

Outlook

FY2023 started with global and domestic uncertainties, surrounded the economic prospects. Pakistan external environment faced many headwinds on account of rising government borrowing costs and capital outflows which exacerbated fiscal and BoP pressures as in many developing countries. The situation further aggravated with emergence of catastrophic flood, altered the economic outlook. To control persistent inflationary pressures, to contained domestic demand and external sector imbalances, SBP continued with monetary tightening, which provide desired dividends. Accordingly, external sector remained resilient which provide given some cushion to FX Reserves.

Contained domestic economic activities discouraged private sector credit demand during July-March FY2023 and major drag came from lower working capital loans. Besides, fixed

investment loans also declined during the period.

On the other hand, weak growth prospects, high debt servicing cost along with contained economic activities and lower demand also impacted on resource mobilization. Thus, FY2023 is moving with challenges, seeking balanced policy mix for stabilization.

Over the next FY, it is expected that inflationary pressures will gradually recede and further decrease to a single digit in FY2025. Accordingly, monetary policy decisions will be determined.

Over the medium term, sustainable growth requires economic fundamentals-based balanced growth policies. Sufficient investment is needed to increase production capacity and productivity in the economy to realize the high growth of potential output. Stabilizing the output gap demands accommodative fiscal and prudent monetary policy to ensure balance growth path.



CAPITAL MARKETS & CORPORATE SECTOR

MSCI-EM Index

1.0%



INDEX

KSE-100 Index

3.7%

(Jul-Mar FY2023)



PSX

**Market
Capitalization**

6,108

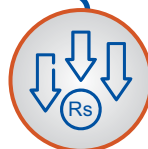
(Rs. Billion)



**Net Investment
in NSS***

-308.2

(Rs. Billion)



**Incorporation of
Companies (No.)**

5.9%

(Jul-Mar FY2023)



**Commodities
Contracts**

3.49

(Rs. Trillion)

(Jul-Mar FY2023)



*: National Savings Scheme

CAPITAL MARKETS AND CORPORATE SECTOR

Capital market is an organized market where buyers and sellers indulge in trade of financial securities like bonds, stocks, etc. In addition, capital markets also include other types of securities, including currencies and commodities such as dollar, Yen, riyal, gold, silver and agricultural products. Capital markets benefit the economy by encouraging the efficient allocation of risk among participants in a competitive environment. Managing risk-return nexus improves the efficiency of resource allocation and increase corporate value.

Capital markets play a pivotal role in mobilizing domestic resources and channeling them efficiently for productive uses, thus raising country's productivity. The level of capital market development is an important determinant of savings and investment. It can immensely contribute to speedy economic growth through boosting liquidity and availability of credit and also reduce risk and information asymmetry. The lack of an advanced and vibrant capital market can lead to underutilization of financial resources, while the developed capital market provides access to foreign capital for domestic economy, thus, plays a key role in overall development of a country.

The chapter covers the performance of Pakistan's equity market, debt market,

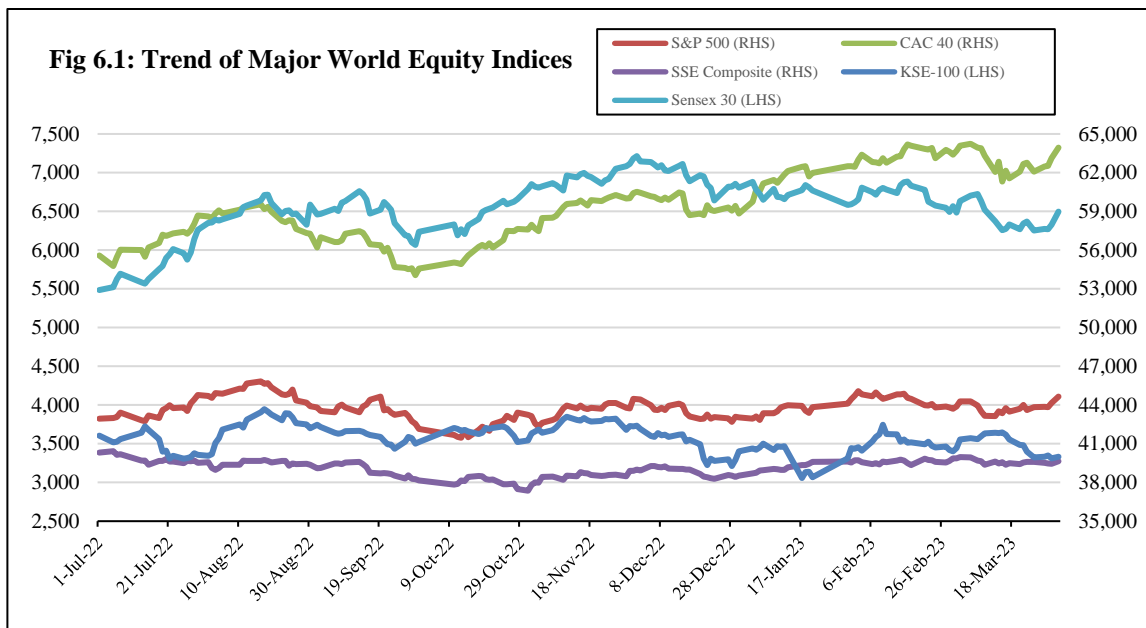
commodity futures market, non-banking financial companies, corporate sector, Islamic finance and insurance sector for FY2023. The chapter also covers the capital markets reforms and development activities introduced by the Securities and Exchange Commission of Pakistan (SECP), the regulatory body of capital markets in Pakistan.

I – Equity Market

An equity market, commonly known as a stock market, is a market in which listed companies issued shares for sale and investors buy them. This trading activity helps companies to raise capital for enhancing business growth and opportunities. It gives the investors a proportionate stake in the company and hence, they gain ownership of the firm through the shares they purchase.

Global Equity Markets

The performance of major world stock markets during the first nine months of FY2023 is depicted in Figure 6.1. As shown in Figure 6.1 that all indices revealing a mixed trend and faced short-term fluctuations during the period under review due to the global financial conditions amid conflict between Russia and Ukraine, global inflation and monetary tightening.



Source: Investing.com¹

Major Asian Markets

The performance of major Asian stock market indices presented a mixed picture during the first nine months of FY2023 (Fig-6.2 & Table 6.1). BSE Sensex 30 index of India has seen the

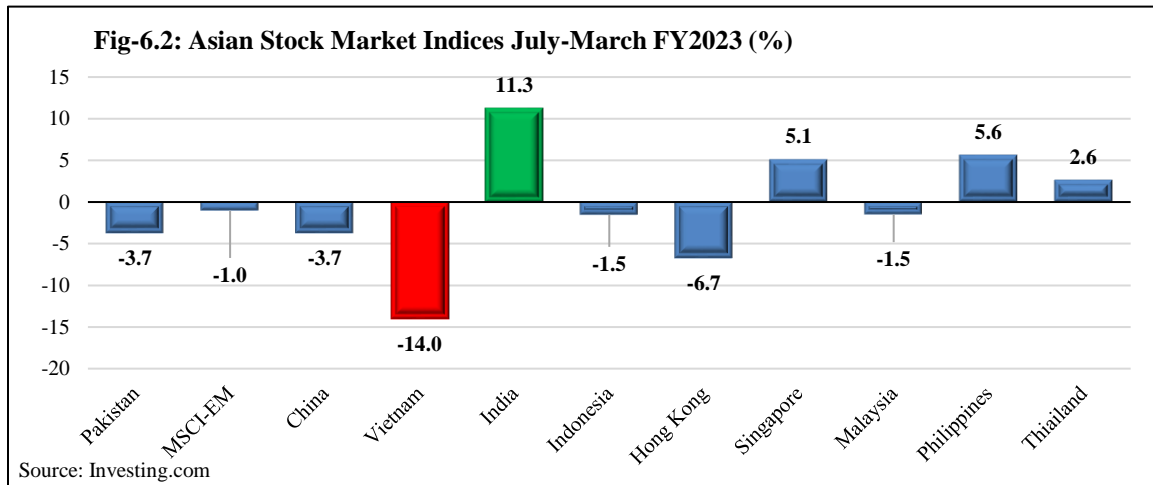
highest growth of 11.3 percent, while VN30 index of Vietnam declined by 14.0 percent, revealing the highest decline during the period July 2022 to March 2023, while KSE-100 index of Pakistan witnessed a decline of 3.7 percent during the period under review.

Table 6.1: Behavior of Major Asian Stock Market Indices (July-March FY2023)

Country	Index	Index On 30.06.2022	Index On 31.03.2023	% Change
Pakistan	KSE 100 Index	41,540.83	40,000.83	-3.71
MSCI-EM	MSCI Emerging Market Index	1,000.67	990.28	-1.04
China	Shanghai Composite	3,398.62	3,272.86	-3.70
Vietnam	VN30 Index	1,248.92	1,073.68	-14.03
India	BSE Sensex 30	53,018.94	58,991.52	11.26
Indonesia	Jakarta Stock Exchange Composite Index	6,911.58	6,805.28	-1.54
Hong Kong	Hang Seng	21,859.79	20,400.11	-6.68
Singapore	FTSE Straits Times Singapore	3,102.21	3,258.90	5.05
Malaysia	Kuala Lumpur Composite Index	1,444.22	1,422.59	-1.50
Philippines	PSEi Composite	6,155.43	6,499.68	5.59
Thailand	SET Index	1,568.33	1,609.17	2.60

Source: Investing.com

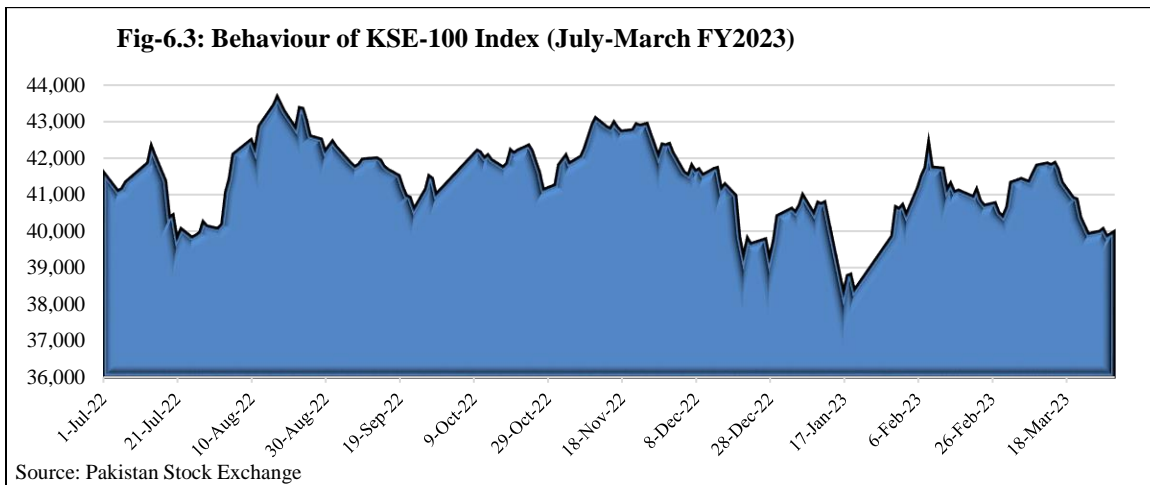
¹ **S&P 500** is a stock market index tracking the performance of 500 large companies listed at the US stock exchange. **SSE Composite** index is a stock market index of all stocks that are traded at the Shanghai Stock Exchange. **Sensex 30** is a free-float market-weighted stock market index of 30 well established companies on the Bombay Stock Exchange. The **CAC 40** is a benchmark French stock market index, represents a capitalization-weighted measure of the 40 most significant stocks among the 100 largest market caps on the Euro next Paris. The **KSE-100 index** is a stock market index acting as a benchmark to compare prices on the Pakistan Stock Exchange over a period.



Pakistan's Equity Market

The benchmark index of Pakistan Stock Exchange Limited (PSX), the KSE-100 index, registered a decline from 41,540.8 points to

40,000.8 points during June 30, 2022 to March 31, 2023. The index closed at its highest point of 43,676.6 on August 17, 2022, whereas its lowest closing point was 38,342.2 on January 17, 2023 (Fig-6.3).



The average daily volume decreased to 204 million shares compared to 305 million shares, witnessed during the same period last year. As of March 31, 2023, the number of listed companies stood at 526, with total listed capital

of Rs 1,556 billion and market capitalization of Rs 6,108 billion. The profile of PSX from FY2019 to March 2023 is reported in Table 6.2.

Table 6.2 Profile of Pakistan Stock Exchange

	2019	2020	2021	2022	2023 (Till 31 st March 2023)
Total No. of Listed Companies	534	531	532	530	526
Total Listed Capital (Rs billion)	1,386.59	1,421.09	1,442.64	1,525.90	1,555.60
Total Market Capitalization (Rs billion)	7,811.81	8,035.36	8,297.31	6,956.51	6,108.17
New Companies Listed during the year	1	3	5	5	2

Table 6.2 Profile of Pakistan Stock Exchange

	2019	2020	2021	2022	2023 (Till 31 st March 2023)
Average Daily Shares Volume (Shares in million, Year to Date)	163.98	323.51	527.50	408.00	286.00
Total Volume Traded (In millions, Year to Date)	57,645	108,426	131,354	101,657	53,977

Source: Pakistan Stock Exchange

Month-wise performance of KSE-100 index is presented in Table 6.3. The turnover in shares reached its peak in August 2022, indicating that investors were actively investing and

participating in trading activities. However, the market activity slowed down afterwards due to the uncertainty on economic and political front and devastating effects caused by flash floods.

Table 6.3: Month-wise performance of KSE-100 Index

Months	2021-22			Months	2022-23		
	KSE 100 index	Total Market Capitalization (Rs billion)	Turnover in shares (billion)		KSE 100 index	Total Market Capitalization (Rs billion)	Turnover in shares (billion)
Jul-21	47,055.29	8,242.71	2.80	Jul-22	40,150.36	6,771.94	2.62
Aug-21	47,419.74	8,290.43	2.55	Aug-22	42,351.15	7,034.96	6.86
Sep-21	44,899.60	7,804.49	3.28	Sep-22	41,128.67	6,782.04	3.84
Oct-21	46,184.71	7,953.39	2.40	Oct-22	41,264.66	6,663.36	5.81
Nov-21	45,072.38	7,720.41	2.65	Nov-22	42,348.63	6,768.15	4.28
Dec-21	44,596.07	7,684.64	2.39	Dec-22	40,420.45	6,500.83	3.99
Jan-22	45,374.68	7,755.93	2.23	Jan-23	40,673.06	6,394.03	3.89
Feb-22	44,461.01	7,612.65	1.94	Feb-23	40,510.37	6,272.51	3.52
Mar-22	44,928.83	7,582.98	1.83	Mar-23	40,000.83	6,108.17	3.67
Apr-22	45,249.41	7,519.74	5.79	Apr-23			
May-22	43,078.14	7,136.26	4.54	May-23			
Jun-22	41,540.83	6,956.51	4.64	Jun-23			

Source: Pakistan Stock Exchange

Sector-wise Market Capitalization at Pakistan Stock Exchange as of 31st March 2023

Market capitalization of the PSX recorded at Rs 6,956 billion on 30th June 2022 and closed at Rs

6,108 billion on 31st March 2023, reflecting a decline of 12.2 percent, mainly due to decline in the prices of stocks amid uncertainty on political and economic front during the period under review which dented the investor's confidence. Sector-wise detail is given in Table 6.4.

Table 6.4: Sector-Wise Market Capitalization

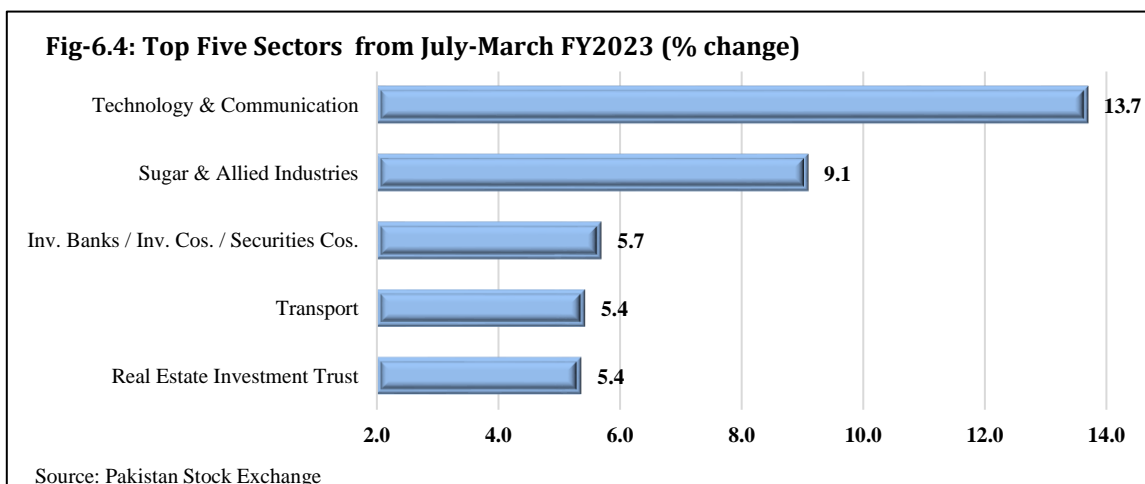
Sectors	Market Cap On 30/06/2022 (Rs million)	Market Cap On 31/03/2023 (Rs million)	%Change
Automobile Assembler	311,233.8	228,212.1	-26.7
Automobile Parts & Accessories	45,805.7	32,374.9	-29.3
Cable & Electrical Goods	29,149.1	22,276.7	-23.6
Cement	411,883.3	384,906.7	-6.5
Chemical	413,891.4	360,937.9	-12.8
Close - End Mutual Fund	2,074.9	1,680.9	-19.0
Commercial Banks	1,121,931.7	990,469.9	-11.7
Engineering	100,473.4	75,598.6	-24.8

Table 6.4: Sector-Wise Market Capitalization

Sectors	Market Cap On 30/06/2022 (Rs million)	Market Cap On 31/03/2023 (Rs million)	%Change
Fertilizer	527,337.7	491,310.2	-6.8
Food & Personal Care Products	710,931.7	578,708.0	-18.6
Glass & Ceramics	63,727.9	57,348.7	-10.0
Insurance	135,286.4	119,307.8	-11.8
Inv. Banks / Inv. Cos. / Securities Cos.	110,529.0	116,827.8	5.7
Jute	214.4	177.0	-17.4
Leasing Companies	445.4	415.6	-6.7
Leather & Tanneries	43,225.5	31,858.0	-26.3
Miscellaneous	104,889.6	64,420.2	-38.6
Modarabas	23,036.7	19,461.3	-15.5
Oil & Gas Exploration Companies	869,323.5	847,663.4	-2.5
Oil & Gas Marketing Companies	177,892.8	151,661.6	-14.7
Paper & Board	64,515.4	54,029.5	-16.3
Pharmaceuticals	252,064.8	163,813.5	-35.0
Power Generation & Distribution	248,964.1	222,139.8	-10.8
Refinery	78,670.4	56,096.1	-28.7
Sugar & Allied Industries	68,428.1	74,637.1	9.1
Synthetic & Rayon	79,765.6	81,576.0	2.3
Technology & Communication	241,830.7	274,866.1	13.7
Textile Composite	273,074.6	230,556.4	-15.6
Textile Spinning	68,312.5	54,745.5	-19.9
Textile Weaving	3,573.8	2,750.1	-23.0
Tobacco	287,484.9	199,591.3	-30.6
Transport	54,796.3	57,771.5	5.4
Vanaspati & Allied Industries	1,386.0	1,289.5	-7.0
Woolen	285.2	201.5	-29.3
Real Estate Investment Trust	30,064.4	31,681.0	5.4
Exchange Traded Funds	6.6	550.0	8,262.7
Property	-	26,257.8	-
Total	6,956,507.5	6,108,169.9	-12.2

Source: Pakistan Stock Exchange

In terms of growth in market capitalization, five top sectors are shown in Fig 6.4.²



²Except Exchange Traded Funds and Property Sector.

Total Market Capitalization of Top 15 Companies Listed at Pakistan Stock Exchange as on March 31, 2022

on market capitalizations on 31st March, 2023, is depicted in Table 6.5.

The list of selected blue-chip companies, based

Table 6.5: Market Capitalization of Selected Blue Chips

Script	Company	Shares (million)	Price (Rs)	Market Capitalization (Rs million)
OGDC	Oil & Gas Development Company Ltd.	4300.93	83.36	358,525
NESTLE	Nestle Pakistan Ltd.	45.35	5017.5	227,541
MARI	Mari Petroleum Company Ltd.	133.40	1513.3	201,878
PPL	Pakistan Petroleum Limited.	2720.97	63.96	174,033
PAKT	Pakistan Tobacco Co Ltd.	255.49	670	171,181
MEBL	Meezan Bank Limited.	1789.62	95.2	170,372
COLG	Colgate Palmolive (Pak) Ltd.	121.39	1336.25	162,203
ENGRO	Engro Corporation Limited.	576.16	276.78	159,470
MCB	MCB Bank Limited.	1185.06	115.00	136,282
SYS	Systems Limited.	290.26	462.06	134,116
UBL	United Bank Ltd.	1224.18	106.56	130,449
LUCK	Lucky Cement Limited.	323.38	402.44	130,139
FFC	Fauji Fertilizer Co. Ltd.	1272.24	99.97	127,186
UPFL	Unilever Pakistan Foods Ltd.	6.37	17900	114,022
EFERT	Engro Fertilizers Limited.	1335.30	84.82	113,260

Source: Pakistan Stock Exchange

II- Debt markets

The debt market is the market where debt instruments are traded. These instruments are fixed-income securities, giving fixed returns to the investors. These securities provide regular interest payments at a fixed rate with principal repayment at the time of maturity. In Pakistan the major debt market securities are the bonds, treasury bills, certificates of deposits,

commercial papers, etc.

Debt markets make financial markets more competitive by generating market interest rates that reflect the opportunity cost of funds at each maturity. This is essential for efficient investment and financing decisions. During July-March FY2023, 20 debt securities were reported and their break-up is given in Table 6.6.

Table 6.6: Debt Securities

Sr. No.	Type of Security	No. of Issues	Amount (Rs billion)
i.	Privately Placed Term Finance Certificates	4	24.5
ii.	Privately Placed Sukuk	14	68.5
iii.	Privately Placed Commercial Papers	2	6.0
	Total	20	99.0

Source: Securities and Exchange Commission of Pakistan

Corporate Debt Securities Outstanding: As of March 31, 2023, Rs. 826.6 billion worth of 117

corporate debt securities remain outstanding. Category-wise break-up is shown in Table 6.7.

Table 6.7: Corporate Debt Securities (Outstanding)

Sr. No.	Name of security	No. of issues	Amount outstanding (Rs billion)
i.	Term Finance Certificates (TFCs)	62	206.8
ii.	Sukuk	52	613.7
iii.	Commercial Papers (CPs)	3	6.1
	Total	117	826.6

Source: Securities and Exchange Commission of Pakistan

National Saving Schemes

The Central Directorate of National Savings (CDNS) is functioning as the sole avenue for mobilization of savings through government securities, known as National Savings Scheme (NSS). The CDNS has concurrently been fulfilling the exchequer's internal financial requirements while assisting in assuring financial inclusion and extending social security

to the marginalized segments of society. The CDNS holds a portfolio of Rs 3.3 trillion, making it around 15 percent of the country's entire banking deposits.

The product basket of the NSS ranges from 3-months Short-Term Savings Certificates (STSC) to 10-years long term Defence Savings Certificates. Table 6.8 depicts the details.

Table 6.8: Product Basket of National Savings Scheme

S.No	Rate of profit on National Savings Schemes w.e.f. 10-04-2023			
	Name of Scheme	Rate of Return (per annum)	Maturity Period	Tax Status
1	Defence Savings Certificates	14.87%	10 Years	Taxable
2	Special Savings Certificates/Accounts	17.13% (Average)	3 Years	Taxable
3	Regular Income Certificates	12.84%	5 Years	Taxable
4	Savings Account	18.50%	Running Account	Taxable
5	Pensioners' Benefit Account	16.56%	10 Years	Tax exempt
6	Bahbood Savings Certificates	16.56%	10 Years	Tax exempt
7	Shuhada Family Welfare Account	16.56%	10 Years	Tax exempt
8	National Prize Bonds (Bearer)	10.00%	Perpetual	Taxable
9	Premium Prize Bonds (Registered)*	12.92%	Perpetual	Taxable
10	Short Term Savings Certificates (STSC)			
	STSC 3 Months	19.92%	3 Months	Taxable
	STSC 6 Months	19.64%	6 Months	Taxable
	STSC 12 Months	19.82%	12 Months	Taxable

*Effective from 09.03.2023

Source: Central Directorate of National Savings

Scheme-wise net investment is presented in Table 6.9.

Table 6.9: National Savings Schemes (Net Investment)

S #	Name of Scheme	(Rs million)				
		2018-19	2019-20	2020-21	2021-22	2022-23 (Jul-Mar)
1	Defence Savings Certificates	57,171.04	92,783.09	(9,132.62)	(10,439.99)	(27,060.26)
2	National Deposit Scheme	(0.03)	-	(0.00)	(0.36)	(0.02)
3	Khaas Deposit Scheme	(0.04)	(0.05)	(0.24)	(0.02)	(1,358.09)
4	Special Savings Certificates (Regd)	31,842.49	13,945.72	(6,327.88)	(44,748.00)	(76,962.09)
5	Special Savings Certificates (Bearer)	-	(0.01)	(0.50)	-	-
6	Regular Income Certificates	142,088.06	83,232.25	26,711.24	(10,563.31)	(34,994.24)
7	Bahbood Savings Certificates	119,573.11	83,379.96	2,549.42	16,628.89	(13,354.58)

S #	Name of Scheme	2018-19	2019-20	2020-21	2021-22	2022-23 (Jul-Mar)
8	Pensioners' Benefit Account	43,367.37	33,875.95	16,347.15	22,055.63	9,413.77
9	Savings Accounts	(166.22)	4,536.97	1,083.53	10,508.61	1,073.96
10	Special Savings Accounts	(132,393.53)	200,770.58	(39,659.08)	(273,790.85)	(182,710.70)
11	Mahana Amdani Accounts	(73.84)	(60.42)	(47.52)	31.12	(88.19)
12	Prize Bonds	40,432.08	(171,109.88)	(315,531.72)	(81,803.74)	8,409.48
13	National Savings Bonds	-	(137.00)	-	-	-
14	Short Term Savings Certificates	761.00	19,254.58	(20,362.16)	690.34	10,781.14
15	Premium Prize Bonds (Registered)	2,819.96	11,322.72	25,147.19	12,706.32	(1,401.39)
16	Postal Life Insurance	1,248.42	627.96	(1,311.91)	-	-
17	Shuhda Welfare Accounts	42.14	27.02	24.19	40.24	15.30
Grand Total		306,712.00	372,449.41	(320,510.91)	(358,685.12)	(308,235.90)

Note: Figures in parenthesis indicates negative value.

Source: Central Directorate of National Savings

III- Commodity Futures Market

Pakistan Mercantile Exchange Limited (PMEX) is the only company which is providing a centralized and regulated place for commodity futures trading. PMEX offers a variety of futures contracts based on different commodities, including gold, silver, crude oil, currency pairs, as well as local agricultural products including cotton, wheat, rice and spices.

During July-March FY2023, 2.96 million lots of different commodity futures contracts including gold, crude oil, and US equity indices worth Rs. 3.49 trillion were traded on PMEX which is 28.1 percent higher than the same period last year.

IV. Non-Banking Finance Companies

Non-Banking Finance Companies (NBFCs), also known as Non-Banking Financial Institutions (NBFIs), are entities that provide similar services like banking and financial services but do not hold a banking license. NBFCs are not subject to the banking regulations and oversight by federal and provincial authorities adhered to by traditional banks.

Mutual Funds: A mutual fund are companies that pool money from many investors and invest the money in securities, such as stocks, bonds, and short-term debts. As of December 31, 2022, assets under management of mutual funds stood at Rs 1,574.2 billion. Money market funds dominated the industry with the largest share, that is, 56 percent of the mutual fund industry, followed by income funds comprising of 25 percent and equity funds having industry share of 11 percent, and remaining 8 percent by other categories.

Investment Advisory: Investment advisory is a type of financial service that provides professional advice and guidance to individuals and organizations regarding their investments. At present, 29 NBFCs have licenses to conduct investment advisory business, which includes 20 Asset Management Companies (AMCs) and 9 NBFCs have exclusive license for conducting investment advisory services. As of December 31, 2022, the total assets of discretionary/non-discretionary portfolios held by all of the investment advisors amounted to Rs 357.8 billion. Major highlights of the mutual fund industry are stated in Table 6.10.

Table 6.10: Mutual Fund Industry

Description	Total number of Entities	Total Assets (Rs billion)
Asset management / Investment advisory Companies	29	48.3
Mutual Funds / Plans	313	1,574.2
Discretionary / non-discretionary portfolio	-	357.8
Total size of the industry	342	1,980.4

Source: Securities and Exchange Commission of Pakistan

Box-I: NBFC Reforms and Developmental Activities

To facilitate the growth of mutual fund industry and to protect the investor’s interest, the SECP has taken the following initiatives during the outgoing fiscal year:

- ▶ Amendments in Corporate Restructuring Companies Rules, 2019 to facilitate the business of acquisition of non-performing assets of financial institutions and to help in revival of businesses through restructuring schemes
- ▶ A diagnostic review report of Pakistan's Private Funds Industry has been issued recommending several measures which are needed to revitalize the Private Fund sector.
- ▶ Amendments in NBFC Regulations, 2008 are in process to:
 - promote ease of doing business
 - introduce loan classification criteria for smaller loans/ nano-loans of IFS license holders has been proposed to be aligned with micro loans
 - facilitation of digital lending by lowering entry barriers.
- ▶ Digital lending standards have been prescribed for NBFCs undertaking lending activities through digital channels/mobile applications (Apps) to safeguard the public interests and to ensure fair treatment of borrowers in digital lending ecosystem
- ▶ To encourage shariah compliant products, the scope of investment avenues for open-end money market collective investment schemes (CISs) have been enhanced by allowing them to take exposures in short-term corporate Sukuks
- ▶ In order to encourage digitalization in AMCs and for increased participation/competition, sales load limit has been brought at par for those AMCs selling through third-party online distribution channel/ portal with those AMCs selling through physical distributors.

Source: Securities & Exchange Commission of Pakistan

Private Equity and Venture Capital Funds Management Services

As on March 31, 2023, the number of NBFCs licensed by the SECP to undertake the business of private equity and venture capital fund management services stands at 10. These NBFCs have so far successfully launched 5 private equity and venture capital funds, with 4 funds focused on private equity investment and 01 fund targeting venture capital investments.

The total number of funds registered stands at 13, whereas 3 funds are in the process of registration. As on December 31, 2022, total assets of these funds stand at Rs 12.4 billion.

Voluntary Pension Schemes: The assets under management of the voluntary pension industry currently stand at Rs 43.8 billion as of December 31, 2022. Highlights of the pension fund industry are provided in Table 6.11.

Table 6.11: Voluntary Pension Schemes

Description	Status as of December 31, 2022
Total assets of pension industry (Rs billion)	43.8
Total number of pension funds	24
Total number of pension fund managers	14

Source: Securities and Exchange Commission of Pakistan

Lending NBFCs

Lending NBFCs include leasing companies, investment finance companies, housing finance companies, discount houses and non-bank microfinance companies. Highlights of each category as of December 31, 2022 is stated in Table 6.12.

Table 6.12: List of Lending NBFCs

S. #	Lending NBFC	No. of Companies	Asset Base (Rs billion)
1	Leasing Companies	4	6.0
2	Investment Banks	20	108.9
3	Non-Bank Microfinance Companies	35	168.5
4	Housing Finance Companies	4	0.5
5	Discounting Companies	1	0.1

Source: Securities and Exchange Commission of Pakistan

Real Estate Investment Trusts (REITs)

REITs are investment schemes that own and most often actively manage income-producing real estate. Through such schemes, investors may own, operate or finance income-generating property across various real estate categories. A REIT invests in physical real estate and distributes profits from rental income and/or capital gains to its unit holders. A REIT investor owns real estate backed units that sell like any other unit/listed security, enabling the holder of the units to invest directly in real estate.

Currently, 08 REIT schemes have offered units to the investors. As of December 31, 2022, the aggregate fund size of these REIT schemes was Rs 167.6 billion. Stakeholders continue to

express interest in REIT as a viable option for investing in real estate projects, as evidenced from the number of companies licensed to undertake REIT management services increasing to 18.

V- Corporate Sector

Company Incorporation: SECP has introduced numerous reforms, from time to time, to facilitate and simplify company incorporation process. Resultantly, the number of company incorporation witnessed notable growth as 21,117 new companies are incorporated with capitalization of Rs 28.6 billion during July-March FY2023. Mostly companies are registered in real estate and construction, IT, Trading-allied and Services.

Box-II: Reforms in Corporate Sector

To facilitate the corporate sector, SECP has taken the following initiatives during the outgoing fiscal year:

- ▶ **Launch of WeChat:** SECP has launched WeChat service to help Chinese investors make informed investment decisions and incorporate companies in Pakistan with ease. The uptake of the response on WeChat is quite encouraging enabling the user to exchange messages, documents, images and payments for complete support and solution in Mandarin language. It is pertinent to mention here that the SECP has earlier introduced its Company Incorporation Guides in various languages including Turkish, Spanish, Arabic, English, and Chinese to facilitate foreign investors in their local languages.
- ▶ **Signing of MoU for integration of Business – SECP, STZA, PSEB, & PEC:** The Memorandum of Understanding (MoU) for integration of business registration has signed between Special Technology Zones Authority (STZA), Pakistan Engineering Council (PEC) and Pakistan Software Export Board (PSEB) in December 2022. The one-window registration of businesses aims to reduce the time and cost of incorporating a business.
- ▶ **Draft Unlisted Companies (Buy-Back of Shares) Regulations, 2022:** Draft regulations has been issued u/s 88 of the Companies Act, 2017, seeking public opinion (in November 2022), providing detailed procedure for purchase/buy-back of shares issued by unlisted public and private companies to facilitate startups, and boost investor confidence by providing an easy exit option to the shareholders.
- ▶ **Secured transaction registry:** SECP operationalized a fully automated 24/7 ‘Secured Transactions Registry (STR)’ in April, 2020 for registration of security interests/charges on unincorporated entities. During July-March FY2023, more than 22,000 statements are filed in STR.
- ▶ **Integration with IPO:** SECP’s e-Services is fully integrated with Intellectual Property Organization (IPO) w.e.f. June 2022 for mutual sharing of information to ensure protection of company names as well as trademarks.
- ▶ **Service Desk Management System:** During July-March FY2023, through the internal Service Desk Management System (SDMS), SECP handled around 7,100 complaints and responded approximately 6,700 queries related to matters falling under its regulatory domain. Further, general public also contacted SECP through its toll-free number wherein around 15,800 calls were received and majority of the queries of the general public were addressed in real time. In addition, SECP has also resolved 871 complaints through the Pakistan Citizen’s Portal (PCP).

Source: Securities & Exchange Commission of Pakistan

VI- Islamic Finance Sector

Islamic Capital Market: During July-March FY2023, SECP has issued 3 certificates of Shariah compliant company and 22 certificates of Shariah compliant securities to companies under the Shariah Governance Regulations, 2018, for the development of the Islamic Capital Market. There has been an increasing trend to issue short-term Sukuk for Shariah-compliant resource mobilization by companies to fulfill the working capital requirements. During the said period, SECP has issued certificates of Shariah compliance for the Shariah compliant securities/sukuk worth Rs 107.7 billion as compared to Rs 92.5 billion same period last year.

In secondary capital market, there are 265 (50.1%) Shariah-compliant securities out of total 529 listed securities at PSX with market capitalization of Rs 4,103.8 billion (67.1%) out of total market capitalization of Rs 6,111.5 billion as of March 31, 2023.

Modarabas: Modarabas are unique collective investment model and the pioneer Islamic financial institutions in Pakistan. The Modaraba sector can play an important role in serving SME financial needs and collaborating with other ventures as partners. Till March 2023, the registered Modaraba companies are 31, while 28 Modarabas are currently operating and are listed at PSX.

As of December 31, 2022, the aggregate equity and total assets of Modaraba sector stood at Rs 25.9 billion and Rs 65.3 billion, respectively. Out of total 22 profit making Modarabas, 11 Modarabas declared cash dividend for the financial year 2022.

VII- Insurance Sector

The insurance sector in Pakistan comprises of 11 life insurers, 30 non-life insurers and 1 state-owned national reinsurer. Major achievements in insurance sector during July-March FY2023 are as follows:

Introducing Digital-only Insurers and Dedicated Micro Insurers: SECP has introduced registration regime for digital-only insurers and

dedicated micro insurers. This will promote digitalization and improve customer convenience through instant provision of services. The new framework is aimed at encouraging innovations, expanding product range, and promoting financial inclusion. The registration requirements have been designed to reduce barriers to entry, in terms of minimum paid up capital and solvency requirements.

Improvement in unit linked product Framework: The Unit Linked Product and Fund Rules, 2015, have been amended by SECP to include many improvement areas, such as clarity on eligible investment avenues, parameters, exposure limits in particular instruments, broad categorization and standardization of investment policies and related communication requirements with the policy holders, guidance on risk categorization on asset allocation of the fund, among others.

Encouraged Insurers to Invest in Exchange Traded Funds (ETFs): The SECP issued amendments in the Insurance Rules, 2017 for enhancing the admissibility limits on investments in ETFs by insurers for solvency purpose. The aim of the amendments is to develop the nascent ETF market in Pakistan as well as to pass on the benefits of ETF to the insurance sector.

Risk Based Capital (RBC) Regime: The SECP has issued a concept paper on RBC regime, outlining the possibility of shifting from existing solvency-based regime towards an RBC regime for Pakistan's insurance sector. The proposed framework is consistent with international best practice, aimed at improving corporate governance, enterprise risk management and public disclosure practices of insurers. The existing requirements of Insurance Ordinance 2000 and Insurance Rules 2017 prescribe a rule-based capital adequacy framework for insurers in Pakistan.

Capital Market Reforms and Developmental Activities

1) **List of Approved Auditors for SECP Regulated Entities:** To streamline existing practice of having different panels of

auditors for conducting statutory audit of SECP regulated entities, the Commission has notified a unified list of approved auditors by using a risk-based methodology. In this regard, regulatory amendments in relevant licensing regulations have been implemented and a circular has been issued for implementation of list of approved auditors for SECP Regulated Entities.

2) **Simplification of Broker Ratings Regime:**

To promote efficiency in the capital market through transition to single rating regime, the rating requirements for brokers has been simplified by abolishing Broker Management Rating and prescribing the minimum Broker Fiduciary Ratings for Trading and Clearing Brokers and for Trading and Self-Clearing Brokers.

3) **Induction of National Savings Certificates (NSCs) into Central Depository System (CDS):**

To promote digitization, provide ease to investors and bring operational efficiencies in the operations of CDNS, amendments have been made in CDC Regulations whereby CDC on behalf of CDNS may issue NSCs in CDS, existing physical NSCs may also be converted into CDS and option of redemption of NSCs shall also be available into CDS. This initiative will facilitate government in raising funds from the public through issuance of NSCs investors already maintaining accounts with CDC.

4) **Amendments in PSX Rulebook:** To support capital market development as well as enhance operational efficiency at PSX, relevant measures were implemented through amendments in PSX Rulebook. Major reforms taken in this regard are as follows:

- a) **Regulations Governing Market Misconduct Practices:** A new chapter has been incorporated in the PSX Rulebook for empowering PSX to conduct preliminary enquiry of instances of potential market abuses and insider trading in the market and highlight such cases to the Commission for

conducting further investigation.

b) **Review of Back-office System and Information Security Measures of Securities Brokers:**

Amendments have been made in PSX regulations to allow PSX to conduct review of information technology and security arrangements, back-office software/application usage of securities brokers to ensure their compliance with prescribed regulatory requirements.

c) **Arbitration and Complaint Handling at PSX:**

Relevant amendments have been made in PSX Rulebook to allow the Board of Directors of PSX to determine the size of the Permanent Arbitration Panel. Additionally, the process of filing an appeal with the Appellant Committee formed by PSX against a disciplinary action taken by the Chief Regulatory Office of PSX has been made more efficient and streamlined with international practices.

d) **Dissemination of Corporate Governance Information on PSX Website:**

Relevant amendments have been made in PSX Rulebook requiring PSX to disseminate information on its website relating to the statement of compliance by the listed companies with these regulations for the information of general public.

5) **Electronic Transmission of Accounts:**

A notification was issued, allowing listed companies to circulate the annual balance sheet and profit and loss account, auditor's report, directors report, etc. to its members. This is aimed to promote digitization and bring clarity to the companies in electronic circulation of the annual audited financial statements.

6) **Verification of Customer Information through NADRA and SBP-RAAST:**

In order to smooth and efficient verification of CNIC and IBAN of customers at the time of opening of account, amendments made in the CKO Regulations to enable Centralize Know Your Customer Organization to use NADRA-API connectivity and RAAST facility of SBP.

Outlook

The performance of stock markets remained volatile during July-March FY2023. There are many factors which brought swing in the investor's confidence, which in turn changed the pace of their buying and selling activity. Massive flooding at the start of the current fiscal year which affected almost all sectors of the economy, delay in the Staff Level Agreement with IMF, uncertainty on political and economic

front, high policy rate, etc. resultantly dented the investor's confidence.

However, with the Staff Level Agreement and the reforms and development activities introduced by the SECP will help in restoring the eroded confidence in the market that would allow an increased interest in the equity and debt markets of the country. Moreover, the government's robust policies will not only help the capital markets to withstand the risk but also remain bullish.



INFLATION

Jul-Apr FY2023

Consumer Price Index (CPI)

28.2% ↑



CPI Urban

25.9% ↑



Food: 36.1%

Non-Food: 19.6%

CPI Rural

31.6% ↑



Food: 39.9%

Non-Food: 24.1%

Core



Urban: 15.6%

Rural: 19.4%

Sensitive Price Indicator (SPI)

31.7% ↑



Wholesale Price Index (WPI)

34.0% ↑



FAO Food Price Index *

14.3% ↑



FAO Food Price Index **

-19.7% ↓



* : 2022/2021

** : April 2023/April 2022

INFLATION

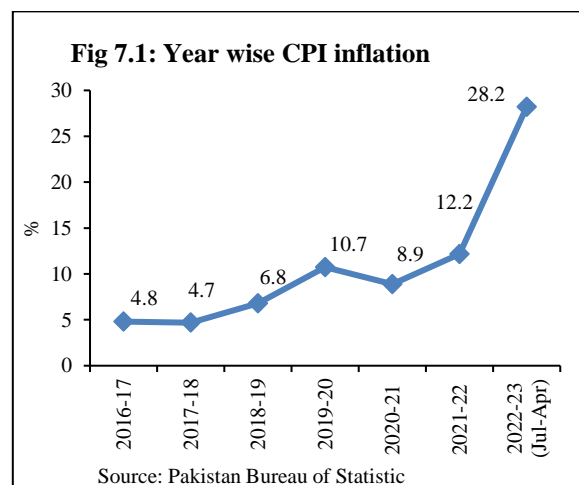
Inflation is an increase in the general price level of goods and services in an economy over a period of time. The demand-supply imbalance in the economy creates inflation. Since the emergence of globalisation and industrialisation of markets, domestic as well as global factors are responsible for inflationary pressure. It has been noted that Russia-Ukraine war, disruptions in the global supply chain, overloaded ports, logistical issues, and strong merchandise demand have intensified inflationary pressures in recent years.

In 2022, inflation increased considerably in many countries around the world. The United States and United Kingdom had its worst inflation in decades i.e. US (9.1 percent in June 2022) and UK (11.1 percent in October 2022). The higher inflation also recorded in Iran (53.4 percent in February 2023), Turkiye (43.7 percent in April 2023), Egypt (30.6 percent in April 2023), and Argentina (109 percent in April 2023). Despite the recent downward trajectory of food and fuel prices in international market, general price level is still higher than pre-pandemic and pre-war (Russia-Ukraine) level. All countries have not benefitted from declining prices as the US dollar appreciated in value and currencies in many developing countries have depreciated against US dollars.

Pakistan is the net importer of food and petroleum products. The surge in crude oil prices due to the global crisis has resulted in double digit inflation in the country since November 2021. The Pak-Rupee depreciation further amplified the prices of imported items. The dollar appreciation is mostly driven by fundamental forces such as the tightening of monetary policy in the US and the energy crisis. Additionally, the conflict between Russia and Ukraine has also caused major disruptions to the supply of commodities as both countries are

key exporters of energy and agricultural products. Moreover, the recent floods have caused colossal damage to the economy. The agriculture sector is the hardest hit sector. The floods have caused massive supply disruptions of perishable essential items and resulted in price hikes for these items. For the outgoing fiscal year, the inflation target was set at 11.5 percent. The inflationary trend can be gauged from the Fig-7.1.

During the first ten months of the current fiscal year, inflationary pressure has persisted. It is the 18th consecutive month since from November 2021 witnessing double digit inflation. Consumer Price Index (CPI) in April 2023 stood at 36.4 percent on a year-on-year (YoY) basis which was higher from 35.4 percent in the previous month and 13.4 percent in April 2022. On average, CPI inflation, recorded at 28.2 percent during July-April FY2023 as against 11.0 percent in the same period last year.



The US monetary policy measures have appreciated the US dollar against the other currencies of the world including Pak-rupee. During FY2022, Pak-rupee was depreciated by

around 23.0 percent, while during current fiscal year Pak-rupee depreciated by 28.4 percent, that is from Rs 204.6 in end June 2022 to Rs 285.4 on 1st June, 2023. The current inflationary pressure in the domestic market is being impacted due to exchange rate depreciation in FY2022 and FY2023 as Pakistan imported crude oil, edible oil, pulses, etc. from the global market. Government is cognizant of the current inflationary spiral in the country and taking possible measure to provide relief to the common man. For the provision of essential

commodities (i.e. wheat flour, sugar, ghee/oil and pulses) on subsidized rates, USC was allocated Rs 17 billion in FY2023 which also includes Rs 5 billion for Ramzan Relief Package. Subsequently, an additional amount of Rs 17.4 billion was allocated to the USC including Rs 540 million for provision of essential commodities in flood affected areas through USC. The allocation of BISP Welfare schemes is extended from Rs 360 billion to Rs 400 billion. Under BISP Kafalat Program, Rs 9000/- is being paid to eligible beneficiaries w.e.f April, 2023.

Box-I: 5F Crisis and Upsurge in the Food Market of Pakistan

Pakistan has been facing a severe crisis in the agriculture sector, known as the 5 F's crisis, which includes food, fuel, fertilizer, feed, and finance. The weakening of exchange rate, global commodity price surges, reduced domestic subsidies, and flood-related disruptions have significantly reduced the purchasing power of low-income households, threatening poverty and food security gains achieved in the last decade. Inflation has risen from 13.4 percent in April 2022 to 36.4 percent in April 2023, with food inflation even higher, reaching 46.8 percent in urban and 52.2 percent in rural areas. Food prices in Pakistan have rapidly increased in the second half of 2022 with wheat flour prices increased by 106.7 percent, chicken prices by 43.1 percent, pulse gram prices by 48.4 percent, rice by 87.9 percent, milk by 36.4 percent and cooking oil by 34.7 percent in April 2023 as compared to a year ago.

Pakistan's reliance on imported commodities, such as edible oil, tea, pulses, wheat, and other agricultural inputs has increased due to a shortage of domestic production. The rise in international prices of commodities has exacerbated the trade deficit. The food imports increased to USD 8 billion with food exports remaining at USD 5.4 billion in 2022. The current financial crisis in the country has made it challenging to import essential food commodities and inputs. The country is importing around 10 percent of its wheat requirement mainly from Russia and Ukraine, which has contributed to an increase in domestic prices and high support prices for wheat for the 2022-23 seasons. High fuel prices have led to higher production and transportation cost, making food more expensive, while the high cost of fertilizer has made it difficult for farmers to afford essential inputs. The poultry industry is also facing a crisis due to high import costs and restrictions on the import of soybean.

Although the international prices of agriculture-related commodities have started to decrease in the third quarter of 2022, however, Pakistan's currency depreciation and high fuel prices have prevented the impact reflected in the domestic markets. Resolving the 5F crisis requires not only the stabilization of international prices but also the implementation of supportive policies and measures that can address the domestic factors, which are driving up inflation.

Source: Food and Agriculture Organization (FAO) of the United Nations

7.2 Consumer Price Index

The headline inflation, measured by the growth in CPI, is recorded at 28.2 percent during July-April FY2023 as against 11.0 percent during the same period last year. The increase in inflation was broad-based with all categories recorded higher inflation except for communication services. Across product categories, inflation for

transportation, given its direct link to fuel prices, registered a sharp increase of 52.8 percent as against 19.4 percent during July-April FY2022. Similarly, housing, water, electricity, gas and other fuel have recorded an increase of 13.6 percent as against 11.0 percent during the same period last year. The increase in domestic energy prices was attributed to rising global oil

prices, exchange rate depreciation and adjustment in energy tariffs/petroleum levy.

Perishable food items are the main contributory factor in jacking up the food inflation. Inflation in perishable food items were increased by 47.0 percent as compared to 4.1 percent during same period last year. The major increase is witnessed in the prices of potatoes, onions and fresh vegetables. Production of tomatoes and onion suffered due to flooding in Sindh and

Balochistan. Duty-free imports of onion and tomatoes were allowed to ensure there is no shortage of the commodities in the market. Non-perishable food items recorded a 36.4 percent increase during July-April FY2023 against the increase of 13.1 percent during the same period last year. Item wise data reveals that upward pressure came from wheat flour, rice, chicken, eggs, edible oil/ghee and pulses. CPI movements by major groups are given in Table 7.1.

Table 7.1: Composition of CPI-National Inflation (July-April)

Group	Weights	% Change On Average Basis	
		2021-22	2022-23
CPI National	100.0	11.0	28.2
Food & Non-alcoholic Beverages	34.6	11.8	37.9
i) Non- perishable Food Items	29.6	13.1	36.4
ii) Perishable Food Items	5.0	4.1	47.0
Alcoholic Beverages & Tobacco	1.0	2.4	55.1
Restaurant & Hotels	6.9	11.3	31.1
Clothing &Foot wear	8.6	10.0	18.2
Housing, Water, Electricity, Gas& other Fuel	23.6	11.0	13.6
Furnishing &Household Equipment Maintenance	4.1	11.6	29.8
Health	2.8	9.1	16.3
Transport	5.9	19.4	52.8
Communication	2.2	2.5	2.7
Recreation & culture	1.6	7.7	36.2
Education	3.8	3.8	9.9
Miscellaneous	4.9	9.8	26.8

Source: Pakistan Bureau of Statistics

In Q1-FY2023, CPI national showing the exorbitant increase of 25.1 percent compared to 8.6 percent in corresponding quarter last year. This was on account of higher pace of inflation in perishable items. The same is the case with non perishable food items. The food inflation is primarily due to the impact of catastrophic floods, higher global food and fuel prices and currency depreciation. Similarly in Q2 and Q3-

FY2023, major groups like food, transport, health, recreation & culture experiencing the double digit inflation which jack up the overall national CPI as indicated in Table 7.2. Price increase was broad based except for communications as all categories of goods and services recorded double digit inflation during current fiscal year.

Table 7.2: Quarter wise CPI National

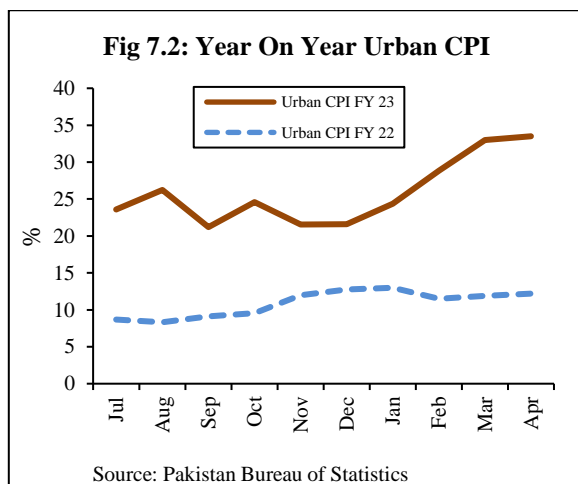
Group	%					
	2021-22			2022-23		
	Q1	Q2	Q3	Q1	Q2	Q3
CPI National	8.6	11.0	12.6	25.1	24.9	31.5
Food Products, Beverages and Tobacco, Textiles Apparel and Leather Products	9.5	9.7	14.3	30.0	34.3	45.1
i) Non- perishable	12.2	13.3	13.1	28.6	30.8	43.9
ii) Perishable	-5.0	-8.0	23.3	39.2	55.1	53.3
Alcoholic Beverages& Tobacco	2.4	1.9	2.0	27.0	35.6	75.2

Table 7.2: Quarter wise CPI National (%)

Group	2021-22			2022-23		
	Q1	Q2	Q3	Q1	Q2	Q3
Restaurant & Hotels	7.9	10.6	14.0	27.1	28.7	34.4
Clothing & Foot wear	9.3	10.1	10.2	16.6	18.0	18.6
Housing, Water, Electricity Gas & other Fuel	9.0	14.4	10.9	17.5	9.5	12.9
Furnishing & Household Equipment Maintenance	9.6	10.6	13.4	22.2	28.7	34.4
Health	8.3	8.6	9.8	12.3	16.9	18.7
Transport	9.2	20.9	24.8	64.1	46.1	48.3
Communication	2.8	2.6	2.6	1.2	1.6	4.0
Recreation & culture	6.4	7.6	8.4	20.0	29.3	47.6
Education	2.5	2.5	5.0	9.9	11.0	9.5
Miscellaneous	7.5	9.7	10.9	20.0	23.7	32.2

Source: Pakistan Bureau of Statistics

CPI inflation-Urban increased by 33.5 percent on YoY basis in April 2023 as compared to an increase of 33.0 percent in the previous month and 12.2 percent in April 2022. The Urban Food and Non-Food inflation recorded at 46.8 percent and 24.9 percent, respectively, as compared to 15.6 percent and 10.2 percent in the same month last year. During the period July-April FY2023, CPI-Urban recorded at 25.9 percent as against 10.9 percent during the same period last year.



On YoY basis, the food commodities that contributed to urban food inflation during April 2023 over the same month of last year include Cigarettes (159.9 percent) followed by Tea (108.8 percent), Wheat Flour (106.7 percent), Wheat (103.5 percent), Eggs (100.9 percent), Rice (87.9 percent), Potatoes (76.9 percent), Pulse Moong (57.2 percent), Pulse Mash (56.4 percent), Gram Whole (55.6 percent), Onions (51.9 percent), Besan (51.2 percent), Dry Fruits (49.1 percent), Pulse Gram (48.4 percent), Beans

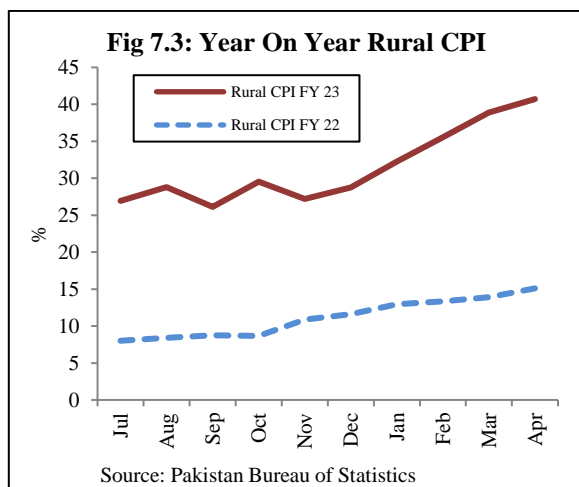
(47.5 percent), Chicken (43.1 percent), Bakery and Confectionary (42.5 percent) and Sugar (42.1 percent). The food commodity that witnessed decline in price is Tomatoes (47.6 percent).

The non-food commodities that witnessed increase in prices include Text books (106.8 percent) followed by stationery (83.7 percent), Motor fuel (75.4 percent), Gas charges (62.8 percent), Washing soap/detergents/match box (60.4 percent), Personal Effects (44.8 percent), Motor vehicle accessories (42.6 percent), Motor vehicles (41.5 percent), Household equipments (40.9 percent), Construction input items (37.2 percent), Marriage Hall Charges (32.9 percent), Solid Fuel (31.9 percent), Personal Grooming Services (31.9 percent), Cotton Cloth (31.5 percent), Electricity Charges (30.8 percent), Plastic Products (30.6 percent), Transport Services (28.8 percent), Mechanical Services (25.0 percent), Cleaning and Laundering (24.3 percent), Doctor (MBBS) Clinic Fee (21.6 percent) and Tailoring (21.2 percent).

CPI inflation-Rural increased by 40.7 percent on a YoY basis in April 2023 as compared to an increase of 38.9 percent in the previous month and 15.1 percent in April 2022.

Food and Non-Food inflation recorded at 52.2 percent and 29.9 percent as compared to 17.7 percent and 12.8 percent, respectively, in the same month last year. During the period July-April FY2023, CPI-Rural recorded at 31.6 percent as against 11.2 percent during the same period last year.

The Rural-Urban inflation differential may be attributed to relatively loose price checks in rural areas as well as higher weight of food basket which are the major contributor in jacking up overall inflation.



In rural YoY inflation, the food commodities that contributed to upward growth of CPI include Cigarettes (137.7 percent), Wheat Flour (104.2 percent), Tea (100.3 percent), Wheat (95.3 percent), Eggs (95.2 percent), Potatoes (82.3 percent), Rice (81.9 percent), Pulse Mash (64.9 percent), Pulse Moong (63.0 percent), Onions (55.6 percent), Besan (55.4 percent), Gram Whole (55.1 percent), Fresh fruits (55.1 percent), Pulse Gram (50.7 percent), Chicken (48.6 percent), Sugar (41.1 percent), Milk fresh (40.3 percent), Beans (38.4 percent), Beverages (35.9 percent) and Mustard oil (33.9 percent). The food commodity that witnessed decline in

price is Tomatoes (57.1 percent).

The non-food commodities that contributed to rural inflation include Text Books (126.9 percent), Motor Fuels (80.5 percent), Personal Effects (53.6 percent), Washing Soaps, Detergents and Match Box (51.2 percent), Stationery (48.1 percent), Motor Vehicles Accessories (43.6 percent) Transport Services (39.3 percent), Household Equipments (37.3 percent), Major Tools and Equipments (36.9 percent), Construction Input Items (33.1 percent), Marriage Hall Charges (32.0 percent) and Electricity Charges (30.8 percent).

7.3: Core Inflation

Core inflation is defined as Non Food and Non Energy (NFNE) inflation which is calculated by excluding the food group and energy items (Kerosene oil, petrol, diesel, CNG, electricity, and natural gas) from the CPI basket. Core inflation has steadily risen since October 2021 in both the rural and urban areas. The rise in core inflation was partly due to the depreciation of exchange rate and rising production cost of core goods including durable goods. Core inflation for urban and rural recorded at 15.6 percent and 19.4 percent, respectively, during July-April FY2023 as compared to 7.6 percent and 8.3 percent during the same period last year. The YoY core inflation remained higher in both Urban and Rural as compared to the same months last year. Table 7.3 shows the trend of core inflation on YoY basis.

Table 7.3: Core Inflation

(%)

Months		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Jul-Apr
2021-22	Urban	6.9	6.3	6.4	6.7	7.6	8.3	8.2	7.8	8.9	9.1	7.6
	Rural	6.9	6.2	6.2	6.7	8.2	8.9	9.0	9.4	10.3	10.9	8.3
2022-23	Urban	12.0	13.8	14.4	14.9	14.6	14.7	15.4	17.1	18.6	19.5	15.6
	Rural	14.6	16.5	17.6	18.2	18.5	19.0	19.4	21.5	23.1	24.9	19.4

Source: Pakistan Bureau of Statistics

7.4: Wholesale Price Index (WPI)

Wholesale prices of 419 items included in WPI are being collected from 19 major cities. During the start of outgoing Fiscal year, WPI is moving

downward till December 2022 and afterward it follows an upward movement while decline witnessed in April 2023 compared to previous month.

The YoY WPI for April 2023 was recorded at 32.8 percent against 37.5 percent in the previous month and 28.1 percent in the same month last year. On period average basis, the change in indices during July-April FY2023 has been recorded at 34.0 percent as against 22.9 percent during the same period last year. Further categorization of the index into 5 groups reveals that the highest inflationary pressure witnessed in metal products machinery and equipment, which was 59.6 percent in July-April FY2023 as against 18.2 percent during the same period FY2022. The group-wise comparison is given in Table 7.4.

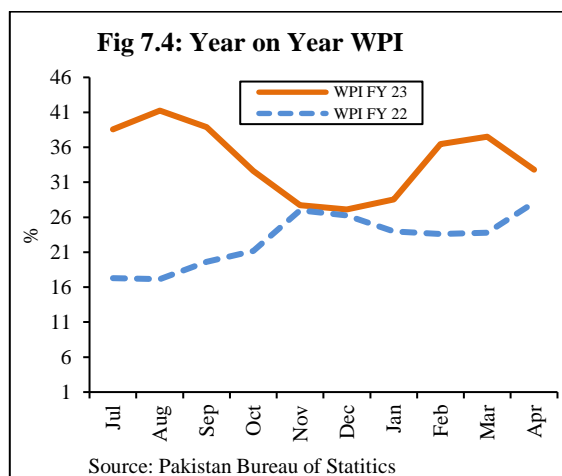


Table 7.4: Wholesale Price Index (WPI) (%)

Group	Weights	July-April	
		2021-22	2022-23
General (WPI)	100.0	22.9	34.0
Agriculture Forestry & Fishery	25.8	23.8	26.9
Ores & Minerals, electricity gas & water	12.0	9.4	22.6
Food Products, Beverages and Tobacco, Textiles Apparel and Leather Products	31.1	18.4	25.5
i) Food Products and Bev. & Tobacco	20.1	16.0	32.1
ii) Textiles & Apparel	10.3	24.1	14.0
iii) Leather Products	0.7	4.7	27.4
Other Transportable Goods Except Metal Products, Machinery and Equipments	22.4	38.0	48.3
Metal Products Machinery & Equipment	8.7	18.2	59.6

Source: Pakistan Bureau of Statistics

7.5: Sensitive Price Indicator (SPI)

SPI is computed on weekly basis to assess the price movements of essential commodities at a shorter interval of time to review the price situation in the country. SPI comprises of 51 essential items and the prices are collected from 50 markets in 17 cities/urban centers of the country.

The trend of SPI is monitored regularly and immediate measures are being taken to control fluctuation in prices. The SPI YoY basis in FY2023 remained volatile as presented in the Fig 7.5. The annualized increase in SPI during July-April FY2023 was recorded at 31.7 percent against 16.9 percent in the same period last year. Twenty four (24) major food items including wheat, wheat flour, rice, tomatoes, onions,

masoor pulse, moong pulse, mash pulse, chicken, sugar, red chilies, etc. having a weight of 57 percent influenced SPI by (+) 28.2 percent.

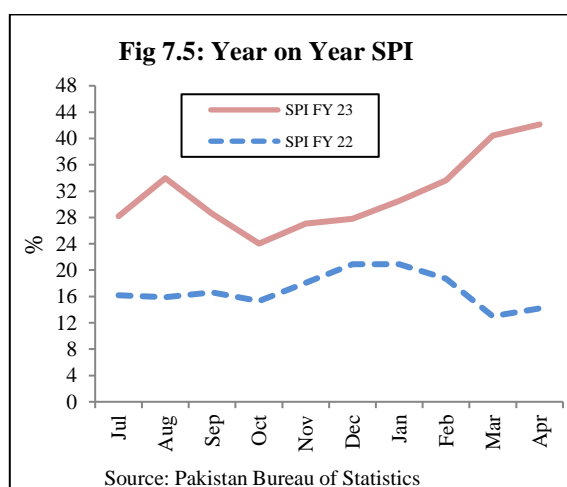


Table 7.5: Change in prices of major food items of SPI

Items	Units	Weights	Apr-23	Apr-22	%Change Apr-23/ Apr-22	Contributions
Wheat Flour Bag	20 Kg	4.0	2659.0	1092.1	143.5	5.7
Rice Basmati Broken	1 Kg	1.3	193.6	104.0	86.1	1.1
Bread plain	Each	0.6	102.6	65.1	57.7	0.3
Beef with Bone	1 Kg	3.4	732.9	622.1	17.8	0.6
Mutton	1 Kg	2.4	1541.7	1285.0	20.0	0.5
Chicken	1 Kg	3.9	390.1	272.1	43.4	1.7
Milk fresh (Un-boiled)	1 Ltr	18.4	165.1	118.0	39.9	7.3
Curd	1 Kg	1.8	190.8	135.8	40.5	0.7
Powdered Milk	390 gm	0.4	683.2	523.4	30.5	0.1
Eggs Hen	1 Dozen	1.4	266.3	135.3	96.8	1.4
Cooking Oil DALDA	5 litre	3.1	3321.5	2437.9	36.2	1.1
Vegetable Ghee	1kg	1.5	604.0	475.7	27.0	0.4
Bananas	1 Dozen	0.9	245.9	130.0	89.2	0.8
Pulse Masoor	1 Kg	0.5	279.4	221.2	26.4	0.1
Pulse Moong	1 Kg	0.5	280.9	167.2	68.0	0.3
Pulse Mash	1 Kg	0.3	428.1	271.1	3.6	0.0
Pulse Gram	1 Kg	0.5	247.1	166.1	48.8	0.2
Potatoes	1 Kg	2.1	67.9	35.6	90.8	1.9
Onions	1 Kg	1.7	82.9	63.1	31.4	0.5
Tomatoes	1 Kg	1.4	55.8	91.8	-39.2	-0.6
Sugar Refined	1 Kg	3.2	122.0	85.9	42.0	1.3
Chilies Powder Packet	200 gm	0.8	215.0	229.9	-6.5	-0.1
Garlic	1 Kg	0.6	372.5	315.5	18.1	0.1
Tea Lipton Packet	190 gm	2.4	520.6	259.1	100.9	2.4

Source: Pakistan Bureau of Statistics

7.6: Trend of Global Prices

The conflict between Russia and Ukraine in 2022 has triggered global disruptions in markets for key food crops and fertilizers, threatening food security worldwide. With the war now entering its second year, high international food prices have shown early sign of adjustment, though domestic price levels remained high in many low and middle-income countries due to lag effect. The value of US dollar appreciated and currencies in many developing countries including Pakistan depreciated. The currency depreciation causes to increase import costs of developing countries as many of which rely heavily on imports.

One example that demonstrates this fact is the case of wheat, as its international reference price

has declined since October 2022. Yet in some cases, the cost of purchasing wheat in local currencies has increased during the same period. As a result, many of those living in poorer import dependent countries pay more for basic food items.

In global market, prices of sugar and rice are showing an increase of 23.3 percent and 18.0 percent respectively, in April 2023 compared to corresponding month of last year. While the prices of crude oil, palm oil, soyabean oil, wheat and tea recorded decline of 20.5 percent, 40.3 percent, 47.1 percent, 23.6 percent and 8.6 percent, respectively, compared to April 2022. Table 7.6 depicts international prices of major commodities.

Table 7.6: International Prices of Major Commodities

Months	Sugar (\$/Mt)	Palm Oil (\$/Mt)	Soyabean oil (\$/Mt)	Crude oil (\$/Brl)	Wheat (\$/Mt)	Rice (\$/Mt)	Tea (\$/Mt)	DAP (\$/Mt)	Urea (\$/Mt)
Apr-22	430.0	1683.0	1948.0	105.8	495.3	409.1	3240.0	954.0	925.0
May-22	430.0	1717.0	1963.0	112.4	522.3	442.9	2990.0	842.5	707.5
Jun-22	420.0	1501.0	1752.0	120.1	459.6	427.6	2960.0	783.8	690.0
Jul-22	400.0	1057.0	1533.0	108.9	382.5	405.7	3310.0	784.0	601.0
Aug-22	390.0	1026.0	1599.0	98.6	382.9	412.6	3370.0	749.4	591.3
Sep-22	390.0	909.0	1548.0	90.2	419.1	423.4	3330.0	752.0	678.0
Oct-22	390.0	889.0	1576.0	93.1	438.0	411.6	3140.0	725.0	636.3
Nov-22	410.0	946.0	1652.0	91.1	422.7	417.5	3050.0	665.6	588.8
Dec-22	420.0	940.0	1409.0	80.9	386.3	446.4	2950.0	625.0	519.4
Jan-23	420.0	942.0	1352.0	83.1	380.4	484.6	2770.0	631.0	443.8
Feb-23	450.0	950.0	1243.0	82.7	394.8	469.0	2700.0	612.5	357.5
Mar-23	450.0	972.0	1113.0	78.5	369.9	460.9	2690.0	606.0	313.4
Apr-23	530.0	1005.0	1030.0	84.1	378.2	482.9	2960.0	637.0	313.4
% Change									
Apr 23/ Apr 22	23.3	-40.3	-47.1	-20.5	-23.6	18.0	-8.6	-33.2	-66.1
Apr 23/ Mar 23	17.8	3.4	-7.5	7.1	2.2	4.8	10.0	5.1	0.0

Source: Commodities Price Pink Sheet, WB

The FAO Food Price Index (FFPI), which tracks international prices of the most globally traded food commodities, averaged 143.7 points in 2022, showing an increase of 14.3 percent compared to 2021. Four of the FAO's five food sub-indices - cereals, meat, dairy and vegetable

oils - had reached record highs, while the fifth one, sugar, was at a 10-year high. The index had already gained 28 percent in 2021 from the previous year as the world economy recovered from the impact of the pandemic.

Table 7.7: FAO Food Price Index

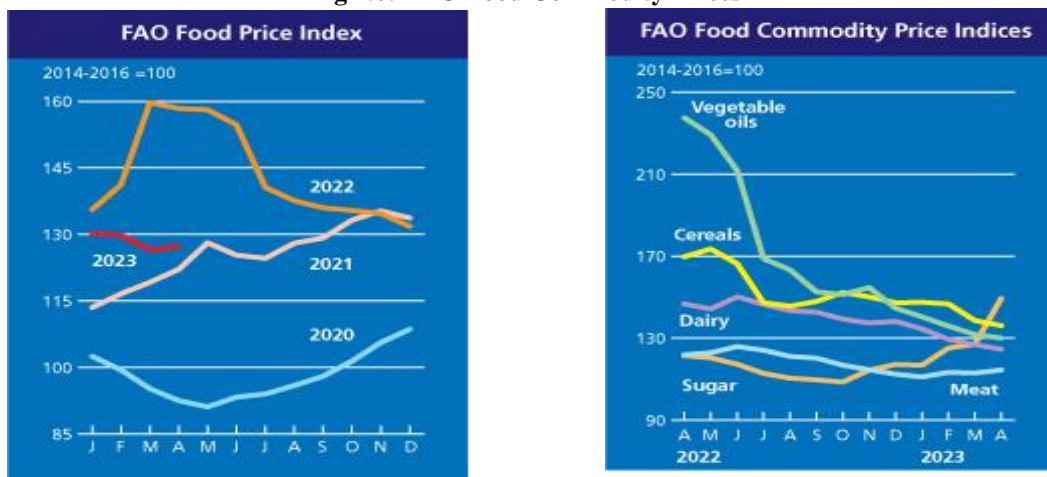
Years/Month	Food Price Index	Meat	Dairy	Cereals	Vegetable oil	Sugar
2020	98.1	95.5	101.8	103.1	99.4	79.5
2021	125.7	107.7	119.1	131.2	164.9	109.3
2022	143.7	118.8	142.4	154.7	187.8	114.5
Apr-22	158.4	121.9	146.7	169.7	237.5	121.5
Apr-23	127.2	114.5	124.6	136.1	130.0	149.4
% Change						
2021/2020	28.1	12.8	17.0	27.3	65.9	37.5
2022/2021	14.3	10.3	19.6	17.9	13.9	4.8
Apr-23/Apr-22	-19.7	-6.1	-15.1	-19.8	-45.3	23.0

Source: FAO

The FFPI Month on Month (MoM) increased by 0.6 percent in April 2023 after the twelfth consecutive monthly decline since March 2022. The YoY declined by 19.7 percent compared to

April 2022. The decline in the index was led by drops in the meat, cereal, vegetable oil and dairy price indices, while sugar increased in April 2023 compared to same month last year.

Fig 7.6: FAO Food Commodity Prices



Source: FAO

International wheat prices fell by 2.3 percent, driven by ample global supplies and strong competition among exporters. The extension of the black sea grain initiative, allowing Ukraine to continue to export from its Black Sea ports, also contributed to the decline. Higher estimates for Australia's production, along with improved crop conditions in the European Union this month, boosted the global supply outlook further. Strong competition from the Russian Federation, where high supplies continue to support competitive prices, also sustained the downward pressure on markets. World maize prices also fell, by 3.2 percent, in April 2023. Similarly, international barley and sorghum prices eased by 4.3 percent and 0.3 percent in April 2023, reflecting weak global demand and spillover from weakness in international maize and wheat markets.

The continued decrease of the vegetable oil price index reflected the combine effect of stable world palm oil prices and lower soyabean, rapeseed and sunflower oil quotations. International palm oil prices remained virtually unchanged in April, as the downward pressure stemming from a lackluster import demand from key importing countries was offset by support from comparatively limited supplies of leading producers. The sugar price marking the third consecutive monthly increase and reaching its highest level since October 2011. The hike in prices on account of tighter global availabilities in the 2022 and 2023 season after further downward revisions to the production forecasts for India and China along with lower than earlier expected outputs in Thailand and the European Union.

Box-II: Role of SBP's Policy rate in Controlling Inflation

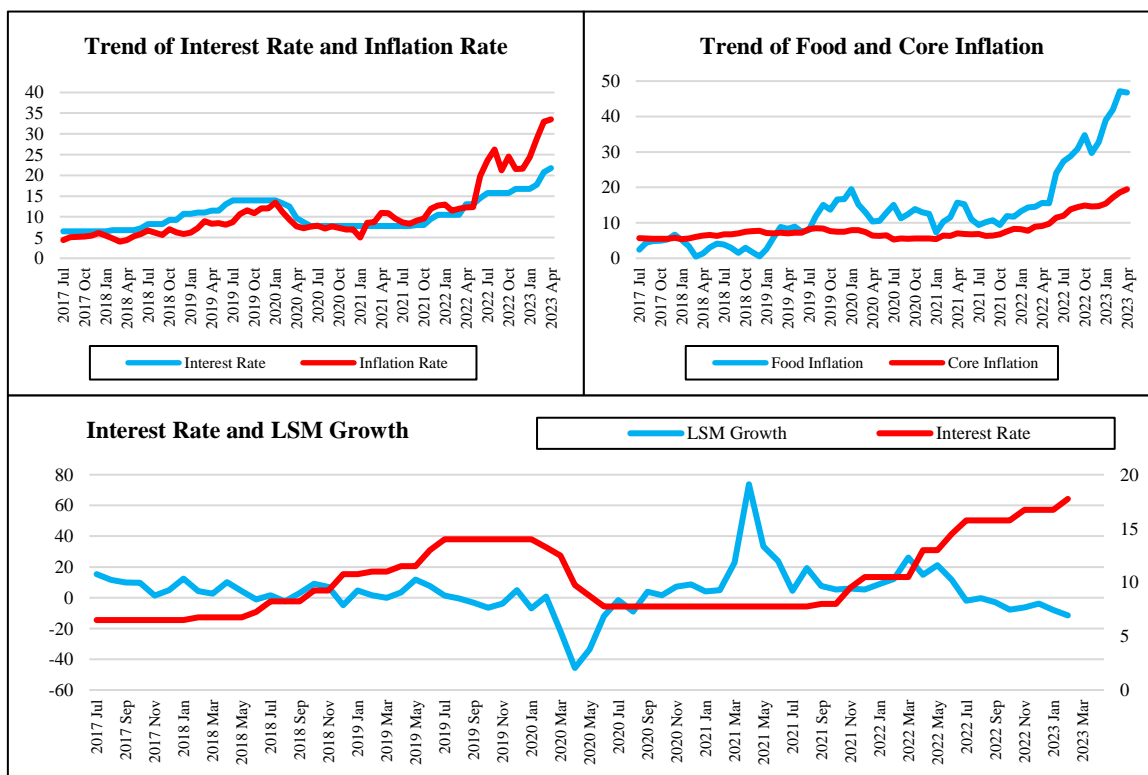
The prime objective of monetary policy is to maintain price stability by keeping inflation rate low. Central Bank of every country achieves this objective through changes in a policy instrument, usually short term interest rate. High and volatile inflation has turned out to be one of the main problems the global economy has been facing after Covid-19, especially after the start of Russia-Ukraine war. The central banks around the globe have responded to high inflation by raising their policy rates to curtail aggregate demand and ease out demand driven inflation.

Pakistan economy is no exception as the country has been experiencing food and energy led inflation during the same period. The general price level is persistently on the rise as a result of other factors too. Among them the key factors are dwindling foreign exchange reserves and the resulting currency depreciation, shortage of essential crops due to flash floods and the political and economic uncertainty.

In response to this recent price hike, the SBP has raised its policy rate from 7 percent in June, 2020 to 21 percent in April, 2023 to contain inflation. The tight policy stance, taken by SBP, has not resulted in containing

inflation, while creating some unintended consequences for real economic activity and burdening government expenditure. There seems to be a positive co-movement between the inflation rate and the interest rate in Pakistan, as shown in the upper left panel of the figure below. This however, does not indicate whether causality runs from the interest rate to the inflation rate or the other way round. Therefore, we go deeper to analyze the issue further. First, high interest rate has a positive effect on cost of borrowing, part of which is passed on to consumers by producers. This makes interest rate and inflation rate positively correlated. Moreover, interest rate has negative consequences for investment due to high cost of borrowing for both fixed investment and working capital. This translates into slowdown of economic activity, especially in the industrial sector. Same thing happened in Pakistan in the recent past as shown in lower panel of the figure below. This further added to supply shortages and kept inflation rate high. Hence, monetary policy remained ineffective in targeting inflation as supply side bottlenecks were not simultaneously removed.

Second, the food inflation is more pronounced as can be seen in the upper right panel of the figure below. This component of inflation rate can be responded through interest rate only to the extent it has second round effect on the overall inflation, as reflected in the core inflation. However, food component of inflation is directly insensitive to interest rate and can be more effectively managed through market integration, easy transportation from farm to market, better access to information, and regulating retailer’s margin through district price committees. Moreover, Pakistan economy experiences cost push inflation due to its over reliance on international commodity market. Hence, inflation in the country is largely an outcome of deficient domestic supply.



* In all of these panels urban inflation rates have been used

7.7: Government Steps to Control Inflation

Government is cognizant of the current inflationary spiral in the country and taking following possible measure to provide relief to the common man.

- Ministry of National Food Security and

Research (NFS&R) and Ministry of Industries & Production are working to maintain strategic reserves of wheat, sugar and pulses.

- Under the SBP amended Act 2021, being its primary objective, SBP is taking measures to maintain low and stable inflation in the

country. SBP has enhanced policy rate to 21 percent to contain the demand pressure.

- For the provision of essential commodities (i.e. wheat flour, sugar, ghee/oil and pulses) on subsidized rates, USC was allocated Rs 17 billion in FY2023 which also includes Rs 5 billion for Ramzan Relief Package. Subsequently, an additional amount of Rs 17.4 billion was allocated to the USC including Rs 540 million for provision of essential commodities in flood affected areas through USC.
- The allocation of BISP Welfare schemes is enhanced to Rs 400bn from the previous of Rs 360bn. Under BISP Kafalat Program, Rs 9000/- is being paid to eligible beneficiaries w.e.f April, 2023.
- Minister for PD&SI is chairing the NPMC meetings to ensure smooth supply of essential items and to monitor the prices with consultation of provincial governments and federal organizations.
- Government is expanding the network of Sasta Bazaars and Utility Store outlets for provision of smooth supply of daily use items.
- Competition Commission of Pakistan (CCP) is taking measures to control Cartelization and undue Profiteering.

- District Price Control Committees are monitoring the prices of essential items to ensure their availability at reasonable prices.
- Government has announced Kissan package to boost the agriculture in the aftermath of floods. The package includes subsidized loans to flood affected farmers and youth of rural areas, subsidy on DAP as well as import of used tractors and relaxation of duties for tractor manufacturing. These measures will enhance agriculture produce & supply of food items will improve.

7.8: Outlook

The available information suggests that inflation will remain in the range of 28.5 -29.0 percent in FY2023. The global inflationary pressure intensified during recent years while during last couple of months global supply chain has shown little improvement. The international commodity price outlook is favorable which may offset the negative impact of currency depreciation. In addition the better crop outlook due to timely measures i.e. Kissan Package, expected political stability and stable exchange rate would help to achieve price stability. The inflation rate in the medium term will be expected to normalized due to improvement in the agriculture sector, and expected favorable global and domestic environments.



TRADE AND PAYMENT

Jul-Apr FY2023

**Current Account
Deficit**

3.4
(\$ Billion)



Exports

21.1
(\$ Billion)



Imports

41.5
(\$ Billion)



**Trade Balance
Deficit**

20.4
(\$ Billion)



Remittances

20.5
(\$ Billion)



**Foreign Direct
Investment**

1.04
(\$ billion)



TRADE AND PAYMENTS

Introduction:

Many factors have gloomed prospect diminished the likelihood of a post-pandemic global economic recovery, particularly in Europe and Central Asia. The prospects for global economic growth face a unique combination of headwinds, such as interest rate increase by several central banks to contain inflation, residual pandemic effects such as China's lockdowns, disruptions to supply chains, etc. The Russia-Ukraine conflict has exacerbated the situation. The global economy is still recovering from the pandemic and negative implication of the Russia-Ukraine war. The downside risks projected in the IMF's WEO in April 2022 are materializing. Although the volume of international trade increased by 2.7% in 2022, yet less than the 3.5% projected in October 2022. While, the fourth quarter of 2022 witnessed a significant decline in the volume of international trade, dragging down the annual growth rate.

According to the WTO forecast April 2023, the global GDP growth is expected to be 2.4 percent in 2023. Both trade and growth are below the last 12 years averages of 2.6 and 2.7 percent, respectively. In this situation, countries need to have strong trade integrations besides abstain from trade barriers. The trade growth is projected to be 1.7 percent in 2023, higher from earlier forecast of 1.0 percent in October 2022. The upwards revision in trade growth can be attributed to China's reopening in January 2023 by ending the zero COVID policy thus boosting the consumer demand, which will enhance the international trade. The growth pattern of global merchandise trade is depicted in Fig. 8.1

The slowdown in trade growth was due to weak global demand in 2022. Similar situation can also be observed in the regional countries. For instance, China's trade volume deteriorated

considerably in the latter half of 2022, due to lower demand for Chinese goods, and weak domestic demand on account of zero COVID policy. Besides, high inflation in trading partners is another main factor which is affecting the Chinese exports in 2023.



In neighbouring economies, the trade deficit in Bangladesh continued to increase during Jul-Jan FY2023. Likewise, in India, the merchandise trade deficit increased from US\$ 218.9 billion in Apr-Dec 2022 as against US\$ 136.5 billion same period last year showing growth of 60.4 percent. Exports increased by 9.1 percent to US\$ 332.8 billion during the period under review as against US\$ 305 billion last year. Imports increased by 25 percent to US\$ 551.7 billion during Apr-Dec 2022 as compared to US\$ 441.5 billion same period last year. While, in Nepal, the trade deficit declined to 13 percent of GDP in HI FY2023 as compared to 18.4 percent of GDP in H1 FY2022. Goods imports grew by 2.4 percent on account of soaring commodity prices and higher domestic demand. The government of Nepal imposed the import ban on selected goods between Apr-Dec 2022. Goods exports decreased to 1.8 percent of estimated GDP in

H1FY2023 from 2.5 percent of GDP H1FY2022, as substantially decline in exports of refined palm and soybean oils. Also, in Sri Lanka, the merchandise trade deficit declined to US\$ 5.2 billion in 2022 from US\$ 8.1 billion in 2021 due to a combination of reduction in

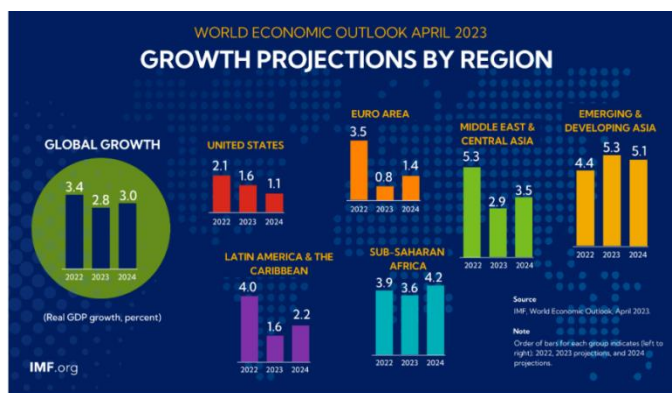
imports and increase in exports. Although, imports grew in the first half of 2022, owing to Indian financial assistance, but declined sharply in the second half due to liquidity shortages, currency depreciation, and lack of imports demand.

Box I: Impact of Geopolitical Conflicts on Trade

Trade is regarded as a source of welfare due to comparative advantage. However, many studies have shown that geopolitical conflict results in the reduction of welfare. In the wake of conflict, it is more difficult to continue trade, which hinders trade even for those countries that are not involved directly in the conflict. Thus, international trade is negatively affected by geo political conflict.

The COVID-19 pandemic affected the production of all nations, disrupted supply channels, and disturbed the financial markets. Inflation was induced by global supply bottlenecks during the recovery period. In these circumstances, the Russia-Ukraine conflict started. Thus, higher-than-anticipated inflation, particularly in the United States and major European economies, is causing a tightening of global financial conditions. Moreover, China's slowdown has been more severe than anticipated. Thus, there have been additional negative spillovers from the conflict. As a result, global output contracted in the second quarter of this year. Thus, leading to a recession. Further, Europe relies on Russia for around 1/3 of its gas supplies, therefore energy supply became a significant concern. Summarizing, the geopolitical conflicts posed risks to the stability of the financial system through a financial channel. An escalation of the conflict could result in imposition of financial restrictions, increase in uncertainty, and the outflow of cross-border credit and investment, all of which could increase the debt rollover risks and funding costs. Thus, slower growth, rising inflation, interest rates, and budget deficits are seen across the globe.

Pakistan's economy was also in the stage of revival and was suffering from supply constraints. Thus, the Russia-Ukraine conflict has resulted in an energy crisis, leading to an increase in international energy prices. Because Pakistan is an energy importer, the increase in energy prices has directly impacted household energy costs for heating, cooling, and transportation, and indirectly pushed up the prices of other goods and services due to the rise in supply costs. Moreover, in 2021, prices for fossil fuels began to recover, and by early 2022, they had risen sharply, creating a challenging environment for Pakistan. In addition, the increase in food prices as a result of the war and other non-energy goods' prices as a result of pandemic-driven supply bottlenecks as well as domestic supply adversely impacted by the flood contributed to a sharp increase in overall consumer prices in FY 2023.



Countries/ Region	Average Share (%)	Real GDP Growth (%)			Pakistan's Export (\$ Million)		
		2022	2023	2024	2021	July-April	
						2022	2023
USA	19	2.1	1.6	1.1	5,031	5,619	4,990
UK	8	4.0	-0.3	1.0	2,048	1,852	1,644
Germany	7	1.8	-0.1	1.1	1,513	1,432	1,366
Japan	7	1.1	1.3	1.0	176	159	175
UAE	7	7.4	3.5	3.9	1,420	1,550	1,207
Hong Kong	6	-3.5	3.5	3.1	224	275	153
China	5	3.5	5.2	4.5	2,044	2,343	1,701

Source: IMF & SBP

The slower economic activities in the trading partners of Pakistan have been observed in recent years as well as in the coming year.

In Pakistan, both exports and worker’s remittances are regarded as significant sources of foreign exchange earnings, thereby mitigating pressure on the balance of payment. However, reduced economic activity in trading partners can have an impact on both exports and remittances. In addition, the increase in international commodity prices will increase the value of imports, will fuel domestic inflation, negatively influencing common households which in turn, will also weigh on economic growth.

External Sector Performance

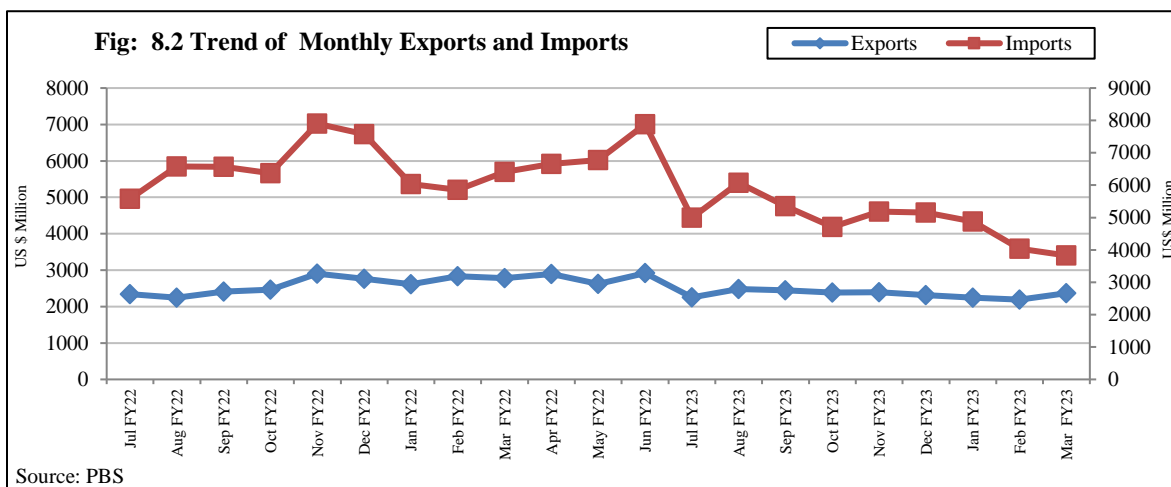
The balance of payments position during the ongoing fiscal year remained under pressure mainly due to adverse global shocks and domestic uncertainties. The international commodity prices have started declining from mid-2022 but were still above the pre-pandemic level. Thus, the high commodity prices have created pressure on the external account. Moreover, tightening of global financial environment has made difficult for emerging markets like Pakistan to access international financial markets. Consequently, Pakistan’s foreign exchange reserves and exchange rate remained under pressure. Furthermore, the devastating flood during July-August 2022 has further aggravated the ongoing economic situation.

Subsequently, sluggish global demand and epidemic-induced cross-border logistics disruptions presented substantial obstacles for Pakistan's exports. As a result of a decline in global demand and a disruption in the export industry's input supply, the trend of rising exports will cease in FY2023. In addition, a natural disaster flood, high energy costs, and severe liquidity problems negatively impacted export performance, the exports growth posted a negative growth of 9.8 percent during Jul-Mar FY2023, recorded at US\$ 21.0 billion as

compared to US\$ 23.3 billion same period last year

In recent flood, both major and minor crops have been damaged significantly, with a specific impact on essential food and export items including rice, mango trees, date palms, and vegetables like chillies, onions, and tomatoes. Cotton crops have also been hard hit.

The post-flood estimates of cotton production are 4.91 million bales during FY2023 as compared to 8.3 million bales last year. Since the total domestic requirement is around 15 million bales, the low domestic production of cotton increased its imports. Thus, putting more pressure on the already depleting foreign exchange reserves. Likewise, the production of rice declined by 21.5 percent during FY2023 and reached 7.3 Million Tons (MT) as against 9.3 MT last year. Thus, in order to meet domestic demand, imports of food items increased. Thus, damages to the agriculture sector have put pressure on the depletion of foreign exchange reserves. Moreover, reduction in exports of textiles, rice, fruits and vegetables, leather products and cement, has widened the trade deficit. In order to avoid reserve depletion, the government restricted imports. Thus, a significant reduction in trade deficit is observed in recent months of FY2023. Fig – 8.2 shows monthly trends of Exports and Imports.



Source: PBS

Exports

Exports declined by 9.9 percent during Jul-Mar FY2023 to \$ 21.0 billion compared to \$ 23.3 billion in the same period last year. The decline in exports was driven by both declining trend in export volumes and unit values. The decline in exports is mainly occurred due to the inadequate performance of textiles and food group. The decline was owed to the weak global demand and lacklustre performance in the domestic economy. Further, the demand curtailing measures taken by the government has also affected exports performance. However, the government has taken policy incentives to boost exports

Government Initiatives to Increase Exports

i. Regionally Competitive Energy Tariffs

- a. Supply of electricity to five export-oriented sectors covering textiles (including jute), carpets, leather, sports goods and surgical goods at US cents 9 per kWh all-inclusive from August to September 2022 and Rs. 19.99 from October 2022 to June 2023 per kWh
- b. Supply of RLNG to five export-oriented sectors at US\$ 9 per MMBtu all-inclusive during FY2023.

ii. Rationalization of Import Custom Tariff

- a. Continuation of duty-free import of cotton to bridge the gap between domestic production and consumption of textiles and apparel industry.
 - b. Continuation of duty-free import of textiles and apparel machinery.
 - c. Reduction/elimination of custom duties on import of dyes and chemicals to incentivize textiles and apparel industry.
- During FY2023(Jul-Mar), Rs.25 billion has been paid to the exporters as Customs Duty Drawback.
 - Customs Duties on more than 100 tariff lines rationalized during budget exercise as well as 37 tariff-lines for packaging sector, 10 tariff-lines for dyes sector, and 101 different tariff-lines related to farm mechanization.

- In the Duty and Tax Remission for Exports (DTRE) Scheme, the utilization period for the exportation of imported raw materials has been extended from twelve months to eighteen months.
- Automation of Export Facilitation Schemes (EFS) such as Export Processing Zone (EPZ), Manufacturing Bond (MB), Export-Oriented Unit (EOU), DTRE, and Temporary Importation has been automated and operational under Web Based One Customs (WeBOC).
- To incentivize exporters, rupee-based discounting of exports bills/export receivable was introduced under Export Finance Scheme (EFS)/ Islamic Export Refinance Scheme (IERS). This facility helps in providing early payments to the exporters by the banks against the export bill/ export receivable at the prescribed rates. This facility is available at both post-shipment & pre- shipment stages at rates ranging from 2 % to 3 %, depending upon the tenor of discounting.
- Digitization of exports-related processes through Pakistan Single Window (PSW), PSW is an automated platform that provides a facility to all exporters and importers to electronically submit an integrated declaration at the time of exports and imports of goods.
- Formulation of regulatory framework to facilitate exports of goods from Pakistan for sale through international platforms under Business to Business to Consumer (B2B2C) model.
- To promote the use of digital channels and to enhance operational efficiency and improve ease of doing business, the functions of EFS/IERS have been digitized. An online platform has been developed for transmission of EFS related information/data between SBP PBSC banks.

Merchandised Exports

An analysis of group wise data suggests that major groups registered a negative growth. (Table 8.1). Food group decreased by 3.4 percent and reached \$ 3.8 billion during Jul-Mar FY2023

as against \$ 3.9 billion same period last year. Within the food group, rice exports decreased

both in quantity and value by 18.8 percent and 10.9 percent, respectively.

Table 8.1: Structure of Exports

Particulars	Units	July-March Values in US \$Million			July-March Quantity		% Change in Quantity
		2021-22	2022-23 (P)	% Change	2021-22	2022-23 (P)	
Total		23350.0	21036.2	-9.9			
A. Food Group		3947.7	3815	-3.4			
Rice	M.T	1793.1	1598.3	-10.9	3582756	2907322	-18.8
Sugar	M.T	0	83.0	100	0	172180	100
Fish & Fish Preparation	M.T	311.6	355	13.9	116333	151030	29.8
Fruits	M.T	394.5	226.4	-42.6	515178	536420	4.1
Vegetables	M.T	249.1	235.5	-5.5	675331	1035940	53.4
Wheat	M.T	0	0	0.0	0	0	0.0
Spices	M.T	83.2	72.9	-12.4	20139	16959	-15.8
Oil Seeds, Nuts & Kernels	M.T	176.7	166.9	-5.5	130957	149313	14.0
Meat & Meat Preparation	M.T	249.1	302.4	21.4	56397	69072	22.5
Other Food Items		690.4	774.5	12.2			
B. Textile Manufactures		14242.6	12476.4	-12.4			
Raw Cotton	M.T	6.6	13.0	97.7	2752	10477	280.7
Cotton Yarn	M.T	908.5	573.1	-36.9	260284	186352	-28.4
Cotton Cloth	TH.SQM	1795.5	1538.0	-14.3	343753	256506	-25.4
Knitwear	TH.DOZ	3729.7	3390.3	-9.1	120415	133197	10.6
Bedwear	M.T	2448.9	2031.7	-17.0	394824	302825	-23.3
Towels	M.T	819.6	745.3	-9.1	166809	144855	-13.2
Readymade Garments	TH.DOZ	2863.6	2657.3	-7.2	37291	58470	56.8
Made-up articles		627.0	534.8	-14.7			
Other Textile Manufactures		1043.4	992.9	-4.8			
C. Petroleum Group		235.9	216.1	-8.4			
Petroleum Products	M.T	57.3	45.8	-19.9	80803	99694	23.4
Petroleum Top Neptha	M.T	0	0	0	0	0	0
D. Other Manufactures		4693.8	4306.5	-8.3			
Carpets, Rugs & Mats	TH.SQM	61.0	56.6	-7.2	1794	1910	6.4
Sports Goods		259.9	306.1	17.8			
Leather Tanned	TH.DOZ	154.5	126.8	-17.9	11387	8164	-28.3
Leather Manufactures		463.9	442.3	-4.6			
Surgical Goods. & Med. Inst.		307.7	335.7	9.1			
Chemical & Pharma. Pro.		1093.7	1072.3	-2.0			
Engineering Goods		168.0	186.9	11.1			
Jewellery		10.0	5.6	-43.7			
Cement	M.T	199.4	135.4	-32.1	5227.9	2909.3	-44.3
Guar & Guar Products	M.T	34.4	33.6	-2.2	19087	19933	4.4
All Other Manufactures		408.6	392.5	-3.9			
E. All Other items		1941.2	1605.1	-17.3			

P : Provisional

Source: PBS

The basmati rice exports decreased both in quantity and value by 21.5 percent and 7.2 percent, respectively during Jul-Mar FY2023. The major decline was observed in rice exports to Afghanistan (98 percent), followed by China (57 percent).

Likewise, the other varieties under rice group during Jul-Mar FY2023 witnessed a decline of 12.1 percent in value and 18.4 percent in quantity.

Exports earnings from fruits during Jul-Mar FY2023 decreased by 42.6 percent in value despite an increase of 4.1 percent in quantity, Vegetables witnessed an increase in quantity by 53.4 percent but decline by 5.5 percent in value.

Fish & fish preparation subgroup during Jul-Mar FY2023 witnessed an increase of 13.9 percent in value and 29.8 percent in quantity, due to several reasons including: China has lifted sanctions on imports of Jellyfish from Pakistan in July 2022. Moreover, some species like squids, cuttlefish and ribbon fish have fetched better prices in the world markets. The exports of fish & fish preparation continued to soar mainly due to the diversification of the exportable commodities from Pakistan, earlier shrimp, lobsters, ribbonfish, and large cuttlefish (Pharaoh Cuttlefish) were the main exports. Now four additional species of cuttlefish are being exported.

Further, another Pakistani fishing processing plant has joined European Commission (EC) for fishery exports. This is the third Pakistani company listed in the EC. In 2013, after a six year, EC has lifted a ban and granted permission to only two companies to export fishery product to European countries. In addition, large quantities of fish meal are exported to China for the aquaculture industry. Many modern fish meal plants have been set up, manufacturing high-quality fish meal for export. Export of shellfish such as whelks, clams and razor clams are now considered important seafood commodities which are exported in live, frozen and chilled forms.

Exports of oil seeds, nuts & kernels witnessed an increase of 14.0 percent in quantity despite a

decline in value by 5.5 percent during Jul-Mar FY2023.

Meat and meat preparation exports increased both in value and quantity by 21.4 percent and 22.5 percent, respectively during Jul-Mar FY2023. The exports of meat sector have had gradual growth over a period, due to opening of new markets, compliance with the food standards set by of various exporting countries, and use of advanced machinery and new practices to Pakistan. The meat exports include raw and frozen beef, mutton, lamb, and chicken. The exports of by-products include casing, bones, horns and hooves, gelatine, etc. Pakistan's exports of meat and meat preparations are gradually penetrating different countries in terms of volume and value as it recorded a staggering increase. The major meat exports destinations include: Gulf countries including Saudi Arabia, United Arab Emirates, Kuwait, Qatar, Bahrain, Hong Kong, Maldives, and Vietnam. Recently, the Malaysian government has approved certification of four Pakistani meat exporter companies, which is a major breakthrough as Malaysia is lucrative market for exports of Halal meat.

Textiles and apparel sector occupies a pivotal position in Pakistan's economy having most intensive backward and forward linkages compared to any other sector. It contributes approximately 60 percent in total exports and 40 percent in industrial employment. Pakistan is the fifth largest cotton producing country with tremendous potential for further improvement in its share in the world.

During Jul-Mar FY2023, exports of textile group witnessed a decline of 12.4 percent and reached US\$ 12.5 billion compared to US \$ 14.2 billion during the corresponding period last year. Textile sector faced multiple issues including energy shortages, high electricity tariffs, elevated financing costs, and global slowdown. Moreover, the devastating flood has destroyed cotton crop which possess severe challenges for the industry. The zero-COVID policy in China is providing more opportunity for other economies to seize its exports share. Bangladesh has grabbed this opportunity with both hands. However, in Pakistan the domestic economic

issues are creating hurdle in exploiting this opportunity. The other problem is of the turnaround time of exports. Raw material is being imported, processed, and re-exported. The turnaround time in Pakistan is 5 to 6 months higher than in Bangladesh which is 1 to 2 months.

According to U.S. Department of Agriculture, “Cotton: World Markets and Trade” report, the global cotton production in 2022-23 up to 116.5 million bales and attributed to higher production in China, Mexico, and Uzbekistan. Consumption is lowered more than 500,000 bales to 109.6 million and attributed to lower use in Bangladesh. The world’s three largest consumers – China, India, and Pakistan – are forecast to account for more than half of the global increase. Of the top ten consuming countries, all are expected to have higher use. After significant reductions for India, Pakistan, and Bangladesh in the previous year, a general easing of financial pressures and greater supplies are expected to support consumption¹.

Textile sector is currently experiencing a shortage of raw material and unavailability of foreign currency for the import of essential machinery, which is hindering production. In that backdrop, many textile firms had suspended operations, therefore, exports would remain under pressure until the situation normalised.

In case of home textiles, bedwear decreased both in quantity and value by 23.3 percent and 17.0 percent; respectively, whereas towels exports also decreased in both quantity and value by 13.2 percent and 9.1 percent in Jul-Mar FY2023. The unsatisfactory performance of towel exports is mainly attributed to limited access to technology, ineffective image building and brand- development strategies. Moreover, towel industry is labour intensive, but scarcity of skilled labour force obstruct exports growth in terms of quality, productivity and value addition. Knitwear exports grew by 10.6 percent in quantity, despite a decline of 9.1 percent in value during Jul-Mar FY2023. The exports of readymade garments increased in quantity by

56.8 percent, however, its value declined by 7.2 percent during Jul-Mar FY2023. The exports of intermediate commodities like cotton yarn witnessed a decline in both quantity and value by 28.4 percent and 36.9 percent, respectively, during Jul-Mar FY2023.

The Petroleum group’s exports posted a decline of 8.4 percent during Jul-Mar FY2023. Furthermore, petroleum product exports also plummeted 19.9 percent and reached US\$ 216.1 million during Jul-Mar FY2023.

Exports of leather tanned declined both in quantity and value by 28.3 percent and 17.9 percent, respectively. Footwear exports increased both in quantity and value by 47.9 percent and 18.7 percent, respectively, during Jul-Mar FY2023. According to the World Footwear 2022, Yearbook the Pakistani footwear industry predominantly geared the domestic market and is the 7th largest in the world and employs around one million people. The main markets are Europe, the USA and Arab countries.

In the case of sports goods, Gloves exports decreased both in quantity and value 32.2 percent and 7.5 percent, respectively, during July-Mar FY2023 and recorded at US\$ 52.4 million. Other major exports of sports goods are football witnessed an increase both in quantity and value by 36.5 percent and 33.7 percent, respectively. Pakistan produces high-quality hand-stitched footballs with an uncompromised quality of the football, its price, and its performance.

Export of carpets, rugs, and mats registered a decline of 7.2 percent in value, despite an increase in its quantity by 6.4 percent during Jul-Mar FY2023. Pakistan’s hand-made carpet industry had lost its footings in the global market on account of elevated prices of raw material, costly labour, and higher freight charges. Furthermore, troubles in the import of semi-finished raw materials through Torkham Border, ultimately affecting the delivery of finished goods.

¹ US Department of Agriculture Foreign Agricultural Service Circular May 2023

The export of cement witnessed a decline both in quantity and value by 44.4 percent and 32.1 percent, respectively, during Jul-Mar FY2023 on account of increased production cost, higher freight charges and soaring coal prices.

Exports of Guar and guar products registered growth in quantity by 4.4 percent and its value declined by 2.2 percent during Jul-Mar FY2023. India meet 85-90 percent of global guar demand, whereas, Pakistan has a share of 10-15 percent in world's total supply. Pakistan has 11 companies making guar split with Pak Gum Industries being the largest producer. Most of the processing facilities are 20-30 years old which undermines the quality.

Exports of chemicals and pharmaceuticals product decline by 2.0 percent and recorded at US\$ 1072.3 million during Jul-Mar FY2023. Chemicals, other than the ones used in pharmaceutical and plastic products, had the highest share. The Pakistan Export Strategy (2023-27) outlines a proposed path for the development of the pharmaceutical industry in Pakistan. It is a five-year endeavour that was defined through a consultative process between public and private sector stakeholders. The strategy addresses constraints in a comprehensive manner and defines concrete opportunities that can be realized through the specific steps detailed in its Plan of Action. The Pharmaceuticals Export Strategy is an integral part of Pakistan's Strategic Trade Policy Framework (STPF).

During Jul-Mar FY2023, Surgical goods & Medical Instruments exports were recorded at

US\$ 335.7 million. European Parliament has passed a new "Medical Device Regulation" (MDR), which will be effective in May 2024. In order to avoid adverse effects of the new regulations and safeguard interests of the country, a consultant firm is being hired to educate, guide and build capacity of the surgical instrument/medical device sector to comply with the new EU regulations.

Moreover, Pakistan specialised in conventional surgical products, but the demand for these products in developed countries is declining during last few years due to the rise of Artificial Intelligence-enabled and electronic products with high precision. Owing to lack of research and development, the surgical products will lose market share not only in Europe but also globally.

Concentration of Exports

The potential export growth is hindered owed to lack of diversification in export goods. The trend of Pakistan's exports of major items remains more or less same having concentrated on three items, namely cotton manufactures, leather and rice (See Table 8.2). These three categories account for 68.1 percent of total exports during Jul-Mar FY2023.

Among these few items cotton manufactures remain major contributor with 57.3 percent share in total exports, followed by leather (3.2 percent), rice (7.6 percent) and other items (31.9 percent). This pattern shows that Pakistan's export is still exporting few items.

Table 8.2 : Pakistan's Major Exports (Percentage Share)

Commodity	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	July-March	
							2021-22	2022-23P
Cotton Manufactures	56.5	61.7	56.4	56.6	59.0	59.3	59.2	57.3
Leather**	4.1	4.2	3.7	3.6	3.3	3.0	3.0	3.2
Rice	8.8	7.7	9.0	10.2	8.1	7.9	7.7	7.6
Sub-Total of three Items	69.4	73.6	69.1	70.4	70.4	70.2	69.9	68.1
Other items	30.6	26.4	30.9	29.6	29.6	29.8	30.1	31.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

P: Provisional

** Leather & Leather Manufactured.

Source: PBS

Direction of Exports

As far as the top export destinations are concerned, USA still remained the largest exports market for Pakistan during Jul-Mar, FY2023. Exports to USA have moderately

decreased to 19 percent in Jul-Mar FY2023 as compared to 21 percent last year. Similarly, Chinese share in exports has decreased to 8 percent during the period under review. Table 8.3 presents detailed bifurcation of major export markets.

Table 8.3: Major Exports Markets

(Rs. billion)

Country	2019-20		2020-21		2021-22		July-March			
							2021-22		2022-23 P	
	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share
USA	585.4	17	823.6	20	1,201.9	21	854.3	21	924.9	19
China	273.4	8	388.0	10	567.1	10	428.4	11	380.5	8
Afghanistan	134.3	4	163.8	4	143.4	3	90.2	4	179.9	4
United Kingdom	239.6	7	324.7	8	382.7	7	277.1	2	337.1	7
Germany	199.0	6	241.2	6	308.3	5	220.0	7	283.8	6
U.A.E	178.9	5	160.9	4	246.9	4	174.6	6	259.7	5
Bangladesh	102.6	3	104.1	3	166.6	3	125.1	3	135.3	3
Italy	115.0	3	125.9	3	204.8	4	138.6	3	194.4	4
Spain	130.3	4	140.3	3	227.1	4	159.3	4	250.4	5
France	87.1	3	66.0	2	90.5	2	60.5	2	86.2	2
All Other	1,324.2	39	1,503.7	37	2,122.0	37	1490.5	37	1916.4	39
Total	3,369.8	100	4,041.9	100	5,661.1	100	4018.8	100	4948.5	100

Bilateral Relation

Engagements of Pakistan with its trading partners in the current financial year are mentioned below:

South Asia and East Asia

Japan: The 7th Session of Joint Dialogue between Pakistan and Japan was held in September, 2022 in Islamabad wherein productive discussions were held on cooperation in a wide range of areas like trade, agriculture, information technology, standards, overseas remittance, investment, and development of automobile sector. Moreover, a MoU for cooperation on trade promotion was also signed between TDAP and JETRO.

ASEAN: The first Pakistan-ASEAN Trade Development Conference (PATDC) and a Pakistan Single Country Exhibition (PSCE) is being organized at Jakarta in coming months. It is a major initiative to bring together the public and private stakeholders at one place to explore the opportunities of enhancing trade potential between Pakistan and ASEAN member states.

China: Pakistan established first ever bilateral

forum of Joint Working Group (JWG) on trade, investment, and E-commerce with China. The JWG is aimed at promoting bilateral trade and investment relationships viz-a-viz provide a platform to discuss issues of bilateral trade for their pragmatic solutions. The first meeting of the JWG held virtually in September, 2022.

In order to boost exports in the Chinese market, through utilizing leading Chinese E-Commerce platforms, a MoU on e-Commerce was signed in November, 2022.

After successful completion of Pest Risk Analysis by the Chinese experts, China has allowed the import of cherries from Pakistan in November, 2022. This is a major breakthrough as cherries are one of the products granted duty free market access under the China Pakistan Free Trade Agreement (Phase-II).

Sri Lanka: The 3rd session of the JWG between Pakistan and Sri Lanka was held in December, 2022 wherein the trade related issues between the two sides came under detailed discussion. For expeditious resolution of issues of technical nature, two sub-committees comprising of the

technical experts from both sides were established with mutual agreement.

Central Asian Republics Region

- The Preferential Trade Agreement (PTA) with Uzbekistan signed in 2022 and operationalized from March 2023. Due to implementation of Transit Trade Agreement (TTA) with Uzbekistan and promotional efforts, Pakistan's exports have already been doubled from US\$ 36 million in Jul-Mar FY2022 to US\$ 72 million Jul-Mar FY2023. Under this PTA, concession is given on 17 tariff lines at HS-06 from both sides. Pakistan has duty free access on five Tariff lines in which Pakistan has comparative advantage.
- Kazakhstan is the largest exports market for Pakistan in CARs. In November, 2022 the second session of JWG on trade and investment was held in Astana. Both sides agreed to finalize draft of the Kazakhstan-Pakistan TTA on a priority basis. Two rounds of technical level negotiations have been held in December 2022 to finalize the draft of the agreement.
- Pakistan is negotiating a PTA with Azerbaijan. The two sides have finalized the Rules of Origin and draft of the Agreement after six rounds of technical level Negotiations. In December, 2022, MOC completed stakeholders' consultations to finalize the Request List from Pakistan side.
- Pakistan-Tajikistan TTA was signed during the visit of the Tajik president to Islamabad in December, 2022.

Middle East Region

- Pakistan and GCC are negotiating FTA which is at advanced stage. As of December, 2022, four rounds and inter-session meetings have been held. The FTA covers trade in goods, services, investment, etc. The FTA is expected to conclude in 2023.
- Pakistan has received Terms of Reference (TORs) as well as draft text on

Comprehensive Economic Partnership Agreement (CEPA) from UAE. Text of CEPA covers trade in goods, services, investment, along with government procurement, sanitary and phytosanitary (SPS), technical barriers to trade (TBT), etc. MOC has held stakeholders' consultation on TORs and shared draft on CEPA to solicit views and comments for negotiations with UAE authorities.

- The cabinet has approved MoU between TDAP and Bahrain Tourism and Exhibition Authority (BTEA).

Africa Region

- 3rd Pakistan-Africa Trade Development Conference (PATDC) and Single Country Exhibition (SCE) was held in South Africa from 29th November-1st December 2022. Around 120 companies from Pakistan have participated and an estimated US\$ 2.4 million worth of trade deals were penned during the event. More than 700 B2B meetings took place during the two-day Single Country Exhibition and 20 MoUs were signed during the event which will ultimately lead to trade deals.
- MoU between the Pakistan and Mozambique on the establishment of Pakistan-Mozambique Joint Trade and Investment Committee was signed on the sidelines of 3rd PATDC in South Africa.
- Bilateral Trade Agreement between the Ethiopia and Pakistan have been finalized and will be signed soon.

Europe

EU- GSP plus Scheme: EU is Pakistan's largest export partner. Since, 4 Pakistani products have duty free access in all 27-member states of the EU on 91 percent tariff lines under EU's GSP+, since 1st January 2014. Pakistan made some further legislative progress in the human rights domain majorly and also in some other areas and shared it with EU Commission in October 2022. At this stage, periodic review report of EU Commission is awaited after which the concession scheme will continue till 31st

December 2023 if Pakistan successfully completes this review. As a result of this arrangement, Pakistan's exports to EU have increased by 165 percent since the grant of EU GSP Plus in 2013. Pakistan's exports to EU for year 2021-22 stood at US\$ 9.2 billion.

EU is going to launch another 10 years scheme of GSP (2024-34) with some additional conventions other than 27 international conventions to which Pakistan is already complying with. The beneficiary countries would be able to apply after 1st January 2024 till 31st December 2025. Pakistan has started working for the upcoming scheme. GOP has submitted its response to the proposed conventions.

United Kingdom: UK has been a strong supporter of Pakistan in securing GSP plus status from the EU, and the largest export partner in post-Brexit Europe. Following its exit from the EU, UK gave a firm commitment to Pakistan that it will continue to grant similar market access to the Pakistani products which it enjoys under EU GSP plus regime. The UK Government launched its Developing Countries Trading Scheme (DCTS) on 16th August 2022 after an 8-week public consultation in which Pakistan also participated. On coming into effect around April 2023, DCTS will replace the current UK GSP.

The new scheme, thus, addresses a major concern of Pakistan and gives tariff preferences in around 85 percent of all tariff lines, which

account for 94 percent of Pakistan's exports to the UK. Other new features of the scheme include tariff preferences on an additional 156 products and the elimination of the requirements to ratify and implement international conventions to access enhanced preferences.

Türkiye: Pakistan and Türkiye signed the Trade in Goods Agreement on 12th August, 2022 in Islamabad. Under the agreement, Pakistan has received concessions in 261 tariff lines and has extended concessions to Türkiye on 130 tariff lines. Pakistan has gained market access in traditional sectors such as leather, rice, dates, mangoes, cutlery, and sports goods; and non-traditional products/sectors include seafood, processed agricultural products, rubber tubes and tyres, plastics, and engineering goods.

Russia: The total trade between Pakistan and Russia stood at US\$ 761 million in the Jul-Mar FY2023. The balance of trade is in favour of Russia with a negative trade balance of US\$ 651 million in July-Mar FY2023. The Agreement on International Road Transport between Pakistan and Russian Federation was signed in November, 2022, provides a framework for the movement of passengers and goods trade between the two countries through road links, and covers transport of passengers and cargo by vehicles between the parties, in transit through the parties, and to/from third states with which both parties have bilateral road transport agreements.

Box-II: 12th Ministerial Conference of WTO

- The Ministerial Conference (MC) is the highest decision-making body of the World Trade Organization (WTO) which takes place biennially. WTO members, including Pakistan, successfully concluded MC-12 in June 2022 by securing multilaterally negotiated outcomes on a series of key trade initiatives including decisions on Food Security and Trade Related Intellectual Property Rights (TRIPS) waiver for the manufacturing of COVID-19 Vaccine.
- The declarations on Food Security will increase the resilience of net-food importing countries, like Pakistan, in responding to acute food instability by considering the best possible use of flexibilities available in WTO agreements. The multilateral decisions aim to bolster agricultural production and enhance domestic food security as needed in an emergency, including access to international food markets, financing of food imports, and agricultural and production resilience.
- To ensure an equitable, timely and affordable access to vaccines, therapeutics and other goods required to deal with the COVID-19 pandemic Pakistan, along with other developing and Least Developed Countries, launched a proposal at the WTO for a waiver from certain provisions of the TRIPS agreement for the prevention, treatment and containment of COVID-19. The proposal was unanimously agreed by

members in MC-12 for the manufacturing of COVID-19 vaccine. The multilateral declaration will significantly pave the way for domestic production of COVID-19 vaccines. Moreover, negotiations on TRIPS waiver for manufacturing of therapeutics and other equipment required for COVID-19 are underway at the WTO.

Source: Ministry of Commerce

Imports

The total imports during Jul-Mar, FY2023 amounted at US\$ 43.7 billion as compared to US\$ 58.9 billion in the same period last year, declined by 25.7 percent, reflecting the impact of policy tightening and other administrative measures.

Government initiatives to Curtail Imports:

The Government had undertaken following regulatory measures to curtail the imports:

- To ease the pressures on the import bill and to contain CAD at a sustainable level, SBP has imposed a 100 percent Cash Margin Requirement (CMR) on a total of 702 items, covering 22 percent of overall imports in the country. Moreover, the 100 percent CMR has been relaxed where the credit terms of import 91 to 180 days the applicable CMR would be 25 percent, and for 181 days and above the CMR would be 0 percent. The CMR remained enacted till March 31st 2023.
- The ban on imports was replaced by import compression exercise carried out in order to mitigate the adverse impacts of Forex shortage. RDs up to 100 percent were levied on more than 800 non-essential/luxury items vide SRO No. 1571(i)/2022 dated 22-08-

2022.

- Tightening in regulations for exchange companies regarding FX purchases by individuals, including biometric requirement and imposition of daily and annual limits for FX purchases.
- To restrict the demand for automobiles, SBP has amended the prudential regulation for consumer financing. Key measures included, restricting the amount of the amortized payments to 40 percent of the monetized salary of the borrower, reducing the maximum down payment from 15 percent to 30 percent and limit the overall auto financing limit by one person from all banks/DFIs to Rs. 3,000,000 at any point in time.
- To curb the aggregate demand, and there by associated import demand, SBP increased the Cash Reserve Requirements (CRR) for banks by 100 bps during the reserve maintenance period, as well as for daily minimum requirement.
- To ensure judicious use of cards, including virtual cards, for Foreign Currency related payment, an annual limit of US\$ 30,000 per individual has been placed on card based cross border transactions. Table 8.4 present structure of Pakistan's imports.

Table 8.4 : Structure of Imports

Particulars	Units	July-March Value in \$ Million		% Change in Value	July-March Quantity		% Change in Quantity
		2021-22	2022-23 (P)		2021-22	2022-23 (P)	
Total		58858.5	43727.2	-25.7			
A. Food Groups		7068.1	7333.7	3.8			
Milk & Milk food	M.T	121.6	119.6	-1.7	35821	35821	-1.1
Wheat Un milled	M.T	795.3	997.5	25.4	2206880	2531425	14.7
Dry Fruits	M.T	53.9	29.1	-46.1	78409	40001	-48.9
Tea	M.T	487.1	434.9	-10.7	200185	175293	-12.4
Spices	M.T	176.0	116.2	-34.0	113382	114296	0.81
Edible Oil (Soyabean& Palm)	M.T	2833.9	3164.6	11.7	2336007	2554163	9.3
Sugar	M.T	190.9	4.4	-97.7	311345	5010	-98.4
Pulses	M.T	477.7	757.9	58.6	719642	1060507	47.4
Other Food Items		1931.6	1709.7	-11.5			
B. Machinery Group		8676.3	4496.4	-48.2			
Power generating Machines		1253.9	399.2	-67.7			

Table 8.4 : Structure of Imports

Particulars	Units	July-March Value in \$ Million		% Change in Value	July-March Quantity		% Change in Quantity
		2021-22	2022-23 (P)		2021-22	2022-23 (P)	
Office Machines		461.2	249.8	-45.8			
Textile Machinery		621.8	286.5	-53.9			
Const. & Mining Machines		139.0	67.0	-51.8			
Aircrafts, Ships and Boats		532.9	130.0	-75.6			
Agriculture Machinery		90.6	30.2	-66.6			
Other Machinery Items		1948.5	1340.3	-31.2			
C. Petroleum Group		14,810.1	13,083.1	-11.7			
Petroleum Products	M.T	7,287.5	5,836.5	-19.9	12557316	8286582	-34.0
Petroleum Crude	M.T	3,687.7	3,860.7	4.7	6647166	5801411	-12.7
D. Consumer Durables		4,335.2	2,603.2	-40.0			
Road Motor Vehicles		2,825.8	1,355.3	-52.0			
Electric Mach.& Appliances		1,509.3	1,249.1	-17.2			
E. Raw Materials		9,596.6	7123.9	-25.7			
Raw Cotton	M.T	1,205.5	1,403.4	16.3	536059	568736	6.1
Synthetic Fibre	M.T	562.3	357.8	-36.4	290623	172508	-40.6
Silk Yarn (Synth & Arti)	M.T	650.2	448.1	31.1	281351	182683	-35.1
Fertilizer Manufactured	M.T	675.2	536.1	-20.6	1120522	786947	-29.8
Insecticides	M.T	135.7	147.4	8.6	24612	27179	10.4
Plastic Material	M.T	2,324.9	1765.9	-24.0	1453735	1211197	-16.7
Iron & steel Scrap	M.T	1,856.1	972.4	-47.6	3130053	1822672	-41.8
Iron & steel	M.T	2,186.7	1492.8	-31.7	2810543	1797967	-36.0
F. Telecom		2137.1	744.9	-65.1			
G. All Other Items		4411.1	3439.5	-22.0			

P : Provisional

Source : PBS

The food group with a share of 12.2 percent in total imports, increased by 3.8 percent during Jul-Mar FY2023, and its import were recorded at US\$ 7333.7 million as against US\$ 7068.1 million during the comparable period last year. Within food group, surge has been observed in the imports of wheat unmilled, palm oil, soya bean oil and pluses.

The edible oil (Soybeans & Palm) imports remained the significant items in food group, increased in both quantity and value by 9.3 percent and 11.7 percent, respectively. The increase in the import bill of edible oil was mainly attributed to the rise in global palm oil prices. On similar reasons, the import bill of pulses surged by 58.6 percent during the review period.

The import of petroleum group declined by 11.7 percent during Jul-Mar FY2023 and reached US\$ 13083.1 million as compared to the US \$ 14810.1 million corresponding period last year. Within the petroleum group, the imports of petroleum products decreased both in quantity and value by 34.0 percent and 19.9 percent,

respectively. Petroleum crude increased in value by 4.7 percent and quantity decreased by 12.7 percent during Jul-Mar FY2023 as compared to the same period last year. The crude oil prices starting declining in mid-2022, but are still above the pre-pandemic level.

Imports of Liquefied Natural Gas (LNG) imports decrease by 14.1 percent in value and Liquefied Petroleum Gas (LPG) imports surged by 3.8 percent during Jul-Mar FY2023 as compared to the corresponding period last year. The increase in LNG imports is due to soaring prices of gas in the international market. The surge in global gas prices due to shortages in Europe which has put pressure on other markets as well.

Machinery Group imports decreased substantially by 48.2 percent and reached US\$ 4,496.4 million during Jul-Mar FY2023 as compared to US\$ 8,676.3 million the same period last year. Within this group, import bill of power generating machinery decreased by 67.7 percent and reached US\$ 399.2 million as compared to \$ 1,235.9 same period last year. The import bill of textile machinery registered a

decline of 53.9 percent and reached US\$ 286.5 million during Jul-Mar FY2023 against US\$ 621.8 million last year.

Electrical Machinery & Apparatus imports dropped by 17.2 percent (US\$ 1249.1 million) during Jul-Mar FY2022 against (\$1509.4 million) in the same period last year. Within the machinery group, telecom sector imports decelerated by 65.1 percent (US\$ 744.9 million) during Jul-Mar FY2023 (US\$ 2137.1 million) last year. Mobile phone imports in Pakistan declined by 71.0 percent during Jul-Mar FY2023 and reached US\$ 462.7 million as compared to US\$ 1596.3 million same period last year.

The imports of transport group receded by 54.4 percent and reached US\$ 1536.1 million during Jul-Mar FY2023 as compared to US\$ 3367.3 million last year. The import of road motor vehicle decreased by 52.0 percent of which CBU declined by 71.1 percent and CKD/SKD decreased by 48.4 percent.

Metal group imports decreased by 33.3 percent and reached US\$ 3344.3 million. The imports of

iron and steel declined both in quantity and value by 36.0 percent and 31.7 percent, respectively. Imports of iron and steel scrap decreased both in quantity and value by 41.8 percent and 47.6 percent, respectively during Jul-Mar FY2023.

In the textile group, imports of raw cotton witnessed an increase in both quantity and value by 6.1 percent and 16.3 percent, respectively, during Jul-Mar FY2023 as compared to the same period last year.

Direction of Imports

Like exports, Pakistan's imports are also highly concentrated in few countries. Pakistan imports from countries like China, Saudi Arabia, UAE, and Indonesia constitute around 50 percent of the total imports. The share of imports from China has decreased from 28 percent to 21 percent during Jul-Mar FY2023, while the share of imports from USA has decreased from 5 percent to 4 percent during the period under review. Change in Pakistan's imports pattern in subsequent years is shown in Table 8.5.

Table 8.5: Major Import Markets

(Rs. Billion)

Country	2019-20		2020-21		2021-22		July-March			
							2021-22		2022-23 P	
	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
CHINA	1909.2	27	2473.8	28	3734.0	26	2827.2	28	2168.0	21
UAE	812.7	12	878.6	10	1582.4	11	983.6	10	1026.0	10
SAUDI ARABIA	273.6	4	426	5	928.2	7	567.1	6	762.5	7
KUWAIT	178.7	3	247.4	3	561.9	4	334.7	3	400.9	4
INDONESIA	339.6	5	506.9	6	822.7	6	594.6	6	800.1	8
INDIA	59.95	1	50.67	1	60.83	0	47.7	0	49.1	0
U.S.A	396.7	6	459.4	5	717.3	5	551.0	5	422.2	4
JAPAN	174.7	2	249	3	406.4	3	304.6	3	205.8	2
GERMANY	124.2	2	162.2	2	180.6	1	134.1	1	138.6	1
MALAYSIA	148.8	2	175.8	2	234.2	2	179.9	2	169.9	2
All Other	2611.5	37	3352.6	37	5045.0	35	3592.9	36	4052.4	40
Total	7029.8	100	8982.4	100	14273.4	100	10117.3	100	10195.5	100

P : Provisional

Source: Pakistan Bureau of Statistics

Box III: Trade Facilitation Initiatives

Ministry of Commerce has taken following initiatives to improve the trade competitiveness and compliance regime:

National Trade and Transport Facilitation Committee (NTTFC) has been designated as the national committee for Pakistan under Article 23.2 of Trade Facilitation Agreement (TFA) of the WTO oversees the implementation of TFA and facilitates private stakeholders in national and regional trade matters pertaining to transport, logistics, digital trade, trade documentation optimization, transport sector insurance issues, etc.

Keeping in view, the current needs of the private sector, NTTFC was reconstituted, with a wider scope to develop synergies for regional connectivity and by including relevant stakeholders in its governing body.

National Compliance Centre (NCC) has been rolled out, to improve the market access for Pakistani exporters and manufacturers by improving their capacity to meet up the growing challenges of complex compliance regime. The NCC is mandated to regularly map and monitor the international compliance requirements and facilitate the manufacturers, exporters, and certification agencies through information sharing, training/capacity building and incentivizing.

Source: Ministry of Commerce

Balance of Payments

Pakistan’s external account remained under pressure during Jul-Mar FY2023. Keeping in view pressure on external sector especially due to rise in international commodities prices, the government has taken certain policy and administrative measures to contain aggregate demand. Thus, the CAD narrowed down during Jul-Mar FY2023 mainly on the back of lower imports despite a decline in exports and workers’ remittances. However, regardless of contained CAD, and materialization of multilateral inflows, SBP’s FX reserves still witnessed a decline mainly on the account of amortization of official loans and liabilities. Thus, by the end of

March 2023 SBP’s FX reserves reached a level of US\$ 4.2 billion.

Current Account

The current account balanced improved by 74.1 percent and recorded a deficit of US\$ 3.4 billion during Jul-Mar FY2023, against a deficit of US\$ 13.0 billion in the same period last year. The predominant factor behind this improvement in CAD was the 29.7 percent decrease in the merchandise trade deficit on the back of substantial decline in import payments to US \$ 41.5 billion in Jul-Mar FY2023 from US\$ 52.7 billion same period last year.

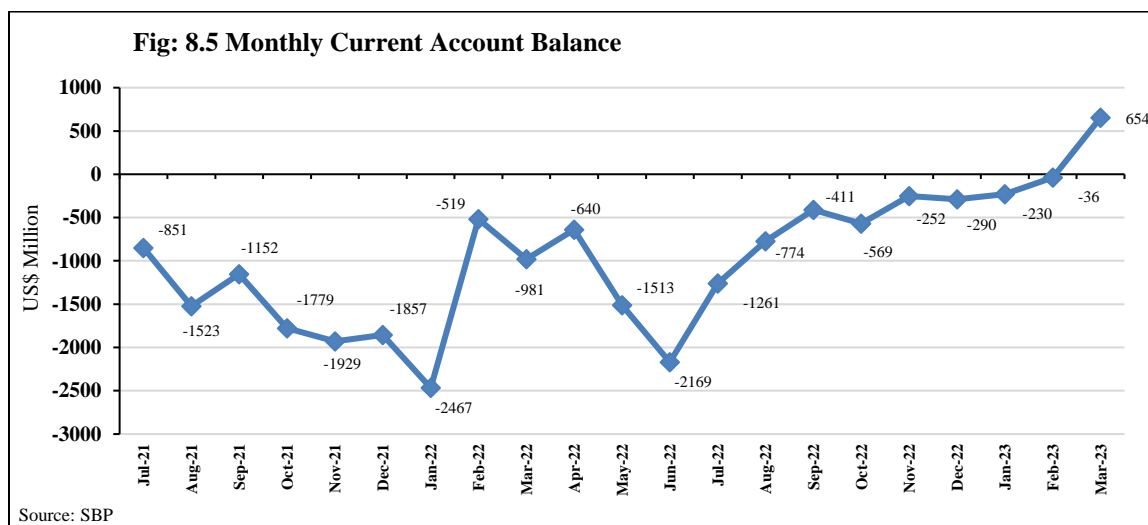


Table 8.6: Summary Balance of Payments

Items	US \$ Million			
	July-June		July-Mar	
	2020-21	2021-22	2021-22	2022-23 P
Current Account Balance	-2820	-17481	-13014	-3372
Trade Balance	-28634	-39050	-29040	-20406
Exports of Goods FOB	25639	32493	23706	21088

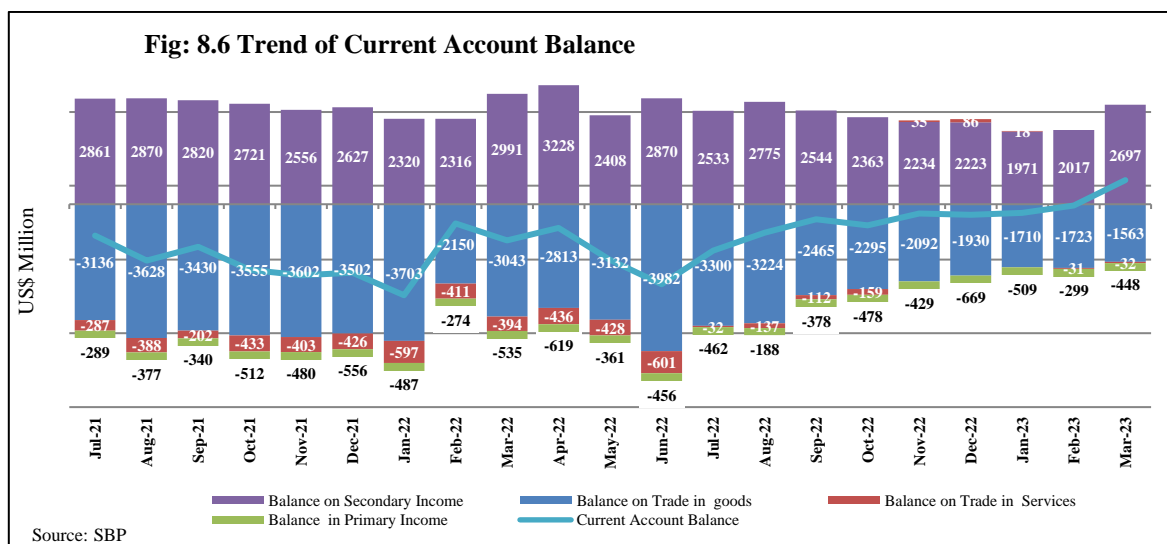
Items	July-June		July-Mar	
	2020-21	2021-22	2021-22	2022-23 P
Imports of Goods FOB	54273	71543	52746	41494
Service Balance	-2516	-5840	-4266	-229
Exports of Services	5945	7102	5278	5528
Imports of Services	8461	12942	9544	5757
Income Account Balance	-4400	-5248	-3797	-3895
Income: Credit	508	652	465	765
Income: Debit	4908	5900	4262	4660
Balance on Secondary Income	32730	32657	24089	21158
Of which:				
Workers' Remittances	29450	31279	23019	20527

P: Provisional

Source: State Bank of Pakistan

With the respect to the primary income account, the deficit increased by 2.6 percent and reached US\$ 3.9 billion in Jul-Mar FY2023, as against deficit of US\$ 3.8 billion. The increase in

income account deficit was due to higher profits and dividend repatriation by foreign firms along with elevated interest payments on external debt during the period.

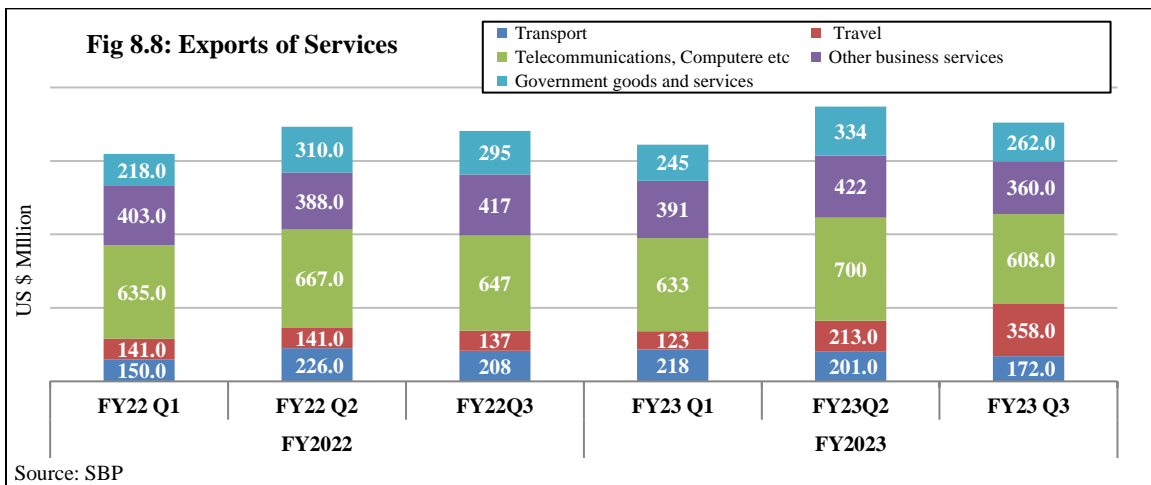
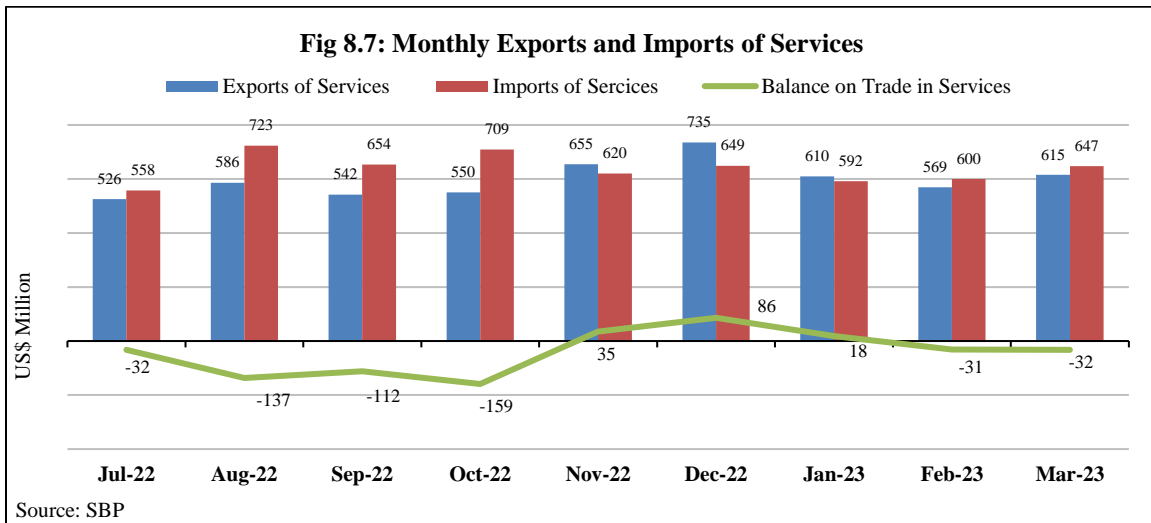


Balance in Trade of Goods and Services

Exports of goods decline by 11.0 percent and recorded at US\$ 21.1 billion during Jul-Mar FY2023 as compared to US\$ 23.7 billion the same period last year. Likewise, imports of goods declined by 21.3 percent and stood at US\$ 41.5 billion during Jul-Mar FY2023 as compared to US\$ 52.7 billion the same period last year. The trade deficit is recorded an improvement of 29.7 percent which is equal to US\$ 20.4 billion as compared to US\$ 29.0 billion last year.

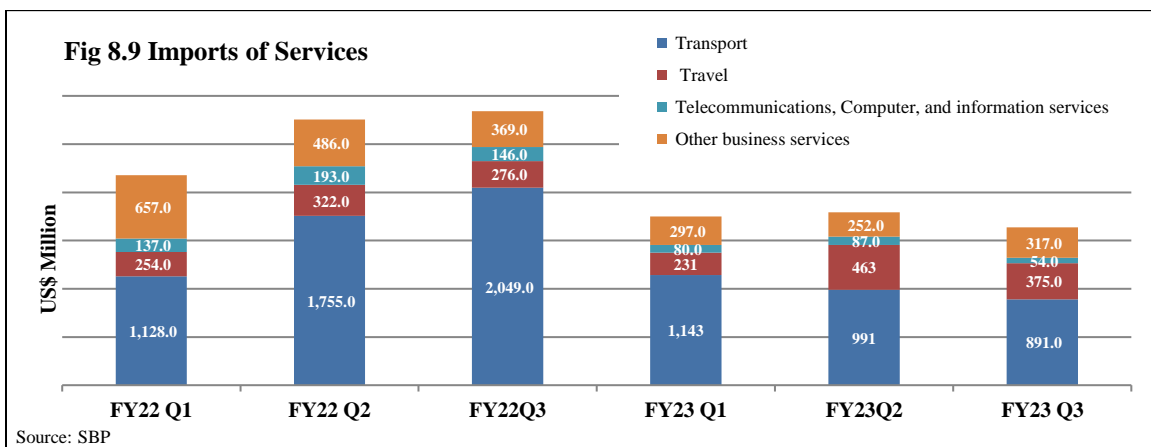
The services account deficit contracted by 94.6

percent and reached US\$ 229 million in Jul-Mar FY2023 to US\$ 4.3 billion last year. The fall in the deficit is due to a sharp decline in services imports, particularly in the transport sector, travel services, and transport Sea freight. Moreover, export of information and communication technology (ICT) declined meagerly by 0.5 percent and reached US\$ 1.94 billion during Jul-Mar FY2023 as against US\$ 1.95 billion same period last year. Within ICT services exports, a slight improvement in computer and call centre was seen during the period.



On the other side, import of services decreased by 39.7 percent during Jul-Mar FY2023 and stood at US\$ 5.8 billion as compared to US\$ 9.5 billion last year. The transport services declined by 45.3 percent and recorded US\$ 3.0 billion during Jul-Mar FY2023 as against US\$ 5.5

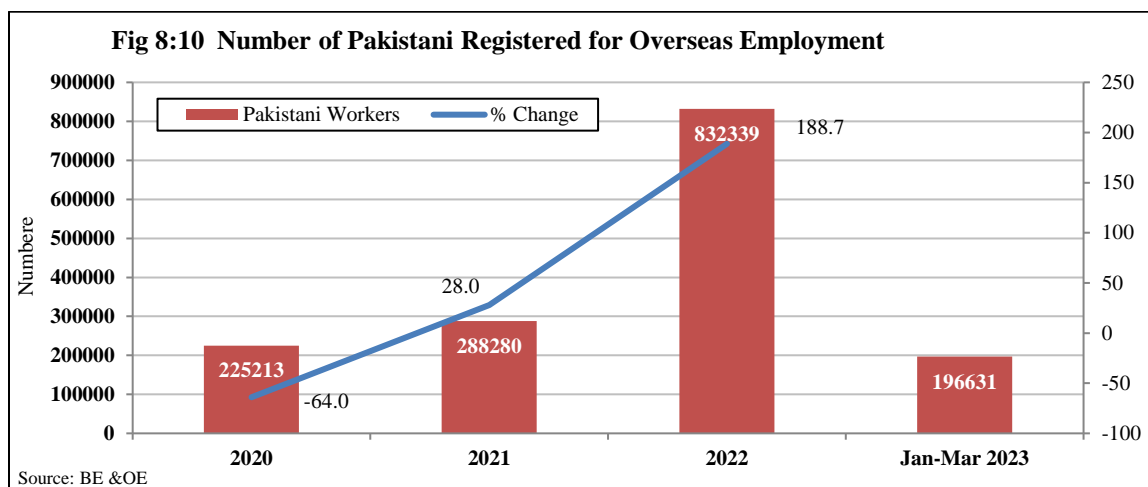
billion same period last year. Other business services also declined by 43.9 percent during Jul-Mar FY2023 and reached US\$ 0.9 billion as compared to US\$1.5 billion same period last year.



Remittances

Worker remittances are one of the key sources of foreign exchange earnings over the years and are the dominant force to keep CAD at a manageable level. During 2022, Bureau of Emigration and

Overseas Employment (BE&OE) and Overseas Employment Corporation (OEC) have registered 832339 Pakistanis for overseas employment in different countries. In Jan-Mar 2023, the registered Pakistanis stood at 196,631 for overseas employment.



In contrast to the previous trends, workers' remittances registered a decrease of 10.8 percent and stood at US\$ 20.5 billion as against US\$ 23.0 billion same period last year. This decline is primarily attributed to global economic slowdown as higher inflation in developed countries has led to higher cost of living abroad,

thus reducing the surplus funds that could be sent back to homeland as remittances. Moreover, with the resumption of international travel post COVID, some remittances have switched back to FCY cash transfers via overseas Pakistanis travelling to Pakistan.

Table 8.7: Country/Region Wise Cash Worker's Remittances (US\$ Billions)

Country/Region	July-March		% Change	% Share
	2021-22	2022-23		
Saudi Arabia	5.8	4.9	-15.7	23.9
U.A.E.	4.3	3.6	-16.1	17.5
USA	2.2	2.3	3.2	11.1
U.K.	3.2	3.0	-4.4	14.9
Other GCC Country	2.7	2.4	-9.5	11.8
Malaysia	0.10	0.08	-23.2	0.4
EU Countries	2.5	2.3	-6.9	11.4
Others Countries	2.2	1.8	-16.3	8.9
Total	23.0	20.5	-10.8	100.0

Source: State Bank of Pakistan

During Jul-Mar FY2023, the share of remittances from Saudi Arabia remained 23.9 percent (US\$ 4.9 billion), U.A.E. 17.5 percent (US\$ 3.6 billion), U.K. 14.9 percent (US\$ 3.0 billion), USA 11.1 percent (US\$ 2.3 billion), other GCC countries 11.8 percent (US\$ 2.4 billion), EU 11.4 percent (US\$ 2.3 billion), Malaysia 0.4 percent (US\$ 0.08 billion), and

other countries 8.9 percent (US\$ 1.8 billion). Inflows from all major corridors including advance economies and GCC showed a downward trend throughout Jul-Mar FY2023 on YoY basis except a nominal growth in remittances received from USA.

In addition to existing schemes for incentivizing inflow of remittances (M-Wallet Scheme and

Sohni Dharti Remittance Program (SDRP) etc), a number of new policy initiatives were taken by government to enhance the inflow of worker's remittances to Pakistan. These include:

- a) **Disbursements of Inward Home Remittances by Exchange Companies as Sub-Agent of Authorized Dealers (ADs):** In order to facilitate the beneficiaries of remittance recipients, Exchange Companies have been allowed to act as sub-agents of ADs/ banks for disbursement of home remittances in PKR to beneficiaries, received by ADs through their international tie-ups.
- b) **Home Remittances Agency Arrangements of Exchange Companies with Foreign Entities:** In order to increase the flow of home remittances, Exchanges Companies have been encouraged to explore new agency arrangements with foreign entities on non-exclusive basis, in addition to their existing tie-up relationships.
- c) **Resumption of Pre-departure Financial Briefings Program:** Pakistan Remittance Initiative (PRI) in collaboration with the BE&OE has resumed Pre-Departure Financial Briefings Program through major home remittances mobilizing banks at Protectorate of Emigrants (PE) Offices. Presently, the pilot phase of the Program has been initiated at PE, Karachi Office. After the completion of the pilot phase, the program will be replicated in the remaining PE Offices located in Peshawar, Quetta, Malakand, Rawalpindi, Lahore, Multan, DG Khan, and Sialkot. The program was initially launched in 2016 and was temporarily paused in March 2020 due to COVID restrictions. The main objectives of the program are to educate intended overseas workers to use formal channels for sending remittances in Pakistan; inform them about the risks involved in using informal channels; and assist these workers in opening their bank accounts.

Financial Account

The financial account recorded net outflow amounted to US\$ 2.0 billion in Jul-Mar FY2023, against inflows of US\$ 8.4 billion last year. Pakistan's net outflows of FX loans and liabilities to US\$ 1.7 billion in Jul-Mar FY2023 in contrast to net inflows of US\$ 9.5 billion in Jul-Mar FY2022. In the month of August, Pakistan received US\$ 1.2 billion tranche from the IMF, following the successful 7th and 8th combined reviews by the Fund. The ADB disbursed loans of US\$ 1.9 billion for flood relief projects, along US\$ 1.1 billion from the IDA branch of the World Bank and US\$ 782 million from Saudi Arabia as oil facility.

Foreign Direct Investment

In 2022, the global FDI momentum faded with downward pressure on projects after Q1, on account of multiple inevitable crises including the Russia-Ukraine war, high food and energy prices, and financial turmoil and debt pressures.

In the US, the value of cross border mergers and acquisitions (M&A) sales, which normally accounts for a large share of its FDI inflows, fell by 53 percent. In Europe, new greenfield project announcements were down (-15 percent), with declines across most large economies with the exception for Italy (+11 percent). China witnessed a decline in the number of new greenfield project announcements of 31 percent, ASEAN economies reported sharply lower cross-border M&A sales (-74 percent), which may result in lower FDI values for the year.²

The outlook for global FDI in 2023 appears weedy. Negative or slow growth in many economies further deteriorating financing conditions, investor uncertainty in the face of multiple crises and, especially in developing countries, increasing debt-related risks will put significant downward pressure on FDI.

Similar, to global trend, in Pakistan, net FDI inflows declined by 22.5 percent and recorded at US\$ 1.0 billion during Jul-Mar FY2023 as against US\$ 1.4 billion last year.

² Investment Trend Monitor, Issue 44, January 2023, UNCTAD

Foreign Portfolio Investment

The FPI during Jul-Mar FY2023 witnessed a net outflow of US\$ 1017.7 million as against inflow of US\$ 161.6 million the same period last year

mainly due to the repayment of a Sukuk bond.

The inflow and outflow of the foreign investment is given below in Table 8.8

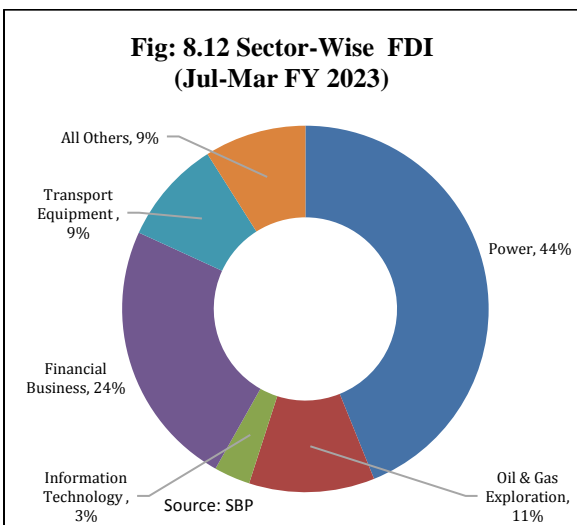
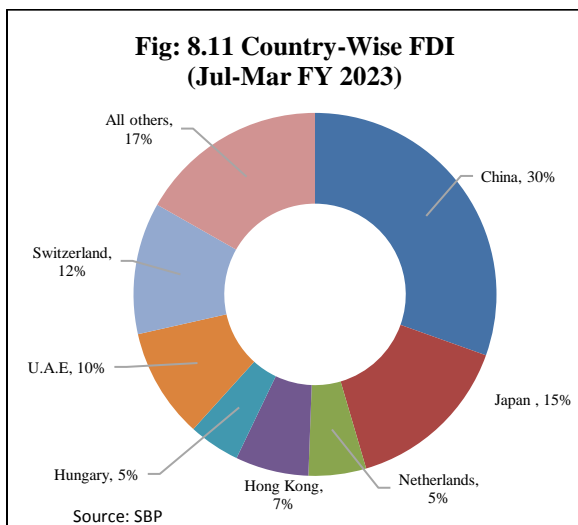
Table 8.8: Foreign Investment (US\$ Million)

	FY2021	FY2022	July-March	
			FY2022	FY2023 P
A. Foreign Private Investment	2027.1	1548.4	1012.1	1041.4
Foreign Direct Investment	1820.5	1935.9	1353.1	1048.4
Inflow	3061.4	2682.5	2037.4	1623.4
Outflow	1240.9	756.6	684.3	574.9
Portfolio Investment	206.6	-387.5	-341.0	-7.0
Equity Securities	-293.4	-387.5	-341.0	-7.0
Debt Securities	500			
B. Foreign Public Investment	2555.3	309.5	502.6	-1010.7
Portfolio Investment	2555.3	309.5	502.6	-1010.7
Total Foreign Investment (A+B)	4582.4	1857.8	1514.7	30.7

Source: State Bank of Pakistan
P: Provisional

Country wise analyses suggests that highest FDI received by Pakistan from China during Jul-Mar FY2023 is US\$319.2 million (30.4 percent of total FDI) declined by 16.5 percent from US\$ 382.2 million. Japan US\$157.3 million (15.0

percent), Switzerland US\$ 123.1 million (11.7percent), U.A.E US\$ 102.6 million (9.8 percent) and Netherland US\$ 53.8 million (5.1 percent).



With regard to the sector-wise inflow of FDI, Power sector attracted highest FDI of US\$ 460.1 million (43.9 percent of total FDI) declined by 10.2 percent from US\$ 512.3 million last year; Financial business US\$ 248.2 million (23.7 percent), Oil & Gas exploration US\$ 116.2 million (11.1 percent) and Transport Equipment (Automobile) US\$ 96.3 million (9.2%).

Board of Investment (BOI) has taken several steps to increase FDI which are listed below:

Foreign Investment (Promotion and Protection) Bill, 2022: The bill aimed to protect investors from unnecessary court proceedings. To improve the investment climate in Pakistan by way of providing incentives in direct and

indirect taxes, ease of transfer, repatriation of foreign investments and providing an expedient and efficacious mechanism to address grievances of investors.

Pakistan Regulatory Modernization Initiative (PRMI): A PRMI digital portal has been created (business.gov.pk) to showcase the reforms journey, updates under the project, share the mapping process and for obtaining feedback from private and public sectors.

Incentive Database: BOI has developed incentive database, where investors can see the complete set of incentives being offered by Government of Pakistan to specific sectors.

Investment Projects: BOI has also developed an online database of available 120+ projects with federal/provincial governments worth US\$ 60 billion. The investors can access these projects through an online portal on the BOI website at www.project.gov.pk

Honorary Investment Counsellors (HICs): BOI has also recently appointed 22 HICs in different countries to encourage investors to pour investment into Pakistan.

Pakistan B2B Investment Portal: BOI developed B2B Investment Portal to facilitate local and foreign investors/ companies who intend to invest in Pakistan. Companies seeking potential partners, setting up their factories in Special Economic Zones (SEZs), cooperate with Pakistani public and private sectors and business-to-business cooperation may register at this investment portal.

Pakistan China B2B Investment Portal: BOI in collaboration with China Council for International Investment Promotion jointly established the Pakistan China B2B Investment Portal with aim strengthening relations between Pakistani and Chinese companies to promote investment and transfer of business activities in the country.

Box IV: Foreign Investment in REITs

Real Estate Investment Trusts (REITs) are investment schemes that own and most often, actively manage income-producing real estate. Through such schemes, investors may own, operate or finance income-generating property across various real estate categories. A REIT investor owns real-estate backed units that sell like any other units/ listed security, enabling the holder of the units to invest directly in real estate.

Pakistan's REIT sector has shown phenomenal growth during the past three years with prioritization of the sector by the Government, the capital market, and banking regulators. SECP's widespread outreach efforts coupled with supportive fiscal initiatives and timely regulatory reforms, creating flexibility and efficiency in the REIT model with reduced entry barriers and more options for structuring a real estate transaction under a broader REIT project umbrella, have fuelled unprecedented investment in the sector. As on December 31, 2022, the size of the industry was Rs 167 billion. Now the number of REIT schemes has increased to thirteen, with eighteen NBFCs having REIT management services license.

SBP recently notifies amendments to the Foreign Exchange Manual, allowing investment by foreigners in units of REIT schemes through private placement/ issuance of new units and/or transfer of existing units to non-resident investors on a repatriable basis under the general exemption provisions. Although investment in listed REITs was already allowed through special permission Account (SCRA), foreign investors earlier required special permission from the SBP for investment in unlisted REITs.

REITs provide a transparent, well-structured and better governed mode of investment for foreign investors targeting Pakistan's real estate sector. With the immense potential to fundamentally reform Pakistan's real estate sector and revolutionize its development through better documentation, formalization, and enhanced investor protection mechanisms, REIT Scheme can offer a wide range of benefits to both local and foreign investors. Most importantly, an independent trustee overseeing a REIT scheme ensures that funds collected are used dedicatedly for the particular REIT project and the scheme is operated under applicable laws and relevant constitutive documents.

REIT schemes can enable foreign investors to easily diversify their portfolio by investing in a range of real estate projects managed by professionals having experience in the local real estate sector and financial markets. A conducive tax environment also ensures a level playing field for local and foreign investors, and

once a scheme is listed as per the mandatory listing rule, necessary liquidity and flexibility are also available for easier entry and exit.

Strong upside potentials, robust governance arrangements, and enhanced transparency and investor protection mechanism can be expected to position Pakistan's REIT sector as a viable emerging investment destination for foreign investors, eyeing exposure to the real estate sector of the country.

Source: SECP

Reserves and Exchange Rate

SBP's foreign exchange reserves declined substantially to US \$ 4.2 billion by end-March 2023, due to persistent pressures on external account owing to net official external outflows of US\$ 2.0 billion in Jul-Mar FY2023, in sharp contrast from net inflows of US\$ 8.4 billion during the same period last year.

Amortization of government loans that amounted to US\$ 8.8 billion, along with falling FDI and FPI inflows, overshadowed the impact of foreign exchange inflows materialized in the shape of IMF tranche and other multilateral and bilateral inflows.

On the other hand, commercial banks' reserves

fell only by US\$ 83 million during Jul-Mar FY2023 that may be attributed to lower trade financing as a consequence of import compression measures taken during the period. SBP's Forex reserves fell substantially mainly on the account of repayments of long liabilities of US\$ 1.6 billion and Sukuk bond payment of US\$ 1 billion in the month of November and December 2022, respectively.

Deteriorating external account position along with broad-based strengthening of USD against other currencies (Figure 2) led to 27.8 percent interbank depreciation of PKR, from the end-June 2022 exchange rate of 204.8 to 283.8 in March 2023.

Box V: Recent Exchange Rate Developments

The PKR experienced huge depreciation during ongoing fiscal year, resultantly its impact on REER and NEER accompanied by higher RPI during Jul-Mar FY2023

Deteriorating external account position, along with broad-based strengthening of USD against other currencies, led PKR to depreciate by 27.8 percent in March 2023 since June 2022. Meanwhile, Pakistan's REER has depreciated by 8.0 percent during the same period. Rest of the depreciation in nominal terms is explained by the inflation differential between Pakistan and its major trading partners' inflation rates.

a) Impact on competitiveness of our exports

During July-Mar FY2023, Pakistan's exports volumes of textiles showed positive growth. As per PBS data, on cumulative basis during Jul-Mar FY2023, export volumes of readymade garments have recorded a growth of 56.8 percent, hosiery 10.6 percent, footwear 47.8 and furniture 8.4 percent.

b) Qualitative and quantitative impact of the recent depreciation on BOP and overall economy

Competitive exchange rate driven by adjustment in inflation differential and its real level in accordance with economic fundamentals ensures that any unprecedented growth in imports is discouraged besides encouraging exports.

Source: SBP

Outlook

The global economy continues to face multiple challenges including: Russia-Ukraine war, broadening inflation pressures, tightening of monetary policy and the slowdown in global

trade. The domestic slowdown, declining consumer demand, restriction on import of raw materials, high cost of financing and energy crisis has kept the external sector under pressure.

Furthermore, domestic factors like devastating

floods and supply disruptions, have negatively impacted exports. The current account witnessed a deficit of US\$3.4billion in Jul-Mar FY2023, declined by around 74.1 percent as compared to same period last year. This is mainly due to the contraction in imports, which continue to offset the combined decline in remittances and exports. At the start of FY2023, the current account projected to be 2.2 percent of GDP, but now it will remain around 1 to 1.5 percent of GDP, on account of contained import bill. However, regardless of the lower current account deficit, higher loan repayments compared to disbursements are keeping the foreign exchange

reserves under pressure.

The prospects of exports growth are better in coming year than FY2023, on account of better global trade outlook, revival of growth in trading partners and improved global and domestic supply chain. Furthermore, to stimulate domestic economic activities, and recent elimination of imports restriction, will increase the imports in FY2024. The remittances will also increase significantly due to improved economic situation in host countries. All these factors will help to make external sector more sustainable in FY2024.



PUBLIC DEBT

Total Public Debt
(end-Mar 2023)

59,247
(Rs. billion)



Domestic Debt

35,076
(Rs. billion)



External Public Debt

24,171
(Rs. billion)



July-March FY2023

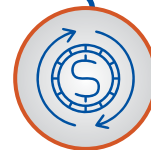
Govt. Repaid to SBP

310
(Rs. billion)



Govt. Repaid Intl. Commercial Loans

5,541
(US\$ million)



PUBLIC DEBT

9.1 Introduction

The primary objective of public debt management is to ensure the Government's gross financing requirements are met at the lowest possible cost over the medium to long run, consistent with a prudent degree of risk.

The conduct of public debt management varies across sovereigns due to different institutional setup, macro-dynamics, behaviour of economic fundamentals, legal frameworks, and governance structures. Nevertheless, the goal is to ensure that both the level and rate of growth in public debt is fundamentally sustainable while safeguarding that the debt portfolio is efficiently structured in terms of currency composition, maturity profile, and interest rates while also ensuring prudent levels of contingent liabilities.

There are various factors that causes to increase public debt. These factors include: (i) fiscal deficit; (ii) exchange rate movements; and (iii) change in Government cash balance. Besides these, the conduct of monetary and fiscal policies also impacts the sustainability of public debt. Hence, it is important to acknowledge the role of macroeconomic policies in debt sustainability, keeping in mind that the overall net gains of macroeconomic policy should be positive.

Public debt portfolio and borrowing operations witnessed various developments during first nine months of ongoing fiscal year (Jul-Mar FY23) as highlighted below:

- Financing of fiscal deficit was solely carried out through domestic markets;
- Within domestic debt, the Government relied on long-term domestic debt securities (predominantly on: (i) floating rate Pakistan Investment Bonds i.e., PIBs and, (ii) Sukuk) for financing of its fiscal deficit and

repayment of debt maturities. The Government was able to retire Treasury Bills (T-bills) amounting to Rs 522 billion which led to a reduction of short-term maturities;

- The Government repaid Rs 310 billion against its debt owed to State Bank of Pakistan (SBP). The cumulative debt retirement against SBP debt stood at Rs 2.0 trillion since July 2019;
- In addition to existing 5 year Ijara Sukuk instrument, Government introduced 3 year and 1 year Ijara Sukuk instruments in January 2023 and February 2023 respectively. The target is to diversify shariah compliant instrument base, give more options to investors with appetite towards Islamic investments and fulfil Government's financing requirements. Government successfully issued Shariah Compliant Sukuk instruments amounting to around Rs. 401 billion;
- Within external debt, inflows from multilateral sources and foreign commercial banks remained major sources of gross external inflows. Under 7th and 8th review of the International Monetary Fund (IMF) program, US\$ 1,166 million were disbursed, while US\$ 1,500 million was received from Asian Development Bank under the 'Building Resilience with Active Countercyclical Expenditures (BRACE) program. Asian Infrastructure Investment Bank (AIIB) co-financed the BRACE program to the tune of \$ 500 million. In addition, \$ 1,900 million loans from commercial banks were also refinanced;
- Government rolled-over US\$ 3,000 million deposits each from China and Saudi Arabia which were utilized towards budgetary support;

- Saudi oil facility amounting to around US\$ 900 million was utilized (around US\$ 100 million each month);
- Government repaid international commercial loans to the tune of US\$ 5,541 million, out of which US\$ 4,541 million were bank loans, whereas US\$ 1,000 million was international Sukuk maturity.

9.2 Public Debt

Fiscal Responsibility and Debt Limitation (FRDL) Act 2005 defines “Total Public Debt” as debt owed by Government (including Federal Government and Provincial Governments) serviced out of consolidated fund and debts owed to the International Monetary Fund. Table 9.1 presents the trend of total public debt.

	Jun-13	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Mar-23
Domestic Debt	9,520	16,416	20,732	23,283	26,265	31,085	35,076
External Debt	4,771	8,537	11,976	13,116	13,601	18,157	24,171
Total Public Debt	14,292	24,953	32,708	36,399	39,866	49,242	59,247
Total Debt of the Government¹	13,457	23,024	29,521	33,235	35,669	44,361	54,392
(In percent of GDP)							
Domestic Debt	38.0	41.9	47.3	49.0	47.0	46.7	-
External Debt	19.1	21.8	27.3	27.6	24.4	27.3	-
Total Public Debt	57.1	63.7	74.7	76.6	71.4	73.9	-
Total Debt of the Government¹	53.7	58.7	67.4	69.9	63.9	66.6	-
(Memorandum Items)							
GDP (current market price)	25,042	39,190	43,798	47,540	55,836	66,624	84,658
US Dollar, (end of period av.)	99.1	121.5	163.1	168.2	157.3	204.4	283.8

¹ As per Fiscal Responsibility and Debt Limitation Act, 2005 amended in June 2017, "Total Debt of the Government" means the debt of the Government (including the Federal Government and the Provincial Governments) serviced out of the consolidated fund and debts owed to the International Monetary Fund (IMF) less accumulated deposits of the Federal and Provincial Governments with the banking system.

Note: PBS has changed the National Accounts base year from 2005/06 to 2015/16. The new GDP numbers are available from 1999-2000 (updated in May 2023)

Source: State Bank of Pakistan and Debt Management Office, Ministry of Finance

Apart from financing of fiscal deficit, the depreciation of Pak- Rupee vis-a`-vis US Dollar by around 39 percent led to significant increase in the stock of external public debt when converted into Pak-Rupee. The main factors

behind the increase in total public debt during first nine months of ongoing fiscal year vis-à-vis corresponding period of last year are presented in Table 9.2.

	Jul-Mar FY22	Jul-Mar FY23
Increase / (Decrease) in Total Public Debt	4,517	10,005
of which:		
Federal Primary Deficit / (Surplus)	1,047	(48)
Interest on Debt	2,118	3,582
Currency Depreciation / (Appreciation) and Other	1,760	7,170
Increase / (Decrease) in Government Cash Balance	(409)	(699)

Source: Budget Wing and Debt Management Office, Ministry of Finance

The trend of total public debt from 1971 to July-March FY2023 is depicted in Table 9.3 and Figure 9.1, while the profile of domestic debt,

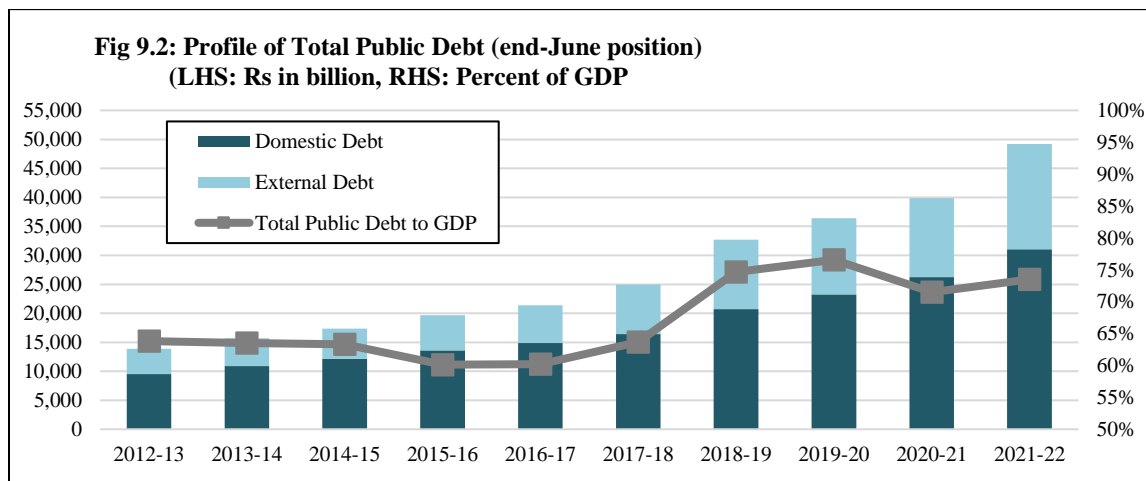
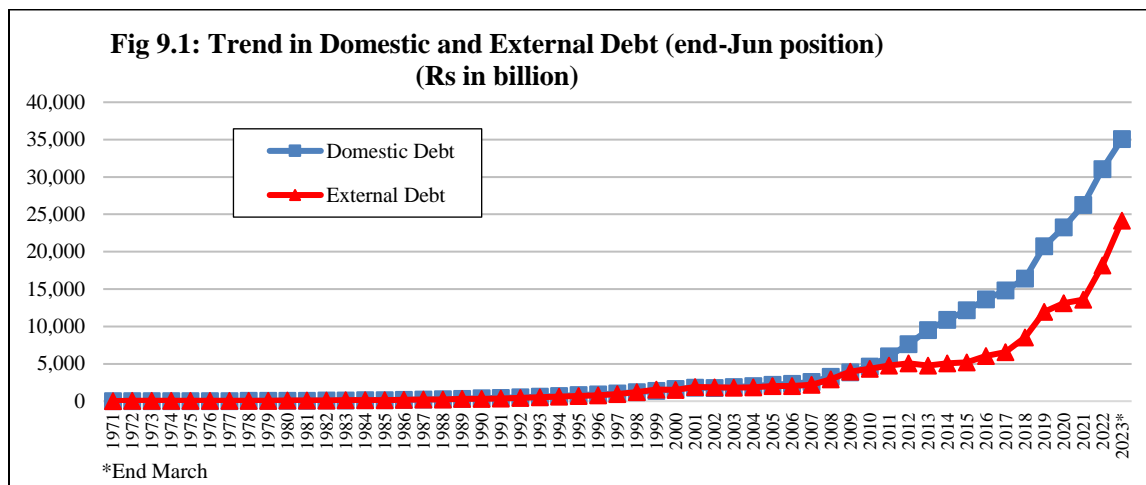
external debt and total public debt as percentage of GDP is given in Figure 9.2.

Table 9.3: Trend in Total Public Debt (end-June; Rs in billion)

Year	DD	ED	PD	Year	DD	ED	PD	Year	DD	ED	PD
1971	14	16	30	1989	333	300	634	2007	2,601	2,201	4,802
1972	17	38	55	1990	381	330	711	2008	3,274	2,853	6,127
1973	20	40	60	1991	448	377	825	2009	3,860	3,871	7,731
1974	19	44	62	1992	532	437	969	2010	4,653	4,357	9,010
1975	23	48	70	1993	617	519	1,135	2011	6,014	4,756	10,771
1976	28	57	85	1994	716	624	1,340	2012	7,638	5,059	12,697
1977	34	63	97	1995	809	688	1,497	2013	9,520	4,771	14,292
1978	41	71	112	1996	920	784	1,704	2014	10,907	5,085	15,991
1979	52	77	130	1997	1,056	939	1,995	2015	12,193	5,188	17,380
1980	60	86	146	1998	1,199	1,193	2,392	2016	13,626	6,051	19,677
1981	58	87	145	1999	1,389	1,557	2,946	2017	14,849	6,559	21,409
1982	81	107	189	2000	1,645	1,527	3,172	2018	16,416	8,537	24,953
1983	104	123	227	2001	1,799	1,885	3,684	2019	20,732	11,976	32,708
1984	125	132	257	2002	1,775	1,862	3,636	2020	23,283	13,116	36,399
1985	153	156	309	2003	1,895	1,800	3,694	2021	26,265	13,601	39,866
1986	203	187	390	2004	2,028	1,839	3,866	2022	31,085	18,157	49,242
1987	248	209	458	2005	2,178	2,034	4,211	2023*	35,076	24,171	59,247
1988	290	233	523	2006	2,322	2,038	4,359				

*End March FY23; DD: Domestic Debt; ED: External Debt; PD: Public Debt

Source: State Bank of Pakistan, Debt Management Office



9.3 Progress on Medium Term Debt Management Strategy (2019/20 - 2022/23)

thresholds defined in the Medium-Term Debt Management Strategy (MTDS)¹ :

Table 9.4 provides update on benchmarks and

Table 9.4: Key Debt Risk Indicators

Risk Exposure	Indicators	End Dec-2021	End Dec-2022
Currency Risk	Share of External Debt in Total Public Debt (%)	37.4	37.2
Refinancing Risk	ATM of Domestic Debt (Years)	4.0	3.5
	ATM of External Debt (Years)	6.7	6.3
	Share of Debt Maturing within 1 Year (% of GDP)	19.0	17.6
Refixing Risk	ATR of Domestic Debt (Years)	1.9	1.7
	ATR of External Debt (Years)	5.7	5.3
Share of Shariah Compliant Instruments in Government Securities (%)		6.4	9.2
Share of Fixed Rate Debt in Government Securities (%)		25.5	22.6

ATM: Average Time to Maturity; ATR: Average time to Refix;

Source: Debt Management Office, Ministry of Finance

9.4 Servicing of Public Debt

Interest expense was recorded at Rs. 3,582 billion during the first nine months of the current fiscal year against its annual budgeted estimate of Rs. 3,950 billion. Interest expense on domestic debt was recorded at Rs. 3,107 billion, which is 64 percent higher as compared to interest expense on domestic debt in same period of preceding year. The main reasons for increase are:

- High cost of borrowing on new domestic debt and resetting of existing floating rate debt at higher rates (around 70 percent of domestic debt is floating rate) due to frequent upward policy rate revisions in wake of rising inflation; and

- Less than envisaged external inflows which exerted additional pressure on domestic sources for financing of fiscal deficit. The domestic debt raised in place of external debt also contributed towards the increase in interest expense on domestic debt.

The interest expense on external debt was Rs. 475 billion, which is 115 percent higher as compared to interest expense on external debt in same period of preceding year. The reasons for this rise mainly include:

- Rise in global interest rates; and
- Depreciation of Pakistani Rupee against US Dollar.

Interest payments on public debt in terms of debt servicing is presented in Table 9.5.

Table 9.5: Interest Expense (IE) FY23

(Rs in billion)

	Budgeted FY23	(Jul-Mar)	Actual		
			Percentage of		
			Budgeted	Revenue	Current Exp.
External Debt IE	511	475	93	7	5
Domestic Debt IE	3,439	3,107	90	45	34
Total Debt IE	3,950	3,582	91	52	39

Source: Budget Wing and Debt Management Office Staff Calculations, Ministry of Finance

¹ https://www.finance.gov.pk/publications/MTDS_FY20_FY23.pdf

9.5 Domestic Debt

Domestic debt comprises of three main categories; (i) permanent debt (medium and long-term); (ii) floating debt (short-term); and (iii) unfunded debt (primarily made up of various instruments available under National Savings Schemes).

In line with the Public Debt Act, 1944 the Government issues three broad types of marketable securities for purpose of borrowing i.e., Treasury Bills (T-bills), Pakistan Investment Bonds (PIBs), and Government Ijara Sukuk (GIS).

- T-bills are short-term securities and have maturities of 12-Months or less at the time of issuance.
- PIBs are longer-term securities and have maturities of more than 12-Months at the time of issuance. PIBs pay the entire face value on maturity and also pay profits at regular intervals till maturity. PIBs can be further categorized as Fixed-rate PIBs and Floating-rate PIBs.

- Fixed-rate PIBs pay a fixed amount of profit on each profit payment date.
- Floating-rate PIBs pay a variable amount of profit on each profit payment date. The profit rate is based on reference rate such as 3- or 6- Month T-bills yield.
- Shariah-compliant Government securities program has also been in place since 2008-09. Government has carried out noticeable issuance through these securities in last few years with aim to increase the share of Shariah-compliant securities. In addition to existing 5 year Ijara Sukuk instrument, Government introduced 3 year and 1 year Ijara Sukuk instrument in January 2023 and February 2023 respectively. The target is to diversify shariah compliant instrument base and give more options to investors with appetite towards Islamic investments.

Table 9.6 lists down all Government securities instruments:

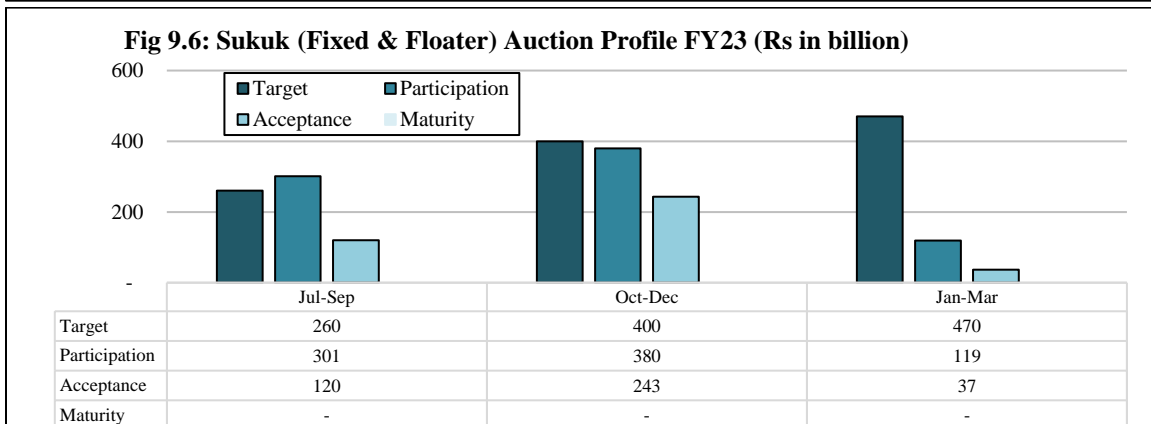
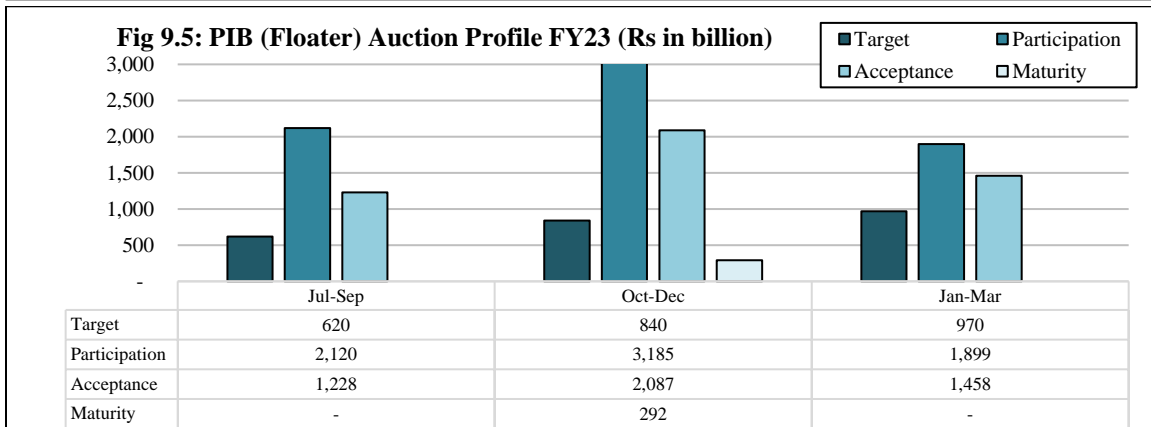
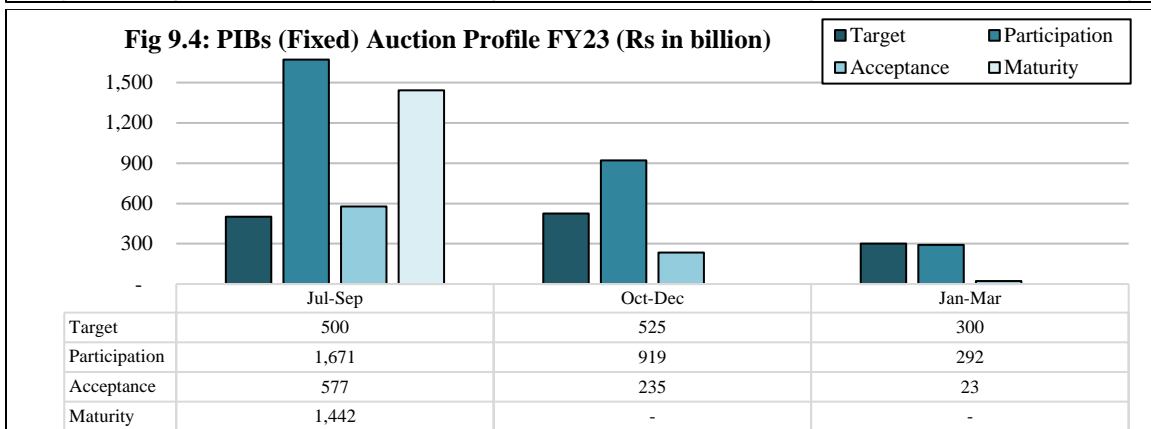
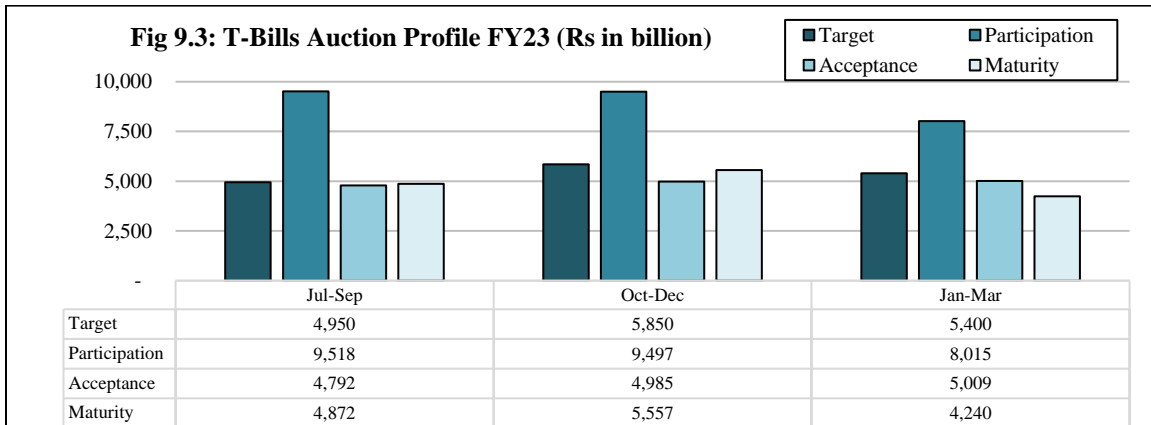
Table 9.6: Domestic Market Debt Instruments

Sr. No.	Instrument	Nature	Tenor	Month/Year	Coupon	Coupon Reset
1	T-Bill	Fixed Rate	3	Month	-	-
2	T-Bill	Fixed Rate	6	Month	-	-
3	T-Bill	Fixed Rate	12	Month	-	-
4	PIB	Fixed Rate	3	Year	Semi-Annual	-
5	PIB	Fixed Rate	5	Year	Semi-Annual	-
6	PIB	Fixed Rate	10	Year	Semi-Annual	-
7	PIB	Fixed Rate	15	Year	Semi-Annual	-
8	PIB	Fixed Rate	20	Year	Semi-Annual	-
9	PIB	Fixed Rate	30	Year	Semi-Annual	-
10	PIB	Floating Rate	2	Year	Quarterly	Fortnightly
11	PIB	Floating Rate	3	Year	Quarterly	Quarterly
12	PIB	Floating Rate	5	Year	Quarterly	Quarterly
13	PIB	Floating Rate	10	Year	Quarterly	Quarterly
14	PIB	Floating Rate	3	Year	Semi-Annual	Semi-Annual
15	PIB	Floating Rate	5	Year	Semi-Annual	Semi-Annual
16	PIB	Floating Rate	10	Year	Semi-Annual	Semi-Annual
17	GIS	Fixed Rate	1	Year	Semi-Annual	-
18	GIS	Fixed Rate	3	Year	Semi-Annual	-
19	GIS	Fixed Rate	5	Year	Semi-Annual	-
20	GIS	Floating Rate	1	Year	Semi-Annual	Semi-Annual
21	GIS	Floating Rate	3	Year	Semi-Annual	Semi-Annual
22	GIS	Floating Rate	5	Year	Semi-Annual	Semi-Annual

Note: (1) T-Bill: Treasury Bills; (2) PIB: Pakistan Investment Bonds; (3) GIS: Government Ijara Sukuk

9.5.2 Domestic Borrowing Pattern

The auction patterns of Government securities is depicted in figures 9.3-9.6.



9.5.3 Component-Wise Analysis of Domestic Debt

This section highlights the developments in various components of domestic debt during the first nine months of the current fiscal year:

I. Permanent Debt

Permanent debt mainly comprises of medium to long-term instruments like PIBs, Government Ijara Sukuks (GIS), and Prize Bonds. Permanent debt constituted 71 percent of the domestic debt portfolio and was recorded at Rs. 24,885 billion at end-March 2023, representing an increase of Rs. 4,507 billion during the first nine months of the ongoing fiscal year. The bifurcation of this increase reveals that Government net mobilization through the issuance of PIBs and GIS was Rs. 4,096 billion² and Rs. 401 billion respectively.

II. Floating Debt

Floating debt was recorded at Rs. 6,295 billion or around 18 percent of the total domestic debt portfolio at the end-March 2023. During the first nine months of the ongoing fiscal year, a

reduction of Rs. 522 billion was witnessed in the stock of T-bills³.

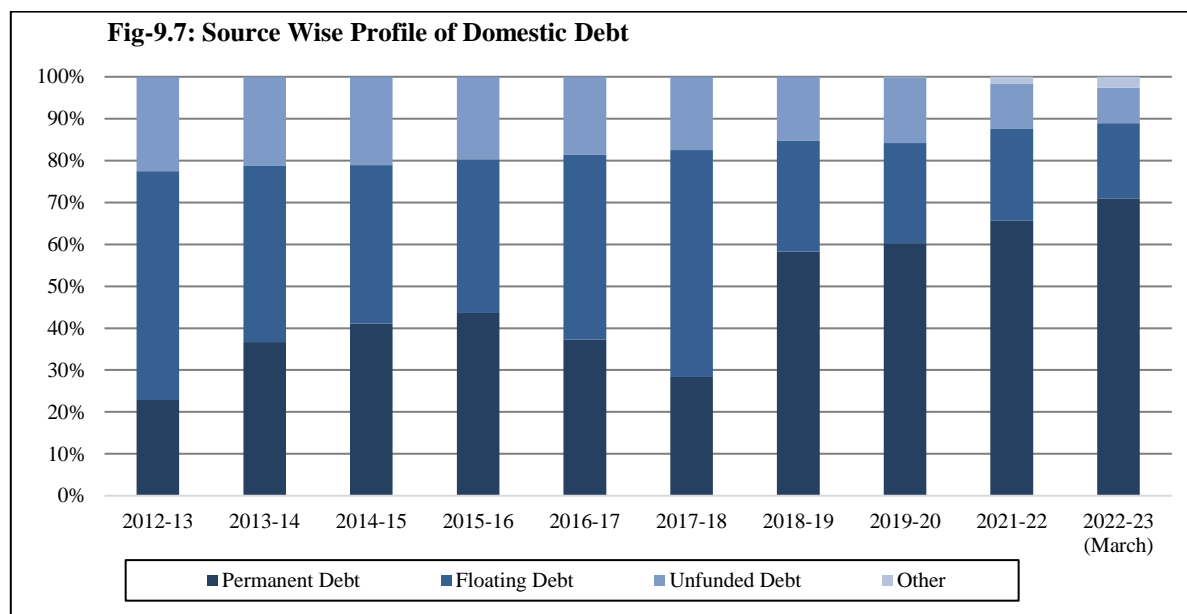
III. Unfunded Debt

The stock of unfunded debt stood at Rs. 2,998 billion at end-March 2023, constituting around 9 percent of the total domestic debt portfolio. Unfunded debt recorded a net reduction of Rs. 338 billion during the first nine months of the current fiscal year.

IV. Other

The other components of domestic debt comprises of following at end-March 2023:

- i. Naya Pakistan Certificates (held by residents only) amounted to Rs. 139 billion;
- ii. SBP on-lending to Federal Government against IMF Special Drawing Rights (SDRs) allocation amounted to Rs. 475 billion; and
- iii. Loans from banks other than securities amounted to Rs. 284 billion. This component refers to foreign currency denominated domestic debt.



Information related to outstanding public debt from FY2018 to March FY2023 is presented in Table 9.7.

² Excluding PIBs held by non-residents amounting to Rs. 1.0 billion, which are recorded as external public debt.

³ Excluding T-bills held by non-residents amounting to Rs. 0.041 billion, which are recorded as external public debt.

Table 9.7: Outstanding Domestic Debt (Rs in billion)

	FY18	FY19	FY20	FY21	FY22	Mar 23
Permanent Debt (A)	4,659.2	12,087.0	14,030.7	15,910.8	20,377.4	24,884.9
Pakistan Investment Bonds*	3,413.3	10,933.2	12,886.0	14,590.0	17,687.0	21,782.8
GOP Ijara Sukuk	385.4	71.0	198.2	665.3	2,279.8	2,681.3
Prize Bonds	851.0	893.9	734.1	443.7	374.6	381.6
Bai-Muajjal of Sukuk	-	177.8	201.0	201.0	23.2	23.2
Other	9.5	11.1	11.3	10.9	12.8	16.1
Floating Debt (B)	8,889.0	5,500.6	5,578.3	6,680.4	6,804.1	6,295.3
Market Treasury Bills*	5,294.8	4,930.5	5,575.5	6,676.9	6,752.4	6,230.6
MTBs for Replenishment	3,594.2	570.2	2.8	3.5	51.7	64.7
Unfunded Debt (C)	2,868.1	3,144.1	3,673.6	3,646.0	3,336.0	2,997.8
Behbood Savings Certificates	794.9	914.5	997.8	1,000.4	1,017.0	1,003.7
Regular Income Certificates	347.5	489.6	572.9	599.6	589.0	554.0
Defense Saving Certificates	336.2	393.4	486.2	477.2	466.9	439.7
Pensioners' Benefit Account	274.9	318.3	352.2	368.5	390.6	400.0
Special Savings Certificates (Reg.)	381.9	413.7	427.7	421.4	376.6	299.6
Special Savings Accounts	549.0	416.6	617.3	581.4	307.3	123.7
Savings Accounts	38.3	38.2	42.7	43.2	53.9	55.9
ST Savings Certificates	4.3	5.1	24.3	4.0	4.6	15.4
GP Fund	91.7	104.3	101.5	100.8	80.5	57.5
Postel Life Insurance Schemes	46.7	47.9	48.5	47.2	47.2	47.2
Other	2.6	2.6	2.4	2.4	2.4	1.1
Other (D)	-	-	-	28.2	519.9	898.0
Naya Pakistan Certificates	-	-	-	28.2	92.9	139.2
SDR on-lent loan	-	-	-	-	474.9	474.9
Other loans from banks **	-	-	-	-	-	283.8
Total Domestic Debt (A+B+C+D)	16,416.3	20,731.7	23,282.5	26,265.4	31,085.4	35,076.0

*Govt. Securities held by non residents deducted from PIB's and T Bills

** Represents foreign currency denominated domestic debt (loans from banks other than securities)

Source: State Bank of Pakistan

9.6 External Public Debt

External public debt was recorded at US\$ 85.2 billion at end-March 2023, revealing a decrease of around US\$ 3.7 billion during the first nine months of the current fiscal year. This decrease reveals the following:

- The debt stock of multilateral sources increased by US\$ 2.3 billion. The main gross inflows included US\$ 1.1 billion from IMF program, US\$ 1.5 billion from ADB's BRACE program, US\$ 1.1 billion from World Bank and US\$ 0.5 billion from AIIB. Overall, multilateral loans are mostly contracted on concessional terms;
- Bilateral debt stock decreased by US\$ 0.9

billion;

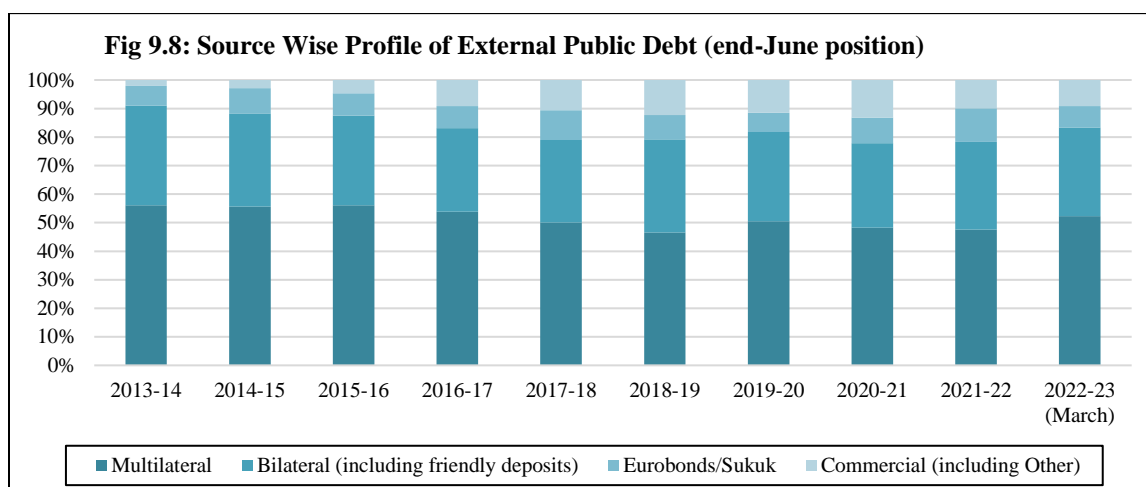
- The debt stock of commercial loans registered a net decrease of around US\$ 3.7 billion. The gross repayment to foreign commercial banks was US\$ 4.5 billion, out of which, US\$ 0.7 billion was refinanced by China Development Bank (CDB)⁴;
- Government repaid US\$ 1.0 billion of international sukuk in December 2022;
- The stock of Pakistan Banao Certificates, Naya Pakistan Certificates, and non-resident investment in Government securities (T-bills & PIBs) cumulatively decreased by US\$ 0.4 billion.

Pakistan's external public debt is obtained from

⁴ Another US\$ 1.0 billion was refinanced by ICBC China, which was recorded in domestic debt as foreign currency denominated domestic debt.

following major sources:

- i. Loans from multilateral development partners (including IMF) and bilateral countries constitute 52 percent and 23 percent, respectively. These loans are concessional in nature.
- ii. Friendly countries deposits (China and Saudi Arabia) account for 8 percent. These loans are short-term in nature (1-year) and are obtained for balance of payment as well as budgetary support.
- iii. Loans from foreign commercial banks constitute around 8 percent. These loans are mostly short-to-medium term (i.e., 1-3 years) with market-based interest rate.
- iv. Government of Pakistan's international capital market transactions in form of Eurobonds and international sukuk constitute 9 percent. These transactions represent long-term debt with market-based interest rate.
- v. Other foreign inflows in terms of Naya Pakistan Certificate, non-resident investment in Government securities, and Pakistan Banao Certificates etc. constitute around 1 percent. This category falls under medium-to-long term debt with market-based interest rate.



External debt profile for the period FY2018 to March-FY2023 is presented in Table 9.8.

Table-9.8: External Public Debt (US\$ in million)

	FY18	FY19	FY20	FY21	FY22	Mar 23
A. External Public Debt (1+2)	70,237	73,449	77,994	86,457	88,838	85,184
1. Government External Debt (i+ii)	64,142	67,800	70,314	79,073	81,941	77,696
i) Long term (>1 year)	62,525	66,536	68,773	78,215	80,592	77,416
Paris Club	11,643	11,235	10,924	10,726	9,232	8,765
Multilateral	28,102	27,788	30,898	33,836	34,023	36,812
Other Bilateral	8,674	12,717	13,428	14,821	18,053	17,668
Euro/Sukuk Global Bonds	7,300	6,300	5,300	7,800	8,800	7,800
Commercial Loans/Credits	6,806	8,470	8,068	9,696	9,481	5,781
Local Currency Securities (PIBs)	-	-	96	463	5	4
NBP/BOC deposits/PBC	-	26	59	65	45	31
Naya Pakistan Certificate	-	-	-	809	953	555
ii) Short term (<1 year)	1,617	1,264	1,542	858	1,349	280
Multilateral	961	778	814	506	1,327	280
Local Currency Securities (T-bills)	0	0	586	352	22	0
Commercial Loans/Credits	655	486	141	-	-	-
2. From IMF	6,095	5,648	7,680	7,384	6,897	7,488
i) Federal Government	-	-	2,833	3,437	4,195	5,437
ii) Central Bank	6,095	5,648	4,847	3,947	2,702	2,050

Source: Ministry of Economic Affairs, State Bank of Pakistan and Debt Management Office, Ministry of Finance

9.6.1 External Public Debt Inflows and Outflows

(a) Inflows

Gross external loan disbursements were recorded at US\$ 7,032 million⁵ during the first nine months of FY23. Details are given below:

- Disbursements from multilateral sources amounted to US\$ 5,137 million and accounted for 73 percent of the total disbursements. The main contributors were Asian Development Bank (ADB) – US\$ 1,939 million, World Bank – US\$ 1,218 million, and IMF – US\$ 1,166 million;
- Bilateral sources contributed US\$ 995 million or 14 percent in total disbursements. Out of this, the Saudi Oil Facility constituted around US\$ 883 million;
- Commercial loans contributed US\$ 900 million in total disbursements⁶, mainly representing refinancing of commercial loans.

(b) Outflows

External public debt repayments were recorded at US\$ 11,400 million during the first nine

months of FY23 as compared with US\$ 8,139 million during the same period last year. This increase in repayments is primarily due to (i) resumption of debt repayment to bilateral creditors, which were deferred under Debt Service Suspension Initiative (DSSI), (ii) US\$ 1,000 million International Sukuk maturity in Dec 2022, and (iii) higher repayment of commercial loans i.e., bank loans and other short-term credits.

Interest payments were recorded at US\$ 2,119 million during the first nine months of FY2022 as compared to US\$ 1,297 million during the same period of the preceding year. The main factors which increased the external interest servicing during the ongoing fiscal year were (i) resumption of interest payments to bilateral creditors in the third quarter of FY2022, which were deferred under DSSI, (ii) increase in global interest rates, leading to resetting of floating rate external debt at higher rate, and (iii) higher interest servicing against commercial loan portfolio and Eurobonds. The source wise details of external public debt inflows and outflows over the last few years are depicted in Table 9.9:

Table 9.9: Source Wise External Public Debt Inflows and Outflows (US\$ million)

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23 (Jul-Mar)
DISBURSEMENTS								
Multilateral	5,766	3166	2,813	2,021	8,329	4,810	5,794	5,137
Bilateral	1,040	1,941	1,971	4,377	1,398	1,275	3,597	995
Bonds	500	1,000	2,500	-	-	2,500	2,000	-
Commercial / Other	1,387	4,426	3,716	4,098	3,347	4,721	4,863	900
Total Inflows (A)	8,693	10,533	11,000	10,496	13,074	13,306	16,255	7,032
REPAYMENTS								
Multilateral	1,274	1,255	1,403	1,750	2,199	3,391	3,201	3,178
Bilateral	440	1,200	793	970	783	100	1,004	1,771
Bonds	500	750	-	1,000	1,000	0	1,000	1,000
Commercial / Other	1000	1922	1995	3634	5061	3,444	5,797	5,450
Total Repayments (B)	3,213	5,127	4,190	7,355	9,043	6,936	11,002	11,400
Net Inflows (A-B)	5,480	5,406	6,809	3,140	4,031	6,370	5,253	(4,369)
INTEREST PAYMENTS								
Multilateral	290	381	485	584	637	639	614	755
Bilateral	380	441	444	541	484	115	358	602
Bonds	354	366	423	503	396	362	587	392
Commercial / Other	102	124	332	475	515	337	430	371
Total Interest Payments (C)	1,127	1,313	1,684	2,103	2,032	1,453	1,988	2,119
Total Debt Servicing (B+C)	4,340	6,440	5,874	9,458	11,075	8,389	12,990	13,519

Note: Above data excludes grants, disbursements from Naya Pakistan Certificate, Pakistan Banao Certificates, and non-resident investment in Government domestic securities and foreign currency denominated domestic debt

Source: Ministry of Economic Affairs and State Bank of Pakistan

⁵ Excluding disbursement from Pakistan Banao Certificates, NPCs and non-resident investment in Government securities.

⁶ US\$ 700 million represents refinancing of FY23 maturity and US\$ 200 million represents refinancing of FY22 maturity.

9.6.2 Impact of Exchange Rate Fluctuations

External loans are contracted in various currencies; however, disbursements are effectively converted into Pak Rupee. Since Pak Rupee is not an internationally traded currency, other international currencies are bought and sold via selling and buying of the US Dollar. Hence, the currency exposure of foreign debt originates from two sources: US Dollar/other foreign currencies and Pak Rupee/US Dollar. Thus, any movement in international currencies (in which debt is contracted) and PKR vis-à-vis US Dollar can change the Dollar and Pak Rupee value of external debt respectively. It must, however, be taken into account that domestic debt does not carry currency risk since it is denominated in Pak Rupee.

In addition to net external inflows, the following factors influenced the movement in external

public debt stock during the first nine months of the current fiscal year:

- In US Dollar terms, revaluation losses owing to depreciation of the US Dollar against other international currencies increased the external public debt stock by around US\$ 470 million. This increase was mainly driven by depreciation of the US Dollar against Euro by 4 percent, Japanese Yen by 2 percent, Pound Sterling by 2 percent, and Special Drawing Right (SDR) by 1 percent;
- The above-mentioned translational loss on account of the depreciation of the US Dollar against other international currencies added further to the depreciation of the Pak Rupee against US Dollar by around 39 percent which led to increase the Rupee value of external debt by around Rs. 6.8 trillion.

Table 9.10: Pakistan Sovereign Bonds

Bond	Issue	Maturity	Size (US\$ Mn)	Tenor Years	Coupon (%)
Sukuk	31-Jan-22	31-Jan-29	1,000	7	7.950
Eurobond	30-Mar-06	31-Mar-36	300	30	7.875
Eurobond	15-Apr-14	15-Apr-24	1,000	10	8.250
Eurobond	30-Sept-15	30-Sept-25	500	10	8.250
Eurobond	05-Dec-17	05-Dec-27	1,500	10	6.875
Eurobond	08-Apr-21	08-Apr-26	1,300	5	6.000
Eurobond	08-Apr-21	08-Apr-31	1,400	10	7.375
Eurobond	08-Apr-21	08-Apr-51	800	30	8.875
Total			7,800		

Source: Bloomberg

9.7 Way Forward

The Government's strategy to reduce its debt burden to a sustainable level includes commitment to run primary budget surpluses, maintain low and stable inflation, promote measures that support long-term sustainable economic growth and follow an exchange rate regime based on economic fundamentals. Additionally, the Government is also committed

to ensure fiscal discipline through revenue mobilization and expenditure rationalization and maintain debt sustainability over the medium term. With a narrower fiscal deficit, public debt is projected to enter a firm downward path while the Government's efforts to improve maturity structure and expansion of debt instruments-base would help to meet the financing requirements efficiently.



EDUCATION

Expenditure

(FY2022)

1.7

(As % of GDP)



Literacy Rate

62.8%



Male: 73.4%

Female: 51.9%

Universities

247



Public: 147

Private: 100

**Higher Education
Allocation**

44.72

(Rs Billion)



**Youth Trained
under NAVTTC**

144,529



**Ph.D Faculty
Members**

35.14%



EDUCATION

Human's ability to learn is one of the distinguished features among other species and at the same time, the nations that are advanced in education, are leading the world. No one can deny the importance of education in every aspect of life. Education is a tool for changing the patterns of thought in the individuals and nations. It occupies top priority in the social sector of developing nations including Pakistan. Historically, due to many challenges and issues faced by education sector, it has not delivered the expected outcomes in the country. So far, education has remained a neglected sector but now the importance of education in transforming the fate of nations has been realized and therefore, many efforts and resources are vested in the social sector especially to put in education on modern lines by introducing blended learning and modern technologies. The Government of Pakistan is fully aware of these challenges and is committed to prioritizing the education sector.

Moreover, efforts are being made to bring out of school children to schools, improve quality of education, provide conducive learning environment, etc. The focus is being given on basic and college education to make the younger generation competitive from the early age. For a country like Pakistan, it becomes even more indispensable for its socio-economic development through effective transition of its huge proportion of younger population i.e., youth. Transformation of 63 percent youth into a real wealth requires optimum capitalization through establishing a high-quality and market demand driven basic, secondary and higher Education.

This chapter elaborates the progress on Goal 4 of Sustainable Development Goals (SDGs), important data sets/indicators of the sector over the country and by the provincial bifurcations, the development of skilled labour (NAVTTTC), the higher education prospects and the major initiatives of the government.

Progress on Education Indicators Related to Goal 4 of SDGs

Pakistan is committed to achieve Goal 4 of SDGs pertaining to the quality of education, which stipulates equitable education, removal of discrimination, provision, and up-gradation of infrastructure, skill development for sustainable progress, universal literacy, numeracy and enhancement of the professional capacity of teachers. Different measures taken up by the federal and provincial governments to raise the standards of education in terms of quality education as a part of government's commitment to accomplish Goal 4 of SDGs by enhancing access to education by establishing new schools, upgrading the existing schools, improving learning environment by providing basic educational facilities, digitization of educational institutions, enhancing resilience of educational institutions to cater for unforeseen situations, promoting distance learning, capacity building of teacher, and improving hiring of teachers, particularly hiring of science teachers to address the issues of science education, etc. The progress achieved by Pakistan so far on Goal 4 of SDGs is as under:

Fig-10.1 shows that the completion of rate of primary, lower and upper secondary education is 67 percent, 47 percent and 23 percent respectively.

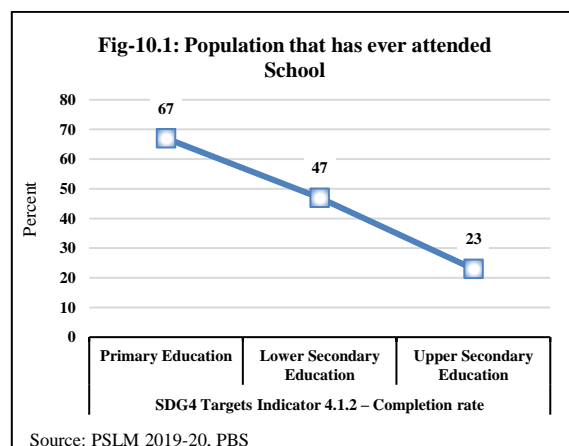


Table 10.1: Participation Rates and Proficiency in functional (a) literacy and (b) numeracy skills

Description of SDGs Indicators (Goal 4)	Progress
4.2.2 - Participation rate in organized learning (one year before the official primary entry age), by sex.	19 percent
4.6.1 - Percentage of population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, (by sex).	60 percent

Source: PSLM Survey 2019-20, PBS

The participation rate in terms of functional literacy and numeracy skills is depicted in Table 10.1. Participation rate in organized learning (one year before the official primary entry age), by sex is 19 percent showing a low level of consideration of pre-primary education. Percentage of population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills is 60 percent.

From Fig-10.2 it is shown that parity indices at literacy, youth literacy, primary and secondary are 0.71, 0.82, 0.88 and 0.89, respectively.

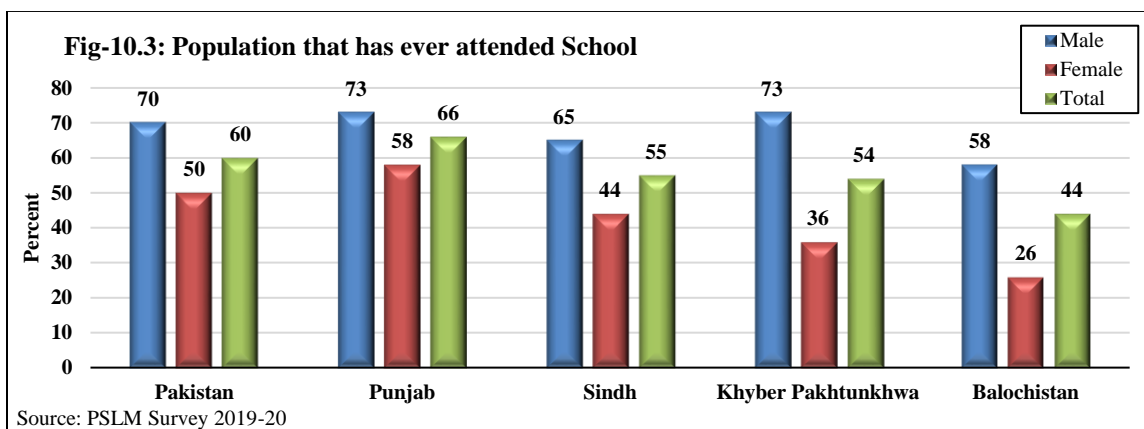
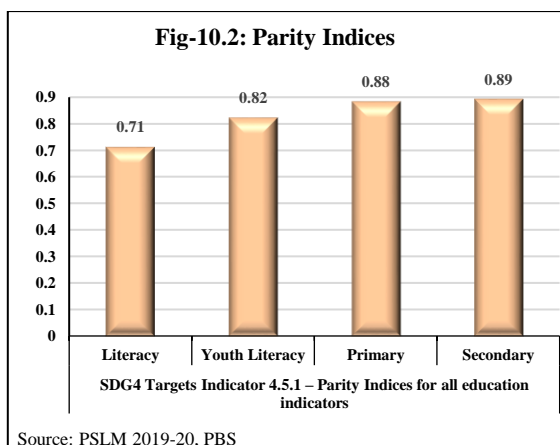
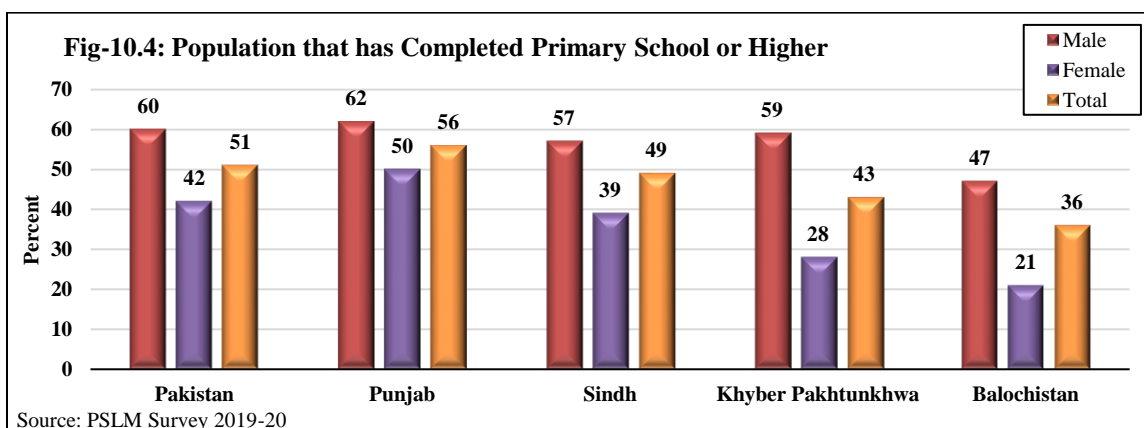


Fig-10.3 depicts 60 percent of population that has ever attended school with male proportion is 70 percent while female proportion is 50 percent.

Punjab has the highest percentage and Balochistan is at the lowest.



Rate of completion at primary or higher turned out to be 51 percent i.e. higher in favor of male than female. Punjab has higher completion rate as compared to other provinces, depicted at Fig-10.4.

Educational Institutions and Enrolment Data¹

i) Pre-Primary Education

Pre-primary education is the basic component of Early Childhood Education (ECE). Prep classes are for children between 3 to 5 years of age. At national level, a decrease of 5.9 percent in pre-primary enrolment (11.4 million) in 2020-21 against (12.0 million) in 2019-20 has been noted and around same figure has been taken as estimated in 2021-22 (Table 10.2). The decrease in pre-primary education primarily may cause by the COVID-19 outbreak.

ii) Primary Education (Classes I-V)

In 2020-21, there were a total of 180.2 thousand functional primary schools with 476.5 thousand corresponding teachers recorded in the country. An increase of 2.5 percent in primary enrolment is witnessed as the total enrolled students increased to 24.3 million in 2020-21 against 23.7 million in 2019-20. However, it is estimated to further increase to 24.9 million in 2021-22.

iii) Middle Education (Classes VI-VIII)

During 2020-21, total number of middle level institutions stood at 47.2 thousand with 433.9 thousand employed teachers in the country. An increase of 6.3 percent in middle school enrolment is observed. The total enrolled students reached to 8.4 million in 2020-21 against 7.9 million in 2019-20 and it is estimated to increase by 4.7 percent (from 8.4 million to 8.8 million) in 2021-22.

iv) Secondary / High School Education (Classes IX-X)

During the 2020-21, a total of 34.2 thousand secondary schools were functional, with a total number of 592.3 thousand teachers recorded in the country. An increase of 10 percent in secondary school enrolment is observed at the national level as the total enrolment increased to

4.4 million in 2020-21 against 4.0 million in 2019-20. However, it is estimated to further increase by 2.2 percent (i.e., from 4.4 million to 4.5 million) during 2021-22.

v) Higher Secondary/Inter Colleges (Classes XI-XII)

During 2020-21, 7.1 thousand higher secondary schools/inter colleges with 158.4 thousand teachers were functional at national level. The overall enrolment of students in higher secondary education witnessed an increase of 4.5 percent in 2020-21. The enrolment registered during 2020-21 was 2.32 million as compared to 2.22 million in 2019-20. For 2021-22, it is estimated to reach at 2.53 million.

vi) Degree Colleges (Classes XIII-XIV)

An enrolment of 0.82 million students is expected during 2021-22 in degree colleges as against the enrolment of 0.76 million in 2020-21. A total of 3,000 degree colleges were found in year 2020-21 with an estimated figure of 3,700 degree colleges for the year 2021-22. The teachers in degree colleges were 59.5 thousands in 2020-21 and estimated to the tune of 66.2 thousands in 2021-22.

vii) Universities

There are 202 universities with 60.3 thousand teachers in both public and private sectors in 2020-21. The overall enrolment of students in higher education institutions (universities) recorded at 1.86 million in 2020-21, while it was same as in previous year. The enrolment is estimated to increase from 1.86 million in 2020-21 to 1.96 million (i.e., 5.3 percent) in 2021-22.

viii) Technical and Vocational Education

During 2020-21, 3.7 thousand technical and vocational institutes with 18.2 thousand teachers were functional at the national level. The enrolment recorded at 0.43 million in 2020-21 as same in 2019-20. However, it is estimated to increase by 6.9 percent (i.e., from 0.43 million to 0.46 million) in 2021-22. The detailed information pertaining to the number of institutions, enrolment and teachers are presented in Table 10.2.

¹According to Pakistan Institute of Education, the estimated data for enrolment, number of institutions and teachers for the year 2022-23 is not available. However, the July 2023 on-wards data will be incorporated in the Statistical Supplement of Pakistan Economic

Survey, 2022-23. Therefore, the estimated data for the year 2021-22 is considered for analysis.

Table 10.2: Number of Mainstream Enrolment, Institutions and Teachers by Level (Thousands)

	Years	Pre-Primary	Primary*	Middle	High	Higher Sec./ Inter	Degree Colleges	Technical & Vocational Institutes	Universities	Total
Enrolment	2013-14	9267.7	19441.1	6460.8	3109.0	1233.7	465.4	308.6	1594.6	41880.9
	2014-15	9589.2	19846.8	6582.2	3500.7	1665.5	510.6	319.9	1299.2	43314.1
	2015-16	9791.7	21550.6	6922.3	3652.5	1698.0	518.1	315.2	1355.6	45804.0
	2016-17	11436.6	21686.5	6996.0	3583.1	1594.9	537.4	344.8	1463.3	47642.6
	2017-18	12574.3	22931.3	7362.1	3861.3	1687.8	604.6	433.2	1575.8	51030.4
	2018-19	12707.1	23587.9	7634.1	3969.0	2139.9	725.6	433.2	1858.7	53055.5
	2019-20	12038.8	23758.2	7869.5	4014.5	2226.8	771.6	433.2	1858.7	52971.3
	2020-21	11366.6	2435105	8414.7	4359.7	2320.2	757.9	433.2	1858.7	53862.5
	2021-22(E)	11352.6	24950.1	8755.9	4548.7	2531.2	820.1	455.5	1959.2	55373.3
Institutions	2013-14	-	157.9	42.9	30.6	5.2	1.1	3.3	0.161	241.2
	2014-15	-	165.9	44.8	31.3	5.4	1.4	3.6	0.163	252.6
	2015-16	-	164.6	45.7	31.7	5.5	1.4	3.7	0.163	252.8
	2016-17	-	168.9	49.1	31.6	5.1	1.4	3.8	0.185	260.1
	2017-18	-	172.5	46.7	31.4	5.8	1.7	3.7	0.186	262.0
	2018-19	-	180.1	47.3	31.7	5.9	2.9	3.7	0.202	271.8
	2019-20	-	179.9	47.0	31.7	5.9	2.9	3.7	0.202	271.3
	2020-21	-	180.2	47.2	34.2	701	3.0	3.7	0.202	275.6
	2021-22(E)	-	182.6	46.8	34.8	7.6	3.7	3.7	0.206	279.4
Teachers	2013-14	-	420.1	364.8	500.5	124.3	26.0	16.4	77.6	1529.7
	2014-15	-	430.9	380.8	514.2	118.1	36.6	19.4	88.3	1588.3
	2015-16	-	444.6	394.2	529.5	123.1	37.1	18.2	83.4	1630.1
	2016-17	-	475.2	455.4	560.6	120.3	37.9	18.2	58.7	1726.3
	2017-18	-	522.4	448.1	563.3	123.2	41.2	18.2	56.9	1773.3
	2018-19	-	494.9	448.7	567.3	136.0	61.6	18.2	60.3	1787.0
	2019-20	-	485.2	442.7	566.7	137.7	60.1	18.2	60.3	1770.9
	2020-21	-	476.5	433.9	592.3	158.4	59.5	18.2	60.3	1799.1
	2021-22(E)	-	476.8	429.9	598.9	168.4	66.2	18.2	60.6	1819.0

E: Estimated; * Including Pre-Primary, Mosque Schools, Non Formal Basic Education (NFBE).

Source: Ministry of Federal Education & Professional Training, Pakistan Institute of Education, Islamabad.

Literacy, Gross Enrolment Rate (GER) and Net Enrolment Rate (NER)

Literacy

During 2021-22, PSLM Survey was not conducted due to the scheduled Population and Housing Census 2022. Therefore, the figures for the latest available survey regarding GER and NER may be considered for the analysis. However, according to Labor Force Survey 2020-21, literacy rate was 62.8 percent in 2020-21 as compared to 62.4 percent in 2018-19, higher in males (increased from 73.0 percent in 2018-19 to 73.4 percent in 2020-21)

than females (from 51.5 percent to 51.9 percent for the same period). Area-wise analysis suggests literacy increase in both rural areas from 53.7 percent in 2018-19 to 54.0 percent in 2020-21, while in urban areas it increased from 76.1 percent in 2018-19 to 77.3 percent in 2020-21. Male-female disparity seems to be narrowing down over time. Literacy rate gone up in all provinces, with Punjab (increased 66.1 percent to 66.3 percent), Sindh (61.6 percent to 61.8 percent), Khyber Pakhtunkhwa (52.4 percent to 55.1 percent) and Balochistan (53.9 percent to 54.5 percent) [Table 10.3].

Table 10.3: Literacy Rate (10 Years and Above) (Percent)

Province/Area	2018-19			2020-21		
	Male	Female	Total	Male	Female	Total
Pakistan	73.0	51.5	62.4	73.4	51.9	62.8
Rural	67.1	40.4	53.7	67.2	40.8	54.0
Urban	82.2	69.7	76.1	83.5	70.8	77.3
Punjab	74.3	58.1	66.1	74.2	58.4	66.3
Rural	69.2	48.4	58.5	69.0	48.9	58.8
Urban	82.2	74.3	78.3	82.5	74.3	78.5
Sindh	72.5	49.5	61.6	72.9	49.7	61.8
Rural	60.0	26.5	44.4	58.8	26.8	43.3
Urban	82.8	67.7	75.6	85.2	69.9	77.9
Khyber Pakhtunkhwa	70.1	35.5	52.4	72.8	37.4	55.1
Rural	68.1	31.8	49.4	70.1	33.5	51.7
Urban	79.4	53.2	66.2	85.8	57.8	72.3
Balochistan	70.7	32.7	53.9	69.4	36.8	54.5
Rural	66.3	27.2	49.1	65.0	31.1	49.5
Urban	81.8	46.8	66.4	80.0	50.9	66.8

Source: Labour Force Survey, 2020-21, Pakistan Bureau of Statistics

During 2021-22, PSLM Survey was not conducted due to the Population and Housing Census 2022. Therefore, the figures for the latest available survey are reported in Table 10.4.

Table 10.4: Gross Enrollment Rates (GER) at National/Provincial Level by Gender and Age (Percent)

Location	GER at the Primary Level (Age: 5-9)			GER at Middle Level (Age: 10-12)			GER at Matric Level (Age: 13-14)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Pakistan	87	75	82	60	51	56	64	51	58
Punjab	92	88	90	61	61	61	68	63	65
Sindh	75	59	67	50	38	45	56	40	49
Khyber Pakhtunkhwa	94	70	83	73	44	60	68	35	53
Balochistan	83	54	70	47	29	40	49	20	37

Source: Pakistan Social and Living Standards Measurement Survey (PSLM) 2019-20

GER (primary, middle and matric) is 82, 56 and 58 respectively. GER at primary, middle and matric level has gone up in favor of male. Punjab has the highest GER at primary, middle and secondary levels and Balochistan has the lowest. In all provinces GER is in favor of male than female.

Table 10.5: Net Enrollment Rates (NER) at National/Provincial Level by Gender and Age (Percent)

Location	NER at Primary Level (Age: 5-9)			NER at Middle Level (Age: 10-12)			NER at Matric Level (Age: 13-14)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Pakistan	54	48	51	22	21	21	13	13	13
Punjab	56	56	56	24	26	25	16	17	16
Sindh	49	40	45	19	16	18	10	09	09
Khyber Pakhtunkhwa	54	43	49	23	15	19	10	06	08
Balochistan	53	37	46	18	11	15	07	04	05

Source: Pakistan Social and Living Standards Measurement Survey (PSLM) 2019-20

NER (primary, middle and matric) is 51, 21 and 13 respectively. NER at primary level has gone in favour of male in all provinces. NER at middle has gone in favour of male in all provinces

except in Punjab. Same is the case with NER at matric except for Punjab where NER is higher for female.

Table 10.6: Literacy Rates (Percent)

Location	Literacy (10 Years and Older)			Youth Literacy (15-24 Years)			Adult Literacy (15 Years and Older)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Pakistan	70	49	60	79	65	72	68	46	57
Punjab	72	57	64	81	75	78	70	53	61
Sindh	68	47	58	72	57	65	68	45	57
Khyber Pakhtunkhwa	71	35	53	85	49	67	68	30	49
Balochistan	61	29	46	69	40	57	59	26	44

Source: Pakistan Social and Living Standards Measurement Survey (PSLM) 2019-20

Literacy rate (10 years and older) is 60 percent showing male as more literate than female. Punjab is at the top while the Balochistan is at the bottom. Youth literacy (15-24 years) is 72 percent (Male: 79 percent and Female: 65 percent). Province wise comparative situation is

the same with higher disparities for female than male in youth literacy rates. Adult literacy rate is 57 percent (Male: 68 percent and Female: 46 percent) depicting that adult male population is more literate than adult female population.

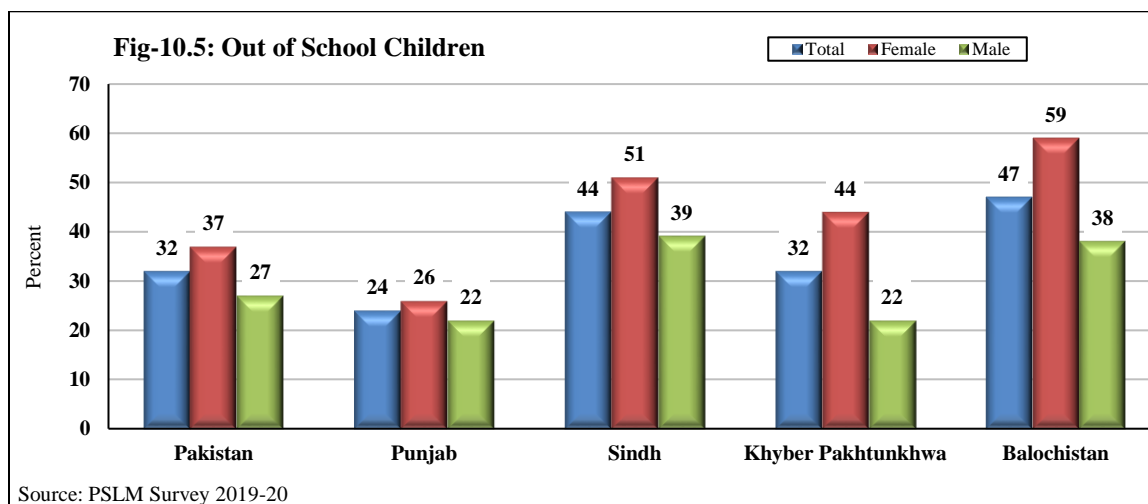


Fig-10.5 shows 32 percent, Out of School Children (OOSC) in the country with higher rate of female out of school than male.

Balochistan has 47 percent OOSC followed by Sindh (44 percent), Khyber Pakhtunkhwa (32 percent) and Punjab (24 percent), respectively. In all provinces higher percentage of female are out of school than male.

Expenditure on Education

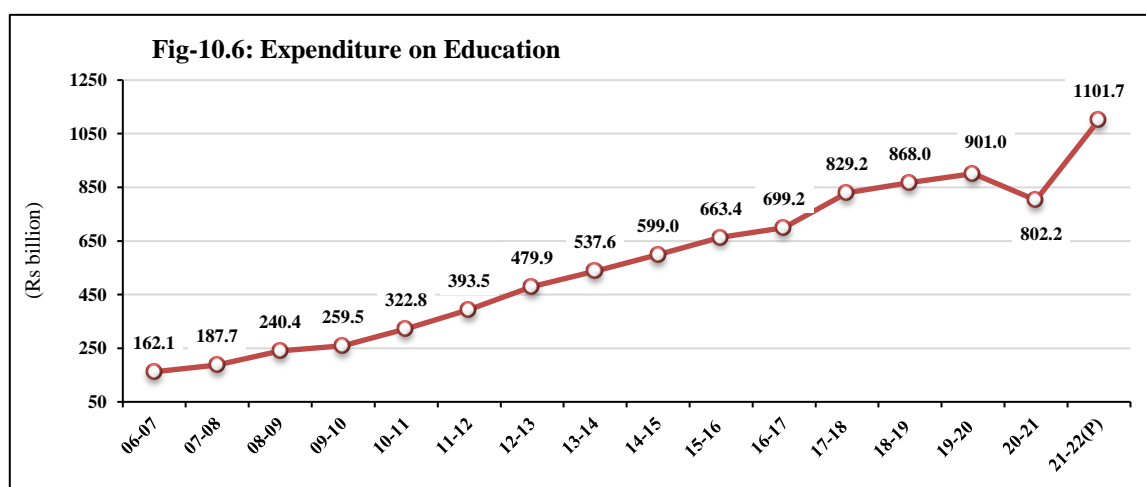
Cumulative education expenditures by federal and provincial governments in FY2022 estimated at 1.7 percent of GDP. Expenditures on education-related activities during FY2022 witnessed an increase of 37.3 percent, and reached to Rs 1,101.7 billion from Rs 802.2 billion. Details of the education related expenditures are given in Table 10.7 and Figure 10.6.

Table 10.7: Expenditure on Education (Rs million)

Years		Current Expenditure	Development Expenditure	Total Expenditure	Percent of GDP (2015-16 Base)
2016-17	Federal	91,139	16,890	108,029	2.0
	Punjab	221,049	39,593	260,642	
	Sindh	134,650	12,082	146,732	
	Khyber Pakhtunkhwa	109,482	26,639	136,121	
	Balochistan	40,571	7,127	47,698	
	Pakistan	596,891	102,331	699,222	
2017-18	Federal	100,428	26,495	126,923	2.1
	Punjab	295,893	44,910	340,803	
	Sindh	152,298	13,705	166,003	
	Khyber Pakhtunkhwa	126,149	16,494	142,643	
	Balochistan	47,107	5,673	52,780	
	Pakistan	721,875	107,277	829,152	
2018-19	Federal	103,787	21,780	125,567	2.0
	Punjab	339,402	32,413	371,815	
	Sindh	153,492	9,110	162,602	
	Khyber Pakhtunkhwa	132,516	20,195	152,711	
	Balochistan	49,298	6,029	55,327	
	Pakistan	778,495	89,527	868,022	
2019-20	Federal	83,266	31,300	114,566	1.9
	Punjab	337,562	35,378	372,940	
	Sindh	165,028	5,427	170,455	
	Khyber Pakhtunkhwa	162,778	18,523	181,301	
	Balochistan	53,640	8,111	61,751	
	Pakistan	802,274	98,739	901,013	
2020-21	Federal	90,974	5,646	96,620	1.4
	Punjab	348,460	32,964	381,424	
	Sindh	183,718	10,538	194,256	
	Khyber Pakhtunkhwa	35,816	28,250	64,066	
	Balochistan	55,924	9,936	65,860	
	Pakistan	714,892	87,334	802,226	
2021-22(P)	Federal	26,910	30,945	57,855	1.7
	Punjab	389,264	46,535	435,799	
	Sindh	212,721	8,105	220,826	
	Khyber Pakhtunkhwa	277,030	33,596	310,626	
	Balochistan	67,995	8,553	76,548	
	Pakistan	973,920	127,734	1,101,654	

P: Provisional

Source: PRSP Budgetary Expenditures, External Finance Policy Wing, Finance Division, Islamabad



Development Programmes FY2023

Federal Public Sector Development Programme (PSDP) FY2023

The development expenditure in all the sectors especially on the education sector is highly connected to the poverty dynamics. Given the financial constraints, Federal Government is committed to ensure sufficient levels and efficient public spending on education and skills learning to meet national learning goals. During the current financial year, around Rs 52 billion in PSDP 2022-23 was earmarked for the education sector including higher education.

The National Economic Council (NEC) in its meeting held on 8th June, 2022 approved Federal PSDP at Rs 800 billion and Provincial ADPs of Rs 1463 billion. As per PSDP 2022-23, at Federal level, there are 21 projects / schemes (19 ongoing: 2 new) related to basic and college education under Ministry of Federal Education & Professional Training (M/o FE&PT) having an allocation of Rs 2670.785 million. There is one project under Ministry of Defence with an allocation of Rs 21 million and one under Government of Balochistan with an allocation of Rs 400 million.

Provincial Governments

The provincial governments have prioritized education sector and intervened to provide missing facilities, improvement of the physical infrastructure, establishment of IT/Science labs, up-gradation of girls and boys primary schools to middle, high and secondary levels, construction of new boys and girls schools and colleges, provision of scholarship through endowment funds and other scholarship schemes.

Punjab

In Punjab education sector plan 2019-20 to 2023-24, priority areas include; improving teaching and learning practices for a better outcomes, providing adequate access to education for children from pre-primary to secondary, including marginalized and children with special needs, promoting quality education in a safe, inclusive and conducive learning environment for children and strengthen good

governance of the education sector for equitable access and high-quality education.

During FY2023, an amount of Rs 56.7 billion was allocated by Government of Punjab for 273 development projects related to education sector. Out of which Rs 39.0 billion was allocated for school education, Rs 13.5 billion for higher education, Rs 1.2 billion for special education and Rs 3.0 billion for literacy and non-formal education.

Sindh

In school education sector plan and roadmap for Sindh (2019–24), areas of intervention include: raising quality education, bringing out of school children in schools, enhancing literacy programs, improving the child friendly environment for primary students, augmenting recruitment of teachers, training and development of teachers, building capacity of educational leadership and management and establishing efficient monitoring and evaluation system.

During FY2023, the Sindh government earmarked Rs 34.2 billion for 397 on-going and 332 new development projects of education sector. Out of which an amount of Rs 15.5 billion was allocated for school education, Rs 2.5 billion for cadet colleges and Rs 3.6 billion for college education, Rs 2.6 billion for empowerment of persons with disabilities, Rs 1.5 billion for Sindh TEVTA and Rs 8.5 billion for universities and education boards.

Khyber Pakhtunkhwa

The government of Khyber Pakhtunkhwa (KP) has allocated Rs 25.2 billion in FY2023 for 145 on-going and 46 new development projects. Out of which, an amount of Rs 16.9 billion allocated for elementary and secondary education and Rs 8.2 billion for higher education.

Government of KP has prioritized and adopted the approach developed in the Education Sector Plan (ESP) 2020-25 that aims to develop an effective education system in Khyber Pakhtunkhwa which delivers good quality teaching and learning opportunities for all, addressing gender disparity by promoting

gender equality, affirmative action and the empowerment of women in higher education opportunities.

Balochistan

Balochistan education sector plan (2020-25), priority areas are governance and management, reforming data and research, access and participation, child care and welfare, assessment & examination and teaching and learning in education sector.

During FY2023, the Balochistan government allocated an amount of Rs 19.6 billion for higher education and secondary education provided for 503 on-going and 237 new development projects. An amount of Rs 8.8 billion and Rs 10.8 billion was earmarked to the higher and secondary education respectively.

Major Initiatives by Federal Government

In order to bring uniformity in curricula in particular and education in general, Single National Curriculum (SNC) now modified as National Curriculum of Pakistan (NCP) is being developed through the project titled “Establishment of National Curriculum Council Secretariat” under Ministry of Federal Education and Professional Training (M/o FE&PT). A council named National Curriculum Council (NCC) has been formed which consist of 46 member’s body that includes the following:

- Minister for Federal Education and Professional Training as Chairman
- Provincial and Area Education Ministers
- Chairman HEC
- Heads of Ittehad Tanzimatul Madaris Pakistan
- Chairmen of Provincial Textbook Boards
- Representatives from Army, Navy and Air Force Educational Institutions
- Eminent Scholars and Educationists

NCC serves as a professional, advisory and consultative national body to steer and guide the development of curriculum in close collaboration with all the federating units. From 2016 onwards, NCC has developed the following:

- Minimum Standards of Quality Education
- National Curriculum Framework
- Values Education Supplement for Curriculum
- Curriculum for Islamabad Capital Territory (ICT) 2017-18 from Grade Pre I-VIII
- Textbooks for ICT from Grade Pre I-V

At present development of SNC / NCP for the country is in progress. The first phase for SNC for Grade Pre I-V has been developed and textbooks have also been prepared. Moreover, the work on Teacher Training Modules (TTMs) and Assessment Framework is also developed.

Besides, the Directorate General of Religious Education (DGRE) has been established / notified on 22-10-2019, having its head office at Islamabad and 16 regional offices all over Pakistan as below:

Punjab:	Multan, Lahore & Rawalpindi
Sindh:	Karachi, Sukkur, Hyderabad
KP:	Peshawar, DI Khan, Swat
Balochistan:	Quetta, Loralai, Khuzdar
AJK:	Muzaffarbad, Mirpur
GB:	Gilgit, Skardu

The mandate of DGRE is as follows:

- To mainstream Religious Education in Pakistan.
- To register all Deeni Madaris of Pakistan with the M/o FE&PT through DGRE.
- To collect the data and other relevant information on Madaris.
- To facilitate foreign students in obtaining visas (maximum 09 years) for admission in Madaris in line with prevailing rules and regulations of the government.

To facilitate Madaris, following initiatives have been taken:

- To get affiliated with the Board of Intermediate and Secondary Education as well as Board of Technical Education for Secondary School Certificate (SSC)/ Higher Secondary School Certificate (HSSC) and in technical & vocational education examinations for the Madaris’ students.

- To introduce the contemporary subjects at SSC / HSSC in the next 05 years. The students will have the choice to appear for examination either through Federal Board of Intermediate and Secondary Education (FBISE) or any other education board of the country.
- To enhance national harmony, peace, stability, and socio-economic development in the country.
- For the opening of their bank account in the scheduled banks of the country.

Besides, following initiatives have been underway during 2022-23:

- A number of meetings were held in M/o FE&PT in June and July 2022 specifically on tackling the issue of OOSC. Later, the Terms of References (ToRs) for National Advisory Committee on OOSC were also drafted accordingly.
- In order to improve quality of education projects pertaining to STEM and Blended Learning were approved for introduction in ICT schools on pilot basis. Knowledge Economy Initiatives remained under implementation during the period 2022-23.
- A Round-table conference was held on 4th January, 2023 under the chairpersonship of Minister for Planning, Development & Special Initiatives to review and assess the progress of SNC.
- A high level consultative meeting was also held under the chairpersonship of the Deputy Chairman, Planning Commission to take stock of the recent strategies and initiatives taken by different stakeholders to tackle the challenge of OOSC as well as firm-up recommendations in this context.

Technical and Vocational Education

National Vocational & Technical Training Commission (NAVTTTC)

NAVTTTC prepared a comprehensive roadmap for skilling a large number of youth each year and mapped local and overseas emerging, cutting edge, high-tech and conventional technologies. NAVTTTC has made major

contribution to Pakistan's national human resource development, and has generated a large number of employment opportunities for the skilled youth (both overseas and national), benefitting the individuals as well as the national economy.

Achievements of NAVTTTC

Some key achievements of NAVTTTC are as follows;

- A total of 144,529 youth trained in 930 institutes across Pakistan, as certified skilled professionals, with 71 percent employed; 77,114 trained in High-Tech skills like Artificial Intelligence (AI), Robotics, Cyber Security, E-Commerce & IT; Developed National Skills Information System; 67,415 trained in conventional trades; National Employment Exchange Tool (NEXT) Skilled Youth & Job Portal established with a databank of 463,105 certified skilled youth and 780,711 cumulative jobs from 1,175 employers.
- TAKAMOL-NAVTTTC Skill Verification Programme launched for testing and certification of Pakistani skilled workforce for Saudi Arabia, 46,275 personnel certified and mainstreamed through RPL (Recognition of Prior Learning) (Ustad-Shagrid); National Vocational Qualifications Framework (NVQF) developed; 200 Qualifications developed; Matric-Tech Programme implemented in 15 formal education schools of ICT, GB and AJK; International Accreditation of 10 Pakistani institutes has been achieved; 655 national TVET institutes accredited; 50 Smart Labs and 500 Class Rooms set up with Chinese CPEC support
- Government of Pakistan desires that NAVTTTC should provide skills development to 1 million youth, and assures provision of higher budget. Under Prime Minister's Youth Skill Development Program (PMYSDP), NAVTTTC is imparting the youth of country with employable technical and vocational hands-on skills which provides them decent employment and self-employment, as skill

development is the swiftest and most effective method of youth empowerment and channelizing their energies for socio-economic development.

- The current skills reforms program being implemented by the present government offers a large and diversified scope of training services to the masses in the conventional and modern technology based sectors, and is more geared towards employment generation locally and abroad and more socially inclusive and promoting entrepreneurship through multiple micro finance lending opportunities.
- NAVTTC is making efforts to developing tailor made country specific training programs and established 10 “Country of Destination Centers” for labour importing countries. These centers working to develop closer interaction with counterpart agencies, labour and human resource ministries to export Pakistani workforce in employment favorite countries.
- To organize TVET system of the country on modern lines, the international recognized, Competency Based Training (CBT) system has been introduced in the country to replace the traditional mode of training. With the introduction of CBT, Pakistan is now able to deliver training in accordance with international demands. However, there is much more support required to graduate completely to the CBT&A mode of training delivery. Technical, skills up-gradation and equipment / workshop support is required from the best TVET systems of the world to make this transition completely.

NAVTTC Initiatives

Following are NAVTTC’s ongoing initiatives:

- NAVTTC allocated minimum of 33 percent quota for women enrollment. In this regard, preference for admission was given to disadvantaged segments of the society like widows, orphans and school drop-out girls, Persons with Disabilities (PWDs) and transgender. Around 1,931 widows and 2,176 school drop-outs were provided skills during past 02 years; 1,131 widows and

5,606 school drop-out girls were equipped with technical hands-on skills during last year under PMYSDP; and 633 PWDs were equipped with employable skills. Conventional trainings included for women are: Beautician, Fashion Stylist, Dress Making, Fashion Designing, Hand and Machine Embroidery, Professional Chef / Culinary Art, Front Desk Managers, Textile Garments manufacturing, Pattern Drafting, Computer Applications, Certificate in Office Management, Interior Designing, 3D Studio Max, Handcrafts, Creative designing, Fashion Jewelry Making, Textile Designing etc. Moreover, 33 percent quota is fixed and observed in other High-TECH trainings which includes; Digital Marketing, E-commerce, Amazon, Cloud Computing, Free Lancing, AI, Internet of Things (IoT), PMP, Cyber Security etc. It is important to mention that over 13000 NAVTTC skilled and certified youth got employed abroad and earning billions.

- NAVTTC launched “TAKAMOL - NAVTTC Skill Verification Programme (SVP)” for joint certification and testing “Skills Verification Programme” (SVP), by which Pakistani skilled youth get employment opportunities in Saudi Arabia. Over 57,989 youth have been trained in the 23 skills trades, whose demand has been conveyed by Kingdom of Saudi Arabia (KSA); For Takamol - NAVTTC programme, an Online Automated Web Portal has been operationalized; the Qualifications for these trades have been developed; Test Assessment centers are operational; 2500 youth tested/certified and got employment KSA. NAVTTC has also established 05 Centers of Excellence with the assistance of EU/GIZ (01 in each province). On pattern of Ustad-Shagird regime, 46,275 informally skilled youth are skill tested and certified under NAVTTC’s Recognition of Prior Learning (RPL) program. Over 200 TVET Qualifications have been developed; 655 TVET Institutes have been accredited across the country and 10 TVET Institutes internationally accredited with Asia Pacific and

Accreditation and Certification Commission (APACC) and TUV Rhienland, Germany.

Higher Education Commission (HEC)

Higher Education Commission is a statutory body formed by the government in 2002 through ordinance. It provides overall strategic guidance and enabling environment for reforms in higher education sector. HEC mainly focuses in research and development sectors of Higher Education Institutions (HEIs). Vision 2025 describes higher education as one of the means to invest in the young people of Pakistan and develop a knowledge economy. Initially 2.6 percent of people had access to higher education which has presently increased to 10 percent.

Key Achievements (July-March) FY 2023

Following are the key achievements during the period July 2022-May, 2023:

i. Public Sector Development Programme (PSDP-2022-23)

- Under the current year's PSDP 2022-23, the government allocated Rs 44.719 billion to HEC for implementation of 154 development projects (138 ongoing and 16 newly approved projects) of public sector Universities/HEIs/HEC.
- During the period July–December 2022, an amount of Rs 7.667 billion were released to development projects.
- During the period January-May, 2023 an amount of 35.212 billion were released. Hence accumulative Rs 42.879 billion were released from July-May FY2023.
- Following major development initiatives have been launched during the above cited period:
 - 5000 scholarship for Balochistan and FATA students (Phase-III).
 - Scheme of 200 scholarships for the coastal region of Balochistan.
 - Establishment of federal institute at North Waziristan tribal district.
 - PM's Youth Laptop (100,000) Scheme (Phase-III)
 - Establishment of University of Gwadar (Phase-I)

- Strengthening of Lab facilities in 05 leading Engineering Universities (UET Peshawar, Taxila, Lahore, Khuzdar and NED Karachi)

- During current FY 2023, 30 projects have been planned for completion. Out of these funding to 04 projects have been completed.

ii. Increase in Access and HEC Recognized Universities

Public Sector & Private Sector Universities has been increased to 247 ((Public Sector: 147 & Private Sector: 100) with tertiary enrollment of 2 million students.

iii. Human Resource Development (HRD)/Scholarship Division

HRD Scholarship Division of HEC announced several scholarship programmes:

- During current FY 2023, an amount of Rs 8.891 billion has been allocated for 18 national scholarships schemes.
- Rs 2.059 billion has been allocated for 3000 scholarships for Afghan students.
- 75 new scholarships have been announced in top 25 Universities of the world on the occasion of 75th Anniversary of Pakistan.

iv. Research and Development

- Grant of Rs 1,020.0 million has been released to National Research Programme for Universities (NRPU). Around 88 projects have been completed and new 184 research projects have been awarded from July-May FY2023.
- Seven projects have been awarded under Technology Transfer Support Fund (TTSF) at a total cost of Rs 72 million
- A total of 37 Business Incubation Centers (BICs) at public sector Universities have been established by the HEC; out of which, 8 BICs were established in FY 2022 and FY2023 at an approved budget of Rs 168 million out of which Rs 112 million has been released as 1st trench.
- HEC awarded 15 projects under Innovator Seed Fund (ISF) Call 2021-22. The projects are from young and budding entrepreneurs working on innovative business ideas to

convert them into sustainable businesses. Individual grant of ISF award is US\$35,000 with a total approved budget for 15 awards of Rs 118m out of which Rs 72.73 million was released as 1st installment in FY2023.

- HEC R&D Division organized capacity building programs for BIC Director / Managers in four different cohorts and trained more than 50+ Directors/Managers on entrepreneurship mentoring.
 - HEC in collaboration with SMEDA initiated the establishment of National Idea Labs (NIL) at HEC established BICs at NUST, NED, NTU, IM Sciences and BUITEMS. The first cohorts of NIL are in progress at NED, NUST, NTU, and IM Sciences.
- v. **Prime Minister’s Youth Programme:** Prime Minister’s Youth Programme initiated five projects. The aim of these projects is to provide various opportunities for young people in Pakistan to develop their skills and talents and engage in activities that can help them to build a better future for themselves and their communities.
- **Prime Minister's National Innovation Award (PMNIA)** is providing an opportunity for young entrepreneurs to present their innovative ideas and turn them into businesses. In Round-I call and boot camps of 256 shortlisted candidates have been completed. The Round-II call has been announced and initial desk review has been completed.
 - **Prime Minister's Green Youth Movement (GYM)** aims to sensitize and organize 137 public sector Universities’ youth for the promotion of environmental conservation

and eco-friendly behavior among the masses. Under the project, 100 percent focal persons, 99 percent oversight committee members, 99 percent GYM clubs have been constituted and performing numerous activities in 5 thematic areas i.e. agriculture forestry, ecotourism, water conservation, renewable energy, and liquid and solid waste management.

- **Prime Minister's Talent Hunt Youth Sports League** is an initiative to find talent on grass root level in 12 different games. The initiative caters to youth aged between 15 to 25 years. Weightlifting and Wrestling are completed. Volleyball’s trails have also been completed, while Hockey, Cricket, and Football are in process.
- Total 13 academies are planned under the project "**Establishment of Sports Academies, High Performance and Resource Center and Youth Olympics.**" Constructions of 10 academies have been started while the rest of the 3 academies are pending at the planning stage.

Pakistan HEIs – Enrolment, Region, Sectors

There are 247 Universities in the country with 57,204 thousand teachers in both public and private sectors functional in 2020-21. The overall enrolment of students in HEIs increased to 2.60 million in 2022-23 from 2.41 million in 2021-22. The enrolment is expected to increase from 2.60 million in 2022-23 to 2.80 million (i.e., 07 percent) in 2023-24. Table 10.8 depicts details of enrolment of HEIs for the period 2020-21, while Table 10.9 presents information associated to faculty.

Table 10.8: Region and Gender-wise Enrolment (Provisional) of Public and Private Sector Pakistani HEIs; 2020-21

Region	Public			Private			Male	Female	Total
	Male	Female	Total	Male	Female	Total			
AJK	13,191	14,635	27,826	907	1,085	1,992	14,098	15,720	29,818
Balochistan	30,810	14,239	45,049	1,263	427	1,690	32,073	14,666	46,739
Federal	503,481	487,975	991,456	31,212	21,954	53,166	534,693	509,929	1,044,622
Gilgit-Baltistan	4,639	4,360	8,999	-	-	-	4,639	4,360	8,999
KP	98,078	38,186	136,264	31,636	8,377	40,013	129,714	46,563	176,277
Punjab	248,460	252,162	500,622	94,060	71,868	165,928	342,520	324,030	666,550
Sindh	98,225	58,535	156,760	62,202	34,284	96,486	160,427	92,819	253,246
Total	996,884	870,092	1,866,976	221,280	137,995	359,275	1,218,164	1,008,087	2,226,251

Source: HEC

Table 10.9: Region-wise PhD and Non-PhD Faculty in Pakistani HEIs; 2020-21 (Provisional)

Province/Region	Non-PhD	PhD
AJ&K	962	382
Balochistan	1,758	555
Federal	6,504	4,551
Gilgit-Baltistan	133	99
Khyber Pakhtunkhwa	4,198	3,550
Punjab	13,502	7,432
Sindh	10,045	3,533
Total	(64.86 percent)	(35.14 percent)

Source: HEC

Conclusion and Outlook

The present government is putting its sincere efforts and resources in education sector besides revamping economy, improve governance, enhancing the quality of health and living standards. The projects and initiatives of the government aim at introducing uniform curriculum, capacity building of teachers, establishment, renovation and up-gradation of schools and colleges, mainstreaming of religious education, skills development, and promoting

awareness among various segments of society, especially targeting youth.

Pakistan's literacy, enrolment and other educational indicators are gradually improving. Government is very much focusing on improving the quality and coverage of education through various reforms and policy interventions, and expanding their source allocation. However, an improvement in education sector cannot be achieved without active participation of all the stakeholders, especially the private sector. Given the limited resources and financial constraints, the due diligence given to the education sector is not up-to the par as it should be. Government's resources are geared to make the education sector more inclusive/effective and equitable access the country. Education needs to be delivered inclusively, effectively and equitably across the country because it is not only a driver of social cohesion and resilience but also help in ending illiteracy and establishing knowledge-based economy.



HEALTH AND NUTRITION

Public Health Expenditure	1.4 (As % of GDP) (FY2022)	
Health Sector Allocation	22.4 (Rs. billion)	
Hospitals	1,276	
Basic Health Units	5,559	
Maternal Mortality Rate	154 (Per 100,000 Births) (2020)	
Infant Mortality Rate	52.8 (Per 1,000 Births) (2021)	
Prevalence of Stunting	37.6% (Under Age 5) (2018)	

HEALTH AND NUTRITION

Provision of quality healthcare services and ensuring nutrition security of the population are key to human capital development, which is an important determinant of economic development of a country. Pakistan has been committed to ensure equitable access to health and nutrition services to its population in line with the international best practices as is evident from the country's commitment to meet global targets of good health and wellbeing under SDG 3. The National Health Vision 2016-2025 also envisages health sector reforms focusing on improving public health delivery system through carefully designed and need based interventions.

Health and nutrition profile of Pakistan, as evident from country's performance on various health and nutrition indicators, presents a moderate picture. Key health indicators regarding child and maternal life expectancy, i.e., neo-natal mortality rate, infant mortality rate, and under-5 mortality rate showed improvement in year 2021 as compared to the previous year. Maternal mortality rate also showed progress with 154 deaths per 100,000 births in 2020 as compared to 179 in the previous year. However, other indicators such as incidence of tuberculosis and measles

immunization decelerated, while life expectancy at birth and HIV prevalence remained same.

Regarding global nutrition targets measuring maternal, infant and young child nutrition (MIYCN), only two targets have been met as per Global Nutrition Report 2022. As per latest available data (2019), 41.3 percent of women of reproductive age (15 to 49 years) are affected with anemia and this indicator has shown no progress. The progress on achieving low birth weight target could not be assessed due to inadequate data. The country is on track with respect to achieving exclusive breastfeeding target with 47.8 percent of infants aged 0 to 5 months exclusively breastfed as of year 2019. Also, some progress has been made regarding target for stunting (less height for age), but 37.6 percent of children under 5 years of age are still affected, which is higher than the average for the Asia region (21.8 percent). Lastly, some progress towards target for wasting (less weight for height) has also been observed with 7.1 percent of children under 5 years of age are still affected, which is lower than the average for the Asia region (8.9 percent).¹ Country's performance against various indicators can be witnessed from the following table:

Table 11.1: Health and Nutrition Indicators of Pakistan

	2020	2021
Maternal Mortality Ratio (Per 100,000 Births)	154	-
Neonatal Mortality Rate (Per 1,000 Live Births)	40.4	39.4
Mortality Rate, Infant (Per 1,000 Live Births)	54.4	52.8
Under-5 Mortality Rate (Per 1,000 Live Births)	65.5	63.3
Incidence of Tuberculosis (Per 100,000 People)	255	264
Life Expectancy at Birth, (Years)	66.3	66.1
Births Attended by Skilled Health Staff (% of Total)	68.0	-

¹ <https://globalnutritionreport.org/resources/nutrition-profiles/asia/southern-asia/pakistan/>

Table 11.1: Health and Nutrition Indicators of Pakistan

	2020	2021
Immunization, Measles (% of children ages 12-23 months)	83.0	81.0
Prevalence of HIV, Total (% of Population Ages 15-49)	0.2	0.2
	2018	2019
Prevalence of Anemia in Women of Reproductive Age (Aged 15-49)%	41.4	41.3
Infants Exclusively Breastfed (Aged 0-5 months)%	47.5	47.8
Stunting Prevalence Among Children (Under Age 5)%	37.6	-
Wasting Prevalence Among Children (Under Age 5)%	7.1	-

Source: WDI, Trading Economics, WHO's Global Health Observatory², UNICEF

The human resource employed in the health sector plays a critical role in efficient service delivery. For this reason, capacity building of frontline and community health workers and health practitioners and improving medical staff

to population ratio have been focus areas for the government. During year 2022, number of registered medical and paramedical staff increased as compared to previous year as can be seen from the following table:

Table 11.2: Registered Medical and Paramedical Personnel

(in Nos.)

Health Manpower	2016	2017	2018	2019	2020	2021	2022
Doctors	195,896	208,007	220,829	233,261	245,987	266,430	282,383
Dentists	18,333	20,463	22,595	24,930	27,360	30,501	33,156
Nurses	99,228	103,777	108,474	112,123	116,659	121,245	127,855
Midwives	36,326	38,060	40,272	41,810	43,129	44,693	46,110
Lady Health workers	17,384	18,400	19,910	20,565	21,361	22,408	24,022

Note: Data is reported on Calendar Year Basis

Source: Pakistan Bureau of Statistics (PBS)

Moreover, sufficient healthcare financing and optimal allocation of financial resources is necessary for quality healthcare service delivery. During FY2022, the public health expenditure was 1.4 percent of GDP as compared to 1.0

percent during same period of last year. The consolidated position of both federal and provincial health expenditures for last 7 years is given below:

Table 11.3: Federal and Provincial Health Expenditure

(Rs million)

Fiscal Years	Public Sector Expenditure (Federal + Provincial)			Health Expenditure as % of GDP
	Current Expenditure	Development Expenditure	Total Health Expenditures	
2015-16	192,704	75,249	267,953	0.7
2016-17	229,957	99,005	328,962	0.8
2017-18	329,033	87,434	416,467	1.1
2018-19	363,154	58,624	421,778	1.0
2019-20	427,915	77,496	505,411	1.1
2020-21	494,606	91,664	586,270	1.0
2021-22 (P)	712,289	207,129	919,418	1.4

P: Provisional

Source: PRSP Budgetary Expenditures, (EF-Policy Wing), Finance Division

² <https://www.who.int/data/gho/data/indicators/>

For FY2023, health sector allocation under Public Sector Development Programme (PSDP) was Rs 22,356.5 million, which is 2.8 percent of the total development budget (Rs 800,000 million) and 0.05 percent of GDP. There are 62 health sector projects in the PSDP 2022-23 and most of these projects, i.e., 43 projects are being

sponsored by the M/o National Health Services, Regulations & Coordination (M/o NHR&C) with a total estimated cost of Rs 124,045.08 million. Following table summarizes health sector projects and their relative share in the overall development portfolio:

Table 11.4 : Health Sector Projects Share in the Federal PSDP for FY2023 (Rs million)

Sr. No.	Name of Ministry /Organization	No. of Projects	Total Estimated Cost	PSDP Allocation FY2023
1.	M/o National Health Services, Regulation and Coordination	43	124,045.1	12,651.0
2.	Provinces and Special Areas	9	37,278.8	2,750
3.	Defense Division	2	8,868.1	100
4.	Interior Division	1	4,183.1	350
5.	Pakistan Atomic Energy Commission	7	16,326.9	6,505.5
Total		62	190,701.9	22,356.5

Source: Planning Commission, Ministry of Planning, Development & Special Initiatives (M/o PD&SI)

Key Health Sector Interventions and Initiatives by the Government during FY2023

The government has been committed towards mobilization of all available resources to achieve third SDG. Universal Health Coverage (UHC) ensures that every single individual gets quality healthcare without facing any financial hardship. In this regard, various initiatives have been undertaken by the federal and provincial governments to achieve the UHC targets which majorly include national and provincial Essential Package of Health Services (EPHS) for different levels of healthcare delivery, World Bank supported National Health Support Program (NHSP), and expansion of Sehat Sahulat Programme (SSP) to provide Universal Health Insurance (UHI). Other initiatives of the government are highlighted below:

i. Integrated Disease Surveillance Response System (IDSRS)

To effectively deal with any future public health emergencies such as recent COVID-19, the government has been focusing on improving disease surveillance and reporting mechanism in the country. For this, the PSDP project for development of Integrated Disease Surveillance Response System (IDSRS) with public health laboratories network and strengthening Points of Entry (PoE) is under execution.

ii. National Health Support Program (NHSP)

The programme is characteristic of Program-for-Results (PforR) instrument, the first in the health sector of Pakistan that employs Investment Project Financing (IPF) instrument with Disbursement Linked Indicator (DLIs). The results-based financing complemented with an IPF component entails about 15 percent of the total financing under this programme. This component, managed by the provincial health departments and the M/o NHR&C, aims at mobilizing Technical Assistance (TA) in a timely manner, supporting coordination, building institutional capacity, and managing the program’s Environmental and Social (E&S) risks.

iii. Universal Health Coverage-Benefit Package (UHC-BP) or Essential Package of Health Services (EPHS)

The integral part of health sector reform agenda is the development of a national Universal Health Coverage-Benefit Package (UHC-BP), also called Essential Package of Health Services (EPHS) in collaboration with the Bill and Melinda Gates Foundation-financed Disease Control Priorities 3 Project, led by the M/o NHR&C. The UHC-BP consists of a prioritized set of cost-effective interventions at

the primary and secondary healthcare levels of the district. Its implementation is a cornerstone of health sector's National Action Plan (2019–2023). Considering that the health service delivery is a devolved subject, provincial health authorities have adapted the UHC-BP to reflect specific health conditions and priorities of respective provinces. The focus is on strengthening the public healthcare system to deliver quality essential health services in an equitable manner.

iv. Extended Program for Immunization (EPI)

The main purpose of the EPI, implemented by Federal Directorate of Immunization (FDI), is to vaccinate children for protection against diseases such as Tuberculosis, Polio, Diphtheria, Pertussis, Tetanus, Measles, Pneumonia, Hepatitis-B, Diarrhoea, Meningitis, Typhoid, and Rubella. The aim of this initiative has been to achieve 90 percent coverage with 3rd dose of pentavalent vaccine (which provides protection to a child from 5 life-threatening diseases – Diphtheria, Pertussis, Tetanus, Hepatitis-B and Hib) among children under 1 year of age at the national level and 80 percent at the district level through routine immunization by the year 2025. During year 2022, Penta-3 coverage was 99 percent across the country as per data provided by the FDI. Following are the major achievements obtained under the EPI program during FY2023 (July-Jan 2023):

- Introduction of Typhoid Conjugate Vaccine (TCV) into routine immunization program in the campaigns held in Sindh, Punjab/ICT, areas of KPK, Balochistan, AJK and GB. Post Campaign Coverage Survey (PCCS) showed 92 percent coverage of the TCV.
- Concluded Gavi's support to Pakistan for the next five years — Full Portfolio Planning (FPP) to strengthen immunization services across the country
- Submission of Fragility, Emergency and Displaced Populations (FED) proposal, in the wake of recent floods, to seek support from Gavi to restore and sustain immunization services in flood affected districts across the country

- Implementation of the second window for COVID-19 support from Gavi (CDS-2) which included extension of 2,672 vaccinators and hiring of additional 2,328 across Pakistan, several rounds of COVID-19 outreach activities to enhance vaccine roll-out and other antigens of routine immunization, procurement of 500 convertible freezers/refrigerators and 21 environment friendly incinerators, and 1166 helpline support.
- Conducted first phase of Paediatric COVID-19 vaccination campaign in Islamabad and selective districts of Punjab and Sindh, with collaboration with the National Command and Operation Centre (NCOC) with an overall coverage of 93 percent.
- Rolled out EPI Management information system (MIS) in Punjab and Sindh with other provinces already reporting immunization data on the MIS
- Establishment of state-of-the-art Immunization Supply Chain System (ISC) for vaccine and logistics delivery in order to ensure supply of potent and adequate vaccines and logistics for routine immunization, mass campaigns (Polio, MR and TCV) and COVID vaccines.
- Establishment of national, provincial and district vaccine storage and dry storage warehouses equipped with cold rooms, freezer rooms, Ice-lined Refrigerators (ILRs) and ultra-cold chain equipment (for storage of COVID vaccines).

v. National TB Control Programme

The program aims to eliminate Tuberculosis from Pakistan by 2035. The estimated yearly burden is 570,000 TB cases and 25,000 Drug Resistant TB cases and almost 42,000 people die of TB every year. The TB care services structure in Pakistan includes 1,743 diagnostics centres, 33 specialized centres for DRTB management, 361 GeneXpert sites for DRTB, 44 TB HIV centres for management of co-infections and over 8,000 GPs are engaged in TB control program. The private sector has also been engaged to boost TB case finding and till date the TB treatment coverage is 339,256 with

success rate of 94 percent and additional treatment of 2,881 cases of DRTB. Most recently, national TB control program has announced helpline number to guide TB patients and communities across the country to pursue advice and spread awareness on TB-related information.

vi. Polio Eradication Programme

The programme is currently implementing National Emergency Action Plan (NEAP) for Polio Eradication 2020. As per the NEAP 2020, the programme is committed to stop all wild poliovirus type-I (WPV-I) and vaccine-derived poliovirus type-II (VDPV-II) transmission in Pakistan. The Sub-National Immunization Days (SNIDs) campaign of 2022 reached more than 25 million children under the age of five with life-saving vaccines. The campaign was launched on 24th October, 2022 covering 83 districts including high-risk districts especially those districts susceptible to the Polio virus. This includes 21 districts of Sindh, 14 of Punjab, 28 of Khyber Pakhtunkhwa, 18 of Baluchistan and 2 districts of Islamabad. So far, during the period spanning July, 2022 to March, 2023, there have been 9 cases of WPV Polio cases and the most recent one has been reported from the KPK.

vii. Malaria Control Efforts

Epidemiologically, Pakistan is classified as a moderate malaria endemic country with a national Annual Parasite Index (API) averaging at 1.08 (MIS, 2015) with wide diversity within and between the provinces and districts. Major malaria transmission period is post monsoon, i.e., from August to November. Plasmodium Vivax and Plasmodium Falciparum are the only prevalent species of parasites detected so far with P.vivax being the major parasite species responsible for >80 percent reported confirmed cases in the country. During recent floods, malaria cases increased exponentially reaching a peak of 397,440 cases during the month of September, 2022.

Malaria control efforts, led by Directorate of Malaria Control (DMC), mainly include distribution of free of cost Long Lasting Insecticide Nets (LLINs) in targeted districts; distribution of free of cost microscopes;

provision of malaria Rapid Diagnostics Tests (RDTs) and Artemisinin-based Combination Therapy (ACT) for confirmed Plasmodium Falciparum variant of malaria cases; and provision of Chloroquine tablets for confirmed Plasmodium Vivax malaria cases, Primaquin 7.5 mg tablets for radical cure of malaria, Artesunate injections for the treatment of severe malaria cases and Deltamethrin sachets for Indoor Residual Sprays (IRS) in response to malaria outbreaks.

viii. National AIDS Control Program (NACP)

The NACP is part of the Common Management Unit for AIDS, TB and Malaria which works under the M/o NHR&C. All four provinces also have dedicated HIV control programs. Through different modelling techniques, as per WHO data for year 2021, it is estimated that in Pakistan, 210,000 people are living with HIV/AIDS. The HIV response comprises of prevention and treatment. There are 49 HIV treatment centres across Pakistan, 4 in KPK, 2 in Balochistan, 2 in Islamabad, 16 in Sindh, and 25 in Punjab. As of December 2021, 29,626 HIV patients were taking Antiretroviral (ARV) medicines and 7,056 people were on ARV therapy.

ix. Cancer Treatment

Almost 80 percent of cancer burden in Pakistan is catered by Pakistan Atomic Energy Commission's (PAEC) cancer hospitals with annual treatment of approximately 40,000 cancer patients. The PAEC, with its well-equipped nuclear medicine, radiotherapy and radiology departments and workforce of 278 doctors, has contributed hugely through application of nuclear technology in the health sector. To cater the patients of remote areas, the PAEC, on average, establishes one cancer hospital every three years. Recently, GINOR Gilgit facility has been completed and now 19 AECHs are fully functioning, while one is under construction at Muzaffarabad, Azad Jammu & Kashmir (AJ&K). Also, 03 Mobile Breast Care Clinics (MBCC) conduct fortnightly visits and arrange camps in remote areas providing free screening facilities to poor and needy patients. In addition to this, following are key achievements against ongoing fiscal year to increase cancer

treatment capacity:

- Installation of Cyber-knife & LINAC at NORI (Islamabad), Linear Accelerators at INMOL (Lahore) and BINO (Bahawalpur), Cobalt 60 Teletherapy at BINO (Bahawalpur), Digital Ultrasound Machine at NORIN (Nawabshah), Chemistry Analyzers at CENAR (Quetta), Digital X-ray Machine at LINAR (Larkana), Biochemistry Analyzer at SINOR (Swat), Gamma Camera SPEC-CT at GINOR (Gilgit)
- Upgradation of AECHs, GINUM (Gujranwala), NORI (Islamabad), BINO (Bahawalpur), AEMC (Karachi), KIRAN (Karachi) INMOL (LAHORE) NIMRA (Jamshoro), AEMC (Karachi) through PSDP funding and IRNUM (Peshawar), SINOR (Swat) and NIMRA (Jamshoro) through ADP funding are underway

x. Regulating Healthcare

Regulating healthcare is critical for providing quality care while making health sector accountable for its errors, malpractices, highhandedness and high costs of treatment. In this regard, Islamabad Healthcare Regulatory Authority (IHRA) has been focused on improving the quality, efficiency, and safety of healthcare services delivery by adopting evidence-based regulatory standards for registration and licensing of healthcare establishments (HECs), health professionals & equipment, and enforcing minimum standards of safety by the HECs in the ICT. Following are the major initiatives carried out to improve healthcare regulation and healthcare standards by the IHRA during FY2023:

- Developed 6 standards for quality healthcare services along with a digital map of all health care facilities of the ICT
- Carried out registration of 1388 HECs of the ICT out of a total of 1487 and inspected 1638 HECs
- Launched online Compliant Management System (CMS) and implemented online module for registration of the HECs

xi. Pakistan Floods 2022 – Post Disaster Need Assessment for the Health Sector

The 2022 floods damaged 13 percent of the health facilities resulting into disruption of health service delivery from the community level to primary healthcare (Rural Health Centres and Basic Health Units) through the secondary level (District Headquarters, Tehsil Headquarters, and Civil Hospitals). More than one-fifth of the facilities were completely damaged.

The government is committed to restore essential service delivery and critical public health functions, particularly disease outbreak surveillance in affected districts in order to minimize the impact of the disaster. For the medium to long term, there is a need to build resilient health systems and infrastructure to enhance response readiness to the crises like infectious disease outbreaks and natural hazards, while also maintaining core functions of the health systems. Recovery and reconstruction costs, including immediate additional needs, are estimated at Rs 40,294 million (US\$187.6 million). The estimations cover damages to the infrastructure, equipment, furniture and vehicles, with 20 percent added for resilience, Disaster Risk Reduction (DRR) and Build Back Better (BBB) and 10 percent for the inflation.

In order to provide relief assistance to the flood affectees, National Disaster Management Authority (NDMA) initiated extensive assistance plan including dispatch of rescue and medical terms and food and non-food relief goods in the affected areas based on the need assessment. During first three quarters of FY2023, the NDMA supplied 2,044,104 mosquito nets, 7300 hygiene kits, 126,200 food packs, 18,860 first aid kits, and 350 life-saving jackets among other supplies to various provinces of the country in an effort to provide humanitarian assistance to the flood affectees. Besides NDMA's efforts, international relief to various provinces included provision of 27,090 hygiene kits, 239.4 tonne of food ration, and 39.97 tonne of medicine.

xii. Narcotics Control and Drug Rehabilitation Efforts

Pakistan's counter narcotics efforts mainly revolve around three main strategy pillars as per Anti-Narcotics Policy, 2019 which include (i) Drug Supply Reduction, (ii) Drug Demand Reduction and (iii) International cooperation. These efforts are not only focused on law enforcement for drug supply reduction but also reducing the domestic demand for drugs.

The Anti-Narcotics Force (ANF) conducted various awareness lectures, seminars and workshops to disseminate awareness on drug abuse and its hazards. The main focus has been on strengthening Law Enforcement Agencies (LEAs) at the federal, provincial and district levels to combat drug trafficking and to reduce flow of drugs in Pakistan. The capacity of the LEAs all over Pakistan and particularly in the provinces of Khyber Pakhtunkhwa and Balochistan is being improved so that they could effectively assist in disrupting illegal drug trafficking, money laundering and seizing drug generated assets. In an effort to disrupt drug supply chain, the ANF froze assets in various drug cases to the tune of Rs 2,984.3 million during current fiscal year. Additionally, the ANF processed 845 seizure cases and made 808 arrests against those cases. The total amount of drug seizures during this period was 79.762 Metric Ton. The enforcement and punishment mechanism of the ANF has also been very efficient with conviction rate of 84 percent between July-March of FY2023.

In order to provide treatment to the addicts, establishment of rehabilitation facilities has also been a priority area. In this regard, construction of Model Addiction Treatment & Rehabilitation Centre (MATRC) is under progress in Islamabad with an estimated cost of Rs 456.4 million and is expected to complete at the end of year 2023. During July-March of current fiscal year, a total of 1393 addiction treatments were carried out at various treatment centres.

The ANF also conducted various international conferences, trainings and meetings to extend cooperation to the international agencies in anti-narcotics operations. In an effort to provide

assistance to different countries of the Europe and the Middle East, the ANF conducted 204 drug related inquiries. The ANF also executed various intelligence-led coordinated operations abroad (Australia, Iran, Gulf of Oman, Yemen, Maldives and Sri Lanka) showing excellent performance with significant seizures and arrests.

Efforts of the provincial governments in improving healthcare services during FY2023

The provincial governments have taken various steps for improving healthcare services with a focus on achieving universal health coverage financed through respective Annual Development Programmes (ADP) during FY2023. The provincial government's healthcare initiatives for the ongoing year are summarized below:

i. Punjab

The development budget for Primary and Secondary Healthcare Department (P&SHD) for FY2023 was Rs 15,800 million. The capital development budget for the P&SHD was reduced to Rs 5,000 million, 50 percent lesser than earlier year's budgetary allocation. The development budget allocation for Specialized Healthcare and Medical Education Department (SH&MED) was Rs 146,700 million and the capital development allocation for different sub-sectors of the SH&MED was Rs 9,800 million, 3 percent lesser than previous year's allocation. Moreover, the budgetary allocation for Universal Health Coverage (UHC) under Universal Health Insurance Program was Rs 125,300 million. The allocation for development schemes for tertiary healthcare hospitals was reduced to Rs 918.6 million from previous year's allocation of Rs 6,300 million.

ii. Sindh

During FY2023, Rs 23,300 million was allocated for the health sector schemes which is 6.5 percent of the total size of the development budget. To address the problem of communicable and non-communicable diseases, Government of Sindh has made significant investment on preventive care; established new primary healthcare facilities; strengthened community networking for nutrition specific

services; and upgraded teaching hospitals and district and taluka hospitals. Moreover, with an objective to improve service delivery at the provincial healthcare facilities on the basis of performance-based management and operation, the government outsourced 1,197 health facilities.

Furthermore, in order to ensure effectiveness and efficiency in the implementation of plans/ programs with a holistic approach, two initiatives were undertaken with the assistance of World Bank, JICA and Korea. These initiatives were aimed at addressing inequity in provision of services and reviving chain of referral system leading from primary healthcare services to secondary and onward to tertiary healthcare. Also, in order to strengthen the continuum of care under 1,000 Days strategy, ‘Sindh Human Capital Project for Integrated Health and Population Program’ was developed. This initiative, with the help of World Bank’s credit facility, aimed at developing continuum of care for provision of reproductive, maternal, newborn and child health and nutrition, and family planning services leveraging past and current initiatives for the expansion of services to mothers and children in the first 1,000 days right from conception by strengthening linkages among service providers and citizens.

Additionally, World Bank has helped Sindh Health Support Program for implementation of Essential Package under Universal Health Coverage (UHC). Another initiative undertaken by the provincial government, financed through Korean soft loan, was establishment of Child Health Care Institute, Sukkur.

iii. Khyber Pakhtunkhwa

The Government of Khyber Pakhtunkhwa has financed 102 schemes with a budgetary allocation of Rs 17,000 million for the health sector during FY2023. The provincial government has further allocated Rs 64,000 million as an investment to improve basic services, Rs 80,000 million to improve services in category-C hospitals, and Rs 39,000 million for medical education, which is 35 percent more than previous financial year in the same sub-sector.

iv. Balochistan

The Government of Balochistan earmarked 211 schemes in the Annual Development Programme 2022-23 to the tune of Rs 56,000 million, out of which Rs 12,000 million has been allocated for the health sector. Out of this health sector allocation, Rs 5,600 million has been specified for curative healthcare services. The government launched Health Card Program to provide health insurance coverage to entire population of the province. The Balochistan Healthcare Commission has also been established to regulate the health care service delivery.

In addition, cardiac surgeries have been initiated in the Sandman Provincial Hospital, Quetta. The procurement process of the medicine has been decentralized to ensure efficiency. Also, 15 teaching hospitals have been established at the DHQ level. The Public Private Partnership (PPP) model has been formalized with the Indus Hospital to establish and functionalize Baluchistan’s first Paediatric Oncology Unit at Sheikh Khalifa Bin Zayed Al-Nayhan Hospital, Quetta. Moreover, specialized institutes for cardiology, child health services, and chest diseases have been established in the province. Moreover, in order to strengthen disease surveillance system in the province, surveillance officers have been posted in all districts.

v. Azad Jammu and Kashmir

The overall status of health in the AJK is relatively promising especially in terms of health infrastructure with regards to total population of the territory. There are 3 medical colleges along with attached tertiary healthcare facilities including 2 CMH, 8 DHQ and 14 THQ level health facilities. However, there is a dearth of health human resource with only 712 nurses and 331 specialist doctors available in the territory. This is more prominent in remote areas/ districts with minimum health support staff. The overall status of health indicators is also better as there is an Infant Mortality Ratio (IMR) of 47/1000 infants and Maternal Mortality Ratio (MMR) of 104/100,000 mothers against national indicators of 62 and 180 respectively.

There was a total health expenditure of over Rs

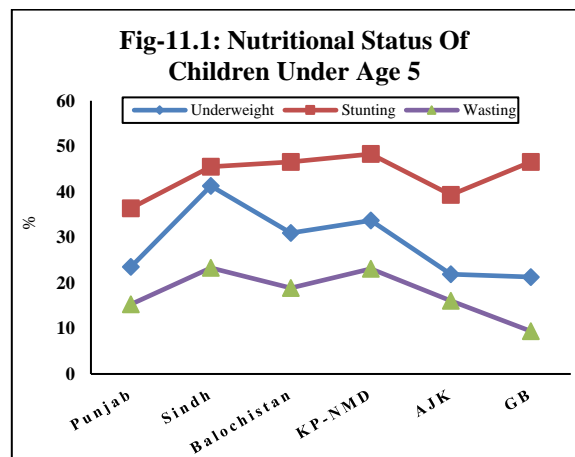
11,487.27 million with development expenditure of over Rs 1,800 million during FY2023. Currently, there are 17 projects which are under implementation at various stages in the health sector. A number of new projects including establishment of a cardiac centre at Bagh and two new THQ hospitals at Kel and Khoiratta, Kotli have also been envisaged as new schemes for the next FY. The universal health insurance has been extended to all population of the AJK under the federal funded Sehat Sahulat Program. A number of developed vertical programmes are also under implementation including EPI, Maternal New-born and Child healthcare (MNCH), Malaria and TB control programs.

vi. Gilgit-Baltistan

The government of Gilgit Baltistan has financed 88 schemes with Rs 4,000 million during FY2023 with an allocation of Rs 1,200 million for the health sector.

Nutrition Profile of Pakistan

Nutrition security, being an essential component of human capital development, has been government's prime objective to achieve economic growth. The formation of human capital begins with the childhood where nutrition lays the foundation for a healthy and productive life. Access to sufficient, safe, and nutritious food; awareness to recognize and utilize a healthy diet; and provision of quality healthcare and social services are all prerequisites for ensuring adequate nutrition. Inadequate nutrition threatens survival of individuals, economies and nations. It stifles economic growth and prolongs poverty through direct and indirect losses, i.e., impaired cognitive function, academic deficits, reduced productivity, and increased healthcare expenditures, etc.³



Despite increased global consideration, malnutrition remains a devastating multi-faceted problem specifically affecting children, adolescents and women of reproductive age. The prevalence of micronutrient deficiencies and disparities across provinces and districts pose a challenge to the country. The nutrition status of under-5 children and nutrition disparities across provinces can be seen from the graph.

Food availability, total amount of food available for human consumption calculated using statistics on food production, imports, and exports, is an important determinant of nutrition status of population. During ongoing fiscal year, per capita availability of cereals has declined in comparison to previous years, whereas the availability of pulses, meat, milk and eggs has increased. Minor changes have been observed in the availability of edible oils/ghee, fruits and vegetables, fish and sugar. Moreover, the availability of calories per capita per day decreased compared to prior years, but remained above the minimum calorie requirements of the general population. Following table depicts annual per capita food availability for last 3 years:

Table 11.5: Food Availability (kg) per Capita per Annum

Food Items	2020-21	2021-22	2022-23 (P)
Cereals	169.6	154.5	145.7
Pulses	7.3	6.0	7.8
Milk (litre)	168.8	170.6	172.3
Meat	22.5	22.5	24
Fish	2.8	2.9	2.8

³ World Bank. Repositioning Nutrition as Central to Development: A Strategy for Large Scale Action.

Table 11.5: Food Availability (kg) per Capita per Annum

Food Items	2020-21	2021-22	2022-23 (P)
Eggs (dozen)	8.0	7.9	8.6
Edible Oil/Ghee	14.8	13.4	13.5
Fruits & Vegetables	60.8	69.9	70
Sugar	28.8	28.4	28.2
Calories/day	2,775.1	2,620.7	2,567.5

P: July-March 2022-23

Source: Ministry of Planning, Development and Special Initiatives (M/o PD&SI)

The food basket represents the minimum basic food commodities in certain quantities that meet an individual's minimum daily energy and protein requirements. From July, 2022 to March, 2023, there was an increase in the cost of food basket per capita per month as computed using Pakistan Bureau of Statistics' Monthly Price Indices data. Overall, the cost of food basket increased by 24 percent during July-March, 2023 of the current fiscal year.

Key Programs/Initiatives for Nutrition Improvement

During FY2023, the government intensified its efforts to address the challenge of malnutrition and mitigate its long-term social and economic consequences by focusing on the most underprivileged and vulnerable population groups. Various programs have been undertaken to provide nutrition services for the wellbeing of these marginalized population groups in the light of Pakistan Vision 2025 and government's commitments to global nutrition targets. The government, with the help of international community, has carried out several rescue and relief activities such as food assistance to the affected population. Nonetheless, there is an urgent need to scale up nutrition interventions aimed at vulnerable groups in order to save lives and ensure nutrition security. The interventions and activities carried out by the government at the federal level during FY2023 to upscale nutrition security are as following:

- The formulation of a Multi-sectoral National Nutrition Policy (MS-NNP) has been initiated with the support of nutrition partners to serve as a guiding document for multi-sectoral nutrition planning and programming in order to substantially reduce the level of malnutrition and to

mainstream nutrition in national socio-economic development plans.

- Early Childhood Development (ECD) Policy framework, index and standards are being finalized. The ECD policy makers' course- "Mapping ECD Entry Points and Potential Intervention" has been organized to deliberate on mainstreaming ECD interventions in government development programs/policies. Moreover, the ECD governance structure has been established at federal and provincial levels.
- In order to initiate a national school meal/nutrition program, a governance structure has been recognized at the federal level in view of the recommendations of the National Consultation on School Meals/Nutrition Program to provide stewardship, coordination and decision-making for initiating school meal program across the country in collaboration with the provinces and other partners.
- A report of the thematic session of the Turnaround Pakistan National Conference "Tackling Malnutrition and Stunting" has been formulated encompassing key policy recommendations on the thematic areas of Early Childhood Development (ECD), Tackling Triple Burden of Malnutrition using multi-sectoral approaches, and School Nutrition/ Meal Programme considering inputs given by relevant stakeholders.
- Rural Poor Stimulus Facility Program "Improving Food Security and Nutrition-Minimizing the Impact of Covid-19 on Livelihoods of Poorest Households in South Punjab" has been executed in Bhakkar, Khushab and Mianwali districts. Under the pilot project, community food banks were

established/strengthened, trainings were imparted and inputs for kitchen gardening and poultry keeping were supplied to promote dietary diversity, improve nutrition, health, and educational outcomes in the targeted districts.

- With the support of Korean Government, “Pak-Korea Nutrition Centre (PKNC)” has been established in Agriculture University Faisalabad to improve child and community nutrition
- The government accentuated Pakistan’s case for climate finance in the United Nations’ Framework of Climate Change Convention (UNFCCC)’s Conference of Parties (COP-27). In pavilion side event “Unlocking Climate Finance for Resilient Food Systems and Nutrition” panel discussion with representatives from scaling-up nutrition countries was held presenting the impact of climate change on local food systems and solutions to unlock climate financing for healthy, sustainable and resilient food systems.
- Nutrition interventions have been executed in Gwadar and Lasbella districts of Balochistan under the Gwadar-Lasbella Livelihoods Support Project Phase-II (GLLSP-II) titled “Improving nutrition and food security through kitchen gardening, advocacy, awareness & capacity building”.
- Consultations with relevant stakeholders have been initiated for the establishment of Multi-sectoral National Nutrition Information Management System intended to act as a single point of access to data on nutrition indicators from all sectors.
- Scaling-Up Nutrition Joint Annual Assessment (JAA), 2022 has been conducted to reflect on the progress made at the national level, to agree on bottlenecks and priorities and to identify possible solutions to advocate for nutrition.
- The Urdu version of Pakistan Dietary Guidelines for Better Nutrition has been reviewed and finalized for dissemination at the national level.

- Report of the Revised “Agro-Ecological Zones based Food Composition Table for Pakistan” has been drafted after validation of data.

Nutrition programs undertaken and committed under Provincial Annual Development Programmes (ADPs) and Nutrition for Growth (N4G) Summit during FY2023

Following are the key nutrition interventions carried out at the provincial level:

i. Punjab

- Integrated Reproductive, Maternal, Neonatal & Child Health and Nutrition Program (IRMNCH & NP) costing Rs 6,706.99 million
- Multi-Sectoral Nutrition Strategy for WASH including Water Supply, Sanitation, Hygiene, Waste Water costing Rs 1,013.1 million
- Awareness Campaign to enhance fish production and per capita fish consumption in Punjab to meet the nutritional requirements of the masses costing Rs 70.163 million
- Stunting Reduction Programme for 11 districts of Southern Punjab costing Rs 8,993 million
- Southern Punjab Poverty Alleviation Project (SPPAP)-IFAD Assisted costing Rs 15,525 million

ii. Khyber Pakhtunkhwa

- Integration of health services delivery with special focus on MNCH, LHW and Nutrition Programme costing Rs 7,027.3 million
- Stunting Prevention through Improved Nutrition and Agriculture Development Initiative costing Rs 1,500 million
- Poverty Alleviation through Development of Rural Poultry in Khyber Pakhtunkhwa costing Rs 643.6 million
- Khyber Pakhtunkhwa Stunting Prevention and Rehabilitation Integrated Nutrition

GAIN (KP SPRING Project) costing Rs 2, 217.9 million

- Nutrition integration in Universal Health Coverage and revision of Provincial Health Policy
- KP Multi-Sectoral Integrated Nutrition Strategy

iii. Sindh

- Accelerated Action Plan (AAP) for Reduction of Stunting and Malnutrition-nutrition specific and sensitive interventions

iv. Baluchistan

- National Maternal New-born & Child Healthcare (MNCH) programme
- Improvement of range lands for food security and livelihoods improvement in Suleiman range, Baluchistan

v. Jammu and Kashmir

- Agro-Ecological based Fruit, Vegetable & Apiculture Development as enterprise costing Rs 78.5 million
- Early Childhood Development Program (ECD) in 300 Middle Schools of the AJ&K (Phase-III) costing Rs 90.10 million
- ECD /ECCE in Middle, High & Higher Secondary Schools costing Rs 163 million

vi. Gilgit Baltistan

- Targeting Blue Revolution towards Food, Nutrition & Livelihood Security through conservation of local Species in the GB costing Rs 80 million
- GB Scaling Up Nutrition Program (SUN) (with collaboration of P&DD) costing Rs 175 million
- Ensuring Food Security and Economic Growth through Extension of Trout Farming

in District Ghizer costing Rs 50 million

- Provision of ECD facilities in existing Government P/S of GB costing Rs 80 million
- Social Health Protection (Phase-II) costing Rs 634 million
- Protection & promotion of breast feeding / child nutrition Act, 2018
- Revision of GB's Integrated Multi-sectoral Nutrition Strategy
- Nutrition integration within National Program for Family Planning & Primary Health Care Gilgit-Baltistan
- Reproductive Maternal, New-born, Child and Adolescent Health & Nutrition
- Improving nutrition status of pregnant and lactating women and under-5 children

Conclusion and Outlook

The government has remained committed to upscale health reforms aimed at ensuring quality and equitable access to healthcare services and improving health and nutrition outcomes of the population. Natural calamities like earthquake, floods and pandemics in the recent past have exposed vulnerabilities of the health systems across the globe. In the wake of these disasters, there has been a strong realization among decision makers to build resilient and sustainable healthcare system by investing in healthcare infrastructure, capacity building of health workforce, strengthening health information systems to ensure evidence-based decision making and use of innovative technology to develop integrated disease surveillance, early warning and emergency response system. Furthermore, the government is determined to accelerate national efforts towards achieving universal health coverage in Pakistan through targeted health sector interventions.



POPULATION, LABOUR FORCE

Population Size
(2022)

229.22
(Million)



Rural: 144.53 million

Urban: 84.69 million

Total Labour Force
(FY2021)

71.76
(Million)



Employed: 67.25 million

Unemployed: 4.51 million

Unemployment Rate: 6.3%

**Workers Regd.
for Employment
Abroad***

829,549
(2022)



**Prime Minister Youth Business &
Agriculture Loan Scheme** (Till Mar 2023)



Disbursement: Rs. 6,965 million

Beneficiaries: 15,502

*: Bureau of Emigration and Overseas Employment

POPULATION, LABOUR FORCE AND EMPLOYMENT

The global human population reached 8.0 billion in mid-November 2022 by adding 1 billion people since 2010 and 2 billion since 1998¹. Rapid population growth makes it more difficult for lower-middle-income countries to afford the increase in public expenditures on a per capita basis that is needed to eradicate poverty, end hunger, malnutrition, and ensure universal access to health care, education and other essential services.

The global outlook for labour markets deteriorated significantly during 2022. Emerging geopolitical tensions, the Russia-Ukraine conflict, uneven recovery from the pandemic and ongoing bottlenecks in supply chains have created the conditions for a stagflationary episode. The global job gap stood at 473 million people in 2022. The global jobs gap is a new measure of the unmet need for employment in the world. It consists of the 205 million unemployed – corresponding to an unemployment rate of 5.8 per cent – and 268 million people who have an unmet need for employment but are out-side the labour force because they do not satisfy the criteria to be considered unemployed. This jobs gap is particularly large for women in developing countries.²

Pakistan is the 5th most populous country in the world. According to the National Institute of Population Studies (NIPS), the estimated population of Pakistan is 229.22 million in 2022 of which 84.69 million reside in urban areas, whereas 144.53 million live in rural areas and the population density is 287.93 per Km². Pakistan's rapidly growing population means ever-

increasing demands for food, schools, health facilities, jobs and infrastructure, and it put pressure on the government for providing these services at an equal pace. The government is trying to overcome the issue of high population growth and fertility rate through different programs like media campaigns, the establishment of Family Welfare Centers (FWCs), Reproductive Health Services Centers (RHSCs), and Mobile Services Units. The detail of population indicators is given below:

Table 12.1: Population Indicators (Million)

Indicators	Population Census 2017	2022
Population	207.68	229.22
Rural Population	132.01	144.53
Urban Population	75.67	84.69
Male Population	106.31	117.11
Female Population	101.34	112.1
Population Density/sq.km	260.88	287.93

Source: PBS, NIPS

The Population and Housing Census is a vital national exercise linked with the provision of data for key policy making matters regarding development programmes, political representation and resource allocation which has far-reaching impact.

After the independence of Pakistan in 1947, the first census took place in 1951. Since 1951, there have been only 6 nationwide censuses (1951, 1961, 1972, 1981, 1998 and 2017).

¹ <https://www.un.org/en/global-issues/population>

² World Employment & Social Outlook (Trends 2023)

Box-I: 7th Population & Housing Census

Council of Common Interests in its 45th Meeting (April, 2021) approved the final results of the 6th Population and Housing Census 2017 and also directed that “The process of next Census should start as early as possible according to international best practices by using the latest technology.”

Accordingly, the Census Advisory Committee (CAC) of renowned demographers & experts was constituted to devise recommendations for the adoption of International best practices by using the latest technology for the conduct of 7th Population and Housing Census.

CCI in its 49th meeting in January, 2022 approved the recommendations of Census Advisory Committee, along with constitution of Census Monitoring Committee to oversee the census activities to ensure an expeditious and credible census operation for the 7th Population and Housing Census.

2. One of the main recommendations of CAC approved by CCI in its 49th meeting was “Stakeholders must be involved from start to end.” For this purpose, PBS conducted four rounds of engagement with provincial administrations, civil society, and academia to inform them about the core objective of the census, the digital system, and about the transparency of data collection and their access to GIS-enabled monitoring of census progress. The provincial government’s representatives remained on board continuously from census planning to field operation.

3. PBS engaged stakeholders/consulting agencies including NADRA, NTC and SUPARCO for the successful conduct of the 1st ever digital census. The major milestones achieved for the conduct of the digital census are given below;

- 495 Census Support Centers (CSCs) were established at Census District level with PBS staff and NADRA technical support staff.
- 121,000 enumerators and supervisors were trained for the census field operation.
- Pilot census was conducted to assess the preparedness of digital system.
- Establishment of a 24/7 call center, UAN 080057544 for complaint management and quality assurance through CATI, and SMS gateway (9727) for complaints and mass messaging.
- Acquisition of 126,000 tablets and their hardening and dispatch to Census Support Centers.
- Development of ERP system (Census software system) comprising of 16 modules.
- Acquisition of the latest imagery of Pakistan from SUPARCO.
- The accesses to the real time monitoring dashboards were provided to Chief Secretaries and 495 ACs/DCs to ensure transparency, credibility and broader involvement of stakeholders.

4. The Digital Census of Pakistan consists of some unique features such as self enumeration through a web Portal which has been implemented first time in the region. Even at world level, so far, only a handful of countries have attempted and succeeded in providing this opportunity to their citizens, which in itself is a great achievement and success for Pakistan. Approximately, 2,600,000 individuals’ data have been submitted through the Self enumeration Portal.

5. The Self enumeration Portal was launched from 20th February to 10th March 2023. The listing process was carried out from 1st March to 10th March, 2023. The field enumeration was commenced from 12th March, 2023 with initial completion date of 4th April, 2023 but the field operation was extended four times pursuant to the CMC decision and on the request of provincial governments till 30th April, 2023. The census field operation has further been extended due to under-enumeration in some districts for two weeks till 15th May, 2023.

Source: PBS

Pakistan has a large labour force that stands among the top 10 largest labour forces in the world. According to Labour Force Survey (LFS) 2020-21 employed Labour force increased to

67.25 million in 2020-21 as compared to 64.03 million in 2018-19. The unemployment rate slightly decreased from 6.9 percent in 2018-19 to 6.3 percent in 2020-21. This shows that 4.51

million people from the labour force could not get job during the same period. The working age population between the age of (15-24) and (25-34) is 41.77 million and 31.28 million respectively. Moreover, LFS for 2021-22 did not

take place due to the engagement of Pakistan Bureau of Statistics with the 7th Population & Housing Census. Latest labour force indicators are presented in Table 12.2

Table 12.2: Labour force and Employment Indicators (Million)

Indicators	2017-18	2018-19	2020-21
Labour Force	65.5	68.75	71.76
Employed Labour Force	61.71	64.03	67.25
Unemployed	3.79	4.71	4.51
Unemployment rate (%)	5.8	6.9	6.3

Source: Pakistan Bureau of Statistics

Pakistan is a country with young population thus, there is a need to create enough employment opportunities to absorb the growing labour force, especially the educated youth. The government is cognizant to create an enabling environment for businesses and industries to enhance the employability of youth.

Initiatives for Employment Generation

Around two-third of the country's population consists of young people who need to be empowered through education and skills so that they can contribute to the socio-economic development of the country. Pakistan will cater the youth bulge till 2050 and it is essential to utilize their abilities so that they can perform for the country's economic growth. The government has taken following initiatives to enhance the skill development and employment opportunities:

- i. National Innovation Award:** The National Innovation Award is an opportunity for young entrepreneurs to present their innovative ideas related to 8 thematic areas with a specific focus on Eco-Innovation. The teams and ideas selected through regional and national competitions will be engaged with the private sector and startup industry. The selected teams and ideas will also get scholarships and training. This competition will help in promoting startup culture and generating sustainable and green jobs.
- ii. Prime Minister's Ba-Ikhtiyar Naujawan Internship Program** worth Rs 4828.05 million is Pakistan's largest internship program aimed at the economic

empowerment of youth. This internship will help in addressing the critical entry barriers to the market and enhance employability. Under the program, 40,000 youth will be offered paid internships of Rs 25000/- per month for a period of 6 months.

- iii. Prime Minister Youth Business & Agriculture Loan Scheme:** This scheme will promote entrepreneurship among youth by providing business loans on simple terms and with less mark-up through 15 Commercial, Islamic and SME banks. This program offers a special 25 percent quota reserved for women. Micro-financing through small business loans will promote a norm of job creation rather than job seeking among the country's youth bulge. The addition of agricultural loans will help the rural youth in bringing innovation to farming. Under this programme the government has disbursed Rs 6,965 million till March, 2023 to 15,502 beneficiaries for business and for the first time for agriculture purposes.
- iv. Establishment of Excellence Hubs in the Field of Renewable Energy:** This project envisages the establishment of state-of-the-art excellence hubs in the field of Renewable Energy in Government Colleges of Technology in Lahore, Taxila, Peshawar and Swat. After completion, the youth will be trained in "Photovoltaic (PV) Installer, PV solar technician and other renewable energy related trades.
- v. Improving Workforce Readiness in Punjab Project (IWRPP):** The estimated

cost of \$ 110.00 million including \$100.00 million loan from the Asian Development Bank. The major scope of the project involves; establishment of a center of excellences in 20 TVET institutes of Punjab, training programs in priority and forward looking skills areas with a focus on entrepreneurship and work based training, improved TVET Sector Institutional framework through Punjab Skills Development Authority (PSDA) & Punjab Skills Testing Agency (PSTA) for TVET policy research and TVET Management Information System & Labor Market Information System.

Skill Development

To materialize the commitments made under Pakistan Vision -2025 and SDGs, following major interventions and special initiatives have been taken at federal level. Further, a 25 percent quota is specified for women under following schemes.

- i. Introducing Matric-TECH Pathways for Integrating Technical & Vocational Education & Training & Formal Education at an estimated cost of Rs 315.00 million
- ii. “Establishment of Polytechnic Institute for Boys at Skardu” at an estimated cost of Rs 601.90 million
- iii. “Prime Minister’s Hunarmand Skill for ALL Program” at an estimated cost of Rs 9880.00 million.

Following major physical progress/ achievement have been made through above- mentioned interventions;

- i. Successfully piloted Matric-TECH project in 15 formal education schools (7 ICT, 4 AJK and 4 GB). Under this project, 27 TVET instructors were hired and 08 TVET qualifications have been developed. Students are being trained in following trades / disciplines: Hi-Tech and conventional technologies (Data Coding, Web and Graphic designing & Video Production, Garments Manufacturing, Industrial Electrician, Plumber, Hospitality and Beauty Services. These courses are

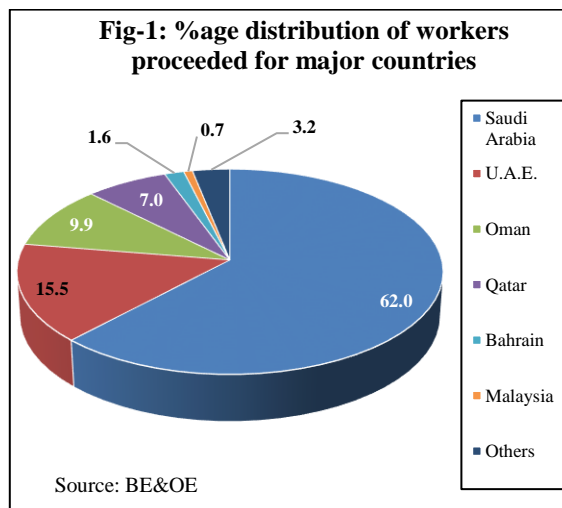
launched as an alternative third stream of career-education at secondary level in 9th & 10th standard.

- ii. Completed 70 percent construction/civil work of “Polytechnic Institute for Boys at Skardu” The institute will be operational in next year.
- iii. Trained 128,866 youth (75,268 in High-Tech/Digital IT and 53,598 in Conventional trades) as certified skilled professionals under “Skill for All” Program out of which 71 percent are employed. Almost 13000 trained and certified youth have secured overseas employment. Moreover, 141 Transgender have also been trained.
- iv. NAVTTC initiated TAKAMOL - NAVTTC Skill Verification Program (SVP) for joint certification and testing “Skills Verification Program” (SVP), which is being carried out for Pakistani skilled youth who are intended to get employment opportunities in Saudi Arabia. In this regard, over 57,989 people have been trained in the 23 skill trades, as per the demand of Saudi Arabia. In addition, Takamol- NAVTTC Online Automated Web Portal has been operationalized; the qualifications for these trades have been developed; Test Assessment centers are operational;2500 youth tested/certified and got employment in Saudi Arabia.
- v. Established 05 Sector Specific Centers of Excellence with the collaboration of EU/GIZ (01 in each province).
- vi. Formally certified 46,275 Youth under RPL.
- vii. Completed 2100 Apprenticeship training in 70 Industries and Enterprises.
- viii. Established and operationalized NEXT skilled workforce & Job portal i.e.jobs.gov.pk, with data of 458,071 skilled youth with 681,538 Jobs posted from 1071 employers.
- ix. Upgraded/equipped 500 technical and vocational training institutes with the latest IT gadgets/facilities and established 50 smart labs through latest training equipment provided under in CPEC framework.

Overseas Employment

More than 12.4 million Pakistanis have proceeded abroad for employment in over 50 countries through official procedures as of December 2022. More than 96 percent of Pakistani registered workers for overseas employment are in Gulf Cooperation Council countries especially Saudi Arabia and the United Arab Emirates. They are contributing to the development of Pakistan’s economy by sending remittances, which is the major source of foreign exchange after exports. Due to the normalization of post COVID-19 pandemic and ease in visa restrictions, an increasing trend was observed in terms of emigrants registered during 2022 including GCC countries.

According to the Bureau of Emigration and Overseas Employment (BE&OE) in 2022 more than 62 percent (514,725) of Pakistanis workers moved to Saudi Arabia followed by UAE (15.5 percent) for earning their livelihood. Oman provided jobs to 82,380 (9.9 percent) and Qatar accommodated 57,984 (7.0 percent) Pakistani workers of different occupations. The Bahrain and Malaysia welcomed 13652 (1.6 percent) workers, and 6175 (0.7 percent) workers, respectively.



The massive development projects in various GCC countries under Vision 2030 created various opportunities for Pakistanis, which are likely to continue in the next few years.

During 2022, BE&OE registered 829,549 workers for overseas employment. Overall increasing trend was observed in terms of emigrants registered in 2022 as compared to 2021. Province-wise distribution of workers registered during 2018-2022 is reflected in Table 12.3.

Table 12.3: Province Wise Pakistani Workers Registered for Overseas Employment During the period (2018-2022)

Year	Federal	Punjab	Sindh	Khyber Pakhtun-Khwa	Baloc-histan	Azad Kashmir	N/Areas	Tribal Area	Total
2018	2471	185,902	41,551	88,361	2,930	33,028	2,760	25,436	382,439
2019	4295	312,439	57,171	186,176	5,103	30,151	2,554	27,314	625,203
2020	1814	118,818	16,950	68,299	1,869	7,685	244	9026	224,705
2021	2275	156,877	21121	76213	2470	10671	989	16032	286,648
2022	6535	458,241	59,067	224,889	8,013	29,496	1,156	42,152	829,549

Source: BE&OE

It is evident from Table 12.3 that during 2022, workers who proceeded abroad were highest from Punjab (458, 241), followed by Khyber Pakhtunkhwa (224,88) and Sindh (59,067).

The Ministry of OP&HRD / BE&OE has taken the following steps to boost the manpower export and to ensure safe, orderly and regular emigration;

- MoOP&HRD has signed bilateral agreements/MoUs with destination countries. In this regard, a bilateral Agreement/MoU on Manpower Export was signed with Azerbaijan in 2022. BE&OE is actively pursuing the matter of signing the Bilateral MoUs on Manpower Export with other potential countries too.
- MoOP&HRD / BE&OE is actively working

to explore job opportunities for Pakistani workers in non-traditional countries. In this regard, a comprehensive diversification strategy has been developed for top five priority countries i.e. Saudi Arabia, UAE, Malaysia, Qatar & Oman along with other five potential/non-traditional countries such as Kuwait, South Korea, Japan, Germany and China to promote the export of manpower to these countries.

- Collection of registration fee, welfare fund & insurance premium on a single deposit slip and provide emigrants one window facility. The desks are operational at all Protectorate Offices.
- BE&OE created linkages between OEC and NAVTTC for matching of available jobs at BE&OE official website and data of the trained job seekers maintained by NAVTTC.
- Awareness campaigns to guide intending emigrants through print, electronic and social media, radio, website, Facebook page, Twitter, and short messages mobile cellular companies.
- Campaign against illegal Overseas Job Advertisements in close coordination with newspapers, FIA, PTA and other relevant departments. Moreover, in order to tighten enforcement and zero tolerance policy with respect to emigrants' complaints, licenses of Overseas Employment Promoter are suspended if found victim of breaking/violating the Emigration Ordinance/Rules 1979. In this regard, 04 OEP licenses were suspended during the period of July to December 2022.
- To increase the manpower export from Pakistan, 112 new licenses were issued to the Overseas Employment Promoters (OEPs) during the period July 2022 to December 2022. Total 2243 valid license holder OEPs are currently operational.
- BE&OE established a proper mechanism for redressal of complaints received through email, website, Facebook page, CWAs or Protectorate of Emigrants etc.
- Bureau ensured payment of an amount of Rs 312.55 million as death/disability compensation during the period July 2022 to

December 2022.

- BE&OE started registration of foreign employers on its website so that the intending emigrants may be hired either directly or through OEPs by registered Employers depending upon their requirements.
- National Emigration and Welfare Policy for overseas Pakistanis has been developed and is in the final stages of approval.

Women Empowerment

Pakistan has affirmed its commitment to Sustainable Development Goals. The SDG-5, is associated with gender empowerment and equality as the major goal, especially due to the cross cutting nature of gender inclusivity, vital for each goal. Numerous initiatives have been launched and laws have been introduced to ensure gender empowerment and equality over the years. However, the elimination of gender-based violence and discrimination in the country requires concerted efforts.

Ministry of Planning Development & Special Initiatives has launched Citizen's Guide to Prevent Gender Based Violence (GBV) under Gender Unit to mark the International Women's Day. A gender unit is established in the Ministry so that development projects can be considered and reviewed from the gender perspective as well. The government reserved 50 percent scholarships programs for women. Similarly, the government is also starting an Innovation Fund program, through which women entrepreneurs will be encouraged and provided funds to run their businesses so that they can become role models for other women. Reaching the targets of SDG5 will not only lead to achieving gender equality, but it will also affect SDG 1 (no poverty) and SDG 2 (zero hunger). In the long-term, it will also help achieve SDG 10 (reduced inequalities) and even SDG 16 (peace, justice and strong institutions).

Impact of Floods on Gender

The 2022 floods affected 1.6 million women of reproductive age, with nearly 130,000 pregnant women need urgent health services having limited or no access to basic health services. The

floods also created educational and socioeconomic vulnerabilities for the public especially school going girls and employed females

Vulnerable groups such as women, children, and persons with disabilities have been affected by the floods. Women in particular have suffered notable losses to their livelihoods owing to their association with agriculture and livestock sector, creating a negative impact on their economic empowerment and wellbeing.

The floods have increased women’s vulnerability in terms of gender-based violence (GBV) due to aggravated household tensions, harassment, and abuse related to displacement and lack of secure infrastructure. Rates of early and forced marriages often increase in the wake of crises and economic security. The United Nations Population Fund estimates that 640,000 adolescent girls during the current crisis are vulnerable and at increased risk of coercions,

GBV, and child marriage.

Global Gender Gap Report 2022

According to Global Gender Gap Report 2022, Pakistan ranked 145 out of 146 countries on the Global Gender Gap Index of the World Economic Forum (WEF). Pakistan has an index score of 0.564 which makes Pakistan’s ranking better than Afghanistan in South Asia. The dimensions used by WEF include economic participation and opportunity, educational attainment, political empowerment, and health and survival. Pakistan ranked 143rd in health and survival, 145th in economic participation and opportunity, 135th in educational attainment, and 95th in political empowerment indices.

Pakistan’s rankings improved in all categories as compared to 2021. Pakistan registered significant improvement across three sub-indices, with the highest positive variation in Economic Participation and Opportunity.

Table 12.4: Global Gender Gap Index Indicators

Indicators/Index	2021		2022	
	Ranking	Score	Ranking	Score
Global Gender Gap Index	153	0.556	145	0.564
Economic Participation and Opportunity	152	0.316	145	0.331
Educational Attainment	144	0.811	135	0.825
Health and Survival	153	0.944	143	0.944
Political Empowerment	98	0.154	95	0.156

Source: World Economic Forum, Global Gender Gap Report 2021 and 2022

In terms of head of state, Pakistan’s ranking is relatively better and is at 31st place, however overall Pakistan stands at 95th position in the **Political Empowerment Index**. This is mainly because women’s representation in parliament and ministerial positions is very low. Although no country has yet achieved full gender parity, the top 10 economies have closed at least 80 percent of their gender gaps.

Initiatives taken by the Government in FY2023

A gender unit was established in the MoPD&SPI so that development projects can be considered and reviewed with the gender perspective as well. Ministry of Human Rights has complemented the human rights agenda through development projects. These projects have been

developed to strengthen the institutional capacity of MoHR as well as to bring greater awareness on human rights to promote and protect the rights of women particularly for inclusive education, training and rehabilitation services. The details of the ongoing projects are as follows:

- The National Mechanism for Reporting and Follow-up (NMRF) has been instituted in MoHR. It is an institutional arrangement that enables countries to measure and evaluate progress towards the achievement of the SDGs.
- It serves as a platform for dialogue among stakeholders on SDG targets and indicators, and provides guidance on how to collect, report, and use data to inform decision-

making.

- The NMRF also ensures that governments have the capacity to monitor and assess progress and identify gaps in implementation.
- The mechanism is a multi-stakeholder platform to facilitate dialogue and exchange of information between government, civil society, private sector, academia and other stakeholders on gender equality and women empowerment.
- The Human Rights Information Management System (HRIMS) is a comprehensive platform developed by MoHR to collect, store and analyze data related to human rights. It provides users with an integrated view of the human rights landscape, enabling them to quickly identify, analyze, and respond to human rights issues. HRIMS also supports the implementation of the SDGs and promote gender equality and women's empowerment.
- HRIMS can be used to track and monitor the progress of goals related to gender equality and women's empowerment. This data can be used to identify specific areas where change is needed and to measure the impact of initiatives aimed at promoting gender equality and women's empowerment.
- HRIMS can also be used to identify and address gaps in access to services for women and girls. Data collected through HRIMS can be used to assess the availability, quality, and affordability of health and education services for women and girls, as well as to identify and address any barriers to access.
- Finally, HRIMS can be used to support the collection and analysis of data on the economic and social participation of women and girls. This data can be used to inform the development of gender-sensitive economic and social policies and programs that promote gender equality and women's empowerment.
- The Shanghai Cooperation Organization's (SCO) Women Forum provides an

opportunity to discuss the most pressing issues of ensuring gender equality to promote the interaction of SCO countries in the development and implementation of effective measures in the field of gender equality, empowering women, stimulating their role in the implementation of SDGs.

- Planning Commission, Federal Investigation Agency and HEC organized awareness seminars on "Empowering women to fight against Cyber Bullying and Harassment" from 25th Nov- 10th Dec 2022 at different universities of Islamabad and Rawalpindi. The main purpose of these seminars was to establish connection and trust between the state and the youth and raise awareness against cyber laws, cyber harassment and interventions that can be taken to counter it.
- Participation in the first International Congress of Influential Women and Commemoration of Women's Week and Mothers' Day from 20th January 2023 in Tehran, Iran. The purpose of this conference was to work together and exchange experiences in the field of intellectual and cultural foundations of the countries regarding women.

Major Measures Regarding Population

Federal Task Force on Population: Federal Task Force on Population exercises its jurisdiction for family planning and population. The forum re-affirmed its commitment to right based family planning where parents are sole decision makers regarding size of their family. Also, the narrative of balance (Tawazun) is adopted by the Federal Task Force, in consultation with all four provinces and AJK as well as GB, to sensitize the masses regarding resources and consumption.

Population Thematic Session for Turnaround Pakistan Conference: The Turnaround Pakistan Conference was organized on 28th June 2022 to discuss the key structural issues of reforming the population sector with a very wide range of stakeholders like political parties, federal and provincial governments, academia and independent think tanks etc.

PSDP Allocation on Population Programmes:

Ministry of National Health Services Regulations & Coordination is pursuing “Implementation of National Action Plan (NAP) on Population (2021-26)” amounting Rs 1998.820 million. An amount of Rs 217.500 million was utilized for programmed activities of the project in 2021-22. The allocation for the said project during 2022-23 is Rs 250 million for current activities. The NAP spells out the actions required to implement each of the CCI recommendation with timelines, budget, and output /impact indicators as evidence of the implementation.

Outlook/Conclusion

Rapid population growth has become a global issue with serious effects on developing countries in terms of depletion of natural resources and heavy pressure on civic facilities. Pakistan is also one of those countries where available resources are under acute pressure due to increased demand as a result of an ever-increasing population. The government is committed to provide a conducive and enabling environment to the country’s youth so that they can be empowered and perform for the country’s socio-economic growth. The labor force of

Pakistan is increasing at a rapid pace and the government is getting the maximum benefit of increased labor force by equipping them with technical and educational skills and making them more productive. The outcome of these efforts can be seen in terms of increased employment both at the national and international level. To further reap the benefit for young population, the government has launched different programmes under the umbrella of “Prime Minister's Youth Development Programme” for improving employment opportunities for youth. These programmes are expected to promote the norm of job creation rather than job seeking in youth and also will increase the chances of better employment opportunities not only in the domestic market but also in the international market.

Over the medium term it is expected that employment opportunities will increase in line with higher GDP growth and improvement in global economic environment particularly in the countries with which Pakistan is integrated economically. Furthermore, the realization to have a rationalized family size in line with the available resources will also help to limit the population growth in the coming years.



TRANSPORT AND COMMUNICATIONS

NHA's Network Length	14,480 (Km)	
Pak Railways Passenger Traffic	22.5* (Mn Passengers)	
Pak Railways Freight Traffic	4,270* Tonne Km (million)	
PNSC Group's Profit after Tax	23,956* (Rs. million)	
Cargo Handling at Ports**	63,458* (Mn Tonne)	
Pakistan Post's Network	10,293 (Number)	
PBC's Broadcasting Network	80 (Units)	

* : July-March FY2023

** : Karachi Port, Port Qasim, Gwadar Port

TRANSPORT AND COMMUNICATIONS

Introduction

Transport and communication sectors play a pivotal role in growth of the services sector and overall economy of a country. Considering that well-developed infrastructure facilitates domestic commerce and international trade, there has been enhanced focus on investment in these sectors. For this very reason, modernization of infrastructure and regional connectivity has been priority area of the government as envisaged in the Pakistan Vision 2025. The government has not only focused on increasing bilateral and multi-lateral cooperation in this area but also a significant part of development portfolio is earmarked every year for investment in the sector.

World Bank's Logistics Performance Index (LPI) 2018, a measure of country's ease to move goods with speed and reliability, ranks Pakistan at 122nd position amongst 160 countries with other regional countries i.e. India and Bangladesh occupying 44th and 100th position respectively. This shows that the country needs to upgrade its efforts to improve its logistics services, transport and trade related infrastructure. Recent floods and ensuing damages to the transport and communication

facilities have posed additional challenge and have created an urgency to establish reliable and resilient infrastructure.

Laying emphasis on the significance of developing efficient transport and communication systems and highlighting government's efforts in realization of this pursuit, subsequent sections of the chapter give an overview of country's air, road, rail, maritime, postal, and broadcasting networks along with government's interventions in this regard.

Transport sector

1. Air Transportation

The public sector passenger and freight transport service via air route is delivered by Pakistan International Airlines (PIA). The national flag carrier, with a total fleet of 35 air planes, earned an operating revenue of Rs. 172,038 million during calendar year, 2022 which increased by 99.6% as compared to previous calendar year. Similarly, operating expenditure during this period increased by 81.2% from Rs. 101,212 million during previous year recording a loss of Rs. 11,307 million. The following table summarizes performance of the PIA during last five years:

Table 13.1: PIAC Performance

Indicators	2018	2019	2020	2021	2022
PIAC Fleet (No. of Planes)	32	32	30	30	35
Route (Km)	332,303	389,725	778,609	374,054	341,821
Available Seat (Million Km)	18,081	18,372	8,902	7,682	13,075
Passenger Load Factor (Percent)	77.3	81.3	74.5	66.9	80.3
Revenue Flown (000 Km)	70,089	70,515	38,114	34,544	53,811
Revenue Hours Flown (Hours)	110,050	110,640	58,519	55,710	84,742
Revenue Passengers Carried (000 nos.)	5,203	5,290	2,541	2,657	4,281
Revenue Passengers (Million Km)	13,975	14,938	6,629	5,138	10,497
Revenue Load Factor (Percent)	58.4	58.6	51.3	53.7	58.0
Operating Revenue (Rs. million-unaudited)	100,051	146,097	94,683	86,185	172,038
Operating Expenses (Rs. million –unaudited)	170,447	160,037	102,912	101,212	183,345

*PIAC's financial year is based on calendar year

Source: Pakistan International Airlines

In order to meet growing demand for domestic and regional air travel and to ensure safe and reliable travel, the PIA has expanded its narrow body aircraft fleet by acquiring Four (04) Airbus A320 aircrafts on dry lease during year 2022. The A320 is a state-of-the-art aircraft, equipped with the latest technology and amenities to ensure a comfortable and enjoyable flying experience. In addition to this, the PIA currently owns 14 narrow body aircraft fleet.

Moreover, to enhance quality of crew training, the PIA has acquired an A320 Full Flight Simulator (FFS), Reality 7 from L3Harris, UK's aerospace and defense company. The simulator is installed at the PIA training center, Karachi. This advanced simulator is a significant addition to the PIA's crew training program as it allows pilots to experience a wide range of simulated scenarios and situations that they may encounter during actual flights. With this new simulator, the PIA's crew training will be more comprehensive and effective ensuring that pilots are equipped with the knowledge and skills required to operate the Airbus A320 aircraft safely and efficiently. This will also help reduce the cost and time required by providing a realistic and interactive simulation environment. In addition to enhancing PIA's own crew training program, it has also opened up new revenue streams for the airline as PIA is now providing training services to other domestic airlines as well. Through this A320 inland training facility, not only PIA but other domestic airlines are benefitting and saving hefty amount on training which was earlier being spent abroad. Furthermore, in order to ensure that safety standards are in place, Safety Management System has been implemented in the PIA to report and manage all safety related issues as recommended by the international auditors of the aviation industry. In order to improve service standard and ensure passenger comfort, procurement of different types of Ground Support Equipment (GSE) through open bidding process is under process. Also, the PIA Data Center at Karachi has been upgraded to a smart Tier-3 compliant data center, an industry practice which is being followed by all the major airlines globally. Similarly, to enhance the e-commerce based sales and to capitalize on online

selling market, payment gateway integration was successfully tested.

In an effort to rationalize manpower, cabin crew strength has been brought down from almost 1,500 in 2019 to 1,018 in 2022. The number of regular employees were reduced from 14,500 to 8,029 in the year 2022 bringing per aircraft ratio from 550 to 250. Furthermore, ghost employees and employees with fake degrees were terminated.

In addition to above initiatives aimed at increasing airline's profitability and returns on the national asset, the state airliner is committed to undertake other steps such as implementation of business plan, financial restructuring of its balance sheet, focusing on cargo revenue, mounting flights on productive routes, and revamping old aircraft seats, etc.

2. Road Transportation

Transport sector and road infrastructure have an enduring effect on a country's economic prosperity. National Highway Authority (NHA) has played a vital role in accelerating socio-economic development via reliable and sustainable road infrastructure and through regional and international connectivity via communication and related services. Presently, the NHA network comprises of 48 national highways, motorways and strategic roads with a total length of 14,480 km.

The NHA portfolio in the development budget i.e. PSDP 2022-23 consisted of 115 projects with a budgetary allocation of Rs. 118,403.40 million. This portfolio is comprised of 64 on-going projects, 46 new schemes, and 5 BOT (Built-Operate-Transfer) Schemes with a budgetary allocation of Rs. 86,288.28 million, Rs. 24,045.121 million, and Rs. 8,070.00 million respectively. In addition to this, PC-I of 6 projects with a total estimated cost of Rs. 177,155.40 million, adding 715.2 km to the road network, have been approved by various project approval forums i.e. ECNEC/CDWP/DDWP during July-March FY2023. Also, PC-I of 23 projects having total estimated cost of Rs. 202,265.27 million have been processed by the NHA during this period for approval of ECNEC/CDWP/DDWP forums. Moreover, PC-II (Feasibility Study) of 5 projects were

approved by the DDWP during period under consideration.

Transport Infrastructure under China Pakistan Economic Corridor (CPEC)

Realizing the importance of modern transportation infrastructure, China Pakistan Economic Corridor (CPEC) offers Pakistan a unique opportunity to integrate with the regional markets. In the transport infrastructure sector, remarkable progress has been achieved so far. On the Eastern Alignment (roadway projects located in Sindh and Punjab), the ground breaking of Sukkar-Hyderabad (M-6) section of the motorway was done in December, 2022. On the Western Alignment (projects located in Northwestern Punjab, KP, and Baluchistan), the ground breaking of D.I.Khan- Sagu section of N-50 was also done during same period.

Moreover, the construction work on 298 km Zhob to Kuchlak road project is in progress. Also, other projects such as Khuzdar-Basima (110 km), Nokundi-Mashkhel (103 km), and Hoshab-Awaran M8 (146 km) are under implementation and expected to be completed as per timelines. Furthermore, Sagu-Zhob Project N-50 is under discussion with the Chinese side and is expected to be started soon.

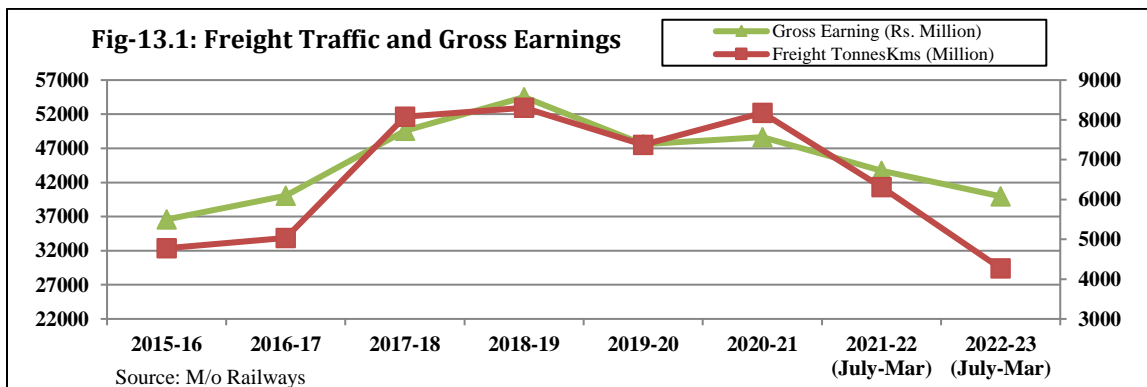
Due to the construction of Dasu & Bahsha dams, the existing Karakoram Highway (KKH) alignment will be submerged, therefore, a G2G Joint Technical Working Group (JTWG) was notified to conduct the feasibility for realignment of Thakot - Raikot section of the

KKH, which has been conducted and agreed by the both sides. Moreover, the concessional financing agreement for landmark ML-1 project is expected to be finalized soon, and subsequently, arrangement will be made for ground-breaking of the project. In addition to this, the framework agreement of Karachi Circular Railway (KCR) has been shared with the Chinese side to take up the project under CPEC framework. Lastly, the feasibility studies of the following new projects have been proposed to be considered under the CPEC framework in the forthcoming Joint Working Group meeting of transport infrastructure:

- Mirpur-Muzaffarabad-Mansehra (MMM)
- M-9 Motorway
- Babusar Tunnel

3. Rail Transportation

The freight and passenger traffic through rail network is provided by Pakistan Railways. The rail transport network of Pakistan Railways with 461 locomotives has a route length of 7,791 km and plays an important role in national integration and economic growth. During July-March of the ongoing fiscal year, passenger and freight traffic was 22.5 million and 4,270 million km respectively. During same period, gross earnings of Rs. 39,950.00 million were recorded as compared to Rs. 43,731.59 million during corresponding period of previous fiscal year showing a decrease of 8.64%. The trend of freight traffic and gross earnings during past eight years is evident from the Figure 13.1.



4. Maritime Transportation

The public sector agencies responsible for freight traffic via seaways or maritime routes

include Pakistan National Shipping Corporation (PNSC), Karachi Port Trust (KPT), Port Qasim Authority (PQA), and Gwadar Port Authority (GPA).

i. Pakistan National Shipping Corporation (PNSC)

The PNSC has a fleet strength of 12 vessels of various types and sizes comprising of 5 Bulk carriers, 5 Aframax tankers and 2 LR-1 Clean Product tankers. The PNSC has recently added 2 Aframax Crude Oil tankers i.e. M.T. Mardan and M.T. Sargodha in its managed fleet to meet

country's ever rising energy needs. The corporation is currently in the process of acquiring 2 chemical tankers for the transportation of edible oil. The total deadweight capacity/cargo carrying capacity of the PNSC fleet is 938,876 metric tonne. The commercial performance of the PNSC from July-March FY2023 is summarized in Table 13.2.

Table 13.2: Commercial Performance of PNSC

FY 2022-23 (July-March)	Tanker	Chartering	SLOT Consolidated	
	Liquid Cargo (MT)	Dry Cargo (MT)	TEU*s	Slot BB/LCL
	7,250,105.91	1,215,162.39	856	61,141

*: Twenty Equipment Unit i.e. a 20-foot container

Source: Pakistan National Shipping Corporation

Despite unfavorable prevailing economic condition of the country, the PNSC Group managed to achieve 879% increase in Profit-After-Tax (PAT) amounting to Rs 23,956 million during first three quarters of FY 2022-23 as against Rs 2,446 million in the corresponding period of the last year. This tremendous increase in profit can be explained by an increase in shipping operations and owing to other non-routine activities such as sale of a tanker vessel 'M.T. Karachi', profit earned on revaluation of foreign assets as a result of exchange rate fluctuations.

Hence, earnings per share increased to Rs 181.40 as against Rs 18.52 during the same period. Cumulatively, the group achieved a turnover of Rs.42,379 million with the PNSC share of Rs.10,368 million during this period as compared to Rs.16,223 million having PNSC share of Rs.6,295 million for the corresponding period last year. There venue increment of an amount of Rs.23,876 million was observed from liquid cargo segment. Due to this exponential

increase in the revenue, the gross profit margin and net profit margin of the PNSC group was observed at 48% and 57% during July-March 2023 as compared to 24% and 15% respectively during July-March FY2022. Moreover, during first nine months of FY2023, the finance cost increased by Rs.624 million (164%) compared to corresponding period last year as a result of increase in long-term financing by Rs.3,201 million for the induction of two oil tanker vessels M.T. Mardan and M.T. Sargodha and increase in interest rate.

The PNSC's solo financial performance showed a net Profit-After-Tax of Rs.3,968 million as compared to net PAT of Rs.84 million in the corresponding period of last year, which can be explained by a significant increase in slot chartering and Trading Corporation of Pakistan's (TCP) business activities. The financial performance of the PNSC group from July-March FY2023, based on un-audited financial statements, is given in Table 13.3.

Table 13.3: Financial Performance of PNSC (Amount in Rs. '000)

S.No.	Financial Results	July-March 2022	July-March 2023
1	Revenue	16,222,688	42,378,690
2	Expenses	(12,325,171)	(21,917,051)
3	Gross Profit/Loss	3,897,517	20,461,639
4	Administrative, Impairment & Other Expenses	(1,355,950)	(2,313,639)
5	Other Income	634,262	7,454,361
6	Operating Profit	3,175,829	25,602,361
7	Finance Cost	(380,760)	(1,005,429)
8	Profit before Taxation	2,795,069	24,596,932

Source: Pakistan National Shipping Corporation

ii. Karachi Port Trust

The Karachi Port Trust (KPT) has been another key player in maritime traffic and cargo handling at the seaport. The cargo and container handling at the Karachi Port during July-March FY2023

was 31.79 million tonne as compared to 39.71 million tonne during corresponding period of FY 2022, recording a decrease of 20%. Table 13.4 exhibits cargo handling at the KPT during last four years.

Table 13.4: Cargo & Container Handling at Karachi Port (000 tonnes)

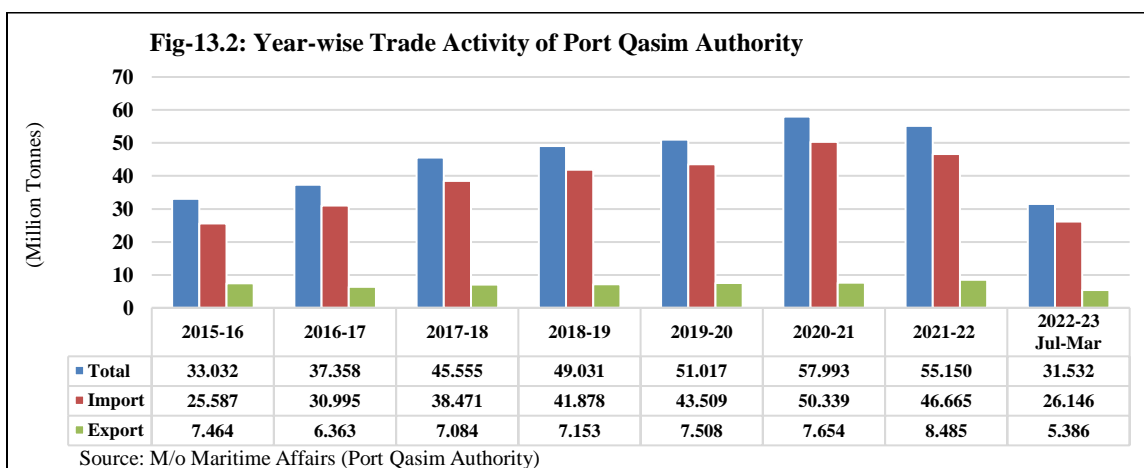
Fiscal Year	Imports	Exports	Total	%Change		
				Imports	Exports	Total
2019-20	27,206	14,634	41,840	-17	4	-11
2020-21	36,469	15,810	52,279	34	8	25
2021-22	27,008	12,705	39,713	-26	-20	-24
(July-March)						
2021-22	27,008	12,705	39,713	-2	7	1
2022-23	22,677	9,114	31,791	-16	-28	-20

Source: Karachi Port Trust

iii. Port Qasim Authority (PQA)

The cargo handled by the PQA during July-March of FY2023 was 31.53 million tonne as compared to 42.20 million tonne during corresponding period of last year depicting a 25% decrease in handled cargo compared to previous fiscal year. Total tonnage handled contained liquid cargo of 13.18 million tonne (42%), dry/break bulk cargo of 9.24 million tonne (29%), and containerized cargo of 9.11 million tonne (29%). Additionally, the PQA handled 0.75 million TEUs which was 21.6%

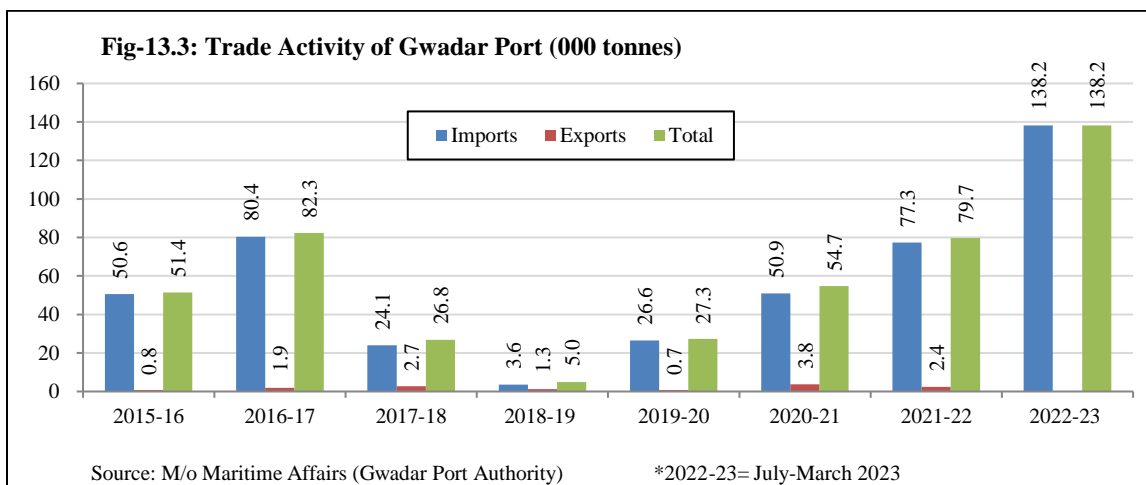
less than the cargo handled during same period of the last year. The volume of the import cargo handled during July-March FY2023 remained at 26.15 million tonne as against 35.78 million tonne handled during corresponding period of the last year showing a decrease of 27%. Similarly, the export cargo handled stood at 5.39 million tonne during first nine months of FY2023 as compared to 6.37 million tonne handled during corresponding period of FY2022 showing a decrease of 15%. Figure 13.2 gives a summary position of last five years' cargo handling and trade activity by the PQA.



iv. Gwadar Port Authority (GPA)

Gwadar Port, being located near key shipping routes in and out of the Persian Gulf and being a strategic maritime hub, is in the process of becoming the gateway port for Pakistan and the

region by offering transshipment facilities. The development of both Gwadar City and Gwadar Port is critical for the socio-economic development of the country. Figure 13.3 exhibits port operations and cargo activity at Gwadar Port during last 8 years.



Initiatives taken for Development of Gwadar Port and Port Business Promotion

China Overseas Ports Holding Company Limited (COPHCL), Gwadar Port’s operator and holder of concessional rights, has invested more than US\$ 40 million for upgradation of port facilities. The port is now fully operational and has been receiving commercial vessels on regular basis. Also, goods clearance at the port has been quite efficient since operationalization of WeBOC system (Web Based One Customs) since 2019. The COPHCL has also completed work on internal development of the pilot zone (initial area) of Gwadar Free Zone on an area of 60 acres and has initiated marketing. The COPHCL has also completed master planning and feasibility work on the main Free Zone on 2,281 acres of land and some industrial units have started their construction works. Various incentives and facilities offered by the government to local and foreign investors e.g. 23-years complete tax holiday from all federal, provincial and local taxes; upto 99 Years lease for sub-lessee/ investors; and 100% exemption from import duties and sales tax on import of machinery and equipment have been critical in development of Gwadar Free Zone.

Furthermore, under China Pakistan Economic Corridor (CPEC) initiative, various projects for development of Gwadar Port and Gwadar City are at various stages of implementation. Out of which, Construction of Eastbay Expressway, Pak-China Technical & Vocational Institute, and 1.2 MGD (million gallon per day) R.O.D

Reverse Osmosis Desalination) Plant at Gwadar are complete, whereas Construction of Breakwater and Capital Dredging of Additional Berth projects are at the initial stage.

The design and construction works of Eastbay Expressway, main artery of the Gwadar Port which connects the port and its free zone with Makran Coastal Highway, have been completed and were handed over by the contractor M/s China Communication Construction Company to the GPA in July, 2022. The Eastbay Expressway is now fully operational and all goods transportation activities from Gwadar Port are being successfully carried out through it. Additionally, Pak-China Technical and Vocational Institute (PCTVI) in Gwadar is set up to provide technical training and skills to the manpower deployed at Gwadar Deep Sea Port, upcoming industries in the Gwadar Free Zone in Gwadar, Special Economic Zones (SEZs) located/to be located in Balochistan, and other allied industrial, commercial and service-related sectors. Similarly, 1.2 MGD R.O.D Plant, an ultimate solution of water supply amidst acute water shortage in Gwadar, is a part of socio-economic assistance provided by the Chinese government and is being implemented by the GPA. The project has achieved 80% physical progress and is expected to complete by June, 2023.

Lastly, different projects under Federal PSDP 2022-23 are also at various stages of implantation. The financial outlay of these PSDP funded projects is given in Table 13.5.

Table 13.5: List of PSDP Projects Aimed at Gwadar Port Development		(Rs millions)
S.No.	Name of the Project	Total Project Cost
1	1.2 MGD R O D Plant at Gwadar (Chinese Grant)	2,214.00*
2	Establishment of CPEC Support Unit for related projects in the GPA	95.70
3	Establishment of Port Control Tower, Gwadar Port Authority	192.17
4	Feasibility Study of Capital Dredging of Berthing Areas and Channel for Additional Terminals	294.00
5	Pak-China Technical & Vocational Institute at Gwadar	2,230.27
6	Studies to make Gwadar Port More Competitive	295.0
7	Installation of Floating Jetty at Gwadar Fish Harbour	265.74
8	Perimetric Security System for Gwadar Port Authority	252.35
9	Sewerage Treatment Plant for Housing Complex Gwadar	103.79
10	Maintenance of Dredging of Gwadar Port Authority	4,669.7
11	Provision of 2000 Engines to Poor Fishermen of Gwadar	822.75

Source: M/o Maritime Affairs

*(2,123.99 FEC & 90.00 LC)

Communication sector

The communication sector, another important part of services sector, constitutes various postal, electronic and broadcasting networks aimed at providing services to ensure free flow of goods and information.

1. Pakistan Post Office

The Pakistan Post Office has been a key agency responsible for provision of postal services in the public sector. Pakistan Post is the largest operator in Pakistan providing shipping, delivery and courier services with postal communication network of 10,293 post offices of various categories. It has played a vital role in the socio-economic development of the country through providing a range of services such as domestic and international postal services, financial services, collection of utility bills, disbursement of military pension, and transfer of foreign remittances. During July-April FY2023, Pakistan Post recorded revenue of Rs 5,725.16 million as compared to Rs 14,433.03 million during 12 months of previous fiscal year.

Same day delivery service available in 29 cities of the country; launch of Pakistan Post mobile app featuring postal services' tariffs, postal codes, post office locator, complaint registration, track and trace & pick up facilities; EMS-Plus service (Express Mail Service) with quick delivery worldwide within 3 to 5 days; and IT-based Complaint Management System (CMS) integrated with Prime Minister's public grievances management system for efficient complaint redressal, etc. have been key

initiatives taken by the Pakistan Post in the recent past to improve postal service delivery in the country.

In order to improve efficiency, quality and access to financial and public services, 'Automation of Post Offices Project' has been signed between Economic Affairs Division and South Korean Exim Bank in July, 2022. The project will be financed through World Bank soft loan of US\$20.63 million.

The Pakistan Post, under an agreement with the Western Union, provides international money remittance services through its 2,094 post offices across the country. During three quarters of FY2023, the Pakistan Post processed 34,247 transactions involving an amount of Rs 2,542.93 million. The revenue earned from these transactions stood at Rs 39.523 million during this period. During corresponding period of FY2022, Rs 67.95 million revenue was earned from 123,849 transactions against receipt of an amount of Rs 7,469.23 million.

Furthermore, Pakistan Post, in collaboration with the National Bank of Pakistan (NBP), has been disbursing foreign remittances under NBP's remittance service through 500 designated post offices across the country. This remittance services was running on post-funding model. Hence, the payments were made from Letter of Credit (LoC) provided by the Finance Division and the settlement/reimbursement with the NBP was done on weekly basis. After discontinuation of the LoC facility, the Pakistan Post faced difficulty to process significant

transactions due to non-availability of cash during ongoing fiscal year and only 158 transactions of an amount of Rs 13.03 million were processed during July-December of FY2023. However, the instant remittance service is being shifted to pre-funding model, wherein the NBP will provide funds to the Pakistan Post in advance.

2. Pakistan Electronic Media Regulatory Authority (PEMRA)

Pakistan Electronic Media Regulatory Authority (PEMRA) is responsible for regulation and

facilitation of establishment and operations of broadcast media (satellite TV & FM radio) and distribution services (Cable TV, DTH, IPTV, Mobile TV, MMDS, etc.) in Pakistan. The authority plays a critical role in regulating private electronic media with an objective to improve the standards of information and entertainment and optimization of free flow of information. Currently, there are over 133 Pakistani satellite TV stations and 36 channels with Landing Rights permission to broadcast in Pakistan. The glimpse of Pakistan’s electronic media landscape and distribution network can be taken from Table 13.6.

Category	Till 31 st March, 2023	July-March 2022-23
Satellite TV Licenses Issued:	133	6
i. News & Current Affairs	33	1
ii. Entertainment	51	2
iii. Regional Languages	25	1
iv. Health	03	-
v. Sports	05	-
vi. Education	10	1
vii. Specialized subject Channel (Non-Commercial/ Education)	06	1
FM Radio Licenses Issued:	269	2
i. Commercial	199	1
ii. Non Commercial	70	1
Cable TV Licenses Issued	3,970	298
Landing Rights Permissions Issued	36	-
Mobile TV (Video & Audio Content Provision) Service Licensing	04	-
Internet Protocol TV (IPTV) Licences Issued	23	2
Direct-to-Home (DTH)	01	-
Teleport (Broadcast) License	01	-
Provisionally Registered Television Audience	-	-
Measurement (TAM)/ Television Rating Point (TRP) Companies in Pakistan	03	-
Source: PEMRA		

The PEMRA’s main source of income comprises of collection of advance tax from the licensees at the time of issuance of licenses and their renewal and fee or penalty collections. During July-March of FY2023, the PEMRA deposited Rs 690,000 to the national exchequer against a contribution of Rs. 7.20 million during previous fiscal year.

3. Pakistan Television Corporation Limited (PTV)

Pakistan Television Corporation Limited (PTV), the only public sector broadcasting channel, telecasts various national & international programs in the metropolitan cities and remote areas of the country. At present, the PTV is

operating 7 channels such as PTV Home, PTV News, PTV Sports, PTV Global, PTV National, PTV Bolan and PTV World with 100% coverage of population on terrestrial network. The number of registered TV set holders in the country was 24,263,982 as on 31st March, 2023.

During FY2023, Rs 204.65 million were allocated for two PSDP projects of the PTV i.e. ‘Establishment of National Film Production Institute at the PTC Academy’ and ‘A Pilot Project of Terrestrial Digitalization of DTMB-A (Digital Terrestrial Multimedia Broadcast)’-financed through Chinese grant-in-aid. The second project was commissioned to improve signal quality of the terrestrial network in the

less developed areas of Pakistan. Also, the work on RBS (Rebroadcast Station)-Murree, Cherat and Kala Shah Kaku is under process for the up-gradation of transformers and new power connections.

4. Pakistan Broadcasting Corporation (PBC)

Pakistan Broadcasting Corporation (PBC), known as Radio Pakistan, is the largest state media network of Pakistan with a broadcasting network of about 80 units housed in 32 broadcasting houses across the country. The PBC has various broadcasting platforms such as FM, Medium wave, Short wave and satellite broadcasts.

During ongoing fiscal year, the PBC aired various religious programmes such as special programmes in *Ramadan-ul-Mubarak*, special programmes on blasphemy laws, and awareness campaign regarding sanctity of the Holy Quran. The PBC further carried out wide-spread publicity and coverage of different government relief packages such as Free Atta Scheme, Ramadan Relief Package, Student Scholarship Schemes and Benazir Income Support Scheme, and government's initiatives for minimizing the impact of price hike and inflation.

In order to highlight Kashmir issue and atrocities of Indian occupied forces, a discussion programme and a radio report were broadcasted on Kashmiris Right of Self-Determination Day on Radio Pakistan's Network along with other special programmes on India's *Youm-e-Jamhuriya* and Kashmir Solidarity day. Furthermore, special programmes on Golden Jubilee of 1973 constitution were also aired. To create awareness on tourism, human rights, education, and other important social issues, new programme '*Chaltay Chaltay*' was also launched.

During FY2023, an amount of Rs 4,628.06 million was allocated to the PBC to meet its operational and employees related expenditures, out of which Rs 3,793.31 million has been released during first three quarters of the current fiscal year. The development work under approved PSDP projects of the PBC is at various stages as highlighted below:

- Revised PC-I for the projects 'Establishment

of 100 KW Medium Wave Radio Station in Gwadar', 'Rehabilitation of Medium Wave Services from Muzaffarabad (AJK)', and 'Replacement of Medium Wave Transmitter at Mirpur' having an estimated cost of Rs 462.91 million, Rs 354.08 million, and Rs 338.56 million respectively are under submission.

- Funds amounting to Rs. 100 million were released during July-March of current fiscal year for the projects 'Up-gradation of Studios and Master Control Rooms' and 'Rehabilitation of Medium Wave Services from Khairpur (Replacement of 100 KW Medium Wave Transmitter)' having an estimated cost of Rs. 254.95 million and Rs. 444.07 million respectively and the execution work on these projects is in progress.
- Funds amounting to Rs 25 million were released during July-March FY2023 against the project 'Establishment of Sautul Quran FM Network Phase-II' having an estimated cost of Rs 212.778 million and the execution work is in progress.

Conclusion and Outlook

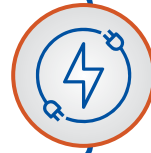
The government has been actively pursuing towards increasing market accessibility, within country and cross border, through increasing infrastructure facilities. However, the need to further improve and build efficient, reliable, and environment-friendly trade and transport infrastructure networks is fully acknowledged by the policy makers. Amidst changing global dynamics, with adoption of latest digital technology in logistics, shipping and communication, end-to-end supply chain digitization, and energy-efficient freight modes, the government is committed to set its policy direction on the similar lines. The government is determined to take right investment decisions to build green, time-efficient and cost-effective supply chain connections, necessary to achieve competitiveness in the global market. By focusing on regional connectivity through resilient and well-integrated transit and trade routes under CPEC, the country is resolved to capitalize on its potential to be an economic hub.



ENERGY

Total Installed Capacity

41,000
(MW)



Total Electricity Generation

94,121
(Gwh)



Consumptions

Total Electricity

84,034
(Gwh)



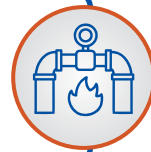
Petroleum Products

13.07
(Million Tonnes)



Gas

3,258
(Mmcf)



Coal

15.42
(Million Tonnes)



Energy is an integral component of the economy and is considered necessary for nearly all human activities. Recent decades have witnessed a rapid increase in the global energy demand that is primarily derived from the expansion of economic activities, population growth, and rapid technological change. However, energy supply bottlenecks become a chronic problem for a country's economy. Pakistan also suffered from such a situation in the past. Therefore, several large-scale projects were initiated between 2013 and 2018 to eliminate the demand-supply electricity gap and address the challenge of ensuring the smooth delivery of energy services. To this end, the government played a significant role in abridging severe energy demand imbalance by importing Liquefied Natural Gas (LNG).

The government envisions focusing on indigenous energy sources, primarily hydel, solar, wind, and Thar coal. In this regard, it is paramount to note that the share of alternative and renewable energy sources (AREs) has also increased from zero percent in FY2014 to 6.8 percent of the electricity's installed capacity in the current fiscal year due to the right direction of policies. However, there is still potential for AREs to contribute more to the national energy supply and ensure affordable and universal access to electricity. The government is also committed to protecting the national interest by producing low-cost indigenous power.

The government has approved the Framework Guidelines for Fast Track Solar Initiatives 2022 to promote and develop cost-effective local renewable energy sources and reduce the impact of high prices of imported fossil fuels in the global markets, resulting in high electricity tariffs and drainage of precious foreign exchange. The framework covers Solar PV Energy Substitution for Expensive Imported

Fossil Fuels, Solar PV Generation on 11 kV Feeders, and Public Buildings Solarization.

The government aims to achieve a 60 percent share of electricity's generation capacity through indigenous clean energy technologies (ARE and hydro) by 2030, based on the Indicative Generation Capacity Expansion Plan (IGCEP). The draft of IGCEP 2022, prepared by the National Transmission and Despatch Company (NTDC) and currently under approval with the National Electric Power Regulatory Authority (NEPRA), projects the country's demand at 41,338 MW and an installed capacity of 69,372 MW by 2031 as the base case.

Nuclear power plants (NPPs) are a reliable source of electricity, as they can run for up to 18 months without refueling and store enough fuel for another 18 months on site. It makes them immune to short-term changes in fuel prices or availability and allows them to achieve very high-capacity factors. The nuclear fleet, comprising six NPPs with a total capacity of 3,530 MW, contributed about 27 percent of the total electricity generation in the national grid in December 2022.

In 2016, the government had imposed a moratorium on new imported fuel-based power projects. Moreover, the government plans to convert all commissioned imported coal independent power producers (IPPs) to Thar coal. As such, Thar has the country's largest coal reserves, which have been actively developed in recent years. With the addition of three power projects during the current fiscal year, the total installed capacity from five Thar coal-based power generation plants has reached 3,300 MW.

In Pakistan, the main consumers of petroleum products are the transport and power sectors, which account for 78.5 percent and 10.8 percent of the total consumption, respectively. However,

during the current fiscal year, the demand for Motor Spirit (MS) and High Speed Diesel (HSD) has decreased mainly due to the high prices of these products, while the demand for Furnace Oil (FO) has declined due to the shift of power generation to Re-gasified Liquified Natural Gas (RLNG) or coal and other alternative sources. Thus, the total demand for petroleum products (16.72 million tonnes in July-March FY2022) has reduced by 21.9 percent during July-March FY2023. On the other hand, the natural gas consumption amounted to around 3,258 MMCFD from July-March FY2023, which included 631 MMCFD of RLNG volume.

Global And Regional Perspective

The global and regional perspective on energy is complex and dynamic, requiring a comprehensive analysis of various factors, such as supply chain, prices, demand, policy, technology, infrastructure, regulations, environment, and geopolitics. The energy supply chain is a network of interdependent actors and processes that produce, transport, and distribute energy resources to meet market demand. It is also vulnerable to various risks, such as natural disasters, accidents, sabotage, cyber-attacks, and conflicts.

The Russia-Ukraine war is a significant geopolitical factor that affected not only the global supply chain but also the energy demand, particularly in Europe and other energy-importing countries. The war has reduced the economic growth and income of both countries involved in the conflict, as well as their neighbours and trading partners. Furthermore, the resultant rise in energy prices also negatively influenced the developing economies. However, the war has increased the awareness and urgency of diversifying the energy sources and routes of energy supply and enhancing the efficiency and resilience of energy systems.

It is also critical to note that economies around the globe are facing high demand for energy to achieve sustainable economic growth. However, the challenge is how to meet the rising demand and reduce reliance on depleting fossil fuels because their frequent use exerts adverse environmental impacts on socioeconomic progress. Besides, the volatile price dynamics of fossil fuels and the widening demand-supply gap of electricity calls for an urgent search for cost-effective, environment-friendly, and reliable energy resources. These factors result in an increasing interest of economies to develop renewable resources. At the global level, policymakers have largely recognized the significance of the relationship between energy and economic progress. That being the case, it is generally proved that economic development and energy reinforce each other. Thus, affordable and sustainable energy supplies not only bring prosperity to the population at large but also helps to eradicate poverty through various direct and indirect channels. Pakistan as a country is not an exception.

Power Sector

Installed Capacity and Generation of Electricity

The country’s total installed electricity capacity stands at 41,000 MW; the percentage share of hydel, thermal, nuclear, and renewable is 25.8 percent, 58.8 percent, 8.6 percent, and 6.8 percent, respectively (Table 14.1). The share of thermal as a dominant source of electricity supply has declined over the past few years, showing the increased reliance on indigenous sources. On the other hand, against total electricity generation of 94,121 GWh, the share of hydel, nuclear, and renewable is combined as 53.8 percent, which is a good sign for the economy and the environment.

Table 14.1: Installed Capacity and Generation of Electricity (July-March FY2023)

Source	Installed Capacity		Generation	
	MW	Share (%)	GWh	Share (%)
Hydel	10,592	25.8	26,937	28.6
Thermal	24,095	58.8	43,526	46.2
Nuclear	3,530	8.6	19,739	21.0
Renewable	2,783	6.8	3,919	4.2
Total	41,000		94,121	

Source: Hydrocarbon Development Institute of Pakistan

Electricity Consumption

During FY2023 (July-March), total electricity consumption is 84,034 GWh (Table 14.2). The household sector is the largest consumer of electricity, consuming 39,200 GWh (46.6 percent), followed by the industrial sector with 23,687 GWh (28.2 percent). Moreover, agriculture and commercial sectors consume 6,906 GWh (8.2 percent) and 6,576 GWh (7.8 percent), respectively, whereas the electricity consumption in other sectors (streetlights, general services, and other government) is 7,664 GWh (9.1 percent).

Table 14.2: Sectoral Share in Electricity Consumption
(July-March) FY2023

Sector	Consumption (GWh)	Share (%)
Household	39,200	46.6
Commercial	6,576	7.8
Industry	23,687	28.2
Agriculture	6,906	8.2
Others	7,664	9.1
Total	84,034	

Source: Hydrocarbon Development Institute of Pakistan

Private Power and Infrastructure Board

In 1994, the GoP established Private Power and Infrastructure Board (PPIB) as a “One-Window Facilitator” to attract private power sector

Table 14.3: PPIB’s Facilitated Installed Capacity

Total	Commissioned Projects: Fuel/Technologies					
	Hydro	Thar Coal	Natural/Low BTU Gas	RLNG	Imported Coal	Oil
20,911 MW	1,053 MW	3,300 MW	5,372 MW	3,633 MW	3,960 MW	3,593 MW

Source: Private Power and Infrastructure Board

Private investments in power generation (particularly in coal (both imported and local), RLNG, and hydel, based on state-of-the-art technologies and a recently installed HVDC transmission line) have expanded and diversified the country’s power generation and transmission line infrastructure in recent years. So far, two robust policy frameworks (Power Generation Policy 2015 and Policy Framework for Private Sector Transmission Line Projects 2015) have received an overwhelming market response and attracted many renowned local and foreign investors to the Pakistan power sector.

investments. In 2012, the PPIB was granted a statutory status through the PPIB Act 2012 (Act VI of 12). Subsequently, the PPIB Amendment Act 2016 authorized PPIB to facilitate certain public sector power and related infrastructure projects in independent power project (IPP) mode. PPIB approves IPPs, issues LOIs and LOSs (including Tripartite LOSs), approves feasibility studies, executes Implementation Agreements (IAs), provides GoP guarantees, and formulates regulations related to power generation and transmission lines.

So far, PPIB has successfully managed to develop 45 IPPs of about 20,911 MW, more than half of the country’s installed capacity, attracting FDI of over US\$ 25 billion. These initiatives boost economic development, employment, and livelihoods by generating much-needed electricity. PPIB also facilitated the country’s massive transmission line project (Lahore-Matiari), the first HVDC Transmission line project created by the private sector. This project, worth US\$ 1.65 billion of FDI, shows PPIB’s crucial role in private sector resource mobilization for power transmission infrastructure projects. Table 14.3 presented information associated with PPIBs facilitated installed generation capacity.

PPIB promotes indigenous Thar-coal and hydel resources to generate cheaper electricity and accelerates hydel and Thar coal-based power generation projects. PPIB is processing 16 power generation projects of over 8,300 MW, 13 hydroelectric projects of 5,455 MW, 1 Thar coal-based project of 1,320 MW, 1 RLNG-based project of 1,263 MW, and an imported coal-based project of 300 MW (Table 14.4). The government understands the adverse impacts of climate change; thus, all the projects—including coal—meet World Bank/International Finance Corporation’s environmental standards.

Table 14.4: Power Projects under Facilitation by PPIB

Year/Description	No. of IPPs	Fuels	Power Generation (MW)
2023	1	RLNG	1,263.00
2024	2	Hydel (884+7.08)	891.08
2025	1	Imported Coal	300
2026	1	Hydel	8.00
2028	1	Hydel	82.00
2030	3	Hydel (700.7+450+132)	1282.7
2031	3	Hydel (1124+640+300)	2,064
Other Projects in Process)	4	Hydel and Thar Coal (80+548+500+1320)	2,448
Total	16		8,338.78

Source: Private Power and Infrastructure Board

In 2016, the government had placed a moratorium on further processing new imported fuel-based power generation projects except those the board had already approved to reduce dependence on imported fuels. Apart from opening new vistas of investment in Thar-coal and hydel power generation, following the power demand-supply scenario under the IGCEP and policies in vogue, PPIB is endeavoring to complete three IPPs of 2,154 MW during 2023-24.

Power production requires tariff determination, land purchase, generation license, environmental clearance, coal price, IAs, PPA, WUA, CSA, TSA, FSA, and other interdependent processes. Any disputed activity impacts the overall project implementation process, thus disturbing the project timelines. PPIB promoted and implemented upcoming IPPs, although outside factors hampered project companies/sponsors. These factors include but may not be limited to COVID-19, Sinasure, and land purchase. In such situations, PPIB played an important role in handling these problems with all stakeholders. Thus, 4 Thar coal and 1 hydropower projects of 3,600 MW were built in one year. Other projects also resumed development in July–March FY 2023.

The total installed capacity from 5 Thar coal-based power production plants is 3,300 MW after 3 projects reached Commercial Operations Date (COD) during FY2023. Thar Energy Limited (330 MW), ThalNova Power Thar Private Limited (330 MW), and Shanghai Electric (1320 MW) reached COD on 1st October

2022, 17th February 2023, and 5th February 2023, respectively. The US\$ 2,908 million investment will supply 13 billion electricity units and save Rs 360 billion annually. In addition, 660 MW Engro and 660 MW Lucky Thar coal-based projects were also commissioned by PPIB. It is worth mentioning that all Thar coal-based power projects are at the top of the NPCCs merit order list.

RLNG-based Punjab Thermal Power (Pvt) Limited (PTPL) is near Trimmu Barrage in District Jhang. It is the largest RLNG-based power generation facility of 1,263 MW. The Government of Punjab is developing this project at the cost of US\$ 708 million, arranged from its own resources, and the project is in the commissioning phase. The project features cutting-edge machinery with above 60 percent efficiency. The project is crucial for system stability, especially in the FESCO area, and will solve technical concerns such as transmission constraints, overloading at Gatti, and load management issues, especially in summer.

The US\$ 1,707.7 million 884 MW Suki Kinari project on river Kunhar in Mansehra is being developed under CPEC with a debt-to-equity ratio of 75:25. About 88.5 percent of construction work is completed. The 7.08 MW Riali-II Hydropower Project is a run-of-river project on Ghori Nullah, a right bank tributary of Neelam River in District Muzaffarabad. It will contribute 38 million units annually with a US\$ 20 million investment and approximately 75 percent of civil work finished. 700 MW Azad Pattan hydropower is a run-of-river project on

river Jhelum at the border of AJK (District Bagh) and Punjab (District Rawalpindi). PPIB is implementing it with an investment of US\$ 1,350 million in the CPEC framework. These projects should finish by December 2024. Another energy project under CPEC is the 1,124 MW Kohala Hydropower project. It is the country's largest private investment in an IPP. The US\$ 2,355 million worth of project will be developed on river Jhelum, which flows into AJK in the northeast. However, early Sinosure/land acquisition resolution is needed to reach a financial close by September 2024.

The government is also planning to convert all commissioned imported coal IPPs to Thar coal. A feasibility study was conducted under the direction of the Ministry of Energy (Power Division), which suggested starting on-site testing of 10 percent Thar coal blending with the imported coal. Accordingly, efforts have been started to blend Thar coal with imported coal for Sahiwal, Port Qasim, and Hub coal projects, having a total capacity of 3,960 MW.

The government has planned to merge AEDB into PPIB to extend one window by PPIB for all technologies. The proposed merger will dovetail with the Competitive Trading Bilateral Contract Market (CTBCM), which envisions an Independent Auction Agent (IAA) to assign the task of conducting the auctions/biddings on behalf of DISCOs. Accordingly, the PPIB (Amendment) Bill 2022 was referred to the National Assembly Standing Committee on Power for consideration and report recommending the Bill to pass by the National Assembly on 3rd August 2022. Currently, the report of the Committee on the Bill is ready for consideration in the National Assembly.

Alternative Energy Development Board

The government is working to bring transformational change in the power system to ensure affordability, sustainability, energy security, and universal energy access. Accordingly, the government prioritizes utilizing indigenous, clean energy generation resources and encouraging alternative and renewable technology.

The Alternative Energy Development Board (AEDB) promotes and facilitates alternative and renewable energy technology throughout the country. The GoP is committed to encouraging private sector investments in renewable energy power generation projects. Currently, 36 wind power projects of 1,835 MW, 7 solar projects of 530 MW, and 8 sugar mill-based bagasse co-generation plants of 259.1 MW are operating ARE-based projects. Among several ARE projects, 3 solar projects of 150 MW, started under the RE Policy 2006, are expected to complete within the outgoing fiscal year. Besides, 1 bagasse project of 32 MW is expected to complete in January 2024.

AREs account for 6.8 percent of electricity's installed capacity due to concentrated efforts. However, ARE can increase the national energy supply mix and assure universal and inexpensive power access nationwide. Based on IGCEP findings, the government aims to generate 60 percent of its generation capacity using indigenous clean energy technologies (ARE and hydro) by 2030. The base case of NTDC's plan IGCEP 2022, currently pending approval by NEPRA, estimates the country's demand at 41,338 MW and installed capacity at 69,372 MW by 2031. It also adds 13,278 MW of solar (8,350 MW) and wind (4,928 MW) capacity by 2031, increasing their power mix shares to 20 percent and 10 percent, respectively. AEDB prepared the Request for Proposal (RFP) packages for competitive bidding for wind and solar projects and made NEPRA-required amendments. NEPRA will determine the benchmark tariff for the competitive bidding.

Fast Track Solar Initiatives 2022

For promotion and development of indigenous renewable energy resources in the country on the least cost principle and in the realization of the need to reduce the impact of prevailing high prices of imported fossil fuels in international markets resulting in high electricity tariffs and drain of precious foreign exchange, the Federal Cabinet (GoP) in its meeting held on 18th October 2022, approved the Framework Guidelines for Fast Track Solar Initiatives 2022. This framework is based on the following three key pillars.

Substitution of Expensive Imported Fossil Fuels with Solar PV Energy

Under the initiative, Solar PV-based power generation capacity shall be solicited to substitute expensive imported fossil fuels used for power generation that will lower the average basket cost of generation for the system. The government plans to add approximately 6,000 MW of solar PV capacity under this initiative. In the first phase, for a solar PV project of 600 MW capacity at Kot Addu, District Muzaffargarh, NEPRA has approved the RFP and Security Package Documents (SPDs), including the Energy Purchase Agreement (EPA) and the IA on 1st February 2023. The benchmark tariff is also determined for the competitive bidding of this project.

Solar PV Generation on 11 kV Feeders

Decentralized, medium-scale Solar PV power can contribute cost-efficiency to alleviate some of these problems by feeding directly into the medium-voltage (MV) network, thereby improving the local losses, power outages, and voltage situation. Furthermore, the injection of Solar PV power into the MV network would provide cheap electricity to the national grid without any augmentation or significant upgrade of the grid infrastructure. Accordingly, solar PV projects of suitable capacity up to a maximum of 4 MW will be procured through competitive bidding at an 11 kV feeder level. The standard RFP and EPA are already prepared for developing small solar projects of up to 4 MW capacity at feeder level across the country. Furthermore, these documents have been shared with all DISCOs for approval from their Boards. Then, it will be processed for competitive bidding on identified feeders upon approval of RFPs and determination of benchmark tariff by NEPRA.

Solarization of Public Buildings

Solarization of public buildings will help meet a specific portion of the electricity load through clean energy technology, reduce electricity bills of public offices, and relieve electricity utilities/distribution companies from long-term dues. Under this initiative, building-specific

Solar PV net-metering-based systems will be installed through bidding on Lease (10-year BOOT basis) and the Own-cost models. AEDB has been tasked to carry out the solarization of public buildings through competitive bidding on behalf of public sector entities.

Distributed Generation (Net Metering)

The government encourages consumers to utilize renewable energy technologies in household, commercial, and industrial sectors in addition to large-scale RE projects. Under the NEPRA (Alternative and Renewable Energy) Distributed Generation and Net Metering Regulations, 2015, AEDB promotes renewable energy-based net-metering.

Under AEDB (Certification) Regulations, 2018, AEDB certifies solar system service providers, vendors, and installers to help consumers and DISCOs and ensure quality. However, the government's Ease of Doing Business vision simplified the restrictions in August 2021. As such, in July–March FY2023, 145 new installers received certifications, bringing the total number of active AEDB-certified installers to 307. Furthermore, net metering-based systems of 355.3 MW total capacity were installed by different consumer segments during the same period, while 50,656 installations totaled 863.4 MW as of March 2023.

AEDB has also supported ARE technology promotion and private-sector investment. First, AEDB facilitated RE power projects to meet milestones and resolve challenges faced by the project sponsors by public sector entities. Second, AEDB and World Bank conducted the Balochistan Renewable Energy Development Study on renewable energy development in Balochistan. It seeks to strategically develop utility-scale solar and wind power in Balochistan to meet Pakistan's ambitious renewable energy targets for the power industry and promote the transition to affordable, reliable, sustainable, and modern energy for all. Third, IESCO and LESCO redesigned and deployed ONMAP, an online net-metering portal for consumer applications. Fourth, AEDB held an Investors Conference in Islamabad on 14th September

2022 to present and get feedback from prospective consumer investors on the Framework Guidelines for Fast-Track Solar PV Initiative 2022. Fifth, with GIZ support, 500 solar technicians at relevant Pakistani training institutions will receive customized Competence-Based Training and Assessment (CBT&A) training on the National Vocational Qualification Framework (NVQF).

Nuclear Energy

Pakistan became a nuclear power producer in 1972 when KANUPP, a 137 MW nuclear power plant in Karachi, began operations. The Pakistan Atomic Energy Commission (PAEC), the only institution in Pakistan authorized to exploit the vast atomic energy generated by splitting nuclei, developed and ran it. After fifty years, KANUPP was shut down in August 2021, but its infrastructure and understanding helped Pakistan build a reliable nuclear power program.

The rejuvenation of nuclear power in Pakistan began at the end of the last century, when KANUPP was almost three decades old, due to Pakistan's inclusion in the list of countries denied nuclear technology transfer. Now the nuclear fleet consisting of 6 NPPs is worth 3,530 MW. Four units (C-1 and C-2, each of 325 MW,

and C-3 and C-4, each of 340 MW) are currently operational in Chashma, Mianwali, while two plants (K-2 and K-3), each with a capacity of 1100 MW are operational in Karachi. The Prime Minister formally inaugurated K-3 on 2nd February 2023. While KANUPP was a Pressurized Heavy Water Reactor (PHWR) constructed with the help of Canada, the new generation of nuclear plants is all Pressurized Water Reactor (PWR), designed and constructed with the assistance of China. One more plant of 1,100 MW capacity, destined to be installed at Chashma, is in its planning phase.

Nuclear Power plants (NPPs) have the unique characteristic of operating for about 18 months with no additional fuel. Moreover, fuel for another 18 months can be stored on the plant site without additional infrastructure costs. Therefore, it makes them invulnerable to short-term price fluctuations or supply chain disruption resulting in very high-capacity factors. The 6 NPPs supplied about 18,739 million units of electricity to the national grid from July-March FY2023. In December 2022, the uninterrupted electricity supply from NPPs was about 27 percent of the total electricity supplied in the national grid. Some performance parameters of NPPs are presented in Table 14.5.

Table 14.5: Performance of Nuclear Power Plants

Plants	Capacity (MW)		Electricity sent to Grid (million kWh)	
	Gross	Net	July-March FY2023	Lifetime up to 31st March 2023
C-1	325	300	1,654	46,225
C-2	325	300	1,927	27,294
C-3	340	315	1,956	15,311
C-4	340	315	1,794	13,013
K-2	1,100	1,017	5,522	14,052
K-3	1,100	1,017	5,886	7,853

Source: Pakistan Atomic Energy Commission

Avoiding environmental damages in the shape of global warming caused by the CO₂ produced by burning fossil fuels is one of the incentives that nuclear power offers. From July-March FY2023, nuclear power generation avoided about 10 million tonnes of CO₂ entering the environment, whereas the lifetime avoidance of CO₂ emissions is estimated at around 85 million tonnes.

Oil Sector

The total demand for petroleum products remained at 23.1 million tonnes during FY2022. However, this year witnessed a decline in demand to 13.1 million tonnes during July-March FY2023 from 16.7 tonnes in July-March FY2022. The declining trend may be attributed to a decrease in demand for FO, HSD, MS, and

High Octane Blended Component (HOBC), which comprises more than 95 percent of the total demand. Furthermore, the transport and power sectors are major petroleum consumers, covering around 90 percent of total demand. On the other hand, the only increase is in Jet Fuel's

(JP-1 and JP-8) demand, which has grown 18 percent this year. As such, the demand for petroleum products decreased in all sectors ranging from 5.3 percent to 45.4 percent, except the overseas demand (Table 14.6).

Table 14.6: Sectoral Consumption of Petroleum Products (000 MT)

Sector	FY2022	July-March FY2022	July-March FY2023	Change (%)
Domestic	29.522	24.792	13.547	-45.36
Industry	1,332.899	1,025.826	889.741	-13.27
Agriculture	11.822	9.738	7.400	-24.01
Transport	17,409.035	12,789.549	10,254.475	-19.82
Power	3,683.322	2,423.462	1,413.780	-41.66
Government	373.489	276.316	261.668	-5.30
Overseas	250.121	175.660	229.930	30.89
Total	23,090.210	16,725.343	13,070.541	-21.85

Source: Petroleum Division, Ministry of Energy

The decrease in MS and HSD demand may be attributed to the high prices and the decline in FO demand due to shifting power generation from FO/HSD to RLNG/Coal and other alternative sources. Overall, the total demand for petroleum products decreased by 21.9 percent during July-March FY2023 compared to FY2022.

Pakistan is an importer of petroleum products and crude oil. Imports of petroleum products during July-March FY2023 are around 6.1 million tonnes, valued at more than US\$ 5.7 billion (Table 14.7). The major imported products are MS, HSD, and FO, with import quantities of 3,853.9 thousand tonnes, 1,645.6 thousand tonnes, and 530.6 thousand tonnes, respectively. As such, this year witnessed a significant decrease in imports of all five petroleum products.

Furthermore, due to efforts of the government, the country's reliance on FO for power generation declined that leading to 530.6 thousand tonnes of imports during July-March FY2023 against 1,318.2 thousand tonnes for the comparative period of FY2022, whereas the total imports of FO were 2,258.2 thousand tonnes in FY2022. Furthermore, it is expected that with a better fuel mix for electricity generation, the import of FO will further diminish. Furthermore, with the addition of refining capacity in the country, in consequence of more value addition domestically, the import of petroleum products would decline. The crude oil import requirement of refineries during July-March FY2023 remained at 5,858.4 thousand tonnes, which was 6,802.3 thousand tonnes during the same period of FY2022. Furthermore, the total import requirement for crude oil was 9,284.6 thousand tonnes for FY2022.

Table 14.7: Import of Petroleum Products (Quantity in thousand MT; Value in million US\$)

Period/ Product	FY2022		July-March FY2022		July-March FY2023	
	Quantity	Value (C&F)	Quantity	Value (C&F)	Quantity	Value (C&F)
MS	6,502.07	6,070.38	4,987.25	4,248.57	3,853.99	3,704.34
HOBC	125.62	115.94	101.98	87.94	18.05	18.54
HSD	3,949.97	3,462.71	2,615.92	1,877.62	1,645.59	1,646.31
FO	2,258.20	1,414.40	1,318.16	688.35	530.59	307.20
JP-1	53.87	47.42	43.37	32.14	70.06	65.65
Total	12,889.730	11,110.852	9,066.687	6,934.610	6,118.289	5,742.040

Source: Petroleum Division, Ministry of Energy; C& F = Cost and Freight

Gas Sector

Natural Gas's indigenous supplies contribute about 29.3 percent (FY2021) of the country's total primary energy supply mix. Pakistan has an extensive gas network of over 13,775 Km Transmission, 157,395 Km Mains, and 41,352 Km Services gas pipelines to cater to the requirement of more than 10.7 million consumers across the country. The government has been pursuing its policies for enhancing indigenous gas production and imported gas to meet the increasing energy demand in the country. Currently, the capacity of two FRSUs to RLNG is 1,200 MMCFD. Accordingly,

RLNG is being imported to mitigate the gas demand-supply shortfall.

During July-March FY2023, the average natural gas consumption was about 3,258 MMCFD, including 631 MMCFD volume of RLNG. During the same period, the two Gas utility companies (SNGPL and SSGCL) laid a 225 Km gas transmission network, 1,170 Km Mains, and 63 Km service lines and connected 92 villages/towns to the gas network. Furthermore, 7,102 additional gas connections (including 5,068 domestic, 1,948 Commercial, and 86 Industrial) were provided nationwide. Table 14.8 depicts sector-wise natural gas consumption.

Table 14.8: Sector-wise Natural Gas Consumption (July-March FY2023, MMCFD)

Sector	Gas Consumption	RLNG	Total
Power	600	399	999
Domestic	906	1	907
Commercial	54	6	60
Transport (CNG)	60	2	62
Cement	3	0	3
Fertilizer	635	52	687
General Industry	369	171	540
Total	2,627	631	3,258

Sources: Ministry of Energy (Petroleum Division)

Natural gas is expected to supply approximately 520,801 new consumers (this target is subject to approval/revision by OGRA) during FY2024. In addition, gas utility companies have planned to invest Rs 38,674 million in transmission projects, Rs 47,700 million in distribution projects, and Rs 9,416 million in other projects bringing the total investment to Rs 95,790 million during FY2024.

Currently, the two LNG terminals are operational with OGRA licenses granted in 2016 and 2018 to M/s Engro Elengy Terminal Limited (EETL) and M/s Pakistan GasPort Consortium Limited (PGPCL), respectively. Further, OGRA granted construction licenses to M/s Tabeer Energy Private Limited and M/s Energas Terminal Private Limited (ETPL) in April 2021 to develop LNG terminals at Port Qasim Karachi. The extension in the validity of these licenses has been granted by OGRA for further two years (i.e., till April 2025) upon the

licensees' request and completion of the requisite formalities.

OGRA is empowered to regulate the LPG sector under the OGRA Ordinance, 2002, and LPG (Production & Distribution) Rules, 2001 w.e.f. 15th March 2003. LPG plays an important role in the energy mix of Pakistan as it provides a cleaner alternative to biomass-based sources, especially in locations where natural gas is unavailable. During July-January FY2023, the total supply of LPG stood at 843,878 tonnes, wherein 79.6 percent was met through imports. Currently, 11 LPG producers and 273 LPG marketing companies operate in the country with more than 7,000 authorized distributors. Furthermore, an investment of approximately Rs 2.75 billion is made during July-March FY2023.

Mineral Sector

Coal is an important energy source, and the power sector uses a significant share of coal for electricity generation. Indigenous coal resources

are reasonably significant (over 186 billion tons) and sufficient to meet the country’s requirements on a long-term sustainable basis. Domestic coal production is expected to increase in the coming years on the start of mining activity at Thar Coalfield Block-I and expansion of existing mine at Block-II. Indigenous coal production is mainly consumed by power generation plants situated at Thar Coalfield, whereas production from other coalfields is utilized in brick kilns. Furthermore, imported coal was consumed by power plants, cement manufacturing units, and other steel-making industries. During July-March FY2023, domestic coal production figured around 9,402.6 thousand tonnes, and about 6,576.6 thousand tonnes of coal were imported.

During July-March FY2023, coal consumption by the power sector is about 47.3 percent (7,295.3 thousand tonnes), whereas, in cement and other industries, it stands at 31.1 percent (4,800.0 thousand tonnes). On the other hand, the brick Kilns sector consumes 21.5 percent (3,321.2 thousand tonnes).

Table 14.9: Consumption of Coal by Sector
(000 metric tonnes)

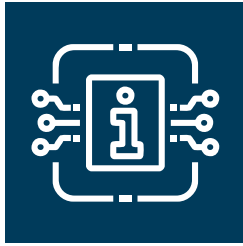
Sector	FY2023 (July-March)	Share (%)
Power	7,295.3	47.32
Brick Kilns	3,321.2	21.54
Cement/Others	4,800.0	31.14
Household	1.5	0.01
Total	15,418.0	

Source: Hydrocarbon Development Institute of Pakistan

Outlook

Pakistan is in the transition phase to utilize indigenous and renewable energy sources (hydel, Thar coal, solar, wind) to meet the existing and growing energy needs. It can be supported by certain facts. First, Pakistan decided not to allow more imported coal-based power plants in 2016 after it was on track to meet the demand-supply electricity gap. Second, blending local coal with imported coal has been initiated, which is expected to reduce coal imports. Third, Thar coal is being utilized to generate 3,300 MW of electricity. Fourth, the share of AREs in the fuel mix of electricity generation has been increased to more than 6 percent. Fifth, many hydel power plants have been initiated. Sixth, Nuclear Power generation capacity is increased to 3,530 MW, whereas one more power plant is planned at Chashma. Sixth, the reliance on FO for power production is significantly decreased during the last few years.

Furthermore, the government has approved the Framework Guidelines for Fast Track Solar Initiatives 2022 to promote and develop cost-effective local renewable energy sources. It is expected to reduce domestic price volatility due to less reliance on the global market and ease the foreign exchange requirements. This framework covers three major aspects: Solar PV Energy Substitution for Expensive Imported Fossil Fuels, Solar PV Generation on 11 kV Feeders, and Public Buildings Solarization. To achieve a 60 percent electricity generation, share of indigenous clean energy technologies, IGCEP is prepared, whereas PPIB and AEDB are facilitating the execution of power projects in the right direction.



INFORMATION TECHNOLOGY AND TELECOMMUNICATION

**IT and ITeS
Companies**

5,109
(Regd. with PSEB)



IT Exports

1.94*
(US\$ billion)



**Trade Surplus of IT
and ITeS Industry**

1.72*
(US\$ billion)



**Freelancers
Remittances**

269.8*
(US\$ million)



**Broadband
Subscribers**

128**
(million)



**Telecom
Subscribers**
Mobile and Fixed

197**
(million)



* : July - March FY2023

** : March 2023

INFORMATION TECHNOLOGY AND TELECOMMUNICATION

Information Technology (IT) plays a dynamic role in the evolving knowledge economy by establishing itself as a powerful instrument for fostering economic development. It enables innovations in different sectors of the economy, such as agriculture, manufacturing, services, education, health, and government, by increasing productivity, efficiency, and competitiveness and hence economic growth. The sector has great potential to create employment opportunities, enhance human capital, improve governance, facilitate social inclusion, attract investment, and make markets and institutions more efficient. IT can also enhance social welfare and environmental sustainability by easy access to information relating with education, healthcare, and public services as well as reducing energy consumption and carbon emissions.

The Government of Pakistan (GoP) recognizes the growth of IT and telecommunication industry as a vital lever for the mid- to long-term progress of the country. Therefore, government is working on 'Digital Pakistan Vision' to enhance digital economy footprint, to spur economic prosperity and public empowerment. The government is striving to improve the quality of life, economic, and social well-being by making IT services more accessible, affordable, and universal. The government is strengthening its digital economy which it views as an enabler of both social inclusion and economic growth.

The government has developed a comprehensive strategy that focuses on capacity building of public and private sector entities, besides providing an appropriate infrastructure and platforms in the field of IT. The key pillars of the strategy to achieve the vision include E-Governance, IT Infrastructure, Human Capital Development, Innovation and Entrepreneurship,

Development and Export of IT and IT enabled Services (ITeS), Fintech, E-Commerce and Digital Platforms, Privacy and Security, Partnership and Collaboration.

Information Technology

The Kearney's Global Services Location Index (2021) ranked Pakistan as the second most financially attractive location in the world for offshore outsourcing IT and ITeS. Likewise, the International Labor Organization (ILO) Flagship Report (2021) has ranked Pakistan as the second largest supplier of digital labor services, such as clerical and data entry services, creative and multimedia services, professional services, sales and marketing support services, software development and technology services and writing and translation services. In software development and technology services, more than 19,000 IT and ITeS companies are registered with SECP comprising of both domestic and export-oriented enterprises across 160 cities of the country.

There are 5,109 IT and ITeS companies registered with Pakistan Software Export Board (PSEB) as of March 2023 representing the exporters. Major Tech hubs of IT and ITeS industry are Lahore (36.4 percent), Karachi (28 percent), and Islamabad/ Rawalpindi (27 percent) of PSEB registered companies. The remaining 10 percent of registered companies spread all over the country. The relevant stakeholders are putting maximum efforts to increase the number of companies by increasing the number of Software Technology Parks (STPs) and enabling IT and ITeS industry to capitalize the countrywide talent.

The IT sector is providing a broad set of products and services to the world's largest companies. Pakistan's IT industry counts world's largest

entities among its regular clients. Several international companies including global enterprises like Bentley®, Ciklum®, IBM®, Siemens®, S&P Global®, Symantec®, Teradata®, and VMware® have established global consulting services centers, research and development facilities, and Business Process Outsourcing (BPO) support services centers in Pakistan. Thus, generating high paying job opportunities for the talented youth and attracting FDI.

IT industry comprises of youngest workforce with the highest proportion of women as company founders and startup owners. Women are working at technical, managerial, and executive level positions. There have been several startup success stories, such as Bykea, Careem, and Daraz. IGNITE has established National Incubation Centers (NICs) across major cities in Pakistan. In 2021, these centers supported 60 startups, generating US\$ 373 million in capital, and reaching a valuation of US\$ 2.1 billion. In 2022, 40 startups raised US\$ 343 million in capital, reaching a valuation of \$3.5 billion.

IT Exports

The government is providing dedicated support and attractive incentives to the IT industry. Currently, there are several projects under various stages of execution to facilitate and assist the IT Industry in its growth trajectory and to ensure continued upward momentum in domestic and export earnings. These include infrastructure development, international marketing and promotion, and capacity building through multiple technology training programmes, soft skill development programme, international certifications of companies, facilitation of freelancers, etc. PSEB maintains an active liaison with industry stakeholders in initiating projects for the growth of the IT industry.

- i. IT exports during July-March FY2023 reached US\$ 1.94 billion compared to US\$ 1.95 billion during the same period last year. IT exports have the highest proportion

among all services sector's exports constituting 35.1 percent of all services exports.

- ii. In IT and ITeS industry, trade surplus of US\$ 1.72 billion (88.6 percent of total IT export remittances) was achieved during the period July-March FY2023 (an increase of 16.7 percent) as compared to trade surplus of US\$ 1.47 billion for the same period last year. The services sector incurred a trade deficit of US\$ 229 million during July-March FY2023.
- iii. Pakistan's IT and ITeS sector posted the largest trade surplus among all services and become the second highest across goods and service sector after textile sector.
- iv. Pakistani freelancers contributed foreign exchange earnings through remittances of US\$ 269.8 million (IT: US\$ 156.9 million and non-IT: US\$ 112.9 million) during July-March FY2023.¹ Pakistani freelancers are earning valuable foreign exchange and impacting remote and rural communities.
- v. Over the past 5 years, a phenomenal upward growth of 178 percent in IT and ITeS exports has been witnessed at compound annual growth rate of 30 percent, the highest growth rate in comparison to all other local industries in services.
- vi. Pakistan's IT and ITeS industry is exporting its services to 170+ countries/ territories. The USA is the largest market accounting for 54.54 percent of the export remittances receipts, followed by UK (7.99 percent), UAE (6.91 percent), Ireland (6.73 percent) and Singapore (4.95 percent), respectively. The top 20 IT and ITeS export destinations accounted for 97.05 percent of export remittances, while the rest only accounted for 2.95 percent only.

Major Achievements

a) Infrastructure Development

PSEB facilitates the IT industry by establishing state of the art Software Technology Parks (STPs) in public and private buildings. Setting

can work from any location (urban or rural area), while earning a viable livelihood globally.

¹ A freelancer is an individual who earns money on a per-job or per-task basis, usually for short-term work. Freelancers

up an office is convenient and economical in these buildings and comes with many amenities including backup power facilities, high-speed internet, and central heating/cooling (subject to availability). Currently, PSEB is managing thirty-two STPs in different cities such as Karachi, Lahore, Islamabad, Rawalpindi, Faisalabad, Sialkot, Gujranwala, Gujrat, Abbottabad, Swat, Mansehra, Quetta,

Hyderabad, Khuzdar, Bannu, Jamshoro and Gilgit.

During July-March FY2023, PSEB has added seven STPs, listed in Table 15.1, to facilitate the IT industry by expanding the basic infrastructure facilities in secondary and tertiary cities of Pakistan.

Table 15.1: Details of Software Technology Parks

S. No.	STP	City	Space (Sq.ft)
1	Sitara Software Technology Park	Faisalabad	23,063
2	Euro-Heights Gujrat	Gujrat	13,565
3	Innovation & Entrepreneurship Center (Mehran UET Jamshoro)	Jamshoro	5,000
4	NASTP Karachi	Karachi	61,000
5	BZU Multan STP	Multan	5,000
6	Sarhad Software Technology Parks – SSTP	Peshawar	5,000
7	Alpha Techno Square NASTP Rawalpindi	Rawalpindi	40,000

Source: Ministry of Information Technology and Telecommunication

b) Human Resource and Skill Development

To develop a human capital talent pool for the ICT industry and increase the labour pool available for IT/ ITeS companies, PSEB has initiated various programmes to produce trained and certified professionals, which include certification of IT Professionals (550 graduates, IT professionals, and public sector employees have been trained and certified in emerging technologies); IT Industry Readiness Bootcamp Programme (2,108 candidates have been trained under this programme and the training of 1,134 candidates is in-progress); IT Industry Soft Skills Training Programme (250 candidates have been trained under this programme and the training of 250 candidates are in progress); IT Industry Academia Bridge Programme (a total of 1,600 candidates were enrolled and trained in this programme); ICT Internship Programme (780 interns placed in the ICT companies for the duration of 06 months)

c) Capacity Building of IT/ ITeS Companies Through International Certifications

PSEB offers technical and financial assistance to the selected IT companies to attain international certifications. These certifications improve company marketability in the international markets as well as the quality of the human

resources in terms of skills. During July-March FY2023, financial and technical assistance has been extended to twenty software companies for ISO-27001 and ISO-27701 certification. To standardize the Call Center industry, PSEB has extended financial and technical assistance to 30 Call Centers to achieve ISO-18295 certification.

d) Providing an Access to Equity Capital

PSEB is working on listing Pakistani IT companies on the GEM Board of Pakistan Stock Exchange (PSX). The goal is to increase the number of listed technology companies on the PSX Main Board and GEM Board which would in turn help to strengthen the financial ecosystem for IT/ ITeS sector growth and contribute to efforts for building cloud strong brand image of Pakistan’s IT/ ITeS industry in the international markets.

Incentives for the Industry Growth

- i. Reduced Income Tax (0.25 percent): PSEB registered companies to pay only 0.25 percent tax on export proceeds of IT and ITeS.
- ii. 100 percent tax credit for IT startups: PSEB registered startups are allowed 100 percent tax credit including minimum, alternate corporate tax and final taxes for three years.

- iii. 100 percent equity ownership allowed to foreign investors, 100 percent repatriation of capital and dividends allowed, and tax holiday for venture capital funds till June 2025.

IGNITE - National Technology Fund (NTF)

IGNITE - NTF is focused on funding and promoting technology innovation and entrepreneurship in Pakistan. For this purpose, IGNITE offer following funding programmes:

a. National Incubation Centers for Startups:

IGNITE has established eight National Incubation Centers (NICs) in Islamabad, Lahore, Quetta, Karachi, Peshawar, Hyderabad, and two specialized incubators in Faisalabad (for agri-tech) and Rawalpindi (for Aerospace). Over the past few years, the NICs have incubated over 1,317 startups, with more than 660 graduating successfully so far. These startups have generated over 126,000 jobs; received the total investment of Rs 15.43 billion (US\$ 74 million); and have generated a combined revenue of Rs 9.13 billion. To date, over 2,300 women entrepreneurs have been empowered through the programme. Many NIC startups have raised investments, such as BYKEA US\$ 27 million, PakVitae US\$ 17 million, Integrity US\$ 4 million, Vceela US\$ 2 million, DigiKhata US\$ 2 million, and Ezbike US\$ 1 million.

b. Digiskills.pk 2.0 Training Programme for Freelancers:

Digiskills.pk 2.0 was launched in January 2022 with the objective of providing the youth, freelancers, students, professionals, etc. with the knowledge, skills, tools, and techniques necessary to take advantage of international and local online job markets. The total trainees comprise 73 percent males and 27 percent females. The number of overseas Pakistanis trained in the program is more than 31,000. At present, exports generated through freelancing services are between 15-20 percent of total IT exports.

c. Challenge Innovation Fund (CIF):

CIF identified eleven thematic areas and invited the participants from academia and industry to submit the projects in the form of consortia in

multiple areas. The initiative is divided into three phases in which the first phase is completed. A total of 899 projects were received at the national level, out of which 451 projects were scrutinized for project outline evaluations. All evaluations have been completed and 114 projects have been shortlisted to submit full technical and financial proposals.

d. Digital Pakistan Cybersecurity Hackathon 2022:

Second nationwide Digital Pakistan Cybersecurity Hackathon 2022 was held in Islamabad, Karachi, Lahore, Peshawar, and Quetta to enhance awareness about cybersecurity. A total of 903 teams were registered for the hackathon from all over the country out of which 315 teams were shortlisted for qualifying rounds. The top 33 teams from 5 regional qualifiers competed in the grand finale. Cash awards of Rs 1 million, 2 million, and 3 million were given to second runner-up, first runner-up, and winner, respectively.

e. National Grassroots ICT Research Initiative (NGIRI):

The programme promotes research and development (R&D) and innovations at grassroots level by providing financial support to selected Final Year Projects (FYP) of undergraduate students, enrolled in public and private sector institutions. The programme started in 2012 and disbursements of Rs 315.18 million have been made against 5,899 approved FYPs.

Universal Service Fund (USF)

The USF has been mandated to provide access to telecommunication services in the unserved, underserved, rural and remote areas. To meet its objectives, USF has designed and launched various projects under different programmes each targeting deployment of specific infrastructure and provision of related services. These services are made available at affordable rates in the country which empower both men and women. All USF projects, focusing on provision of voice and high-speed data services, require operator(s) to power up their infrastructure through solar energy. USF programmes can be divided into two broad categories:

a. Voice and Highspeed Broadband Data Services (3G/4G) focuses on establishment of infrastructure and provision of voice and highspeed broadband data services to the unserved and underserved mauzas across the country. Under different variations of this programme coverage is also being extended on unserved road segments along National Highways and Motorways (NHMW) and to the various tourist destinations.

Since its inception till the end of Q2 of FY2023, USF has launched 90 projects worth approximately Rs 80.5 billion targeting 18,397 Mauzas having population of approx. 33 million, 2,650 Km of road segments on NHMW, and 27 tourist destinations across the country. Whereas 13,164 Mauzas with population of approximately 27 million, and more than 1,800 Km of road segments have been provided with voice and highspeed broadband data services. In the same period, approximately Rs 45.7 billion subsidy has been disbursed.

From the start of FY2023 till the end of Q2 of FY2023, USF has launched 9 projects worth approximately Rs 14.3 billion targeting 0.28 million population residing in 341 Mauzas, and 622.7 Km of road segments on NHMW. Whereas 796 Mauzas have a population of approximately 0.18 million, and 72.6 Km of road segments have been provided with voice and highspeed broadband data services. In the same period, approximately Rs 4.69 billion subsidy has been disbursed.

b. Backhaul Services focuses on laying Optic Fiber Cable (OFC) up to the unserved Tehsil Headquarters (THQs)/ Union Councils (UCs) and major towns and to establish points of connectivity (Nodes) which can be utilized by telecom operators for expansion of their services.

Since its inception till the end of Q2 of FY2023, USF has launched 25 projects worth approx. Rs 35.71 billion targeting the deployment of 18,575 Km of OFC by establishing 1,272 Nodes in unserved THQs /UCs/ Towns across the country. Whereas, more than 12,800 Km of OFC has been deployed with the establishment of 745 Nodes.

In the same period, approximately Rs 19.93 billion subsidies have been disbursed.

Since the start of FY2023 till the end of Q2 of FY2023, USF has launched 2 projects worth approximately Rs 5.49 billion targeting the deployment 1,339 Km of OFC by establishment of 143 Nodes. Whereas, more than 950 Km of OFC has been deployed with the establishment of 87 Nodes. In the same period, approximately Rs 3.44 billion subsidy has been disbursed.

National Telecommunication Corporation (NTC)

NTC is performing its core function of providing and maintaining ICT infrastructure / services comprising of state-of-the art country-wide NGN-based Core and Access Switching, Optical Fiber based DWDM/SDH Transmission, OSP (OFC/UGC) networks and allied power equipment. The core set-up is monitored (24/7) and managed centrally through subject matter experts in each domain. Adherence to preventive and corrective measures is ensured at all levels. NTC, being a state-owned entity and fully aware of its role, has always been on the forefront on many occasions of national emergencies like earthquakes, pandemics, or floods.

Major endeavors of NTC in FY2023

NTC annual development plan 2022-23 consists of 71 development projects amounting to Rs 1,264.98 million. During FY2022 and July-December FY2023, NTC made a before-tax profit of Rs 399.51 and Rs 398.78 million, respectively.

Data and Call Centre for the First Digital Census in Pakistan

NTC has been assigned to establish a call centre to provide data centre infrastructure for recent digital census by PBS. The state of art call centre facility has been established at the premises of PBS by Ministry of Information Technology and Telecommunication for census facilitation. The call centre has one hundred call agents serving the enumerators and field offices at all districts of Pakistan for census round the clock.

Public Key Infrastructure (PKI)

Establishment of PKI is a national level initiative to implement a national PKI capable of supporting present and future e-government initiative in 2022. Electronic Certification Accreditation Council (ECAC) is the owner of national PKI while NTC implemented and built the infrastructure at its data centers. National PKI is planned as two separate PKI domains (government and commercial) under the National Root CA managed by ECAC under ETO 2002. NTC will operate as a Certification Services Provider (CSP) accredited by ECAC and will provide certification services to all government entities.

Electronic Certification Accreditation Council (ECAC)

ECAC provides a legal framework to recognize and facilitate documents, records, information, communications, and transactions in the electronic form enabling digital signatures to be accepted at par with handwritten (wet) signatures. ECAC is mandated to grant accreditation to any Certificate Service Providers (CSPs) who intend to work as an Accredited Certificate Service Provider (ACSP) in the public and private sectors. The Certificate of Accreditation aims to make electronic transactions more secure, more reliable, and worldwide acceptable enabling a conducive environment for electronic transactions through trust, legal and stringent policy framework in the country.

Establishment of Public Key Infrastructure (PKI) for National Root Certification Authority (NRCA)

ECAC has established National Root Certification Authority PKI on 7th December 2022. ECAC has entered a new phase in the digital world after the deployment of PKI for NRCA. This ECAC initiative shall relieve the burden on our foreign exchange reserves and will make reliance on our own national setup which will reduce chances of security risks allied with outside hosted PKIs as currently digital certificates are procured either from foreign certification service providers or their resellers.

NTC will operate as a CSP accredited by ECAC and will provide certification services to all government entities relating to Email Protection Certificates, SSL/TLS Certificates, Authentication Certificates, eSeal Certificates, Digital Signing Certificates, Digital Time Stamping Certificates, Code Signing Certificates, etc.

National Information Technology Board (NITB)

NITB specializes in automation, design, development, and implementation of robust IT technologies to promote the e-governance culture in all public departments and holistically develop plans, technologies, and infrastructures to boost the performance of the public sector.

Programmes for FY2023

Government to Citizen (G2C) Services: NITB offer various services such as ‘National Jobs Portal’ through which citizens may apply for any federal vacancies, ‘Islamabad City App’ by which citizen of the city can avail the online services like issuing of birth/death certificates, payment of excise and taxation taxes and fees, ‘citizen portal’, and ‘NIP Ba-Ikhtiyar Naujawan Internship Programme’.

Government to Government (G2G) Services: These services are typically not directly accessible to individual citizens and are focused on internal operations of government agencies. NITB offer many G2G services to federal and provincial government, e.g., Think-Tank Portal, which is used for communicating and getting idea/ information from the designated think-tanks of Pakistan.

Government to Employee (G2E) Services: G2E services are provided by the government to its employees and are aimed at improving the efficiency and effectiveness of human resource management within government. NITB offer PMS used for daily attendance of teachers of Sindh Government, Ministry of Human Rights, Ministry of Finance, HumRaaz mobile app, etc.

Government to Business (G2B) Services: G2B services are provided by the government to

businesses and other organizations that aim to facilitate and regulate business activities within an area. NITB offers trade change portal for Capital Development Authority (CDA) by which businesses can change their trade online.

Telecommunication

Broadband Subscribers and Penetration

Pakistan’s journey towards high-speed mobile broadband services started in 2014, when Pakistan Telecommunication Authority (PTA) conducted spectrum auction for NGMS and initiated the deployment of 3G and 4G infrastructure in the country. PTA further strengthened the uptake of 4G services with additional spectrum auctions of 1800 MHz, 2100 MHz, and 850 MHz bands in the years 2016, 2017, and 2021. The simultaneous launch of 3G and 4G mobile technologies, coupled with the creation of a competitive environment and continuous supply of the required spectrum for advanced technologies, paved the way for achieving the 128 million broadband mark in just eight years, compared to an insignificant two million subscriptions were observed in 2014. Approximately, 54.1 percent broadband penetration has been achieved in eight years (52.8 percent constitutes mobile broadband and 1.3 percent fixed broadband penetration). As such, 97.6 percent of the broadband penetration is contributed by mobile services. With the expansion of broadband services in the country, most handsets are smartphones (3G/4G handsets). Information pertaining to the uptake of 4G, 3G and 2G is presented in Table 15.2.

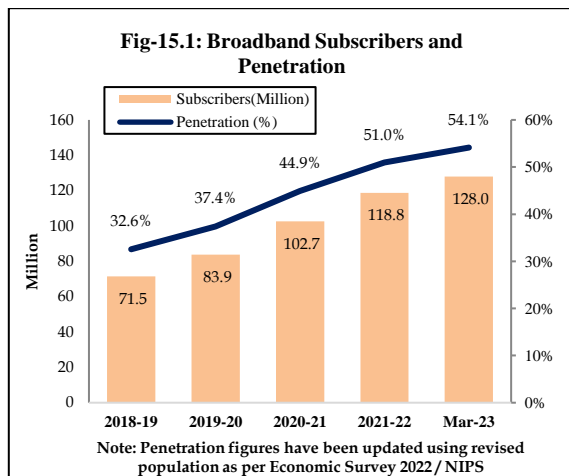
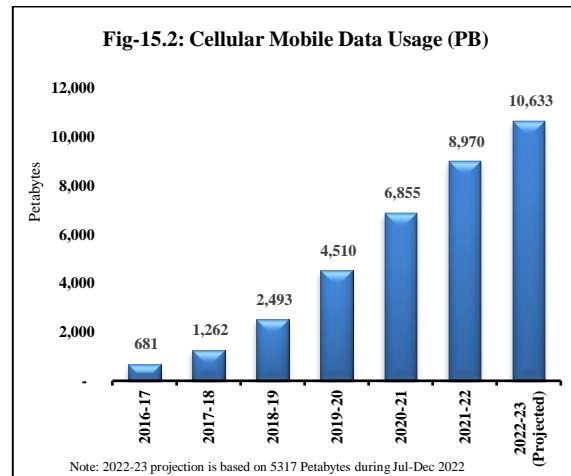


Table 15.2: Uptake of 4G, 3G, 2G (% of IMEIs on Local Mobile Networks)

Year	4G	3G	2G
Dec 2019	32	13	56
Dec 2020	39	9	52
Dec 2021	47	5	48
Dec 2022	52	4	44
Mar 2023	53	3	44

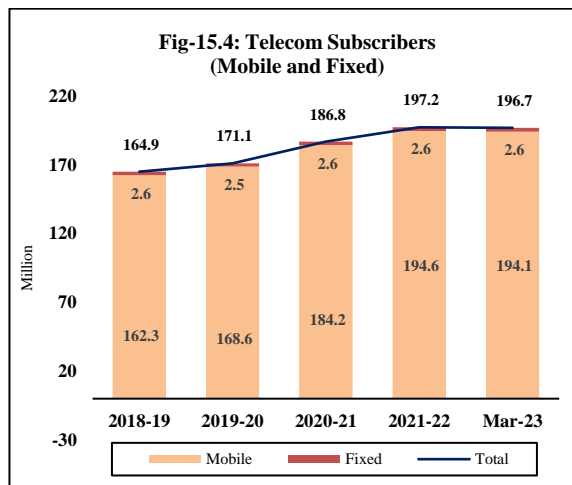
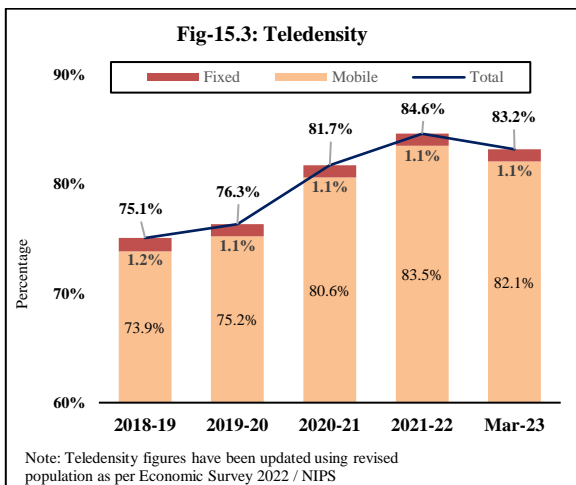
Source: PTA

Increased penetration of broadband services has propelled active use of data services. In FY2022 mobile data usage of 8,970 petabytes was reported, indicating a 31 percent increase from the previous year. Based on the figures from July-December 2022, it is projected that mobile data usage will reach 10,633 petabytes during FY2023.



Telecom Subscribers and Tele-density

During FY2022, mobile subscriptions registered a healthy annual growth of 6 percent. The cellular mobile segment was the main contributor towards overall growth in subscribers and teledensity. At the end of March 2023, the total telecom subscriptions (mobile and fixed) were 197 million and total teledensity in the country reached 83.2 percent. Due to the economic slowdown a slight decline in cellular mobile subscribers and teledensity has been witnessed during July-March FY2023.



Telecom Investment

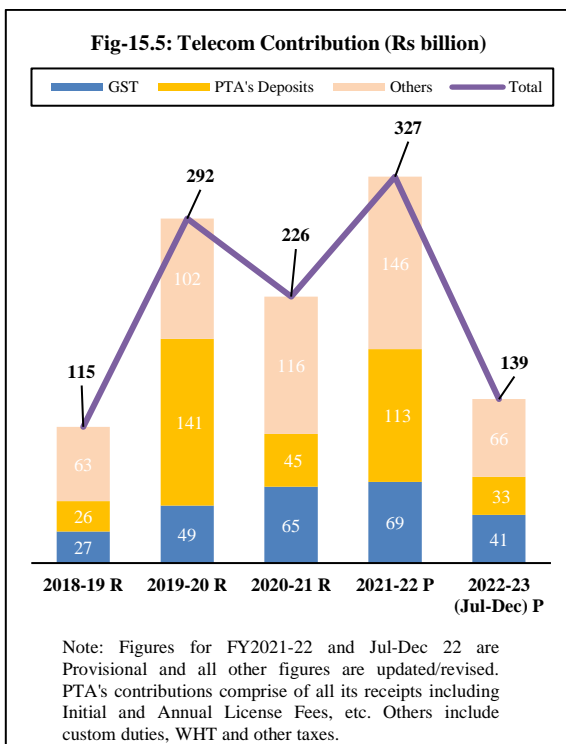
Telecom sector drew over US\$ 6.3 billion investment in Pakistan during 2018-2022. Telecom investments reported by telecom

operators during FY2022 reached to a significant amount of US\$ 2,073 million due to spectrum acquisition and network expansion, however, it remained low at US\$ 422.0 million (Provisional) during first two quarters of FY2023 (Table 15.3).

Table 15.3: Telecom Investment (US\$ million)

	FY2019 (R)	FY2020 (R)	FY2021 (R)	FY2022 (P)	FY2023 (P) (Jul-Dec 2022)
Telecom Investment	839.7	1,394.0	1,336.1	2,073.0	422.0

Source: PTA

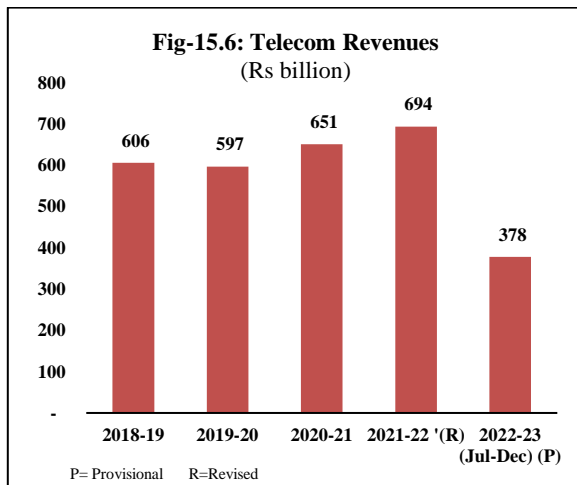


Telecom Sector Contribution

The telecom sector remained a significant source of revenue generation for the national exchequer during FY2022 and contributing Rs 327 billion in the form of general sales tax (GST), withholding tax, regulatory fees, initial and annual license fees, and other taxes. During July-December FY2023, the telecom sector contributed Rs 139 billion (Provisional) to the national exchequer.

Telecom Revenues

Increased activity in the telecom sector enabled telecom operators to generate revenues of Rs 694 billion in FY2022, registering a healthy growth of 6.6 percent. The economic slowdown and increased operational costs have resulted in the slower growth of the cellular mobile sector. As per provisional data, revenues from the telecom sector in the first two quarters of FY2023 stood at Rs 378 billion. (Provisional).



Relief and Restoration of Telecom Services in Flood-affected Areas

Due to devastating flood, 3,386 sites went down in August 2022. Despite various allied issues including inaccessibility to damaged sites, the relentless efforts of PTA and operators ensured timely restoration of telecom infrastructure. The calamity also damaged the OFC network (primarily laid by PTCL and Wateen) in Balochistan and Sindh alongside N-25. Collaborative regulator-industry efforts resulted in 100 percent backhaul fiber optic connectivity.

Assistance to Government’s Relief Efforts

In response to the Prime Minister's appeal for contributions towards the Flood Relief Fund, PTA activated short code (9999) on August 26, 2022, to receive donations from telecom consumers. About 1,514 million SMSs were disseminated and Rs 16 billion were collected. On July 5, 2022, PTA activated a Ring-Back Tone (RBT) alerting over 138.65 million mobile subscribers to adopt safety measures during monsoon and floods. The PTA, with the assistance of NHMP issued travel advisories to people traveling to and from the flood-affected areas. 84.5 million SMSs containing information on the flood were disseminated. The 911 emergency service short code was also made available for reporting of flood-related emergencies. Over 155 million SMSs were sent to make availability of 911 services in flood-affected areas. In August 2022, all CMOs started offering free voice calls in 59 flood-affected areas.

Introduction of 5G

5G is a transformative technology that allows communities to avail socio-economic benefits of an advanced and data-intensive digital economy. PTA and FAB, alongside MoITT, are synergizing for the successful launch of 5G in Pakistan and FAB has already identified available spectrum in maximum bandwidth.

ITU Gen-5 Regulatory Benchmark

Pakistan has made considerable progress towards achieving an Advance Level – 5th generation regulation (G5). To achieve G5 level, there are quite a few pointers which require National Collaborative Action Plans and for this purpose PTA is closely following up with relevant stakeholders including public authorities.

Fixed Broadband Quality of Service Regulations, 2022

During FY2023, PTA issued the revised Broadband Quality of Service (QoS) Regulations, which shall apply to all broadband service providers with revised KPIs for broadband services. According to the new KPIs, fixed broadband internet speeds for downloading data should be at least 4 Mbps (up from 256 kbps) and 2 Mbps for upload. Fixed broadband consumers should always get a minimum of 80 percent of the advertised speed, compared to the previous value of 60 percent.

Frameworks for Infrastructure and Spectrum Sharing

To meet the growing demands of radio frequency spectrum, PTA has focused on latest trends in spectrum management to regulate the use of radio frequencies in an efficient manner to maximize the social, economic, and technological benefits. In this regard, PTA has published draft Spectrum Sharing Framework considering all recent international developments and market dynamics for industry consultation.

Export of Locally Manufactured Mobile Phones

Under the flagship of PTA’s Mobile Device Manufacturing Authorizations, exports of

locally manufactured handsets have started from Pakistan. In the month of Dec 2022, 120,000 “Manufactured in Pakistan” mobile handsets of SEGO brand were exported to African market.

Gender Mainstreaming

To promote gender participation in Pakistan’s socio-economic development, PTA launched its “Gender Inclusion in ICTs” initiative in collaboration with UNESCO, GSMA, and Alliance for Affordable Internet (A4AI) to reduce the digital gender gap in Pakistan. In this regard, the PTA inked accords with CMOs and Huawei for hosting projects, training sessions and initiatives to promote gender inclusion in ICTs.

Branchless Banking

PTA joined hands with SBP to launch Asaan Mobile Account (AMA) Scheme for provision of banking services in the country. After a soft launch in December 2021, the scheme was commercially launched on August 11, 2022, enabling customers of all four mobile operators to remotely open bank accounts and conduct digital financial transactions. Resultantly, AMA accounts have crossed the 7 million marks.

Cyber Security Framework

PTA released the National Telecom Cyber Security Framework in 2022 to define obligations for auditors and PTA licensees to perform gap assessment considering PTA’s Cyber Security Regulations. The framework is a milestone towards improving the security landscape of the telecom industry in Pakistan and enabling organizations to better manage and control cyber security risks.

National Telecom Computer Emergency Response Team

PTA inaugurated the Telecom CERT portal for bilateral information sharing on emerging

threats, with access restricted to its licensees only. However, due to rising public demand, the authority decided to launch the national Telecom CERT (nTCERT) website for awareness of telecom operators and the public. The nTCERT website, which enables PTA to safeguard the security interests of Pakistan's telecom sector, offers updated cyber security alerts, advisories, and awareness infographics.

Conclusion and Outlook

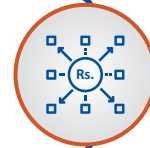
The IT and Telecommunication industry of Pakistan is one of the fastest growing and most promising sectors in the country, with a potential to contribute significantly to the national economy and social development. There is a huge opportunity for the country to boost and enhance its economy by focusing on digital and information technologies, especially IT and ITeS exports and the digital connectivity. This would create more jobs, increase productivity, and enhance innovation in various sectors. The outlook of the IT and Telecommunication industry of Pakistan is bright and optimistic, as the government and the private sector is committed to create a conducive environment for innovations, entrepreneurship, and digital transformation. The envisioned turnaround of Pakistan’s economy in the medium-to-long-term is possible by utilizing the potential of IT and Telecom sector. Some of the key initiatives that are expected to boost the IT industry in the coming years include: the establishment of special technology zones, the expansion of broadband and 5G networks, the promotion of e-commerce and e-governance platforms, the enhancement of cybersecurity and data protection measures, and the facilitation of foreign investment and collaboration. These initiatives will enable the IT sector of Pakistan to tap into the global market opportunities as it offers high-quality and competitive solutions to various sectors such as education, health, agriculture, finance, and entertainment.



SOCIAL PROTECTION

BISP Programme Allocations

400
(Rs. billion)



BISP Beneficiaries: 9 million

BISP Kafaalat Disbursement

128.90
(Rs. billion)
(Jul-Mar)



Assistance for Flood Effectees



Disbursement: Rs. 69 billion

Beneficiaries: 2.76 million

BISP Taleemi Wazaif

3.0
(million Nos)
(FY2023)



Interest Free Loan Programme (FY 2023)



Borrowers: 365,408 (Nos)

Disbursement: Rs. 14.93 billion

PBM Programmes

6.04
(Rs. billion)



SOCIAL PROTECTION

Social protection aims to facilitate marginalized and vulnerable segments of the society through public interventions and collective efforts to improve their standard of living and resilience against risks and vulnerabilities. Social Safety Net (SSN) programmes are non-contributory interventions that target the poor and vulnerable through unconditional and conditional transfers. Since 2020, progress in reducing global poverty has been slow and highly uneven. Nowcasts reveal that poverty reduction resumed in 2021, but only at pre-pandemic rates and not fast enough to recover the ground lost in 2020.

Moreover, the pace of poverty reduction will further stall as the global growth prospects dim because of the Russian – Ukraine conflict and higher food and energy prices that hurt the poor in the short run and may increase the number of poor. Although higher prices may have positive income effects in the long run because many poor households are net producers of food or earn their income in the agriculture sector. By 2030, the poverty rate is expected to be 7 percent, much higher than the target of 3 percent. Reaching the target looks increasingly hard. This is an urgent need to correct course.

Box-I: Adoption of new Global Poverty Line

Poverty estimates are often updated with new (Purchasing Power Parity (PPP) data to reflect new information on price differences across countries. The international poverty line is a standard that has been used to shape key policy actions on global poverty SDG-1. The International Comparison Program (ICP) released new PPPs based on price data collected in 176 economies in 2017 (World Bank 2020b). Related statistics GDP are similarly updated with new PPPs. When switching to a different base year (in this case, 2017), two revisions are made. First, the consumption aggregate of each household is converted into dollars of the new base year using the new price information. Second, the poverty line used to assess whether a household is poor is also updated to the new base year. The global line has been revised each time the ICP has released a new round of PPPs—from US\$1.00 (1985 PPP) to US\$1.08 (1993 PPP) to US\$1.25 (2005 PPP) to US\$1.90 (2011 PPP) to US\$ 2.15 (2017 PPP).

The increase in the international poverty line from US\$1.90 to US\$2.15 primarily reflects the difference between 2017 and 2011 nominal dollar values. Extreme poverty decreases slightly (by 0.3 percentage point) to 8.4 percent, reducing the global count of the extreme poor by 20 million. The trends in global and regional poverty using the 2017 PPPs are the same as the trends using the 2011 PPPs as shown in table below:

Country Income Group	2011 PPPs			2017 PPPs		
	Median (US\$)	Rounded (US\$)	No. of observations	Median (US\$)	Rounded (US\$)	No. of observations
Low-income	1.91	1.90	33	2.15	2.15	28
Lower-middle-income	3.21	3.20	32	3.63	3.65	54
Upper-middle-income	5.47	5.50	32	6.85	6.85	37
Total			97			119

With the adoption of the 2017 PPPs, the two measures reflecting the poverty definitions in Lower Middle-Income Countries (LMICs) and Upper Middle-Income Countries (UMICs) were revised to US\$3.65 and US\$6.85, respectively. These lines are designed to complement, not replace, the US\$2.15 international poverty line. Such poverty measures are becoming progressively more relevant as a larger share of the global population lives in LMICs and UMICs. The slowdown in poverty reduction observed at the US\$2.15 line has not been observed at higher lines; poverty has continued to decline at a relatively constant rate in recent years. However, the reduction in the poverty rate and number of poor at the US\$6.85 poverty line has been slower than at the US\$3.65 poverty line.

Source: Poverty and Shared Prosperity 2022- World Bank Report

Pakistan falls among those few developing countries whose constitution delineates social security as the civil right of every citizen. As indicated in Article-38 of the constitution of Islamic Republic of Pakistan, it's the responsibility of the state to provide social security. Other basic amenities include housing, clothing, food, medical relief and education irrespective of the caste or race, creed and sex.

Pakistan has remained prone to series of challenges, that is economic crises, political instability, natural calamities (floods, pests' attacks, earthquakes) etc. which exacerbate the vulnerabilities of the poor segments. Furthermore, The process of structural adjustment under the IMF programme to stabilize the economy through steep reductions in fiscal and current account deficits has caused tax hikes (especially on consumption), cut backs in public expenditure (particularly on development and social services) and the phasing out of food subsidies (for example, on wheat). It has led to depreciation in the exchange rate and enhanced tariffs on public utilities such as power and gas. All these adjustments reduce economic opportunities and increase the cost of living which further lower the living standards of poor people.

Due to high vulnerability to climate change, Pakistan has experienced devastating calamity in monsoon 2022 caused by the heavy rainfall and flash flooding that have severely affected one third of the country taken the lives of more than 1,700 people, nearly 8 million people have reportedly been displaced and 33 million people have been affected according to Post-Disaster Needs Assessment Report of the 2022 floods.

The floods of 2022 have caused a significant loss to poverty reduction efforts and would result in increase in poverty and vulnerability of affected population who live below or just around the national poverty line. Preliminary estimates suggest that as a direct consequence of the floods, the national poverty rate may increase by

3.7 to 4.0 percentage points, potentially pushing between 8.4 and 9.1 million more people into poverty. Moreover, the depth and severity of poverty will increase for households that were already poor prior to the floods.

The catastrophic floods of 2022 further intensified the situation led to a huge loss of Rs 3.3 trillion (US\$15.2 billion) and cost of recovery and rehabilitation is estimated at Rs 3.5 trillion (US\$16.3 billion). In response, the government has taken adequate steps to provide health facilities in flood affected communities by providing shelter, safe drinking water, food items as well as health interventions amidst supply chain disruptions. The government provided flood relief assistance of Rs 70 billion to 2.8 million beneficiaries under BISP. The compensated amount of Rs 25,000 has been provided to each flood-affected family to help them recover from their financial losses.

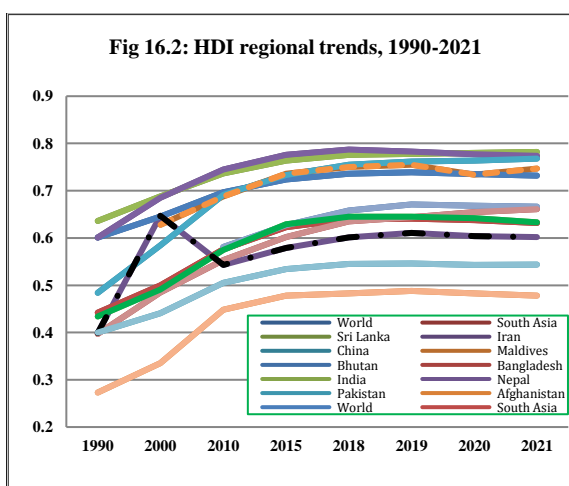
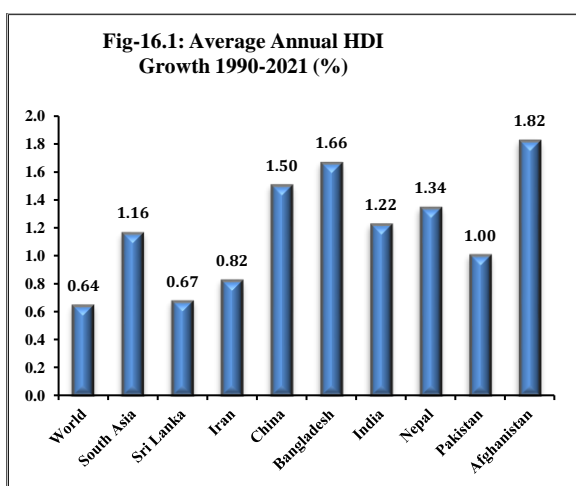
The Human Development Report (HDR) 2022 revealed that Pakistan has dropped seven places in the Human Development Index (HDI), ranking 161 out of 192 countries which put the country in the 'Low Human Development' category. Switzerland is on top, Norway and Iceland rank at second and third positions, respectively, while India has dropped one spot to 132 in the HDI.

According to the report, life expectancy at birth in Pakistan stood at 66.1 years, expected years of schooling are 8.7, while the gross per capita national income is \$4,624. Life expectancy at birth in India is 67.2 years, expected years of schooling are 11.9, while the gross per capita national income is \$6,590. Bangladesh stands at 129 in the index. Life expectancy at birth in Bangladesh is 72.4 years, expected years of schooling are 12.4, while the gross per capita national income is \$5,472 respectively. Around 90 percent of countries have seen "reversals in human development" during the period under review as given in the Table 16.1 below:

Table-16.1: Human Development Index and its Components

Country/ Region	HDI Rank	Human Development Index (HDI) Value (2021)	Average Annual HDI Growth (%) [1990-2021]	Life Expectancy at Birth (years)	Expected Years of Schooling (years)	Mean Years of Schooling (years)	Gross National Income (GNI) per capita (2017 PPP \$)	Multidimensional Poverty Index Headcount (%)
				SDG-3	SDG-4.3	SDG-4.4	SDG-8.5	SDG-1.2
World	-	0.732	0.64	71.4	12.8	8.6	16,752	-
South Asia	-	0.632	1.16	67.9	11.6	6.7	6,481	29.0
Sri Lanka	73	0.782	0.67	76.4	14.1	10.8	12,578	2.9
Iran	76	0.774	0.82	73.9	14.6	10.6	13,001	-
China	79	0.768	1.50	78.2	14.2	7.6	17,504	3.9
Maldives	90	0.747	-	79.9	12.6	7.3	15,448	0.8
Bhutan	127	0.666	-	71.8	13.2	5.2	9,438	-
Bangladesh	129	0.661	1.66	72.4	12.4	7.4	5,472	24.6
India	132	0.633	1.22	67.2	11.9	6.7	6,590	27.9
Nepal	143	0.602	1.34	68.4	12.9	5.1	3,877	17.5
Pakistan	161	0.544	1.00	66.1	8.7	4.5	4,624	38.3
Afghanistan	180	0.478	1.82	62.0	10.3	3.0	1,824	55.9

Source: UNDP Human Development Report-2022



Tracking the Pro-Poor Expenditures

Expenditure on 14 pro-poor sectors is showing increasing trend in absolute terms in pro-poor public expenditure. In 2017-18 it stood at 7.2 percent of GDP, 6.5 percent of GDP in 2018-19, 6.7 percent in 2019-20, 6.4 percent in 2020-21. During 2021-22, total expenditures of these

sectors were increased and reached to Rs 5630.8 billion, which was 6.7 percent of GDP which shows the government's commitment to follow a sustained poverty reduction strategy. The PRSP expenditures as percentage of GDP varies due to rebasing of National Accounts from 2005-06 to 2015-16 as shown in Table 16.2 below:

Table-16.2: PRSP Budgetary Expenditures by Sector

(Rs million)

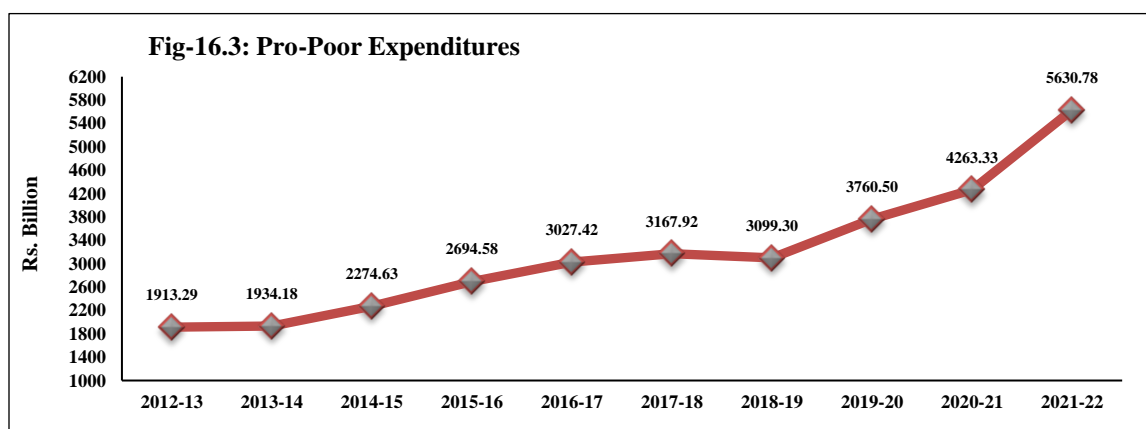
Sectors	2017-18	2018-19	2019-20	2020-21	2021-22*
Roads, Highways & Bridges	452,463	400,623	342,689	327,971	518,928
Environment / Water Supply and Sanitation	77,932	45,186	70,337	64,783	119,017
Education	829,152	868,022	901,013	802,226	1,101,654
Health	416,467	421,778	505,411	586,270	919,418
Population Planning	20,451	14,328	11,381	11,257	17,968

Sectors	2017-18	2018-19	2019-20	2020-21	2021-22*
Social Security & Welfare**	257,534	173,443	280,258	225,278	419,199
Natural Calamities & Other Disasters	19,062	20,933	72,353	89,138	130,043
Agriculture	277,867	256,697	377,093	327,286	388,678
Land Reclamation	2,730	2,538	2,418	3,054	4,666
Rural Development	42,127	11,958	29,738	49,703	68,110
Subsidies	327,767	387,092	635,816	1,184,070	1,252,935
Low Cost Housing	349	704	1,766	2,242	1,780
Justice Administration	53,461	65,937	72,737	79,866	95,207
Law and Order	390,556	430,063	457,487	480,187	593,176
Total	3,167,918	3,099,302	3,760,497	4,263,331	5,630,779
Total as % age of GDP (2015-2016 base)	7.2	6.5	6.7	6.4	6.7

*: Provisional

** : Social Security & Welfare includes the expenditure of BISP, SDGs, and PBM.

Source: External Finance Wing, Ministry of Finance



Social Safety Programmes

Social safety net programmes provide minimal safeguard to the poor and vulnerable group which form an essential element of our poverty reduction strategy. Budgeted social safety net programmes include Benazir Income Support programme (BISP), Pakistan Bait-ul-Mal (PBM) while Zakat, Employees Old-age Benefit Institution (EOBI), Workers Welfare Fund (WWF) and Pakistan Poverty Alleviation Fund (PPAF) is the non-budgetary part of the programme. Microfinance through specialized financial institutions also provides micro finance services to the needy poor.

I. Benazir Income Support Programme: BISP, a targeted unconditional cash transfer programme, is being implemented by focusing on poor women with the long-term objectives

include meeting the targets of Sustainable Development Goals (SDGs) to eradicate extreme and chronic poverty and empowerment of women.

BISP has a nationwide presence with Headquarters in the Federal Capital Islamabad and 16 Zonal offices in all provinces. There are 138 District offices and 315 sub-divisional/ Tehsil offices all across the country. BISP has the largest database known as National Socio-Economic Registry (NSER) comprising socio-economic indicators of around 35 million households of the country. BISP is the only autonomous body having budget of Rs 400 billion wherein Internal Audit function is operating as per international internal auditing standards and its activities include risk based audit, agile auditing, concurrent auditing and hence contributing in the effectiveness of

internal controls, risk management practices and governance procedures of BISP. Following are the major Programmes of BISP:

A. Un-Conditional Cash Transfer (UCT) Programme

- i. **Benazir Kafaalat:** Benazir Kafaalat is the core Programme of BISP which was initiated in 2008. Beneficiaries are identified/registered through a scientific mode of NSER survey based on Proxy Means Test (PMT) score. At present, PMT cut-off score of 32 is being used as eligibility cut-off to identify vulnerable families. However, PMT cut-off score is relax up to 37 for differently able person in a household. The current number of enrolled/ registered beneficiaries of Kafaalat is around 8.96 million. Target is to enhance the number to 9.0 million by June 2023. During July-March FY2023, Rs 128.90 billion have been disbursed under the UCT Kafaalat Programme.
- ii. **Targeted Petroleum Subsidy:** In order to protect the poor and the vulnerable families from the effects of rising fuel prices, Federal Government in May 2022 decided to disburse an additional cash subsidy of Rs. 2,000/- to existing regular BISP beneficiaries as well as additional beneficiaries by raising the existing PMT score covering third socio-economic status. During July-December FY2023, Rs 16.35 billion have been disbursed to around 8.67 million beneficiaries.
- iii. **Flood Relief Programme:** Recent unprecedented rain across Pakistan has badly affected low lying areas where there was 4 to 5 feet of water covering whole districts and in some areas resulted in loss of lives and property. In this backdrop, the government has announced immediate cash relief @ Rs. 25,000/- per family in flood affected Districts/ Tehsils/ Union Councils notified by NDMA across the country. BISP has approximately disbursed Rs 69 billion during the period July-December FY2023 to 2.76 million beneficiaries.
- iv. **Subsidy for Wheat Seed Rabi (2022-23):** BISP is also implementing Wheat Seed Subsidy programme to eligible farmers in compliance of decisions of ECC held on

25-01-2023. The target of the programme was to reach 185,928 farmers with disbursement amount of Rs.5000/- per acre according to their verified area. Till 31st March, 2023 an amount of Rs 2.94 billion has been disbursed to 122,687 farmers out of a targeted 185,928 farmers.

- v. **Transgender Policy:** BISP Board has approved the policy to include transgender persons under UCT. As per approved Policy, transgender persons are required to obtain CNIC from NADRA clearly mentioning transgender as their gender. To become eligible for BISP Programmes, NSER related survey is mandatory at Benazir Registration Centers (BRCs) established in every BISP Tehsil Office. So far, 80 cases of transgender persons have been enrolled as BISP beneficiaries and receiving Kafaalat amount of Rs 7,000/- for the first time.
- vi. **Financial Inclusion and Financial Literacy Programme:** In pursuance of Financial Inclusion Strategy, BISP has designed and launched a pilot project for opening of Savings Accounts (Mobile Wallets) and provision of Financial Literacy to UCT beneficiaries. After evaluating the pilot project, a detailed road-map and action plan will be prepared and Mobile Wallet and Financial Literacy Programme will be launched across the country which will pave the way for formal interaction of UCT beneficiaries with the economy.
- vii. **Hybrid Social Protection Programme:** BISP is also working on Hybrid Social Protection Programme which will blend social assistance with social risk mitigation elements to promote savings that informal sector workers can fall back on in case of shocks, while it also providing a platform through which the government can more rapidly deploy additional support during a crisis. The basic model, drawing from global experiences, will be a contributory savings scheme with matching incentives, with a short to medium term horizon for withdrawals. The Programme is currently in design phase with the technical assistance of World Bank, Asian Development Bank and other stakeholders.

viii. **Indexation of Cash Transfer:** In pursuance to fulfill the requirements under IMF's Extended Fund Facility Program, 2019-20 as well as World Bank's Second Securing Human Investments to Foster Transformation (SHIFT-II) Policy Reform Framework, BISP in coordination with Finance Division and World Bank has developed an institutional mechanism for periodic increase/ update of Cash Transfers. The last increase in the cash assistance under UCT was made @ Rs. 1,750 per quarter w.e.f 1st January, 2023. For 3rd Quarter, January-March FY2023 Rs. 8500/- was paid and from 4th Quarter, April-June FY2023, Rs 9000/- is being paid to eligible beneficiaries.

ix. **Designing of a New Innovative Payments Model:** BISP has initiated the work for designing of a new payment model in consultation with key stakeholders as well as various national and international organizations having experience in designing and executing payment systems especially in the Social Protection Programmes with particular emphasis on G2P payments. The inputs/ recommendations of key stakeholders for developing/ designing of a new payment system would serve BISP beneficiaries most efficiently.

x. **Improved Service Delivery:** BISP at Tehsil level outreach providing assistance and guidance to its beneficiaries on all initiatives of the Programme. It has a dedicated Call Center at BISP HQ, Islamabad, which is the first point of contact for the beneficiaries/general public to seek information related to BISP's initiatives/ schemes, as well as to record and address their complaints through Interactive Voice Response (IVR) system. The call center can be reached at Toll Free number (0800-26477) from 8:00 am to 4:00 pm.

xi. **Payments Related Grievance Redressal System:** BISP has developed an efficient and automated payment grievance redressal system i.e. Payment Complaint Management System (PCMS) which is deployed at all BISP Tehsil/District / Zonal Offices. Through this system, payment related complaints can be launched and

resolved in an automated manner. It is used by the BISP's Tehsil offices to register and resolve complaints of the beneficiaries. PCMS has been refined to process following types of complaints reported during field activities:

- i. Biometric verification related complaints
- ii. Payment related complaints
- iii. Quality of service related complaints

Moreover, the PCMS has also been integrated with Complaint Resolution Mechanisms (CRMs) of BISP partner banks to further enhance the efficiency of CRM in an efficient manner. In addition to the beneficiary complaints, PCMS is equipped to process following types of cases:

- i. Next of Kin
- ii. Transgender applications
- iii. Update of beneficiary's address /contact number
- iv. Search complaint status
- v. View beneficiary's payment history
- vi. User management.

B. Conditional Cash Transfer (CCT) Programme

a. **Benazir Taleemi Wazaif (Education Programme):** The Government of Pakistan is committed to provide Universal Primary Education as a part of its commitment to the SDGs. Recognizing that, many children of BISP beneficiary households / families are not currently attending school, the government launched a Co-Responsibility Cash Transfer for provision of an additional cash per quarter to BISP beneficiary families in October, 2012 for Primary Education. Since 1st July 2021, scope of work of the Programme has been expanded from Primary to Secondary and Higher Secondary level and is currently operational all over the country. Stipend rates of students are as under:

Level	Per Boy/per quarter (Rs.)	Per Girl /per quarter (Rs.)
Primary	1,500	2,000
Secondary	2,500	3,000
Higher Secondary	3,500	4,000
Bonus on Primary Graduation to Girls	One-time bonus of Rs 3,000 to girls on graduation of Primary Education.	

The overall objective of this initiative is to encourage education through regular cash transfers to invest in human capital development. B-form/ CRC verification through NADRA database is mandatory for the enrollment of child in the Programme. A beneficiary child must attend school / college for at least 70 percent of the school/college effective days within a quarter to receive cash transfers from 2nd quarter and onwards. Eligibility criteria for enrollment of children in Benazir Taleemi Wazaif Program is as under:

- 4-12 years for Primary Education
- 8-18 years for Secondary Education
- 13-22 years for Higher Secondary Education

Achievements

Enrolment: So far, 11.8 million children have been enrolled and paid through Benazir Taleemi Wazaif Programme and 3.0 million children have been enrolled during July- March FY2023.

Disbursement: So far, Rs 63.3 billion have been disbursed since inception of the Programme out of which Rs 23.4 billion have been disbursed during 1st July to 31st March, FY2023.

b. Benazir Nashonuma (Health & Nutrition Programme): Pakistan's high rates of malnutrition (40.2% stunting, 28.9% underweight, and 17.7% wasting) are indicative of an on-going child nutrition crisis. Such levels of malnutrition ranks Pakistan as the second-highest burdened country in the region. The first 1,000 days of a child's life are a window of opportunity to lay a strong foundation for later achievements. This time frame is a period of enormous changes characterized by a high degree of plasticity in the child's neurological development.

The Programme aims to address stunting among Pregnant and Lactating Women (PLW) and their children of less than 2 years age through the provision of additional cash of Rs 2,000/- per quarter per PLW / boy child and Rs 2,500/- per quarter per girl child of BISP beneficiary families. In return, mothers must commit to attend regular antenatal health checks and awareness sessions during pregnancy, consuming Specialized Nutritious Food (SNF),

and taking their children for immunization and regular health checks.

The primary objectives of the intervention includes:

- To prevent stunting in children under two years of age
- Improved weight gain of pregnant women during pregnancy
- Reduce anemia and micronutrient deficiencies
- Improved awareness of maternal and early child health / nutrition
- Reduced disease burden through improved uptake of available health / nutrition services
- Prevent low birth weight

The Programme is operationalized in 156 districts of the country through 442 Facilitation Centers. During July- March FY2023 Rs 1.26 billion were disbursed to 375,150 beneficiaries as CCT Programme.

c. Benazir Undergraduate Scholarship Project:

The project envisages providing merit and need-based scholarships over 4-5 years of under-graduate education, including tuition fees and stipend to cover living expenses, to the qualified undergraduate students from low-income families to study in HEC recognized 135 public sector Higher Education Institutions (HEIs) of all regions of Pakistan, including Azad Jammu & Kashmir and Gilgit-Baltistan. HEC is the executing agency for the project.

Brief Details of the Project

- **Duration:** FY 2019-2020 to 2026-2027
- **Total Budget:** Rs 38.015 billion
- **Total Scholarships:** 102,000
- **Expenditure so far:** Rs 29.254 billion
- **Eligibility Criteria:** Family income of Rs 45,000 per month or less of the applicant student
- **Special Considerations:** 50% scholarships are reserved for the females, whereas 2% scholarships are reserved for the students with different abilities;
- **Approved Disciplines:** All disciplines are included except vocational training programs by TEVTAs.
- **Approved Degree Programs:** Any regular 4-5 years undergraduate degree programme (except distant learning programmes)

- **No. of Participating Universities:** 135 Public Sector Universities/ HEIs. (private and distant learning universities are not included)
- **Scholarship Coverage:** Actual tuition fee and living allowance @Rs.40,000 per annum.

Up to the end of FY2022, scholarships were awarded to 92000 students and 6.4 billion were released for the grant of scholarship. During July-March FY2023, funds of Rs 2.241 billion were released to additional 10000 newly enrolled students.

d. National Socio-Economic Registry (NSER): BISP has the largest database known as NSER comprising socio-economic indicators

of over 35 million households of the country. This digitized, geo-referenced data-set is serving as a transparent, efficient and effective targeting mechanism for BISP and other government programmes, contributing to the planning of pro-poor development policies. So far 612 Dynamic Registration Centres have been set up across the country by ensuring that every Tehsil has at least a dedicated registration center.

BISP Financial Progress:

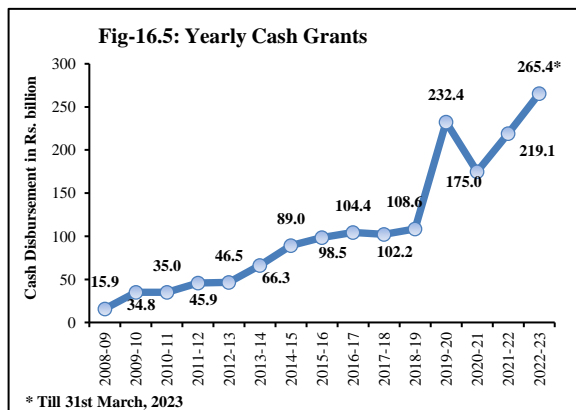
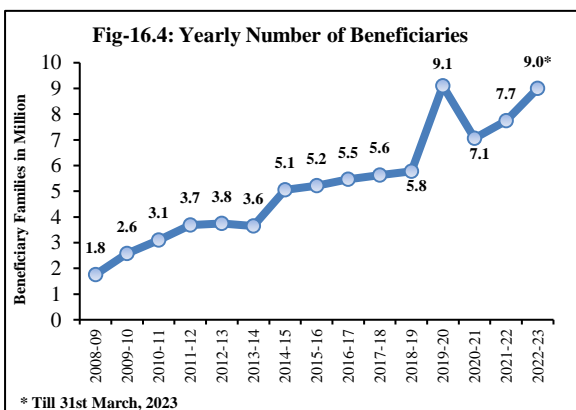
c. Since its inception, BISP has managed to disburse Rs 1,638.90 billion to UCT and CCT grants. Year- wise released and disbursement on CCT and UCT grants are reflected in Table- 16.3 and Fig-16.4 & Fig-16.5:

Table-16.3: BISP Financial Achievements (Rs in billion)

Year	Released	Funds Transfer to Cash Grants			Number of Beneficiaries (million)
		Conditional Cash Transfer (CCT)	Unconditional Cash Transfer (UCT)	Total (UCT+CCT)	
2008-09	15.32	0.04	15.81	15.85	1.76
2009-10	39.94	2.89	31.94	34.83	2.58
2010-11	34.42	5.30	29.66	34.96	3.10
2011-12	49.53	4.28	41.60	45.88	3.68
2012-13	50.10	3.17	43.30	46.47	3.75
2013-14	69.62	1.20	65.11	66.31	3.64
2014-15	91.78	0.45	88.59	89.04	5.05
2015-16	102.00	1.88	96.65	98.53	5.21
2016-17	111.50	2.27	102.10	104.37	5.46
2017-18	107.00	3.20	99.00	102.20	5.63
2018-19	116.50	4.01	104.60	108.61	5.78
2019-20	243.71	3.70	228.67	232.37	9.10
2020-21	194.29	5.57	169.40	174.97	7.06
2021-22	235.63	25.35	193.74	219.09	7.74
2022-23*	312.39	23.48	241.94	265.42	9.00
Total	1,773.73	86.79	1,552.11	1,638.90	-

*Till 31st March, 2023

Source: Benazir Income Support Programme (BISP)



II. Pakistan Poverty Alleviation Fund (PPAF): PPAF is continuing to support communities by providing access to improve infrastructure, energy, health, education, livelihoods, finance, and develop resilience to disasters. It has outreach in 149 districts across all four provinces and regions of the country.

Since its inception in April 2000 till March 2023, PPAF has disbursed approximately Rs 238.47 billion to its Partner Organizations (POs) in 149 districts across the country. A total of 8.4 million microcredit loans have been disbursed with 60 percent loans to women and 80 percent financing extended to rural areas. Following are the key achievements under the PPAF:

- i) 38,900 health, education, water, and infrastructure projects completed;
- ii) 440,000 credit groups and 146,900 community organizations formed;
- iii) 146,900 community organizations have been formed;
- iv) 1,158,000 individuals (49% women) received managerial and livelihood trainings;
- v) 199,500 productive assets transferred to ultra and vulnerable poor households (64% women);
- vi) Over 2,841,000 interest-free loans (55% women) disbursed through Interest-Free

- Loan (IFL) Programme;
- vii) 26,000 individuals including women and youth trained on enterprise development under Waseela-e-Haq National & Waseela-e-Haq Sindh programmes of the BISP facilitated in establishing their successful ventures; and
- viii) 30,800 persons with disabilities rehabilitated.

Interest-Free Loan (IFL) Programme under PPAF: Since July 2019, PPAF is implementing the phase-II of the Government of Pakistan’s Interest Free Loan (IFL) Programme to support productive microenterprise activities of the poor, vulnerable and marginalized households in Pakistan. As many as 2.8 million IFLs will be provided (50,000 loans per month) over four years to 1.7 million households for income diversification and business expansion purposes.

During July 2022 to March 2023, a total of 365,408 loans (62% women) amounting to Rs 14.93 billion have been disbursed to borrowers whereas cumulatively July 2019 to March 2023, a total of 2,303,046 loans (52% o women) amounting to Rs 85.16 billion have been disbursed. The programme is being executed through 736 Laon Centers/Branches in about 81 districts by 26 POs across the country as shown in table 16.4 below:

Table -16.4: Interest Free Loan (IFL) Progress

Sr. #	Particulars	Progress for July–March FY 2023			Cumulative as of March 2023		
		Men	Women	Total	Men	Women	Total
1	Number of loans disbursed to borrowers	138,692	226,716	365,408	1,108,750	1,194,296	2,303,046
2	Amount disbursed to borrowers (Rs billion)	5.76	9.17	14.93	42.96	42.19	85.16
3	Number of Loan Centers	736					

Source: Pakistan Poverty Alleviation Fund (PPAF), Islamabad

Emergency Flood Relief Programme 2022 under PPAF: PPAF has launched an Emergency Flood Relief Programme with an initial allocation of Rs 250 million in 31 affected districts of the country to address the immediate needs of the flood-affected population in the poorest communities, improve their coping

capacities for early recovery and rehabilitation and strengthen their resilience to climate-induced disasters. Province-wise and sector-wise detail of relief operation in 31 flood affected district of the country is given in Table-16.5 below:

Table 16.5: Province-wise Households benefited from PPAF Emergency Response (July 2022 to March 2023)

Provinces	Category-wise Beneficiary Households									
	Food Items	Hygiene Kits/MMH Kits	Point of Use Water Suppliers	Medical Camps	Livestock Vaccination	Fodder for Animal	Temporary Shelter Kits	Non-Food Items	Agriculture Inputs (Seeds)	Solar Lights
Balochistan	8,576	6,275	575	7,296	-	-	-	-	8,000	-
Khyber Pakhtunkhwa	6,130	3,180	-	-	-	-	-	-	-	-
Punjab	8,500	8,150	-	-	-	-	3,000	-	-	-
Sindh	11,448	11,524	4,500	29,854	8,086	3,000	500	5,482	-	2,500
Total	34,654	29,129	10,250	37,150	8,086	3,000	3,500	5,482	8,000	2,500

Source: Pakistan Poverty Alleviation Fund (PPAF), Islamabad

Financial Progress of the PPAF

During July-March FY2023, PPAF disbursed Rs 1.6 billion to its POs for various programmes

funded by donors and its own resources. The component-wise financial progress update is given in the table-16.6:

Table-16.6: PPAF Disbursement by Operating Units/Special Initiatives (Rs million)

Sr #	Programme Components	Amount Disbursed
1	Institutional Development/Social Mobilization (ID/SM)	44.53
2	Livelihood Enhancement and Protection (LEP)	625.83
3	Water and Infrastructure (W&I)	395.56
4	Education, Health and Nutrition (EHN)	48.34
5	Interest Free Loans (IFL)	56.65
6	Flood Emergency Response	368.91
Total		1,539.82

Source: Pakistan Poverty Alleviation Fund, Islamabad.

During the reporting period, a total of 12 community institutions were formed, and 923 community members were trained (34% women) under the Institutional Development and Social Mobilization component. Similarly, under the Livelihood Enhancement and Protection (LEP) component, 6,174 individuals (53% women) received skills and entrepreneurial trainings, and 3,105 productive assets (47% assets to women) were transferred

to ultra and vulnerable poor households. A total of 22 physical infrastructure sub-projects were completed benefitting 45,534 persons (including 48% women). Under the education component, 59 educational facilities were supported, and 9,653 students (47% girls) were enrolled in these facilities. A total of 365,408 (62% women) loans were disbursed through the IFL programme. The highlights of physical progress are given in Table-16.7 below:

Table-16.7: Physical Progress Update (July-March FY2023) (Numbers)

Programme Components	Physical Progress
Institutional Development and Social Mobilization:	
▪ Community Institutions Formed	12
▪ Community and PO staff trainees (34% women)	923
Livelihoods Enhancement and Protection	
▪ Individuals received skills/entrepreneurial training (53% women)	6,174
▪ Productive assets transferred to ultra and vulnerable poor (47% women)	3,105
Water and Infrastructure Sub-projects:	
▪ Sub-projects completed	22

Programme Components	Physical Progress
▪ Sub-projects beneficiaries (48% women)	45,534
Education:	
▪ Education facilities supported	59
▪ Students enrolled and scholarship provided (47% girls enrolled)	9,653
Interest Free Loans (IFL) Programme:	
▪ Number of Interest Free Loans (62% women)	365,408

Source: Pakistan Poverty Alleviation Fund, Islamabad.

III. Microfinance Initiatives: The Pakistan Microfinance Network (PMN) is the national association for retail players in the microfinance industry with a membership of 46 Microfinance Providers (MFPs) including Microfinance Banks (regulated by SBP) and Non-Bank Microfinance companies (regulated by SECP).

The vision of PMNs is to extend the frontiers of formal financial services to all, and the mission is to support the financial sector, especially retail financial service providers, to enhance their scale, quality, diversity, and sustainability in order to achieve inclusive financial services.

The microfinance industry broadly provides services in three categories of micro-credit, micro-savings and micro-insurance. As shown in Table 16.8, the sector continued an upward

trend. The micro-credit outreach witnessed a growth of 12 percent in the Micro-Credit with Active Borrowers crossed 9.0 million during FY2022 as compared to 8.1 million over the corresponding period last year. While the Gross Loan Portfolio registered 25 percent growth and reached to Rs 491 billion during the same year. Micro-savings, on the other hand, posted a growth of 19 percent under active savers increased to 94 million and the value of their savings reached to Rs 514.3 billion, an increase of 22 percent over the corresponding year. Micro-insurance also remained positive wherein the number of policyholders increased by 0.4 percent and touched to 8.26 million. Moreover, sum –insured posted a negative growth of 0.7 percent and reduced from RS 319 billion in 2021 to Rs 317 billion in 2022 along with the value of sum insured of Rs 317 billion.

Table 16.8: Active Borrowers, Active Savers and Active Policyholders

Details	Micro-Credit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (Rs.million)	Active Savers	Value (Rs.million)	Policy Holders	Sum Insured (Rs.million)
2022*	9,092,247	491,262	93,957,497	514,289	8,264,513	316,948
2021*	8,122,085	392,585	78,731,952	422,547	8,228,178	319,255
Increase/decrease (Net)	970,162	98,677	15,225,545	91,742	36,335	(2,307)
Increase/Decrease (%)	12%	25%	19%	22%	0.4%	-0.7%

*: Calendar Year

Source: Pakistan Microfinance Network (PMN)

The microfinance sector in Pakistan has been dedicated towards improving access to economic opportunities and growth for the marginalized segments of the population. Improving access to financial services is inadequate without considering improvement in social and developmental areas. These areas

have been a priority for MFPs as evidenced by their engagement in a number of social and development initiatives, like increasing access to financial services, development of start-up and existing enterprises, poverty alleviation, employment generation, and promoting gender equality.

Pakistan Economic Survey 2022-23

It is provided as a package through Microfinance Banks (MFBs), Microfinance Institutions (MFIs), Rural Support Programmes (RSPs) and Others including Commercial Financial Institutions (CFIs) and NGOs. Table-16.9

presents the number of micro-credit beneficiaries with outstanding loan portfolios and disbursements by loan providers upto December 2022.

Table 16.9: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement as of Dec. 2022

MFP	Active Borrowers	Outstanding Loans Portfolio (Rs)	Number of Loans Disbursed	Disbursements (Rs)
Total for Pakistan MF sector	9,092,247	491,262,241,504	6,999,375	167,654,305,624
MFBs				
Advans Pakistan	19,198	3,479,012,781	5,142	1,345,837,975
Apna Microfinance Bank	103,940	12,067,958,053	109,616	15,215,513,383
ASA	605,594	18,024,036,940	174,516	8,932,667,000
FINCA Microfinance Bank	130,940	17,216,393,708	26,388	4,792,450,995
HBL Microfinance Bank Limited	514,442	87,850,557,998	134,112	21,004,005,794
Khushhali Bank	737,541	88,596,115,703	120,733	17,355,104,877
Mobilink Microfinance Bank	2,566,393	50,810,232,624	4,571,530	22,498,365,700
NRSP Bank	258,937	32,435,535,001	56,778	7,905,876,501
Pak Oman Microfinance Bank	61,738	5,493,901,167	12,389	1,310,943,917
Sindh Microfinance Bank	66,133	1,321,059,597	17,019	621,625,000
Telenor Microfinance Bank Limited	488,471	11,593,611,248	892,087	5,364,207,359
U Microfinance Bank	373,855	50,584,779,904	151,304	21,671,442,084
Total for MFBs	5,927,182	379,473,194,726	6,271,614	128,018,040,586
MFIs				
Agaha Pakistan	60,550	1,705,438,349	14,631	776,200,000
Akhwat Islamic Microfinance	692,635	30,722,971,538	125,925	6,390,149,250
CSC Empowerment & Inclusion Programme	46,054	1,943,664,470	11,691	747,838,749
Damen Support Programme	127,527	4,869,016,247	31,865	2,390,130,000
FFO Support Program	47,622	1,118,924,866	7,630	382,569,000
JWS Pakistan	159,375	4,843,297,591	39,221	2,191,405,000
Kashf Foundation	639,409	22,398,111,099	212,826	11,215,395,000
Mojaz Support Program	42,938	1,074,455,448	3,970	286,225,000
Organization for Poverty Reduction & Charitable Trust	24,802	749,666,295	5,806	335,450,000
OPD Support Program	4,439	81,488,271	948	41,575,000
Rural Community Development Programs	204,184	7,748,309,160	42,747	2,899,185,000
Sayya Microfinance Company	9,437	230,258,155	2,304	100,420,000
Safco Support Foundation	117,309	3,741,190,515	16,172	1,197,685,200
Shah Sachal Sami Foundation	3,985	156,191,669	585	43,370,000
Farmer Development Programme	8,190	161,758,502	2,532	98,055,000
Union Bank	350	56,572,144	350	56,572,144
Villagers Development Organization	1,870	32,382,753	140	7,685,000
Total for MFIs	2,190,676	81,633,697,072	519,343	29,159,909,343
RSPs				
Ghazi Barotha Taraqiati Idara	24,186	451,841,913	4,465	177,695,000
National Rural Support Programe	723,640	21,994,829,622	163,686	8,131,121,502
Punjab Rural Support Programe	91,010	2,465,648,118	18,556	783,951,000
Sindh Rural Support Organization	7,559	202,268,300	2,024	98,445,000
Sarhad Rural Support Programme	81,420	3,531,105,491	10,240	790,368,193
Thardeep Microfinance Foundation	46,008	1,338,313,552	9,447	494,775,000
Total for RSPs	973,823	29,984,006,996	208,418	10,476,355,695
Others				
MCB Islamic Bank	566	171,342,710	-	-
Total for Others	566	171,342,710	0	0

Source: Pakistan Microfinance Network (PMN)

IV. Zakat: The system of Zakat ensures proper distribution of wealth and serves as a preventive mechanism against poverty to reduce inequality among communities. Zakat funds are utilized for assistance to the needy, indigent, poor, orphans, widows, handicapped and disabled for their subsistence or rehabilitation. The federal government is responsible for the collection of Zakat and its distribution to the provinces/federal areas in accordance with the Zakat distribution formula approved by the Council of Common Interests (CCI). A total amount of Rs 10,817 million has been distributed during FY2023 as per details given in Table 16.10:

Federal Areas/ Provinces	Amount (Rs million)
Punjab	5,782.24
Sindh	738.95
Khyber Pakhtunkhwa	994.94
Balochistan	1,399.35
Gilgit-Baltistan	730.45
ICT	1,171.73
Total	10,817.67

Source: Ministry of Poverty Alleviation and Social Safety

V. Pakistan Bait-ul-Mal (PBM): Pakistan Bait-ul-Mal is significantly contributing toward poverty alleviation through its various poorest of the poor focused services. The PBM providing assistance to the destitute, widows, orphans, invalids, infirm and other needy persons with emphasis on rehabilitation, educational assistance to needy orphan and stipends for the outstanding, non-affording students for higher professional education, residential accommodation and necessary facilities for the deserving, free medical treatment for indigent sick people, set up free hospitals and rehabilitation centres for the poor, financial aid to charitable institutions including educational and vocational setups. During FY2023, Rs 6.04 billion has been provided to PBM for its following core projects/schemes:

a). Individual Financial Assistance (IFA): Through IFA, poor, windows, destitute and orphans are supported for medical treatment of poor and deserving patients suffering from different catastrophic diseases, education

stipend of brilliant and poor students and general financial assistance of widow and other needy segment of the society. PBM has envisioned providing Wheel Chairs to every disabled person in the country. A family having two or more special (disabled) children has been declared “special family” and is benefited with Rs 30000/- annually, whereas the family with two special children are being provided financial assistance of Rs 60000/- per annum. An amount of Rs 1.27 billion has been disbursed country wide for the period July to March FY2023.

b). Schools for Rehabilitation of Child Labour (SRCLs): PBM has established National Centres for Rehabilitation of Child Labour countrywide since 1995 for primary (non-formal) education. Children (male & female) between the ages of 5-6 years are weaned away from hazardous labour and enrolled in these centers with free provision of uniform, books and stationery. During July-March FY2023 Rs 764.24 million has been disbursed.

c). Women Empowerment Centres (WEC): Vocational Training Centres now called WECs have been established throughout the country since 1995. WECs are providing free training to widows, orphans and poor girls in different skills (i.e. cutting, sewing, knitting, computers and embroidery along with other trades). The trainees are being provided with free training material. An amount of Rs 441.18 million has been utilized for the period July to March FY2023.

d). Pakistan Sweet Homes (PSHs): PBM has established Sweet Homes (orphanages) for the orphan children, where they are being provided free food, nutrition, medical treatment, boarding and lodging, as well as, free education through well reputed education institutes. During July, 2022 to March, 2023 Rs 511.27 million has been spent.

e). PBM Old Homes (for Shelter Less Senior Citizens): Old homes are established to enrolled senior citizens (above 60 years of age) where they are being provided free of cost boarding/lodging, messing and medical care. An

amount of Rs 5.48 million has been utilized for the period July to March FY2023.

f). PBM Shelter Homes: PBM being an executing agency of Shelter Homes earlier named Panagah(s) incurring all the expenditures by curtailing funds from its ongoing programmes mainly focus on quality service delivery to the shelter-less persons, by taking care of multiple aspects including health care, safe/secure living environment, hygienic food etc. in a respectable manner. An amount of Rs 122.28 million has been utilized during July to March FY2023.

g). PBM Roti Sab KeLeay: PBM being an executing agency of Roti Sab KeLeay formally named EKBNS, has procured food vehicles to deliver the foods to the poorest segment of the society. During July, 2022 to March, 2023 Rs 31.95 million has been utilized.

h). Institutional Rehabilitation for NGOs: Pakistan Bait ul Mal provides grant-in-aid to registered NGOs having excellent track record aimed at institutional rehabilitation of the poor and deserving persons of the society. An amount of Rs 29.52 million has been disbursed during July to March FY2023.

VI. Employees Old-Age Benefits Institution (EOBI): EOBI is playing a vital role in social security by paying pensions and grants to retired

workers and their families. By December 2022, EOBI had 240,424 active old-age pensioners, 161,353 active survivor pensioners and 5,081 active invalidity pensioners which is growing rapidly. On average about 40,000 pensioners are added every year.

Main Features of the EOBI Schemes:

- **Old-age pension** on attaining the age of 60 years in case of male workers and 55 years in case of female and mine workers.
- **Invalidity pension** on sustaining invalidity affecting insured person's earning more than one third of normal.
- **Survivors' pension** to the following in case of death of insured person/pensioner:
 - Surviving spouse 100% pension till life, or
 - Surviving male children till 18 years of age, or
 - Surviving female children till 18 years of age or their marriage, whichever is earlier, or
 - Surviving parents for 5 years, if any insured person/pensioner not survived by spouse or children.
- **Old-Age Grant:** not meeting the benchmark for old-age pension.

The details of disbursed benefits during July-March FY2023 are shown in Table-16.11:

Benefits	Pension Disbursement Type-Wise									Total Disbursement
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Old-age Pension	2,214.31	2,235.89	2,246.22	2,292.62	2,349.52	2,326.79	2,323.72	2,292.62	2,324.85	20,606.54
Invalidity Pension	44.67	43.81	44.94	47.04	48.28	48.07	40.79	39.88	40.26	397.74
Survivors' Pension	1,497.03	1,480.44	1,520.05	1,496.96	1,574.58	1,551.41	1,558.57	1,545.79	1,574.65	13,829.48
Old-Age Grant	41.68	40.18	45.08	53.94	55.54	53.12	58.57	38.91	49.33	436.35
Total	3,797.68	3,800.00	3,856.29	3,890.56	4,027.91	3,979.39	4,011.65	3,917.20	3,989.09	35,269.77

Source: Employees' Old Age Benefits Institution (EOBI), Karachi

VII. Workers Welfare Fund (WWF): The WWF was established under the Workers Welfare Fund Ordinance, 1971 to take initiatives for the industrial workers by providing service in health, education and low-cost housing sector which includes provision of Marriage Grants, Death Grants, Talent Scholarships, establishment & maintenance of labour Colonies and establishment & operations of Workers

Welfare Schools at various priority locations throughout the country.

The WWF derives its receipts from the following three sources:

- i) An industrial establishment contributes 2% of its assessable income under WWF Ordinance 1971, when it exceeds

Rs 500,000/- in an accounting year.

- ii) The left-over amount under Companies Profit Workers Participation (CPWP) Act, 1968 after distribution amongst workers.
- iii) Income from investments.

During July-March, FY2023, expenditures amounting to Rs 2.94 billion were incurred on 16,231 scholarship cases, while Rs 691.51 million disbursed as marriage grants @ Rs 200,000 per worker benefitting 4,377 workers' families. The WWF has also disbursed Rs 780.96 million as death grant @Rs 600,000 per worker– covering 1,425 cases of mishaps all over the country.

Way forward

Ending poverty in all forms and dimensions by 2030 is the first global agenda of the UN's SDGs. Therefore, the identification of the poor and the evaluation of the extent of poverty have received considerable attention in the design of cost-effective poverty reduction programmes and safety nets. After the 18th Amendment, social security and safety nets are now provincial subjects. Keeping in view, a social protection framework is required to clarify the roles and responsibilities of federal and provincial

governments as well as to tap the private sector.

The social protection programmes needs to be properly monitored and evaluated for assessing their impact on poverty and vulnerability, economic growth, and public welfare. The BISP is expanding its scope and size. Moreover, it is important to phase out universal un-targeted subsidies. So, the released funds could be utilized on expanding the social safety net by bringing the poorest into the safety net. The social protection system of Pakistan having enormous potential to handle poverty and vulnerability issues and is imperative to improve coordination between different agencies.

Government is exploring options to identify and replace high-cost and low-impact investments with investments on social protection. Investments in social protection represent a significant share of public expenditure, and the effectiveness of these investments needs to be improved. Priorities need to be gradually shifted from policies that were designed to support cohesion and social peace, towards measures with higher impacts on the reduction of vulnerabilities and poverty reduction. Another option is to reprioritize spending within the social protection sector.

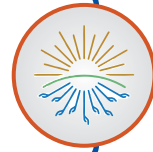


CLIMATE CHANGE

**National Clean Air Policy
2023**



COP27 November, 2022



**Ten Billion Tree
Tsunami Programme ***



Plants regenerated/planted: 188.41 million

Amount Utilized: Rs. 3,296.68 million

**National Tree Plantation
Campaign 2022**



Trees Planted: 181.79 million

**Water, Sanitation and
Hygiene (WASH)**



Allocation: Rs 247 billion (FY2022)

Allocation: Rs 265 billion (FY2023)

* : July - March FY2023

CLIMATE CHANGE

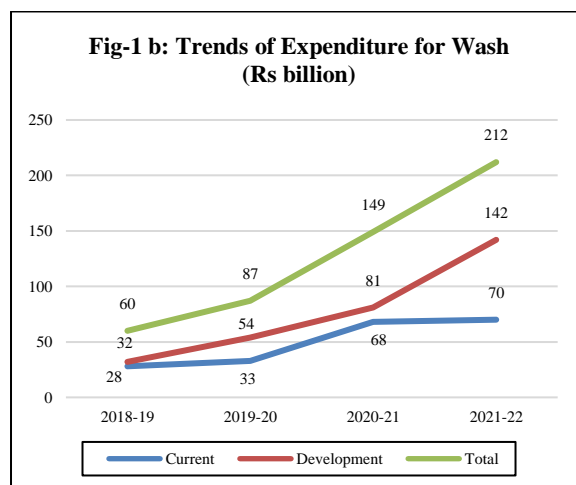
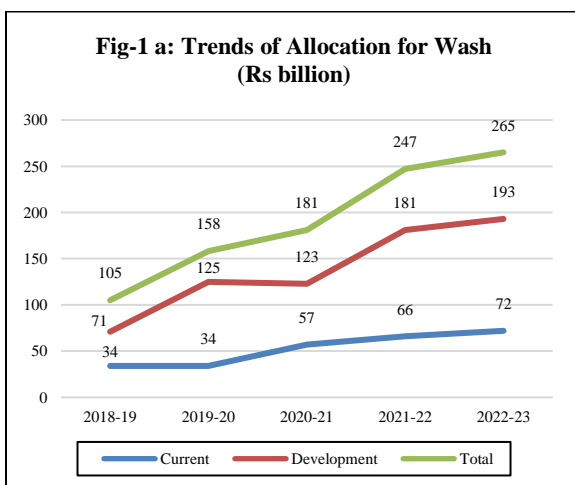
Climate change poses serious challenges to social, environmental and developmental activities, and leads to migration within and across national borders. The effects of global climate change in Pakistan are already evident in the form of growing frequency of droughts, floods, erratic weather behavior, changes in agricultural patterns, reduction in fresh water supply and the loss of biodiversity. Mitigating and adapting actions are considered to be the two key ways of combating climate change. The immediate and pressing task for the country is to prepare itself for adaptation to climate change. Notwithstanding the fact that Pakistan’s contribution to global greenhouse gas (GHG) emissions is small, its role as a responsible member of the global community in combating climate change is dedicated by giving due importance to mitigation efforts in sectors such as energy, transport, forestry and agriculture.

Water, Sanitation and Hygiene (WASH)

In Pakistan due to huge urbanization and environmental changes, there is a dire need to focus on the quality of drinking water in the country. Moreover, the growing population, further accelerates the demand for safe drinking water.

During FY2023, the government allocated Rs 265 billion for WASH services in the provincial and federal budgets of Pakistan. A review of the budget documents showed an upwards trend of WASH allocations from 2018 to 2023. There is an increase of 152 percent in budgetary allocations for WASH in FY2023 as compared to FY2019.

Similarly, an increase of more than 253 percent in WASH expenditures in FY2022 as compared to FY2019 has been observed.



The overall utilization of the allocated budget for WASH was 86 percent in FY2022, while it was 83 percent in FY2021, 55 percent in FY2020 and 57 percent in FY2019. For the last four years, the utilization of current budget for WASH services is more than 94 percent. On the other side, the

utilization of the development budget has also improved from 39 percent in FY2019 to 78 percent in FY2022. Overall and the provincial breakup of WASH budget for FY2023 are given in Table-1.

Table 1: Budget for WASH during FY2023 (Rs in millions)

Provinces/Region	Current	Development	PSDP	Total
Punjab	25,272	39,304	389	64,965
Sindh	22,613	55,345	23,584	101,541
KP (including NMDs)	15,872	38,639	200	54,711
Balochistan	8,530	31,502	3,621	43,652
Federal	-	-	538	538
Pakistan	72,286	164,789	28,332	265,408

Source: MoCC

There is a visible increase in the budgetary allocations for WASH during the last five years. This is coupled with investments made under enabling environment by different development partners along MoCC like Joint Sector Reviews, Policy Papers, WASH Sector Development Plans, etc.

An overview of overall WASH allocations for FY2023 in Pakistan reveals that highest allocations have been made in Sindh province (38.3 percent), followed by Punjab (24.5 percent), Khyber Pakhtunkhwa (20.6 percent) and Balochistan (16.4 percent), respectively.

Ten Billion Tree Tsunami Programme (TBTP)

The implementation of the TBTP was initiated in 2019 with a total cost of Rs 125.1843 billion on cost sharing basis for four years (2019-2023) to plant / regenerate 3.29 billion plants in the provinces / territories. An amount of Rs 3296.683 million (including both PSDP and ADP) has been utilized during 2022-23 (till March 2023) and 188.41 million plants were planted/regenerated/ distributed during July-March 2023. However, a cumulative total of 2027.01 million plants are planted/regenerated/ distributed till March 2023. The detail is given in the Table 2.

Table 2: Plantation/Regeneration/Distribution of plants under TBTP (2019-20 to March 2023) (in million)

S. No.	Province / Territory	Plantation/Regeneration/Distribution Progress				
		FY2020	FY2021	FY2022	FY2023 (till March 2023)	Total
1	Khyber Pakhtunkhwa	168.54	218.732	260.16	57.09	704.52
2	Punjab	58	74.251	151.75	44.00	328.0
3	Sindh	180.23	223.036	320	41.14	764.40
4	Balochistan	2.9	2.7496	6.514	2.94	15.10
5	AJK	69.087	35.447	37.48	21.57	163.59
6	GB	4.69	6.897	18.133	21.68	51.40
Total		483.447	561.1126	794.037	188.41	2027.01

Source: MoCC

Forests, Biodiversity and Wildlife Resources in Pakistan

Unfortunately, climatic conditions, rural poverty, dependence on natural resources, meager forest cover, and deforestation have rendered the country as one of the most vulnerable to climate change effects. Forest, biodiversity, and wildlife resources have suffered from the adverse effects of climate change. Besides, these resources are under tremendous pressure owing to changes in land

use and habitat destruction. Due to population increase, the consumption of fuel wood and timber extraction has increased.

The overall improvement of the sector in the country will require continuous efforts through a number of initiatives.

Membership of International Network on Bamboo and Rattan (INBAR)

Pakistan became a member of International Bamboo and Rattan Organization (INBAR).

INBAR is an Inter-Governmental Organization established in 1997 to promote environmentally sustainable use of Bamboo and Rattan. The network will support Pakistan in the propagation and value chain development of Bamboo in the country. Currently, the INBAR Secretariat is conducting a study on Bamboo Sector Development in Pakistan, mainly focusing on the following:

- Bamboo resource monitoring system;
- Bamboo market and value chain development;
- Enabling policies and regulations that support the use of bamboo for socio-economic and environmental development

Saudi Green Initiative (SGI) and Middle East Green Initiative (MGI)

An MoU has been signed with Kingdom of Saudi Arabia (KSA) to increase cooperation in the field of environment. Pakistan has welcomed the launch of the "Saudi Green" and "Middle East Green" initiatives by KSA. A meeting of the Joint Working Group was held under the Economic pillar of the Saudi Pakistan Supreme Coordination Council (SPSCC). Both sides have agreed to cooperate in the field of environment, vegetation development, and afforestation.

Forest Climate Leaders' Partnership

Pakistan joined Forests and Climate Leaders' Partnership as one of the members. The initiative is led by the UK and was launched at the first Ministerial meeting held at COP-27 in Sharm el Shaikh in November 2022.

National Tree Planting Campaign 2022

Tree planting campaigns were organized in 2022 to motivate people to maximize the tree cover and to supplement the natural forests in the country. National Tree Plantation Campaign 2022 was launched on 14th August 2022 with the target of planting 303.77 million during Monsoon 2022 season. Total achievement under the Monsoon 2022 was 181.79 million. Spring Tree Plantation Campaign-2023 has been launched in February 2023 with the total target of planting 240.05 million tree.

Mitigating Forest Fires

MoCC has devised a mechanism to mitigate the risk of forest fires. Standard Operating Procedures (SOPs) were prepared by the Ministry of Climate Change to prevent and control forest fires in consultation with provincial and other relevant stakeholders in May, 2022. Implementation plans to prevent forest fires based on SoPs have been operationalized in all provinces including territories.

The United Nations Climate Change Conference (COP27)

COP-27 of the United Nations Framework Convention on Climate Change was held from 6-20 November 2022 in Sharm el- Sheikh, Egypt. A delegation under the leadership of Prime Minister of Pakistan attended COP 27 and participated in a number of events. Pakistan has been able to perform a key role in COP 27 and raised issues for countries most adversely impacted by climate change. The key achievements are as under

- Pakistan chaired the G-77 & China group and through extensive efforts, got the L&D Fund placed on the agenda for COP 27, and later on pushed for a consensus agreement on it, which was successfully adopted. The establishment of the fund reflects Pakistan's ability to not only speak and deliver for itself, but also led the voices of developing countries at the international level. Pakistan's representation as the Chair of the G-77 & China has marked the country's important position at the international negotiations and Pakistan's presence at COP 27 was greatly recognized and appreciated.
- A Global Shield initiative receiving funding from the G-7 countries is set to mobilize funds to the Vulnerable 20 Group (V-20) countries and Pakistan will be amongst the first recipients, due to its climate vulnerable position and due to the recent heatwaves and floods. It aims to provide climate vulnerable countries with rapid access to insurance and disaster protection funding after floods or drought.

- The Global Fertilizer Challenge Ministerial announced \$135 million of funding for fertilizer efficiency projects, with the US funding to focus on Brazil, Colombia, Pakistan and Vietnam. Germany will also support the challenge with an additional €13.6 million, mostly centered on Sub-Saharan Africa, and will focus on efficiency and productivity.
- The demand for the establishment of the Global Goal on Adaptation Framework was echoed by the G-77 & China subgroups. Pakistan presented a very strong case given the catastrophic situation it is facing after the devastating floods.
- The agreement reached on establishing an Advisory Board of the Santiago Network on L&D (SNLD) as part of the Warsaw International Mechanism (WIM) on L&D. Pakistan had continuously pushed for WIM for the past two years and was successful to keep developing countries united to galvanize this support.

The Global Risk Modelling Alliance has launched the first climate risk and vulnerability assessment both at the national and sub-national level in Pakistan.

National Clean Air Policy (NCAP)

- Pakistan is currently facing extremely high levels of air pollution with some urban areas reaching hazardous pollution levels across the year. In 2019, Lahore's ambient Particulate Matter (PM_{2.5}) concentrations were as high as 123 µg m⁻³, 24 times higher than the WHO Air Quality Guideline.
- NCAP was launched in March, 2023; the objective of this policy is to improve air quality in the country by reducing pollution. The NCAP allows key institutions at national and provincial levels to understand the air quality status and identify, implement and monitor mitigation actions to reduce air pollution. The NCAP identifies one priority intervention in each of the five sectors with the aim of accelerating progress to reduce air pollutant emissions across all major sources. The five priority sectors are:
 - Transport: Implement Euro-5 and

Euro-6 Fuel Quality Standards

- Industry: Enforce emission standards for industries
 - Agriculture: Prevent burning of agricultural residues
 - Waste: Prevent open burning of municipal solid waste
 - Households/ Residential: Promote the use of low emission cooking technologies
- The implementation mechanism of the NCAP requires that implementation plans at federal and provincial levels are devised. Moreover, resources would be required for the priority mitigation measures. Implementation of the NCAP will require active participation from stakeholders, including media, research institutions, civil society, and advocacy groups. The most polluting industries will be engaged to include air pollution reduction through enhance compliance and adoptions of actions as part of their Corporate Social Responsibility (CSR)

Pakistan Clean Air Action Plans

Pakistan is currently facing serious air pollution with some urban areas witnessing hazardous pollution levels across the year. The country faces regular smog episodes in winter, which are linked to high pollutant concentrations, resulting in severe impacts on the environment and public health. Moreover, crop yields have witnessed a reduction due to smog, posing food security challenges and impacting ecosystem production. The National Clean Air Policy provides overarching guidelines and recommendations to improve air quality which may be implemented on a provincial level. However, provinces need to have their own action plans contextualized to the ground realities. As such, the provincial action plans have been instigated by MoCC with the support from Clean Air Asia and Stockholm Energy Institute based on the integrated assessment of air pollution and climate change mitigation in Pakistan. The assessment identifies 13 mitigation actions which if implemented can reduce particulate matter air pollutant emissions by 83 percent and a 21.9 percent reduction in

total GHG emissions by 2050.

Nationally Determined Contributions (NDC) Implementation Plan

The updated Pakistan NDCs commit to abate overall 50 percent of Pakistan's projected GHG emissions by 2030. The federal and provincial NDC implementation plans were triggered by MoCC to strengthen enabling environment (e.g., policies, regulations, institutional arrangements) to overcome challenges and barriers to implementing activities committed, identify possible sources of funding and Monitoring Reporting and Verification (MRV) for the implementation of the NDC in all economic sectors, with a view to develop a financial investment plan and increasing awareness among stakeholders about what is required to achieve the NDC targets by seeking technical expertise, increasing buy-in for action in new areas and building knowledge capital in key institutions. The NDC focal persons from all line ministries and provincial governments were allotted to coordinate and collect the information for NDC Implementation plans. A series of consultations were organized by MoCC across Pakistan to identify priority actions on climate adaptation and mitigation specific to line ministries and provinces and have been compiled into implementation plans. The plans are under review and donors are already engaged to support resource mobilization to implement these priority actions.

Voluntary Carbon Markets (VCM)

Considering national circumstances and priorities; most importantly the external cost of damages caused by climate change and the ability of carbon markets to internalize such costs in part or full, the GoP had been striving to set up carbon markets in the country. A voluntary carbon market (VCM) is important for Pakistan because by voluntarily partaking in the carbon market, Pakistan has a great opportunity to offset the impacts of climate change induced disasters as well as for finance mobilization. Carbon trading will not only help Pakistan to achieve its NDC targets but also aid in navigating the investment for efficient technologies and processes, hence serving as a viable carbon-cutting policy. This will also

greatly benefit the population, especially those communities that are vulnerable and have little adaptive capabilities to withstand these impacts.

Currently, the Ministry of Climate Change is in the process of establishing and implementing a framework for VCM in order to be part of the global carbon market and for scaled up participation in VCM through transparent, verifiable, and environmentally robust VCM. The framework is developed to provide regulatory and political certainty to VCM transactions and establish a digital trade infrastructure to deliver greater transparency, efficiency and risk mitigation for buyers and sellers.

Net Zero Targets

A Net Zero goal and strategy will complement the long-term vision and strategy of the Government, as a responsible leader on climate ambition across the globe. Pakistan's Net Zero strategy will be coupled with sustainable economic growth while reducing the pressure on the environment and natural resources, with specific targets for every sector.

For Pakistan, Net Zero becomes a reality if the targets are informed by the evidence on the opportunities and associated risks, mitigation strategies and high stakeholders' buy-in on plan, priorities, and investments. Globally, countries that are making progress on Net Zero or carbon neutral futures are taking actions programmatically for transition across all prioritized sectors. Therefore, a long-term vision, supported by long-term low greenhouse gas emission development strategies (LT-LEDS) with periodic targets and checkpoints will be a key component in finalizing realistic Net Zero targets for the country. The main goal of the project is to delineate an evidence-backed plan to set realistic Net Zero targets for Pakistan aligned with its NDC 2021 that highlights the importance of "Just Transition", Vision 2025 and sustainable development. The activity plan will adopt bottom-up approach where stakeholders will be involved every step of the way to fulfill the objectives of building scientific evidence to inform net zero vision, setting up long-term ambition backed by sufficient near-term actions and leveraging private sector

potential to achieve net zero vision.

Short Lived Climate Pollutants

The MoCC developed Pakistan's first ever National Inventory for Short-Lived Climate Pollutants (SLCP) in consultation with stakeholders both at national and provincial levels in 2022. The inventory identifies the following priority actions:

- Improved vehicle inspection and maintenance
- Upgradation of fuel quality standards to Euro-5 or Euro-6
- Enhanced introduction of two/three-wheeler electric vehicles
- Development and improvement of mass transit systems
- Improved traffic management planning
- Promote low carbon fuel efficient infrastructure and technology within railways, maritime, and aviation sectors
- Promote urban forestry and management of green spaces
- Emission control in industry through compliance with emission standards
- Upgradation and management of brick kilns on clean technologies and practices
- Banning and promoting alternatives to crop burning
- Control of emissions from threshing and tilling
- Minimize and control forest fires through effective management
- Prohibition of open waste burning
- Improved waste management
- Use of improved and efficient cookstoves to reduce indoor air pollution
- Promote access to clean energy for indoor heating and cooking
- Promote energy efficiency and use of alternate energy across all sectors
- Promote clean energy in industrial sectors

National Adaptation Plan (NAP)

Pakistan is in the process of developing a National Adaptation Plan (NAP) for building resilience to climate change. The NAPs are widely seen as one of the most important

mechanisms for adapting to climate change. They aim to reduce vulnerabilities to climate impacts by creating comprehensive medium- and long-term plans, including the integration of adaptation measures into national policy. Pakistan will be using the National Adaptation Plan process and its outcomes to enhance the adaptation elements of the NDCs, a central aspect of the Paris Agreement. The NAP process will be in place by June 2023. The NAP project will help address the climate related challenges in the following priority areas;

- Water Resources
- Agriculture and Livestock
- Forestry
- Human Health
- Disaster Preparedness
- Urban Resilience
- Biodiversity and other ecosystems
- Gender

Natural Capital Accounts (NCA)

Environmental sustainability has been a global concern for many decades and the extent of concerns about the global response to issues of environmental sustainability has been articulated in many high-profile reports. There are also growing concerns about environmental sustainability in Pakistan. The World Bank's recent global report – The Economic Case for Nature (Johnson et al 2021) highlighted the significant impact that the loss of natural capital will have on global, national and sector economic growth. The results indicated that relative to a business-as-usual scenario, Pakistan is expected to face a 15 percent decline in GDP by 2030 (compared to a global GDP decline of 2.3 percent) with large impacts on the manufacturing sector (-32 percent).

MoCC, has shown proactive commitment towards strengthening NCA knowledge and foundation as part of its broader ambitions to build resilience against climate change and enhance biodiversity. Thus, MoCC envisions NCA as a key tool in:

- Updating, improving and implementing NDCs under the Paris Agreement as part of its revised 2021 National Climate Change Policy;

- Designing, implementing and monitoring progress on Pakistan’s NBSAP in the context of the UN Convention on Biological Diversity;
- Reviewing the National Forest Policy (2018) and identifying priority areas for reforestation under the Ten Billion Tree Project;
- Encouraging community engagement and green job creation in line with the Protected Areas Initiative (PAI) and formulating provincial climate change policies and livelihood plans
- Securing opportunities for sustainable finance including nature performance bonds, and reporting on the progress made towards achieving the SDGs.

NCA provides a framework for organizing biophysical and monetary data about the extent and condition of stocks of natural capital (ecosystems, natural resources, and biodiversity); and about the services and benefits natural capital supplies to businesses and society. The World Bank has supported MoCC in piloting NCA study for Chitral Gol and Juniper Forest in Ziarat.

Box: Living Indus Initiative

Pakistan has been consistently ranked amongst the top ten most vulnerable countries to climate change, mostly because of the impacts on the Indus system. The Indus river system is the lifeline of Pakistan, in more ways than one. More than 80% of Pakistan’s arable land is irrigated by the waters of the Indus. Nine out of the ten largest cities in Pakistan are situated within 50km or less of the waters of the Indus. The degradation of the Indus Basin presents a precarious economic, social, ecological as well as demographic challenge to Pakistan as a developing country.

The Living Indus Initiative¹, spearheaded by the MoCC, in collaboration with the United Nations, was approved by the Cabinet in September 2022 and presented at COP 27. The Initiative aspires to transform the Indus Basin into a thriving system by repairing and restoring the natural resources and ecosystems that are resilient in the face of climate change, thus advancing Pakistan’s commitment to SDG Goal 13 on Climate Action. The Initiative proposes a diverse set of 25 interventions to initiate coordinated executive efforts to restore the health of the Indus Basin in Pakistan with particular focus on water, ecology, biodiversity, and agriculture sectors. The ecological restoration of the Indus Basin under LII will require indicative investment of between \$ 11 billion to \$16 billion (from public, private and development sector) in the short to medium term in the next 10-15 years’ time.

Interventions under Living Indus Initiatives

1. Green Infrastructure for Flood Control and Groundwater Recharge	14. Zero Plastic Waste Cities Along the Indus
2. 100,000 Community Ponds	15. Urban Forests along the Indus
3. Sustainable Groundwater Governance through Provincial Water Acts	16. Indus Protection Act
4. Nature-Based Resilient Agriculture	17. Indus Protected Areas
5. Indus Clean-up: Industrial and Urban Effluent Treatment	18. Build Back Biodiversity in the Indus Basin
6. Salinity Control in the Lower Indus	19. Community Based Ecotourism
7. Climate Resilience on the Indus Delta	20. Indus Heritage Sites
8. Sustainable Aquaculture and Fisheries Management	21. Nature-Based Watershed Management
9. A Living Indus Knowledge Platform: Crowd sourcing knowledge	22. Expanded GLOF II
10. Indus Trust Fund	23. Promoting Permaculture
11. Climate and Nature Performance Bonds for a Living Indus	24. Managing Agricultural Wastewater
12. Social Entrepreneurship for a Climate Resilient Indus	25. Telling the Living Indus Story
13. Community Access to Clean Energy	
Source: FAO	

National Electric Vehicle Policy (NEVP)

The National Electric Vehicle Policy (NEVP) was approved by the Cabinet in November, 2019. Ministry of Climate Change is spearheading the Electric Vehicle Policy. This

initiative reflects net benefits in the range of US\$ 2.2 billion to US\$ 3.7 billion as net savings in Pakistan’s oil bills, under different scenarios in the 2020 to 2030 time period. Additionally, there are benefits on account of job opportunities;

¹ www.livingindus.com

potentially creating 35000-40000 jobs, reduction in emissions and air pollution/smog; associated health benefits; and long-term economic benefits from establishing local manufacturing. This is a flagship initiative of the Government of Pakistan to ensure that by 2030, 30 percent of total vehicles on the road will be Electric Vehicles.

The Economic Coordination Committee (ECC) of Cabinet has approved a scheme of e-Bikes and e-Rickshaws. Under this scheme up to three hundred thousand e-Bikes and e-rickshaws will be given to students, employees and low-income groups through easy installments for a period of three years at 0 percent interest rate. This scheme will be extended to second phase. By adoption of e-Bikes and e-rickshaws oil import bills will be reduced significantly. Currently, around 45 percent of annual total oil-import is used for bikes, passenger and loader rickshaws costing around USD 4.1 billion.

Climate Adaptation and Resilience (SAR)

Strengthening Climate Adaptation and Resilience Project launching in Pakistan marks a significant milestone in the country's efforts to address the challenges of climate change. It supports the measures at the local level as well as up scaling through international climate finance. It is also in line with "Pakistan 2025: One Nation - One Vision" which emphasizes the need for adaptation to climate change. More specifically, SAR project supports the Government of Pakistan in three areas:

1. Climate Risk Assessments
2. Planning and financial instruments for climate risk management
3. Accessing international climate finance.

GIZ has offered an estimated financial support of up to 10 million euros (grant) under the SAR project. Aiming to create an enabling environment and lay the ground for implementation of climate resilience and adaption initiatives in Pakistan.

Climate Impacts on the Fiscal Risk Position of the Government

Climate and natural hazard events pose two significant risks to the Government's fiscal

position, namely physical risks, and transition risks. The physical risks refer to the adverse impacts of climate change and natural disaster events that directly affect people and ecosystems through floods, droughts, heatwaves, and hurricanes, which in turn, strain the government's fiscal position. For example, the 2018 drought in Balochistan resulted in crop losses of up to 80 percent, leading to widespread food insecurity and migration. Similarly, the 2021 drought in Sindh affected over 5 million people and caused losses of over Rs 100 billion². Due to flash floods, which have caused significant damages to infrastructure and homes.

Most recently, August 2022 floods, Pakistan experienced disruption of economic activity, infrastructure damages and loss of crops, which adversely affected its tax income, stagnated public revenues and increased social transfer payments.

Contingent liabilities have also explicitly or implicitly exposed the Government to fiscal risks. With earthquakes and floods, natural disasters in Pakistan have damaged and destroyed physical government assets as well as public infrastructure, requiring significant expenditure on social protection programs and consequent liabilities to damage repair and reconstruction. Natural disasters have also affected the operations of SOEs. Pakistan Railways, for instance, closed the main line for 35 days during the last floods, resulting in loss in both passenger and freight revenues, whereas the National Highway Authority (NHA) experienced an almost 25 percent decline in its revenues year on year (YoY) due to its inability of commuters to use physical assets³.

Overall, such crisis response measures have been expensive and have a significant impact on public spending. Moreover, fiscal shocks from extreme climate events, although may seemingly come across as short term in nature, have lasting impacts on growth and public finances. Besides physical risks, there are transition risks that have also affected the Government's fiscal position. These risks arise from the need to reduce greenhouse gas emissions, which could result in stranded assets, reduced demand for carbon-

² Pakistan: Drought in Baluchistan and Sindh, WHO Situation Report, 2019 ([link](#))

³ Resilient recovery, rehabilitation, and recovery framework Pakistan, 2022 Ministry of Planning, Development and Special Initiatives, GoP

intensive products, and increased costs associated with the transition.

Strategies to Mitigate Climate and Disaster Risk

The cost arising from both physical and transition risk needs to be managed in a fiscally responsible manner. To alleviate the risk arising from climate and natural hazards, the Government has taken several measures as part of its fiscal risk mitigation strategy.

First, the Government now has a comprehensive climate change policy, which provides an overarching framework for climate action across different sectors. For instance, in the energy sector, the policy emphasizes the assessment of the impact of hydropower projects on the environment and local communities, futuristic building designs with solar panels, exploration of clean coal technologies, the introduction of carbon taxes, gradual introduction of Green Fiscal Reforms, incentivization of energy audits, and enactment of energy conservation legislation. By having a policy framework, the Government can now lead the way by investing in climate-resilient infrastructure and technology, thereby reducing the likelihood of damage and losses from climate-related disasters.

Second, the Government has undertaken broad based efforts for climate-proofing of existing infrastructure assets. Therefore, the Government has initiated several projects aimed at strengthening infrastructure resilience to climate change. For example, the NHA has initiated the "Climate Change Vulnerability Assessment of National Highways" project, which aims to identify the potential risks posed by climate change to the national highways and develop measures to mitigate these risks. In addition, the Government in partnership with development partners has planned investments to climate proofs and modernize vital irrigation assets. For instance, ADB is helping Punjab province to improve water resource management and increase agricultural productivity to enhance food security and build resilience against climate risks. The upgraded Trimmu and Panjnad

barrages are now equipped with modern technology and have expanded capacity to regulate the flow of water and protect vast farmlands from flooding. Also, as part of the CPEC, China's Lanzhou University has helped set up a state-of-the-art weather monitoring station at Pakistan's Peshawar University⁴.

Third, the Government has implemented Disaster Risk Reduction (DRR) measures. The Government through the National Disaster Management Authority (NDMA) has developed a National Disaster Risk Management Framework to guide the development of disaster risk reduction strategies and policies⁵. The framework includes measures to improve early warning systems, enhance disaster preparedness, and improve response and recovery.

Fourth, the Government is making efforts to align DRR projects on science-based principles, which will be necessary to mitigate impacts due to floods, droughts, earthquakes, and cyclones. The lead agency in this regard has been the National Disaster Risk Management Fund (NDRMF), which was established in 2016 to finance DRR and preparedness projects in Pakistan. NDRMF has been working on various projects, including the construction of disaster-resilient schools, hospitals, and emergency operation centers in disaster-prone areas, the installation of early warning systems, and capacity building of local communities to better prepare for natural disasters. For flood protection, NDRMF has invested in embankments, spurs, and other flood protection structures and has provided funding for the construction of a flood protection structure in the district of Shangla, Khyber Pakhtunkhwa, which has reduced the risk of flooding for over 1,600 households. NDRMF has also invested in earthquake resilience projects, such as retrofitting of school buildings and hospitals to make them more earthquake resistant. Last, it has supported community-based disaster risk management (CBDRM) initiatives in Pakistan.

As an extension of its science-based DRR efforts, the Government is also in the process of developing a first of its kind National Catastrophe (Nat-Cat) model. The Nat-Cat

⁴ China Is Climate-Proofing The Belt And Road, Starting With Pakistan, RuqiyahAnwer, UNDRR 2022 ([link](#))

⁵ National Disaster Risk Management Framework, NDMA, GoP 2007 ([link](#))

model is a joint initiative of the NDRMF and the Space and Upper Atmosphere Research Commission (SUPARCO) of Pakistan. It is aimed at developing a comprehensive modeling tool for natural disaster risk assessment and management in the country around four critical areas: floods, earthquakes, droughts, and cyclones⁶. The Nat-Cat model incorporates a range of factors such as geographic information, climatic and environmental data, and historical disaster records to predict the likelihood and impact of future natural disasters in Pakistan. The model is intended to help policymakers identify areas of high risk and prioritize resources for disaster preparedness and mitigation.

Fifth, the Government has implemented several community-based approaches to tackle climate change at the grassroots level. One such initiative has been a large afforestation project that involves local communities in planting and nurturing trees, providing them with employment opportunities and environmental benefits. Another example is the Clean Green Pakistan campaign, which is a nationwide initiative to address environmental challenges and promote sustainable development⁷. The Government has also been working with UNDP Adaptation Fund to provide financial assistance to communities for the development of climate-resilient infrastructure and projects⁸. Additionally, the government has established Community-Based Disaster Risk Management (CBDRM) committees in vulnerable communities to enhance their resilience to climate change-induced disasters.

Last, the Government has initiated efforts to improve access to international climate finance funds, such as the Green Climate Fund (GCF) to expand its fiscal space for climate resilient projects. For instance, as part of 2021 NDC mitigation actions, several urban transportation projects have been introduced in the cities of Karachi, Islamabad, Lahore, Peshawar, and

Multan. Work on the Green Line BRT in Karachi is ongoing with the support of \$583.5 million from the GCF and other multilateral donors. The Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), the Agence Française de Développement (AFD) and the Green Climate Fund (GCF) are supporting the Karachi Bus Rapid Transit Red Line Project⁹. In Karachi, the Federal Government has approved a public-private-partnership (PPP) structure for the revival of the Karachi Circular Railway (KCR) to help reduce GHG emissions, for which a financing structure worth Rs 201 billion is already approved¹⁰.

Way Forward

Climate change is a global phenomenon which has been identified as one of the biggest threats to humanity in the 21st century. Pakistan is one of the most vulnerable countries to climate change despite being a low carbon emitter. Pakistan is at risk of extreme weather variations and unexpected occurrences. The gradual increase in air and soil temperature will cause water scarcity, while recurring heatwaves will intensify the situation and worsen droughts.

Climate change mitigation and adaptation is a national priority imperative for Pakistan and government aims to strengthen air and water pollution control. The government has developed the national climate Change Policy which is the strategic vision for climate change for Pakistan. The policy actions to combat the climate change are further supported by development of Implementation framework for NDC which will be the major pathway to track the progress in global milieu of climate action. Climate and Green Budgeting aims to use budgetary tool to achieve environmental and climate goals. Incorporating green budgeting in Public Financial Management (PFM) cycle, will be instrumental in tracking and monitoring climate related expenditure in federal government.

⁶ National Catastrophe Model, NDRMF ([link](#))

⁷ Pakistan's First Biennial Update Report (BUR-1), UNFCCC 2022

⁸ Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan, Adaptation Fund ([link](#))

⁹ Pakistan's First Biennial Update Report (BUR-1), UNFCCC 2022

¹⁰ CPEC Authority, Ministry of Planning, Development & Special Initiatives ([link](#))

ANNEXURES

- i. Contingent Liabilities
 - ii. Tax Expenditure – FY2023
 - iii. Pakistan Floods 2022 Impact Assessment
-

CONTINGENT LIABILITIES

Contingent liabilities are possible obligation that arises from past events and their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Government.

Contingent liabilities should be examined in the same manner as a proposal for a loan, taking into account, inter alia, the credit-worthiness of the borrower, the amount and risks sought to be covered by a sovereign guarantee, the terms of the borrowing, justification and public purpose to be served, probabilities that various commitments will become due and possible costs of such liabilities. Hence, such off-balance sheet transactions cannot be overlooked in order to gain a holistic view of a country's fiscal position and unveil the hidden risks associated with the obligations made by the Government outside the budget.

Contingent liabilities of Pakistan are primarily guarantees issued on behalf of Public Sector Enterprises (PSEs). A sovereign guarantee is normally extended to improve financial viability of projects or activities undertaken by Government entities with significant social and economic benefits. It allows public sector companies to borrow money at lower costs or on more favourable terms and in some cases to fulfil the requirement where sovereign guarantee is a precondition for concessional loans from bilateral/multilateral agencies to sub-sovereign borrowers.

The Fiscal Responsibility and Debt Limitation (Amendment) Act, 2005 under sub-section 3, clause (d) imposes following two ceilings

related to Government guarantees:

- i. Flow ceiling: 2 percent of GDP on the issuance of Government guarantees, with renewal of existing guarantees being considered as issuing new guarantees.
- ii. Stock ceiling: 10 percent of GDP on the total stock of outstanding Government guarantees.

During Jul-Mar FY23, the Government issued fresh/rollover guarantees aggregating to Rs. 171 billion or 0.2 percent of GDP. The outstanding stock of guarantees was Rs 3,460 billion at end-March 2023.

Summary of Outstanding Government Guarantees (Rs bn; unless otherwise stated)	
Domestic Guarantees (A)	1,579
External Guarantees (B)	1,881
Total Guarantees (A+B)	3,460
Memo:	
External (US\$ in million)	6,628
Exchange Rate (Pak Rupee/US Dollar)	284

Source: Debt Management Office,
Ministry of Finance

Guarantees issued against commodity operations are not included in the stipulated limit of 2 percent of GDP as the loans are secured against the underlying commodity and are essentially self-liquidating. These guarantees are issued against commodity financing operations undertaken by Trading Corporation of Pakistan (TCP), Pakistan Agriculture Storage & Services Corporation (PASSCO), and Provincial Governments. The outstanding stock of commodity operations was Rs 1,112 billion at end-March 2023.

TAX EXPENDITURE – FY2023

Tax expenditure has been estimated at Rs 2,239.6 billion. Detailed estimates are highlighted below:

Income Tax

Tax expenditure in respect of income taxes has been reflected in Table 1.

Table 1: Income Tax Expenditure Summary	Rs Million
Exemptions and Tax Concessions given in Part VII of Chapter III of ITO, 2001	26,834
Deductible Allowances are given in Part IX of Chapter III of ITO, 2001	14,506
Tax Credits given in Part X of Chapter III of ITO, 2001	52,133
Income Exempt from Tax given in Part I of Second Schedule of ITO, 2001	232,398
Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001	24,444
Reduction in Tax Liability given in Part III of Second Schedule of ITO, 2001	4,738
Exemption from Specific Provisions given in Part IV of Second Schedule of ITO, 2001	68,841
Total Income Tax Expenditure	423,894

Sales Tax

Major exemptions in sales tax and their tax expenditures are presented in Table 2.

Table 2: Sales Tax Expenditure Summary	Rs Million
Zero Rating under Fifth Schedule to Sales Tax Act 1990	139,448
Exemptions are given to POL Products Through Various SROs	632,950
Exemption under Sixth Schedule on (Imports)	257,537
Exemption under Sixth Schedule on Local Supplies	133,178
Reduced Rates Under Eighth Schedule	129,906
Sales Tax on Cellular Mobile Phones under Ninth Schedule	1,021
Total Sales Tax Expenditure	1,294,040

Customs

Following is the break-up of estimates of tax expenditure of main exemptions in Customs Duties.

Table 3: Customs Duty Expenditure Summary	Rs Million
Chapter-99 Exemptions	22,240
FTA & PTA Exemptions	102,658
Fifth Schedule Exemptions & Concessions	172,978
General Concessions: Automobile sector, E&Ps, CPEC, etc.	192,950
Export Related Exemptions	30,878
Total Customs Duty Expenditure	521,704

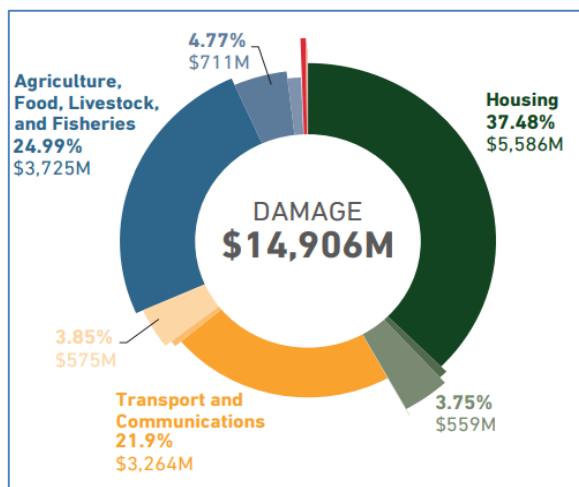
Following is the consolidated summary of tax expenditure in Table 4.

Table 4: Tax Expenditure of Federal Taxes	Rs Billion
Income Tax	423.9
Sales Tax	1,294.0
Customs Duty	521.7
Total Tax Expenditure Estimates	2,239.6

Note: Current Tax Expenditure report has been prepared on the basis of FY2021-22 data.

PAKISTAN FLOODS 2022 IMPACT ASSESSMENT

The 2022 floods have shown Pakistan's high vulnerability to climate change despite contributing less than one percent of global greenhouse gas emissions. This disaster has demonstrated what this vulnerability looks like for the people of the country. Since July FY2023, the federal and provincial authorities have been working tirelessly to manage the ongoing massive relief efforts across the country, together with local, national, and international partners. One-third of the country has been under water, and 33 million people have been affected. Nearly 8 million people are reportedly displaced. The scale of the disaster is unprecedented in Pakistan, exceeding the damage of the 2010 floods.



The floods have disproportionately hit the poorest households in the poorest areas. Those areas of the country, where human development outcomes were lowest even before the floods have been hardest hit. As the country recovers from this terrible disaster, there is an opportunity to do things differently and create a better future,

especially for areas that have not benefited from the development of the last two decades. Enhancing Pakistan's resilience to shocks and stresses amidst climate change, especially for the poorest, by addressing the underlying drivers of vulnerability and building back better is essential for the country's future.

Estimates of Damage and Loss Due to Flood 2022

The damage is estimated at US\$14.9 billion, the loss to the GDP at US\$15.2 billion, and the total needs of rehabilitation at US\$16.3 billion. The sectors that suffered the most damage is housing at US\$5.6 billion; agriculture, food, livestock, and fisheries at US\$3.7 billion; and transport and communications at US\$3.3 billion. The transport and communications sector have the highest reconstruction and recovery needs at US\$5.0 billion, followed by agriculture, food, livestock, and fisheries at US\$4.0 billion, and housing at US\$2.8 billion. The provinces of Sindh and Balochistan account for approximately 50 percent and 15 percent of recovery and reconstruction needs, respectively.

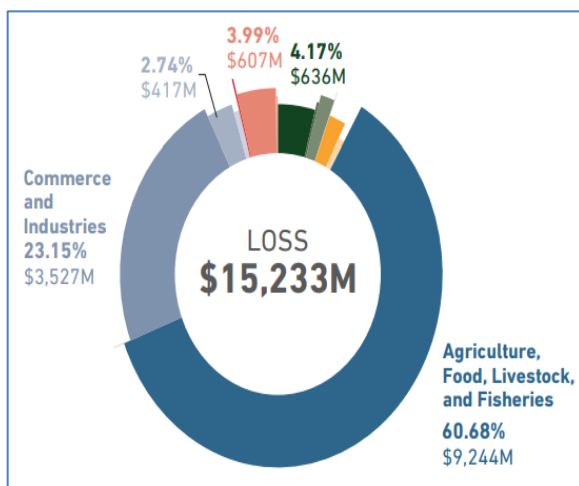
Damage is defined as the direct costs of destroyed or damaged physical assets. It is valued in monetary terms, with costs estimated based on replacing or repairing physical assets and infrastructure, considering the replacement price prevailing before the crisis. Loss is defined as changes in economic flows resulting from the disaster and valued in monetary terms. Together, damage and loss constitute the effects of the crisis. Needs costing draws on the monetary value of damage and loss but is not equal to the sum of those estimates.

Table 1: Damage, Loss, and Needs by Region

Region	Damages		Loss		Needs	
	(Billion PKR)	(Million US\$)	(Billion PKR)	(Million US\$)	(Billion PKR)	(Million US\$)
Balochistan	425.75	1,625	659.192	2,516	598.932	2,286
Khyber Pakhtunkhwa	244.97	935	172.396	658	204.36	780
Punjab	134.93	515	148.292	566	195.452	746
Sindh	2375.816	9,068	2980.512	11,376	2059.32	7,860
Cross-Provincial	715.522	2,731	17.554	67	1189.48	4,540
Special Regions	8.384	32	12.838	49	12.576	48
Grand Total	3,905	14,906	3,991	15,233	4,260	16,261

Source:

Damage, Loss, And Needs by Sector Group and Sector

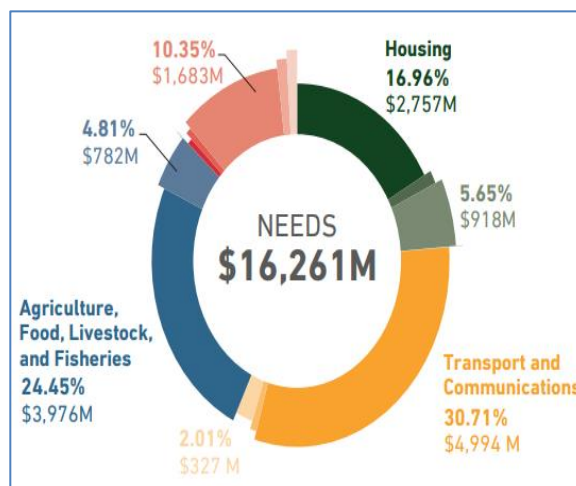


PRODUCTIVE SECTORS

- Agriculture, Food, Livestock and Fisheries
- Water Resources and Irrigation
- Commerce and Industries
- Finance and Markets
- Tourism

SOCIAL SECTORS

- Housing
- Health
- Education
- Culture and Heritage



CROSS-CUTTING SECTORS

- Governance
- Social Sustainability, Inclusion and Gender
- Social Protection, Livelihoods and Jobs
- Environment and Climate Change
- Disaster Risk Reduction and Resilience

INFRASTRUCTURE SECTORS

- Transport and Communications
- Energy
- Wash, Municipal Services and Community Infrastructure

National Response and Vulnerable Segment

Vulnerable groups such as women, children, people with disabilities, and refugees are likely disproportionately affected by the floods, given their dire circumstances and limited access to social protection and coping mechanisms. The impact of the floods is likely to exacerbate

already existing gender inequalities, revealing serious differences in safety, education, decision-making, and employment. More than 800,000 Afghan refugees currently live in calamity-hit districts in Pakistan. These refugees are likely to be poorer than community members, have fewer assets (including land),

live in camps with poor basic services, and depend on humanitarian assistance. Furthermore, 3.8 million people with disabilities live in the calamity-hit districts. People with disabilities are often marginalized, economically disempowered, and face discrimination in education, employment, housing and transport, and other Social services.

Women in particular, have suffered notable losses to their livelihoods, particularly associated with agriculture and livestock, with attendant negative impacts on their economic empowerment and wellbeing. The floods have increased women's vulnerability to gender-based violence (GBV) due to aggravated household tensions, harassment, and abuse related to displacement and lack of secure infrastructure. Rates of early and forced marriages often increase in the wake of crises and economic security. The United Nations Population Fund estimates that 640,000 adolescent girls during the current crisis are vulnerable and at increased risk of coercions, GBV, and child marriage. Moreover, other population groups might experience disproportional losses, including refugees and displaced persons from Afghanistan, since they are inadequately covered in national household surveys. To address Gender-based violence (GBV), the Government of Pakistan initiated a 16-day of activism campaign across Pakistan. Sessions and seminars with the support of Higher Education commission (HEC) were conducted by the Ministry of Planning, Development & Special Initiatives and Experts from the Federal Investigation Agency (FIA) at different universities regarding the awareness of GBV Laws.

Government of Pakistan (including Provincial Governments) immediately launched rescue and relief operations which NDMA conducted at the federal level and relevant agencies at provincial level, assisted by Pakistan Armed Forces and various UN agencies in coordination with MoPD&SI. Over 20,000 army troops were deployed in relief operations, with hundreds of

helicopters and C1-30 aircraft sorties. Hundreds of motorboats were mobilized to undertake search and rescue operations in affected areas throughout the country and to distribute relief supplies to the displaced population.

Federal Government announced Rs 70 billion for flood relief assistance. Out of which 63 percent has been disbursed through BISP. Secondly, the government carried out the distribution of nearly 6 lac tents, 4 lac tarpaulins, 3.5 million mosquito nets, and nearly 18 lac food packs. These efforts were carried out through the help of NDMA, PDMAs, Foreign Assistance, Humanitarian Organization Assistance, and Armed Forces.

A comprehensive Health Plan was prepared, presented, and then amended by the Ministry of National Health Services and Regulations on the instruction of nation Flood Response Coordination Centre (NFRCC). Medical camps were established. The medical effort also incorporates provincial facilities, armed forces medical camps, and international/national organizations. Strict monitoring of diseases in priority clusters and pushing forward medicines in affected areas were ensured. The overall plan has incorporated solutions offered by local partners Defence Science & Technology Organization (DESTO) – water filtration plant, anti-malaria spray and solar solutions.

Finally, programs and policies to support recovery need to reach the worst affected geographic areas and all types of households. Livelihood assistance supports future income generation. Grants, especially for small holding farmers, could secure their survival while contributing to the future food supply. International evidence suggests that labor-intensive construction works, such as cash-for-work schemes in infrastructure rehabilitation, will support livelihood restoration and income-generating opportunities. Such schemes should include technical facilitation and skills development on climate adaptation and resilience buildings.

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ECONOMIC
AND
SOCIAL
INDICATORS

ECONOMIC AND

INDICATORS	Base Year 2015-16								
	1960s	1970s	1980s	1990s	2000s	2007-08	2008-09	2009-10	2010-11
	Average (Annual)								
GDP									
Rs billion	-	-	-	-	-	12,647	14,706	16,507	19,731
US \$ billion	-	-	-	-	-	202.2	187.3	197.0	230.8
FINANCIAL SECTOR:									
GROWTH RATE (at constant fc) %									
GDP	6.8	4.8	6.5	4.6	4.3	4.4	1.1	2.3	3.2
Agriculture	5.1	2.4	5.4	4.4	2.4	0.8	3.4	0.3	2.7
Manufacturing	9.9	5.5	8.2	4.8	6.7	6.1	-3.9	1.4	2.6
Commodity Producing Sector	6.8	3.9	6.5	4.6	4.5	4.1	0.1	1.8	3.6
Services Sector	6.7	6.3	6.7	4.6	5.0	4.7	1.8	2.6	2.9
GROWTH RATES (at current mp) %									
Total Investment	-	21.8	4.2	8.1	14.3	16.2	13.6	1.9	9.6
Fixed Investment	14.8	20.5	3.7	7.8	14.3	16.6	13.3	0.8	8.4
Public Investment	14.0	25.3	2.6	7.3	11.4	21.0	14.0	-2.0	5.3
(including general govt.)									
Private Investment	20.9	17.0	5.1	8.8	16.0	15.2	13.0	1.8	9.4
(as % of Total Investment)			5.1						
National Savings	-	67.5	79.2	75.4	90.4	61.9	71.9	87.5	100.6
Foreign Savings	-	32.5	20.8	24.6	9.6	38.1	28.1	12.6	-0.6
(as % of GDP current mp)									
Total Investment	-	17.1	18.7	18.3	17.6	18.0	17.6	16.0	14.6
Fixed Investment	-	15.9	17.0	16.6	16.0	16.3	15.9	14.3	12.9
Public Investment	-	10.3	9.2	7.5	4.4	4.0	4.0	3.5	3.0
Private Investment	-	5.6	7.8	9.1	11.7	12.2	11.9	10.8	9.9
National Savings	-	11.2	14.8	13.8	15.8	11.1	12.6	14.0	14.7
Foreign Savings*	-	5.8	3.9	4.5	1.8	6.9	4.9	2.0	-0.1
Domestic Savings	-	7.4	7.7	14.0	14.5	9.9	10.9	11.2	11.2
Per Capita Income (mp-US \$)*	-	-	-	-	811.4	1243	1130	1171	1348
GDP DEFLATOR (growth %)	-	-	2.3	8.3	7.6	11.0	12.4	10.6	16.5
CONSUMER PRICE INDEX (CPI)									
(growth %)	3.2	12.5	7.2	9.7	7.6	12.0	17.0	10.1	13.7
FISCAL POLICY									
(as % of GDP mp)									
Total Revenue	13.1	16.8	17.3	17.1	13.5	11.9	12.6	12.6	11.4
Tax Revenue	-	-	13.8	13.4	10.0	8.3	8.2	8.9	8.6
Non-Tax Revenue	-	-	3.5	3.7	3.5	3.5	4.4	3.7	2.8
Total Expenditure	11.6	21.5	24.9	24.1	17.8	18.0	17.2	18.2	17.5
Current Expenditure	-	-	17.6	19.4	14.7	14.7	13.9	14.5	14.7
Defence	-	-	6.5	5.6	3.0	2.2	2.2	2.3	2.3
Markup Payments	-	-	3.8	6.8	4.6	3.9	4.3	3.9	3.5
Others**	-	-	7.3	7.0	7.1	8.6	7.3	8.3	8.9
Development Expenditure	-	-	7.3	4.7	3.3	3.6	3.3	3.7	2.6
Overall Deficit	2.1	5.3	7.1	6.9	4.3	6.1	4.6	5.6	6.1
MONEY & CREDIT (growth %)									
Monetary Assets (M2)	16.3	21.0	13.2	16.8	14.8	15.3	9.6	12.5	15.9
Domestic Assets	15.0	20.5	15.4	12.2	13.9	33.6	15.4	12.7	13.1
STOCK EXCHANGE (growth %)									
KSE 100 Index	-	-	0.1	4.1	27.9	-10.8	-41.7	35.7	28.5
Aggregate Market Capitalization	-	-	2.5	13.4	29.1	-6.0	-43.9	28.8	20.3

- : Not available mp : Market prices fc : Factor cost P: Provisional, R: Revised, F: Final

*: At average exchange rate used in National Accounts Committee meeting

** : also include provincial expenditure

^ : July-April

Note: From 2016-17, CPI is estimated on 2015-16=100 as base year

SOCIAL INDICATORS

Base Year 2015-16											
2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
									F	R (Jul-Mar)	P
22,435	25,042	27,953	30,426	32,725	35,553	39,190	43,798	47,540	55,836	66,624	84,658
250.4	258.9	271.8	300.4	313.9	339.6	356.8	321.8	300.8	348.9	375.4	341.6
3.2	3.9	3.6	3.8	4.1	4.6	6.1	3.1	-0.9	5.8	6.1	0.3
3.2	3.1	2.4	1.8	0.4	2.2	3.9	0.9	3.9	3.5	4.3	1.6
2.0	5.4	5.8	4.1	4.0	4.9	7.1	4.5	-7.8	10.5	10.9	-3.9
2.9	2.3	3.2	3.3	2.9	3.3	6.3	0.6	-0.6	5.6	5.4	-0.5
3.5	5.1	3.8	4.2	5.0	5.6	6.0	5.0	-1.2	5.9	6.6	0.9
17.4	10.7	11.1	15.4	8.4	11.3	15.2	1.5	3.8	15.2	29.0	10.2
18.0	10.5	11.0	16.3	8.5	11.6	15.8	0.3	3.2	14.9	30.3	8.1
26.7	4.9	2.9	28.3	6.2	29.7	24.4	-24.0	-2.1	23.3	39.3	14.1
15.3	12.4	13.6	12.9	9.3	5.9	12.4	10.8	4.7	12.6	27.7	6.2
87.7	93.6	92.3	94.3	90.1	77.9	68.5	73.0	90.0	94.4	70.4	92.4
12.2	6.4	7.7	5.7	9.9	22.1	31.5	26.9	10.0	5.6	29.6	7.6
15.2	15.0	14.9	15.8	15.9	16.3	17.1	15.5	14.8	14.5	15.7	13.6
13.5	13.3	13.2	14.1	14.2	14.6	15.4	13.8	13.1	12.8	14.0	11.9
3.4	3.2	2.9	3.5	3.4	4.1	4.6	3.1	2.8	3.0	3.5	3.1
10.1	10.1	10.3	10.6	10.8	10.5	10.7	10.7	10.3	9.9	10.5	8.8
13.3	14.0	13.8	14.9	14.4	12.7	11.7	11.3	13.3	13.7	11.1	12.6
1.9	1.0	1.2	0.9	1.6	3.6	5.4	4.2	1.5	0.8	4.7	1.0
9.4	10.1	9.5	10.3	9.8	8.6	7.8	6.4	7.6	6.7	4.3	6.3
1433	1446	1487	1609	1640	1723	1768	1578	1458	1677	1766	1568
9.9	7.4	7.2	4.4	0.8	4.0	3.7	9.2	9.9	10.4	14.1	25.0
11.0	7.4	8.6	4.5	2.9	4.8	4.7	6.8	10.7	8.9	12.2	28.2
11.5	11.9	13.0	12.9	13.6	13.9	13.3	11.2	13.2	12.4	12.1	8.2
9.2	8.8	9.2	9.9	10.4	10.4	10.8	9.7	9.3	9.4	10.1	6.6
2.3	3.1	3.8	3.0	3.2	3.5	2.5	1.5	3.9	2.9	1.9	1.6
19.4	19.2	18.0	17.7	17.7	19.1	19.1	19.1	20.3	18.5	20.0	11.8
15.5	14.6	14.3	14.5	14.3	14.6	14.9	16.2	17.9	16.3	17.3	10.9
2.3	2.2	2.2	2.3	2.3	2.5	2.6	2.6	2.6	2.4	2.1	1.2
4.0	4.0	4.1	4.3	3.9	3.8	3.8	4.8	5.5	4.9	4.8	4.2
9.3	8.5	8.0	8.0	8.2	8.3	8.5	8.8	9.9	9.0	10.4	5.5
3.5	3.1	4.1	3.7	4.0	4.8	4.0	2.7	2.4	2.2	2.4	1.2
7.9	7.3	5.0	4.8	4.1	5.2	5.8	7.9	7.1	6.1	7.9	3.6
14.1	15.9	12.5	13.2	13.7	13.7	9.7	11.3	17.5	16.2	13.6	4.3
20.2	20.9	9.1	11.7	12.9	18.3	15.9	19.1	11.0	10.0	20.3	11.5
10.4	52.2	41.2	16.0	9.8	23.2	-10.0	-19.1	1.5	37.6	-12.3	-3.7
6.2	47.6	36.2	5.7	2.3	25.5	-9.0	-20.5	-5.2	27.1	-16.2	-12.2

(Contd...)

ECONOMIC AND

INDICATORS	Average (Annual)					2006-07	2007-08	2008-09	2009-10	
	1960s	1970s	1980s	1990s	2000s					
TRADE AND PAYMENTS (growth %)										
Exports (fob)	-	13.5	8.5	5.6	9.3	4.5	18.0	-6.4	2.9	
Imports (fob)	-	16.6	4.5	3.2	12.3	8.0	31.6	-10.3	-1.7	
Workers' Remittances	-	-	1.9	-5.3	25.6	19.4	17.4	21.1	14.0	
As % of GDP (mp)										
Exports (fob)	-	-	9.8	13.0	11.6	9.4	10.1	10.2	10.0	
Imports (fob)	-	-	18.7	17.4	15.4	14.6	17.4	16.9	15.8	
Trade Deficit	-	-	8.9	4.4	3.8	5.2	7.3	6.7	5.8	
Current Account Deficit	-	-	3.9	4.5	3.2	3.7	6.9	4.9	2.0	
COMMODITY SECTOR:										
Agriculture										
Total Cropped Area	mln. hectares	-	-	20.3	22.4	23.0	23.6	23.9	24.1	23.9
Production										
Wheat	mln. tons	-	-	12.5	17.0	21.0	23.3	20.9	24.0	23.3
Rice	mln. tons	-	-	3.3	3.9	5.3	5.4	5.6	6.9	6.9
Sugarcane	mln. tons	-	-	33.1	44.6	50.3	54.7	63.9	50.0	49.4
Cotton	mln. bales	-	-	6.3	9.7	11.8	12.9	11.7	11.8	12.9
Fertilizer Offtake	mln.N/tons	-	-	1.4	2.3	3.4	3.7	3.6	3.7	4.4
Credit Disbursed	bln. Rs.	-	-	11.2	23.8	125.2	168.8	211.6	233.0	248.1
Manufacturing										
Cotton Yarn	mln. Kg.	5.6	3.4	10.0	1884.4	2286.3	2727.6	2809.4	2913.0	2787.3
Cotton Cloth	mln. sq. mtr.	3.1	-5.2	-1.1	487.8	785.7	1012.9	1016.4	1016.9	1009.4
Fertilizer	mln. tons	27.5	13.2	10.7	4.9	5.4	5.9	6.1	6.3	6.5
Sugar	mln. tons	34.3	2.2	14.4	3.6	3.3	3.5	4.7	3.2	3.1
Cement	mln. tons	10.7	2.5	8.6	11.2	17.8	22.8	26.7	28.4	31.3
Soda Ash	000 tons	12.0	2.6	6.7	269.0	303.2	330.6	365.0	365.3	409.6
Caustic Soda	000 tons	24.4	5.0	6.6	147.2	193.9	242.2	248.3	245.3	182.3
Cigarettes	bln. nos.	10.7	4.9	-0.4	55.4	60.4	66.0	67.4	75.6	65.3
Jute Goods	000 tons	-	3.4	9.5	101.1	105.1	118.1	129.0	137.4	106.2
INFRASTRUCTURE:										
Energy										
Crude Oil Extraction	mln. barrels	-	2.8	10.9	26.1	23.3	24.6	25.6	24.0	23.7
Gas (production)	mcf	-	165.4	385.2	908.0	1213.7	1413.6	1454.2	1460.7	1482.8
Electricity (installed capacity)	000 MW	-	1.3	3.1	12.9	18.9	19.4	19.4	19.8	20.9
Transport & Communications										
Roads	000 km	70.5	74.1	123.8	279.3	256.1	261.8	258.4	260.2	260.8
Motor Vehicles on Roads	mln. nos.	-	0.4	1.4	4.6	6.7	8.1	8.8	9.4	9.8
Post Offices	000 nos.	7.1	9.0	11.8	15.8	12.3	12.3	12.4	12.3	12.0
Information Technology and Telecom										
Telephones	mln. nos.	0.1	0.2	0.6	3.3	4.1	4.8	4.5	3.5	3.4
Mobile Phones	mln. nos.	-	-	-	-	36.6	63.2	88.0	94.3	99.2
Telecom Revenues	Rs. bln.	-	-	-	-	-	-	-	-	-
Telecom Subscribers	mln. nos.	-	-	-	-	-	-	-	-	-
Teledensity	percent	-	-	-	-	-	-	-	-	-
Broadband Subscribers	mln. nos.	-	-	-	-	-	-	-	-	-

- : Not available P: Provisional, R: Revised, F: Final

SOCIAL INDICATORS

2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
										F	R (Jul-Mar)	P
28.9	-2.6	0.3	1.1	-3.9	-8.8	0.1	12.6	-2.1	-7.1	13.7	26.7	-11.0
14.9	12.8	-0.6	3.8	-0.8	-0.6	16.7	16.0	-6.8	-15.9	24.3	31.8	-21.3
25.8	17.7	5.6	13.7	18.2	6.4	-2.8	2.9	9.2	6.4	27.3	6.2	-10.8
11.0	9.9	9.6	9.2	8.0	7.0	6.5	6.9	7.5	7.5	7.3	8.7	6.2
15.5	16.1	15.5	15.3	13.8	13.1	14.1	15.6	16.1	14.5	15.6	19.1	12.1
4.5	6.3	5.9	6.1	5.7	6.1	7.7	8.7	8.6	7.0	8.2	10.4	6.0
+0.1	1.9	1.0	1.2	0.9	1.6	3.6	5.4	4.2	1.6	0.8	4.7	1.0
22.7	22.5	22.6	23.2	23.3	24.0	23.0	23.5	23.5	24.1	23.9	23.9	-
25.2	23.5	24.2	26.0	25.1	25.6	26.7	25.1	24.3	25.2	27.5	26.2	27.6
4.8	6.2	5.5	6.8	7.0	6.8	6.8	7.5	7.2	7.4	8.4	9.3	7.3
55.3	58.4	63.8	67.5	62.8	65.5	75.5	83.3	67.2	66.4	81.0	88.7	91.1
11.5	13.6	13.0	12.8	14.0	9.9	10.7	11.9	9.9	9.1	7.1	8.3	4.9
3.9	3.9	3.6	4.1	4.3	3.7	5.0	4.8	4.6	4.5	5.0	5.0	3.3
263.0	293.9	336.2	391.4	515.9	598.3	704.5	972.6	1174.0	1214.7	1365.9	1418.9	1221.9
2939.5	2954.6	3017.9	3066.0	3360.0	3405.6	3428.1	3430.1	3431.4	3059.9	3441.6	3458.7	2088.9
1020.3	1023.4	1029.1	1036.1	1036.1	1039.2	1043.3	1043.7	1046.0	934.5	1048.4	1050.7	703.9
5.9	6.0	5.7	6.7	7.0	8.0	8.1	7.2	7.7	8.1	8.9	9.1	6.1
4.2	4.6	5.1	5.6	5.1	5.1	7.0	6.6	5.3	4.9	5.7	7.9	6.1
28.8	29.5	31.1	31.4	32.2	35.4	37.0	41.1	39.9	39.1	49.8	48.0	28.2
378.0	370.7	366.2	409.1	437.1	468.5	479.7	509.8	572.1	550.6	594.3	651.3	547.3
172.0	179.1	182.9	167.5	184.0	225.3	223.9	270.1	246.6	342.4	394.1	405.1	337.7
65.4	62.0	67.4	64.5	62.7	53.5	34.3	59.1	60.7	46.1	51.5	59.7	35.1
93.2	94.1	102.8	101.7	94.3	55.4	59.9	74.2	67.1	65.0	69.8	57.7	48.1
24.0	24.6	27.8	31.6	34.5	31.7	32.3	32.6	32.5	28.1	27.6	26.8	19.3
1471.6	1559.0	1505.8	1493.5	1465.8	1481.6	1471.9	1458.9	1436.5	1316.6	1279.2	1237.3	899.1
22.5	22.8	22.8	23.5	23.8	25.9	29.9	33.6	35.1	36.7	36.5	41.4	41.0
259.5	261.6	263.4	263.8	265.4	265.9	267.0	268.9	271.0	501.4	500.7	501.2	501.2
10.4	11.5	11.6	13.2	13.9	15.6	21.9	24.3	25.2	30.0	32.1	34.3	35.5
12.0	12.0	12.8	12.1	12.1	11.7	11.5	11.5	10.1	10.1	9.6	10.2	10.0
5.7	5.8	6.4	5.7	4.2	3.3	2.6	2.6	2.6	2.5	2.6	2.6	2.6
108.9	120.2	128.9	140.0	114.7	133.2	139.8	150.2	162.3	168.6	184.2	194.6	194.1
-	-	-	-	-	-	-	-	606.0	597.0	651.0	694.0	378.0
-	-	-	-	-	-	-	-	164.9	171.1	186.8	197.2	196.7
-	-	-	-	-	-	-	-	75.1	76.3	81.7	84.6	83.2
-	-	-	-	-	-	-	-	32.6	37.4	44.9	51.0	54.1

(Contd...)

ECONOMIC AND

INDICATORS	Average (Annual)									
	1960s	1970s	1980s	1990s	2000s	2006-07	2007-08	2008-09	2009-10	
HUMAN RESOURCES:										
Population*	million	-	-	96.3	124.6	152.9	158.2	161.0	163.8	173.5
Crude Birth Rate	per 1000 person	-	-	-	-	27.5	26.1	26.1	24.3	28.0
Crude Death Rate	per 1000 person	-	-	-	-	7.9	7.1	7.1	7.3	7.4
Infant Mortality Rate	per 1000 person	-	-	-	-	78.9	76.7	76.7	68.2	72.0
Labour Force & Employment[Ⓞ]										
Labour Force	million	-	-	11.6	35.1	46.2	50.5	50.8	52.2	53.7
Employed Labour Force	million	-	-	11.2	33.1	43.2	47.3	48.1	49.5	50.8
Un-employed Labour Force	million	-	-	0.4	2.0	3.5	3.1	2.7	2.7	2.9
Un-employment Rate	% per annum	-	-	1.4	5.7	6.7	6.2	5.2	5.2	5.5
SOCIAL DEVELOPMENT:										
Education										
Primary Schools	000 nos.	-	-	88.8	143.5	155.4	158.7	157.4	156.7	157.5
Male	000 nos.	-	-	64.6	96.4	96.6	97.8	92.5	93.3	96.9
Female	000 nos.	-	-	24.2	47.1	58.8	60.9	64.9	63.4	60.6
Middle Schools	000 nos.	-	-	6.8	15.3	32.8	40.1	40.8	40.9	41.3
Male	000 nos.	-	-	4.6	8.8	17.1	22.6	20.2	20.5	21.8
Female	000 nos.	-	-	2.2	6.5	15.6	17.5	20.6	20.4	19.5
High Schools	000 nos.	-	-	5.4	10.6	19.1	23.6	24.0	24.3	24.8
Male	000 nos.	-	-	3.9	7.4	12.4	14.6	15.0	15.1	14.2
Female	000 nos.	-	-	1.5	3.2	6.7	9.0	9.0	9.2	10.6
Technical / Vocational										
Institutions	nos.	-	-	508.6	572.2	1766.4	3090.0	3125.0	3159.0	3192.0
Male		-	-	282.2	328.7	887.1	1599.0	1618.0	1636.0	1010.0
Female		-	-	235.2	243.5	879.3	1491.0	1507.0	1523.0	2182.0
Literacy Rate	percent	-	-	29.5	40.7	53.1	55.0	56.0	57.0	57.7
Male		-	-	39.0	51.6	66.2	67.0	69.0	69.0	69.5
Female		-	-	18.7	28.6	41.9	42.0	44.0	45.0	45.2
Expenditure on Education (as % of GDP)		1.4	1.7	2.3	2.0	1.6	1.5	1.5	1.6	1.6
Health[^]										
Registered Doctors	000 nos.	2.0	6.3	28.1	68.9	115.6	128.0	133.9	139.5	144.9
Registered Nurses	000 nos.	-	2.9	9.9	24.1	52.8	62.6	65.4	69.3	73.2
Registered Dentists	000 nos.	0.2	0.7	1.4	2.8	6.7	8.2	9.0	9.8	10.5
Hospitals	nos.	380.0	521.0	651.0	823.0	922.5	945.0	948.0	968.0	972.0
Dispensaries	000 nos.	1.7	2.8	3.5	4.3	4.7	4.7	4.8	4.8	4.8
Rural Health Centers	nos.	-	1.0	127.0	330.0	505.3	562.0	561.0	572.0	577.0
TB Centres	nos.	-	90.0	122.0	245.0	285.5	290.0	293.0	293.0	304.0
Total Beds	000 nos.	25.5	38.4	55.6	83.8	99.7	103.3	103.0	103.7	104.1
Expenditure on Health (as % of GDP)		-	0.6	0.8	0.7	0.6	0.4	0.4	0.5	0.5

P: Provisional, R: Revised, F: Final

- : Not available

* : on Calendar Year basis

^ : Labour Force Survey 2017-18

Ⓞ : Labour Force Survey 2020-21

Notes:

Total may differ due to rounding off

Note: Total Population is revised from 2018 onward on the basis of Census 2017 by NIPS

SOCIAL INDICATORS

2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
										F	R (Jul-Mar)	P
177.1	180.7	184.4	188.0	191.7	198.8	207.7	211.8	216.1	220.4	224.78	229.22	-
27.5	27.2	26.8	26.4	26.1	27.8	27.3	26.7	26.1	25.4	-	-	-
7.3	7.2	7.0	6.9	6.8	7.0	7.6	7.8	6.7	6.6	-	-	-
70.5	69.0	67.5	66.1	64.6	62.4	67.2	67.2	59.5	58.5	-	-	-
58.1	59.3	60.3	60.1	61.04	-	-	65.5	68.8	71.8	-	-	-
54.7	55.8	56.6	56.5	57.4	-	-	61.7	64.0	67.3	-	-	-
3.5	3.5	3.8	3.6	3.62	-	-	3.8	4.7	4.5	-	-	-
6.0	6.0	6.2	6.0	5.9	-	-	5.8	6.9	6.3	-	-	-
155.5	154.6	159.7	157.9	165.9	164.6	168.9	172.5	180.1	180.1	180.2	182.6	-
93.6	93.6	99.6	97.6	99.9	99.3	102.8	99.0	99.4	94.7	95.1	92.6	-
58.2	57.0	60.1	60.3	66.0	65.3	66.1	73.5	80.7	85.4	85.1	90.0	-
41.6	42.0	42.1	42.9	44.8	45.7	49.1	46.7	47.3	47.0	47.2	46.8	-
21.9	21.6	20.7	21.8	22.4	18.7	21.2	23.2	23.6	20.1	20.7	20.6	-
20.4	21.0	21.4	21.1	22.4	27.0	27.9	23.5	23.7	26.9	26.5	26.2	-
25.2	28.7	29.9	30.6	31.3	31.7	31.6	31.4	31.7	31.7	34.2	34.8	-
14.4	14.3	17.6	18.0	18.2	16.1	16.9	17.9	18.0	17.2	19.1	19.6	-
9.5	11.6	12.3	12.6	13.1	15.6	14.7	13.5	13.7	14.5	15.1	15.2	-
3224.0	3257.0	3290.0	3323.0	3579.0	3746.0	3798.0	3740.0	3740.0	3740.0	3740.0	3729.0	-
1018.0	1028.0	1037.0	1047.0	1760.0	2232.0	2262.0	2410.0	2410.0	2410.0	2410.0	2435.0	-
2206.0	2229.0	2253.0	2276.0	1819.0	1514.0	1536.0	1330.0	1330.0	1330.0	1330.0	1294.0	-
58.0	58.0	60.0	58.0	60.0	58.0	-	62.3 ^	60.0	60.0	62.8 @	-	-
69.0	70.0	71.0	70.0	70.0	70.0	-	72.5 ^	71.0	70.0	73.4 @	-	-
46.0	47.0	48.0	47.0	49.0	48.0	-	51.8 ^	49.0	50.0	51.9 @	-	-
1.6	1.8	1.9	1.9	2.0	2.0	2.0	2.1	2.0	1.9	1.4	1.7	-
152.4	160.9	167.7	175.2	184.7	195.9	208.0	220.8	233.3	246.0	266.4	282.4	-
77.7	82.1	86.1	90.3	94.8	99.2	103.8	108.5	112.1	116.7	121.2	127.9	-
11.6	12.7	13.7	15.1	16.7	18.3	20.5	22.6	24.9	27.4	30.5	33.2	-
980.0	1092.0	1113.0	1143.0	1172.0	1243.0	1264.0	1279.0	1282.0	1289.0	1276.0	1276.0	-
5.0	5.2	5.4	5.5	5.7	6.0	5.6	5.7	5.7	5.8	5.8	5.8	-
579.0	640.0	667.0	669.0	684.0	668.0	688.0	686.0	670.0	719.0	736.0	736.0	-
345.0	326.0	329.0	334.0	339.0	345.0	431.0	441.0	412.0	410.0	416.0	416.0	-
107.5	111.8	118.4	118.2	119.5	124.8	131.0	132.2	133.7	147.1	146.1	146.1	-
0.2	0.2	0.6	0.7	0.7	0.7	0.8	1.1	1.0	1.1	1.0	1.4	-

Growth and Investment

TABLE 1.1

GROSS NATIONAL PRODUCT AT CONSTANT BASIC PRICES OF 2015-16

Sectors	2016-17	2017-18	2018-19	2019-20	2020-21 F	2021-22 R	2022-23 P	Rs million	
								% Change	
								2021-22/ 2020-21	2022-23/ 2021-22
A. AGRICULTURE	7,468,900	7,758,432	7,831,296	8,137,860	8,424,041	8,783,832	8,919,979	4.27	1.55
1. Crops	2,531,438	2,648,128	2,532,070	2,692,121	2,849,148	3,082,432	3,005,611	8.19	(2.49)
i). Important Crops	1,501,621	1,565,723	1,431,198	1,506,263	1,593,985	1,680,279	1,626,473	5.41	(3.20)
ii). Other Crops	901,099	943,042	977,166	1,067,179	1,152,009	1,289,491	1,292,401	11.93	0.23
iii). Cotton Ginning	128,718	139,363	123,706	118,679	103,154	112,662	86,737	9.22	(23.01)
2. Livestock	4,662,846	4,830,324	5,006,731	5,146,701	5,269,009	5,387,611	5,591,294	2.25	3.78
3. Forestry	157,022	160,541	172,129	177,917	183,877	191,354	198,881	4.07	3.93
4. Fishing	117,594	119,439	120,366	121,121	122,007	122,435	124,193	0.35	1.44
B. INDUSTRIAL SECTOR	6,213,295	6,783,864	6,800,675	6,409,967	6,935,438	7,409,040	7,191,050	6.83	(2.94)
1. Mining & Quarrying	685,104	734,818	738,791	685,844	697,669	648,842	620,252	(7.00)	(4.41)
2. Manufacturing	3,847,353	4,119,706	4,305,977	3,970,246	4,388,024	4,864,350	4,673,946	10.86	(3.91)
i). Large Scale	2,957,914	3,162,576	3,274,235	2,906,578	3,240,794	3,626,559	3,337,195	11.90	(7.98)
ii). Small Scale	538,401	585,867	638,626	647,374	705,485	768,249	837,585	8.90	9.03
iii). Slaughtering	351,038	371,263	393,116	416,293	441,745	469,542	499,166	6.29	6.31
3. Electricity, Gas and Water Supply	690,618	745,548	786,907	814,703	888,101	915,951	971,170	3.14	6.03
4. Construction	990,220	1,183,792	969,000	939,174	961,644	979,897	925,682	1.90	(5.53)
COMMODITY PRODUCING SECTOR (A+B)	13,682,195	14,542,296	14,631,971	14,547,827	15,359,479	16,192,872	16,111,029	5.43	(0.51)
C. SERVICES SECTOR	18,232,012	19,317,324	20,284,070	20,038,838	21,223,003	22,622,116	22,816,361	6.59	0.86
1. Wholesale & Retail Trade	5,727,275	6,114,661	6,331,734	5,998,707	6,647,199	7,333,356	7,006,648	10.32	(4.46)
2. Transport & Storage	3,589,252	3,707,938	3,990,773	3,634,152	3,811,190	3,967,157	4,154,931	4.09	4.73
3. Accommodation and Food Services Activities (Hotels & Restaurants)	442,789	460,952	479,936	499,522	520,024	541,222	563,447	4.08	4.11
4. Information and Communication	675,174	703,443	763,216	868,338	953,818	1,109,467	1,186,342	16.32	6.93
5. Finance and Insurance Activities	573,828	624,079	662,149	647,435	682,988	732,007	704,013	7.18	(3.82)
6. Real Estate Activities (OD)	1,798,794	1,863,846	1,932,853	2,006,873	2,080,095	2,156,942	2,237,158	3.69	3.72
7. Public Administration and Social Security (General Government)	1,547,990	1,717,130	1,776,775	1,830,153	1,820,093	1,853,122	1,709,407	1.81	(7.76)
8. Education	939,569	972,853	991,899	1,024,760	1,012,428	1,069,760	1,181,454	5.66	10.44
9. Human Health and Social Work Activities	470,322	497,098	535,541	568,638	585,137	600,835	651,858	2.68	8.49
10. Other Private Services	2,467,019	2,655,324	2,819,194	2,960,260	3,110,031	3,258,248	3,421,103	4.77	5.00
GDP {Total of GVA at bp (A + B + C)}	31,914,207	33,859,620	34,916,041	34,586,665	36,582,482	38,814,988	38,927,390	6.10	0.29
Indirect Taxes	2,483,605	2,610,793	2,555,422	2,449,628	2,894,190	2,906,476	3,089,131	0.42	6.28
Subsidies	222,184	192,402	287,359	325,947	375,056	779,803	384,023	107.92	(50.75)
GDP {GVA + T - S}	34,175,628	36,278,011	37,184,104	36,710,346	39,101,616	40,941,661	41,632,498	4.71	1.69
Net Primary Income (NPI)*	1,479,873	1,484,165	1,934,448	2,424,050	3,275,406	2,806,550	2,729,639	(14.31)	(2.74)
Gross National Income	35,655,501	37,762,176	39,118,552	39,134,396	42,377,022	43,748,211	44,362,137	3.24	1.40
Population (in million)	205.17	209.75	213.95	218.24	222.59	227.00	231.45	1.98	1.96

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

*: As per PBS, Net Primary Income (NPI) = Net Factor Income (NFI)

Note: Figure in parenthesis indicate negative growth.

TABLE 1.2
SECTORAL SHARE IN GDP (%)

Sector	2016-17	2017-18	2018-19	2019-20	2020-21			2022-23		
					F	R	P	F	R	P
A. AGRICULTURE	23.4	22.9	22.4	23.5	23.0	22.6	22.9			
1. Crops	7.9	7.8	7.3	7.8	7.8	7.9	7.7			
Important Crops	4.7	4.6	4.1	4.4	4.4	4.3	4.2			
Other Crops	2.8	2.8	2.8	3.1	3.1	3.3	3.3			
Cotton Ginning	0.4	0.4	0.4	0.3	0.3	0.3	0.2			
2. Livestock	14.6	14.3	14.3	14.9	14.4	13.9	14.4			
3. Forestry	0.5	0.5	0.5	0.5	0.5	0.5	0.5			
4. Fishing	0.4	0.4	0.3	0.4	0.3	0.3	0.3			
B. INDUSTRIAL SECTOR	19.5	20.0	19.5	18.5	19.0	19.1	18.5			
1. Mining & Quarrying	2.1	2.2	2.1	2.0	1.9	1.7	1.6			
2. Manufacturing	12.1	12.2	12.3	11.5	12.0	12.5	12.0			
Large Scale	9.3	9.3	9.4	8.4	8.9	9.3	8.6			
Small Scale	1.7	1.7	1.8	1.9	1.9	2.0	2.2			
Slaughtering	1.1	1.1	1.1	1.2	1.2	1.2	1.3			
3. Electricity, Gas & Water Supply	2.2	2.2	2.3	2.4	2.4	2.4	2.5			
4. Construction	3.1	3.5	2.8	2.7	2.6	2.5	2.4			
COMMODITY PRODUCING SECTOR (A+B)	42.9	42.9	41.9	42.1	42.0	41.7	41.4			
C. SERVICES SECTOR	57.1	57.1	58.1	57.9	58.0	58.3	58.6			
1. Wholesale & Retail Trade	17.9	18.1	18.1	17.3	18.2	18.9	18.0			
2. Transport & Storage	11.2	11.0	11.4	10.5	10.4	10.2	10.7			
3. Accommodation and Food Services Activities (Hotels & Restaurants)	1.4	1.4	1.4	1.4	1.4	1.4	1.4			
4. Information and Communication	2.1	2.1	2.2	2.5	2.6	2.9	3.0			
5. Finance and Insurance Activities	1.8	1.8	1.9	1.9	1.9	1.9	1.8			
6. Real Estate Activities (OD)	5.6	5.5	5.5	5.8	5.7	5.6	5.7			
7. Public Administration and Social Security (General Government)	4.9	5.1	5.1	5.3	5.0	4.8	4.4			
8. Education	2.9	2.9	2.8	3.0	2.8	2.8	3.0			
9. Human Health and Social Work Activities	1.5	1.5	1.5	1.6	1.6	1.5	1.7			
10. Other Private Services	7.7	7.8	8.1	8.6	8.5	8.4	8.8			
GDP {Total of GVA at bp (A + B + C)}	100.0	100.0	100.0	100.0	100.0	100.0	100.0			

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.3
GROWTH RATES (%)

Sector	2017-18	2018-19	2019-20	2020-21		2022-23	
				F	R	F	P
A. AGRICULTURE	3.88	0.94	3.91	3.52	4.27	1.55	
1. Crops	4.61	(4.38)	6.32	5.83	8.19	(2.49)	
Important Crops	4.27	(8.59)	5.24	5.82	5.41	(3.20)	
Other Crops	4.65	3.62	9.21	7.95	11.93	0.23	
Cotton Ginning	8.27	(11.23)	(4.06)	(13.08)	9.22	(23.01)	
2. Livestock	3.59	3.65	2.80	2.38	2.25	3.78	
3. Forestry	2.24	7.22	3.36	3.35	4.07	3.93	
4. Fishing	1.57	0.78	0.63	0.73	0.35	1.44	
B. INDUSTRIAL SECTOR	9.18	0.25	(5.75)	8.20	6.83	(2.94)	
1. Mining & Quarrying	7.26	0.54	(7.17)	1.72	(7.00)	(4.41)	
2. Manufacturing	7.08	4.52	(7.80)	10.52	10.86	(3.91)	
Large Scale	6.92	3.53	(11.23)	11.50	11.90	(7.98)	
Small Scale	8.82	9.01	1.37	8.98	8.90	9.03	
Slaughtering	5.76	5.89	5.90	6.11	6.29	6.31	
3. Electricity, Gas & Water Supply	7.95	5.55	3.53	9.01	3.14	6.03	
4. Construction	19.55	(18.14)	(3.08)	2.39	1.90	(5.53)	
COMMODITY PRODUCING SECTOR (A+B)	6.29	0.62	(0.58)	5.58	5.43	(0.51)	
C. SERVICES SECTOR	5.95	5.00	(1.21)	5.91	6.59	0.86	
1. Wholesale & Retail Trade	6.76	3.55	(5.26)	10.81	10.32	(4.46)	
2. Transport & Storage	3.31	7.63	(8.94)	4.87	4.09	4.73	
3. Accommodation and Food Services Activities (Hotels & Restaurants)	4.10	4.12	4.08	4.10	4.08	4.11	
4. Information and Communication	4.19	8.50	13.77	9.84	16.32	6.93	
5. Finance and Insurance Activities	8.76	6.10	(2.22)	5.49	7.18	(3.82)	
6. Real Estate Activities (OD)	3.62	3.70	3.83	3.65	3.69	3.72	
7. Public Administration and Social Security (General Government)	10.93	3.47	3.00	(0.55)	1.81	(7.76)	
8. Education	3.54	1.96	3.31	(1.20)	5.66	10.44	
9. Human Health and Social Work Activities	5.69	7.73	6.18	2.90	2.68	8.49	
10. Other Private Services	7.63	6.17	5.00	5.06	4.77	5.00	
GDP {Total of GVA at bp (A + B + C)}	6.10	3.12	(0.94)	5.77	6.10	0.29	

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

Note: Figure in parenthesis indicate negative growth.

TABLE 1.4
GROSS NATIONAL PRODUCT AT CURRENT PRICES

Sectors	2016-17	2017-18	2018-19	2019-20	2020-21 F	2021-22 R	2022-23 P	Rs million	
								% Change	
								2021-22/ 2020-21	2022-23/ 2021-22
A. Agriculture	7,808,538	8,485,078	9,056,577	10,389,544	12,653,889	14,891,641	19,079,377	17.7	28.1
1. Crops	2,814,824	2,997,673	3,026,409	3,704,256	4,720,729	5,790,391	7,395,539	22.7	27.7
Important Crops	1,665,727	1,724,508	1,692,431	2,015,035	2,730,576	3,276,474	4,170,087	20.0	27.3
Other Crops	995,393	1,096,907	1,152,141	1,502,853	1,798,827	2,195,520	2,951,506	22.1	34.4
Cotton Ginning	153,704	176,258	181,837	186,368	191,326	318,397	273,946	66.4	(14.0)
2. Livestock	4,681,073	5,163,098	5,681,368	6,301,160	7,504,838	8,644,011	11,141,287	15.2	28.9
3. Forestry	159,493	165,288	184,508	197,771	236,197	262,797	322,165	11.3	22.6
4. Fishing	153,148	159,019	164,292	186,357	192,125	194,442	220,386	1.2	13.3
B. INDUSTRIAL SECTOR	6,434,821	7,285,014	8,568,673	8,837,507	10,551,041	13,605,790	17,198,834	29.0	26.4
1. Mining & Quarrying	706,614	847,753	1,156,829	1,230,493	1,264,280	1,482,046	1,731,175	17.2	16.8
2. Manufacturing	4,017,236	4,547,093	5,513,025	5,427,248	6,663,895	9,178,747	11,556,779	37.7	25.9
Large Scale	3,083,146	3,499,175	4,266,145	4,026,236	4,933,633	7,048,190	8,727,338	42.9	23.8
Small Scale	575,507	633,065	772,543	851,921	1,038,496	1,286,572	1,693,309	23.9	31.6
Slaughtering	358,582	414,852	474,337	549,090	691,765	843,985	1,136,132	22.0	34.6
3. Electricity, Gas & Water Supply	684,635	601,438	723,614	936,384	1,239,849	1,093,803	1,650,082	(11.8)	50.9
4. Construction	1,026,336	1,288,730	1,175,205	1,243,382	1,383,017	1,851,194	2,260,798	33.9	22.1
COMMODITY PRODUCING SECTOR (A+B)	14,243,359	15,770,092	17,625,250	19,227,051	23,204,930	28,497,431	36,278,211	22.8	27.3
C. SERVICES SECTOR	18,931,611	20,744,074	23,484,914	25,519,825	29,049,079	34,773,745	43,057,410	19.7	23.8
1. Wholesale & Retail Trade	5,910,874	6,647,619	7,719,369	7,827,884	9,587,513	13,076,519	16,269,048	36.4	24.4
2. Transport & Storage	3,605,358	3,413,093	3,663,539	3,976,118	4,668,572	4,364,606	3,929,660	(6.5)	(10.0)
3. Accommodation and Food Services Activities (Hotels & Restaurants)	474,246	537,789	587,976	620,711	726,385	822,966	1,180,653	13.3	43.5
4. Information and Communication	672,357	687,372	764,469	929,777	1,019,851	1,211,656	1,403,834	18.8	15.9
5. Finance and Insurance Activities	573,387	673,401	904,881	1,088,992	925,285	1,517,135	3,535,901	64.0	133.1
6. Real Estate Activities (OD)	1,951,033	2,133,802	2,356,250	2,572,654	2,806,288	3,083,513	3,368,690	9.9	9.2
7. Public Administration and Social Security (General Government)	1,622,405	1,891,699	2,102,445	2,385,741	2,567,759	2,942,698	3,426,941	14.6	16.5
8. Education	1,031,740	1,228,677	1,373,330	1,494,309	1,488,542	1,643,797	1,965,306	10.4	19.6
9. Human Health and Social Work Activities	506,166	608,073	701,212	792,130	882,244	982,782	1,204,825	11.4	22.6
10. Other Private Services	2,584,045	2,922,549	3,311,443	3,831,509	4,376,640	5,128,073	6,772,552	17.2	32.1
GDP {Total of GVA at bp (A + B + C)}	33,174,970	36,514,166	41,110,164	44,746,876	52,254,009	63,271,176	79,335,621	21.1	25.4
Indirect Taxes	2,603,563	2,876,571	3,015,143	3,184,272	4,068,363	4,568,689	6,071,378	12.3	32.9
Subsidies	225,714	200,927	326,906	390,739	486,147	1,216,301	749,190	150.2	(38.4)
GDP {GVA + T - S}	35,552,819	39,189,810	43,798,401	47,540,409	55,836,225	66,623,564	84,657,809	19.3	27.1
Net Primary Income (NPI)*	1,460,043	1,539,673	2,135,631	2,730,935	3,907,559	4,503,951	5,319,520	15.3	18.1
Gross National Income	37,012,862	40,729,483	45,934,032	50,271,344	59,743,784	71,127,515	89,977,329	19.1	26.5
Population (in million)	205.2	209.8	214.0	218.2	222.6	227.0	231.5	2.0	2.0
Per Capita Income (Rs)	180,401	194,181	214,695	230,349	268,403	313,337	388,755	16.7	24.1
Per Capita Income(US \$)	1,723.0	1,767.9	1,577.6	1,457.6	1,677.3	1,765.8	1,568.4	5.3	(11.2)
GDP Deflator Index	103.95	107.84	117.74	129.38	142.84	163.01	203.80	14.1	25.0
GDP Deflator (Growth %)	3.95	3.74	9.18	9.88	10.41	14.12	25.03		

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

* : As per PBS, Net Primary Income (NPI) = Net Factor Income (NFI)

Note: Figure in parenthesis indicate negative growth.

TABLE 1.5

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CONSTANT PRICES OF 2015-16

Flows	2016-17	2017-18	2018-19	2019-20	2020-21 F	2021-22 R	2022-23 P	Rs million	
								% Change	
								2021-22/ 2020-21	2022-23/ 2021-22
Household Final Consumption Expenditure	27,915,885	29,915,812	31,583,262	30,674,157	33,595,078	35,889,280	36,490,222	6.83	1.67
NPISH Final Consumption Expenditure	317,125	352,015	370,679	374,912	384,937	377,854	341,047	(1.84)	(9.74)
General Government Final Consumption Expenditure	3,627,594	3,826,636	3,766,290	4,086,774	4,161,026	4,105,687	3,810,567	(1.33)	(7.19)
Total Investment	5,601,582	6,153,971	5,557,257	5,220,581	5,429,828	5,730,996	4,847,731	5.55	(15.41)
Gross Fixed Capital Formation	5,017,178	5,533,617	4,921,409	4,592,834	4,761,190	5,030,894	4,135,815	5.66	(17.79)
A. Private Sector	3,621,176	3,879,013	3,812,927	3,627,468	3,681,814	3,820,451	3,112,239	3.77	(18.54)
B. Public Sector	353,002	418,721	404,028	257,481	272,571	274,939	176,559	0.87	(35.78)
C. General Govt.	1,043,000	1,235,883	704,454	707,885	806,805	935,504	847,017	15.95	(9.46)
Change in Inventories	546,810	580,448	594,946	587,366	625,626	655,067	666,120	4.71	1.69
Valuable	37,593	39,906	40,903	40,381	43,012	45,036	45,796	4.71	1.69
Export of Goods and Non-Factor Services	2,929,753	3,223,918	3,648,583	3,703,874	3,945,411	4,179,734	3,820,130	5.94	(8.60)
Less Imports of Goods and Non-Factor Services	6,216,310	7,194,340	7,741,968	7,349,952	8,414,664	9,341,889	7,677,199	11.02	(17.82)
Expenditure on GDP at Market Prices	34,175,628	36,278,011	37,184,104	36,710,346	39,101,616	40,941,661	41,632,498	4.71	1.69
Plus Net Primary Income*	1,479,873	1,484,165	1,934,448	2,424,050	3,275,406	2,806,550	2,729,639	(14.31)	(2.74)
Expenditure on GNP at Market Prices	35,655,501	37,762,176	39,118,552	39,134,396	42,377,022	43,748,211	44,362,137	3.24	1.40
Less Indirect Taxes	2,483,605	2,610,793	2,555,422	2,449,628	2,894,190	2,906,476	3,089,131	0.42	6.28
Plus Subsidies	222,184	192,402	287,359	325,947	375,056	779,803	384,023	107.92	(50.75)
GNP at Factor Cost	33,394,080	35,343,785	36,850,489	37,010,715	39,857,888	41,621,538	41,657,029	4.42	0.09

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

*: As per PBS, Net Primary Income (NPI) = Net Factor Income (NFI)

Note: Figure in parenthesis indicate negative growth.

TABLE 1.6

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CURRENT PRICES

Flows	2016-17	2017-18	2018-19	2019-20	2020-21 F	2021-22 R	2022-23 F	Rs million	
								% Change	
								2021-22/ 2020-21	2022-23/ 2021-22
Household Final Consumption Expenditure	28,800,377	31,906,384	36,301,307	38,265,131	46,061,461	56,528,473	70,631,467	22.72	24.95
NPISH Final Consumption Expenditure	332,379	386,231	434,362	487,348	541,106	593,948	675,069	9.77	13.66
General Government Final Consumption Expenditure	3,823,258	4,308,381	4,708,220	5,604,444	6,102,658	6,993,691	8,241,135	14.60	17.84
Total Investment	5,806,803	6,689,031	6,788,597	7,043,368	8,115,623	10,473,182	11,541,114	29.05	10.20
Gross Fixed Capital Formation	5,198,850	6,018,885	6,039,644	6,230,427	7,160,824	9,333,919	10,093,465	30.35	8.14
A. Private Sector	3,745,750	4,211,187	4,665,930	4,885,372	5,502,024	7,023,740	7,457,518	27.66	6.18
B. Public Sector	363,686	448,598	475,183	349,556	417,382	512,117	471,565	22.70	(7.92)
C. General Govt.	1,089,414	1,359,100	898,531	995,499	1,241,418	1,798,062	2,164,382	44.84	20.37
Change in Inventories	568,845	627,037	700,774	760,647	893,380	1,065,977	1,354,525	19.32	27.07
Valuable	39,108	43,109	48,178	52,294	61,420	73,286	93,124	19.32	27.07
Export of Goods and Non-Factor Services	2,923,015	3,363,191	4,113,048	4,420,573	5,054,072	7,026,133	8,530,350	39.02	21.41
Less Imports of Goods and Non-Factor Services	6,133,012	7,463,408	8,547,132	8,280,456	10,038,695	14,991,863	14,961,325	49.34	(0.20)
Expenditure on GDP at Market Prices	35,552,819	39,189,810	43,798,401	47,540,409	55,836,225	66,623,564	84,657,809	19.32	27.07
Plus Net Primary Income*	1,460,043	1,539,673	2,135,631	2,730,935	3,907,559	4,503,951	5,319,520	15.26	18.11
Expenditure on GNP at Market Prices	37,012,862	40,729,483	45,934,032	50,271,344	59,743,784	71,127,515	89,977,329	19.05	26.50
Less Indirect Taxes	2,603,563	2,876,571	3,015,143	3,184,272	4,068,363	4,568,689	6,071,378	12.30	32.89
Plus Subsidies	225,714	200,927	326,906	390,739	486,147	1,216,301	749,190	150.19	(38.40)
GNP at Factor Cost	33,174,970	36,514,166	41,110,164	44,746,876	52,254,009	63,271,176	79,335,621	21.08	25.39

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

*: As per PBS, Net Primary Income (NPI) = Net Factor Income (NFI)

TABLE 1.7

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE, PUBLIC, AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

Sector	2016-17	2017-18	2018-19	2019-20	2020-21 F	2021-22 R	2022-23 P	Rs million	
								% Change	
								2021-22/ 2020-21	2022-23/ 2021-22
GFCF (A+B+C)	5,198,850	6,018,885	6,039,644	6,230,427	7,160,824	9,333,919	10,093,465	30.3	8.1
A. Private Sector	3,745,750	4,211,187	4,665,930	4,885,372	5,502,024	7,023,740	7,457,518	27.7	6.2
B. Public Sector	363,686	448,598	475,183	349,556	417,382	512,117	471,565	22.7	(7.9)
C. General Govt.	1,089,414	1,359,100	898,531	995,499	1,241,418	1,798,062	2,164,382	44.8	20.4
Private & Public (A+B)	4,109,436	4,659,785	5,141,113	5,234,928	5,919,406	7,535,857	7,929,083	27.3	5.2
SECTOR-WISE:									
1. Agriculture, Forestry & Fishing	965,529	1,050,711	1,138,639	1,251,854	1,523,084	1,815,095	2,226,308	19.2	22.7
2. Mining and Quarrying	100,586	71,969	73,327	90,144	62,148	66,754	62,458	7.4	(6.4)
3. Manufacturing (A+B)	755,058	810,934	891,741	870,779	958,082	1,237,633	844,096	29.2	(31.8)
A. Large Scale	649,780	694,141	749,597	699,962	772,726	1,016,931	624,148	31.6	(38.6)
B. Small Scale (including Slaughtering)	105,278	116,793	142,144	170,817	185,356	220,702	219,948	19.1	(0.3)
4. Electricity Gas and Water Supply	191,259	387,511	461,987	314,993	336,502	348,746	327,828	3.6	(6.0)
5. Construction	111,621	84,984	44,489	50,961	50,710	87,494	77,451	72.5	(11.5)
6. Wholesale and Retail Trade	231,144	301,783	430,297	408,671	458,047	470,201	382,192	2.7	(18.7)
7. Accommodation and Food Services Activities (Hotels & Restaurants)	92,968	85,589	85,772	57,994	57,050	58,629	52,847	2.8	(9.9)
8. Transport and Storage	492,166	610,512	558,132	364,876	604,019	866,041	701,439	43.4	(19.0)
9. Information and Communication	157,208	143,185	155,142	368,840	231,062	416,566	277,035	80.3	(33.5)
10. Finance and Insurance Activities	65,697	61,650	72,956	78,146	95,648	118,537	187,051	23.9	57.8
11. Real Estate Activities (OD)	562,916	613,462	709,639	803,990	901,130	1,230,687	1,673,369	36.6	36.0
12. Public Administration and Defence; compulsory social security	967,642	1,229,418	804,220	888,918	1,070,774	1,634,531	1,923,075	52.6	17.7
13. Education	182,153	190,376	198,774	217,294	271,247	311,680	465,325	14.9	49.3
14. Human Health and Social Work Activities	108,840	128,714	118,991	146,936	181,159	230,726	296,943	27.4	28.7
15. Other Private Services	214,063	248,085	295,537	316,032	360,161	440,599	596,048	22.3	35.3

P: Provisional, R: Revised, F: Final

Note: Figure in parenthesis indicate negative growth.

(Contd...)

TABLE 1.7 a

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

Sector	2016-17	2017-18	2018-19	2019-20	2020-21 F	2021-22 R	2022-23 P	Rs million	
								% Change	
								2021-22/ 2020-21	2022-23/ 2021-22
Private Sector	3,745,750	4,211,187	4,665,930	4,885,372	5,502,024	7,023,740	7,457,518	27.7	6.2
1. Agriculture, forestry and fishing	965,346	1,050,469	1,138,425	1,251,552	1,522,821	1,814,781	2,225,449	19.2	22.6
Crop and animal production, hunting and related service activities	926,769	1,010,683	1,094,809	1,201,309	1,464,628	1,744,873	2,113,160	19.1	21.1
Crops	212,925	233,258	237,615	240,929	314,441	398,698	410,885	26.8	3.1
Cotton Ginning	1,097	1,150	1,274	1,487	1,748	2,128	3,464	21.7	62.8
Livestock	712,747	776,275	855,920	958,893	1,148,439	1,344,047	1,698,811	17.0	26.4
Forestry	1,468	1,542	1,712	2,000	2,355	2,872	4,683	22.0	63.1
Fishing	37,109	38,244	41,904	48,243	55,838	67,036	107,606	20.1	60.5
2. Mining and quarrying	38,057	47,723	55,204	65,017	36,853	42,143	45,214	14.4	7.3
3. Manufacturing	726,853	802,299	889,976	862,159	943,687	1,220,769	836,059	29.4	(31.5)
i. Large Scale	621,575	685,506	747,832	691,342	758,331	1,000,067	616,111	31.9	(38.4)
ii. Small Scale (including Slaughtering)	105,278	116,793	142,144	170,817	185,356	220,702	219,948	19.1	(0.3)
ii. Small Scale	100,909	111,909	136,369	164,087	178,053	212,007	211,282	19.1	(0.3)
iii. Slaughtering	4,369	4,884	5,775	6,730	7,303	8,695	8,666	19.1	(0.3)
4. Electricity, gas, and water supply	44,640	126,854	86,747	78,541	71,544	102,991	126,607	44.0	22.9
Electricity & gas	17,298	99,122	53,380	47,555	31,570	59,900	74,665	89.7	24.6
Water supply	27,342	27,732	33,367	30,986	39,974	43,091	51,942	7.8	20.5
5. Construction	105,809	78,378	43,519	46,805	40,935	59,687	45,793	45.8	(23.3)
6. Wholesale and retail trade	231,144	301,783	430,297	408,671	458,047	470,201	382,192	2.7	(18.7)
7. Accommodation and food service activities (Hotels and Restaurants)	92,968	85,589	85,772	57,994	57,050	58,629	52,847	2.8	(9.9)
8. Transportation and storage	422,421	495,270	515,888	340,198	547,769	794,658	559,065	45.1	(29.6)
9. Information and communication	123,564	116,808	126,389	326,496	196,051	315,724	228,304	61.0	(27.7)
Information	41,876	54,076	60,739	50,798	69,593	87,406	80,945	25.6	(7.4)
Communication	81,688	62,732	65,650	275,698	126,458	228,318	147,359	80.5	(35.5)
10. Financial and insurance activities	48,748	55,057	65,082	70,269	84,213	93,996	165,610	11.6	76.2
11. Real estate activities (Ownership of Dwellings)	562,916	613,462	709,639	803,990	901,130	1,230,687	1,673,369	36.6	36.0
12. Education	108,127	121,144	139,770	160,611	169,452	229,896	310,622	35.7	35.1
13. Human health and social work activities	61,094	68,266	83,685	97,037	112,311	148,979	210,339	32.6	41.2
14. Other Private Services	214,063	248,085	295,537	316,032	360,161	440,599	596,048	22.3	35.3

P: Provisional, R: Revised, F: Final

(Contd...)

Note: Figure in parenthesis indicate negative growth.

TABLE 1.7 b

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

Sector	2016-17	2017-18	2018-19	2019-20	2020-21 F	2021-22 R	2022-23 P	Rs million	
								% Change	
								2021-22/ 2020-21	2022-23/ 2021-22
Public Sector and									
General Govt. (B+C)	1,453,100	1,807,698	1,373,714	1,345,055	1,658,800	2,310,179	2,635,947	39.3	14.1
B. Public Sector (Autonomous & Semi Auto-Bodies)	363,686	448,598	475,183	349,556	417,382	512,117	471,565	22.7	(7.9)
1. Agriculture, Forestry & Fishing	183	242	214	302	263	314	859	19.4	173.6
2. Mining and Quarrying	62,529	24,246	18,123	25,127	25,295	24,611	17,244	(2.7)	(29.9)
3. Manufacturing (Large Scale)	28,205	8,635	1,765	8,620	14,395	16,864	8,037	17.2	(52.3)
4. Electricity, Gas & Water Supply	146,619	260,657	375,240	236,452	264,958	245,755	201,221	(7.2)	(18.1)
5. Construction	5,812	6,606	970	4,156	9,775	27,807	31,658	184.5	13.8
6. Transport & Storage	69,745	115,242	42,244	24,678	56,250	71,383	142,374	26.9	99.5
Railways	39,407	8,627	14,612	6,261	4,239	7,177	972	69.3	(86.5)
Post Office & PTCL	1	0	997	1,539	2	1	0	(50.0)	(100.0)
Others	30,337	106,615	26,635	16,878	52,009	64,205	141,402	23.4	120.2
7. Information and Communication	33,644	26,377	28,753	42,344	35,011	100,842	48,731	188.0	(51.7)
8. Finance & Insurance	16,949	6,593	7,874	7,877	11,435	24,541	21,441	114.6	(12.6)
C. General Govt.	1,089,414	1,359,100	898,531	995,499	1,241,418	1,798,062	2,164,382	44.8	20.4
Federal	314,376	359,047	354,495	387,225	477,178	542,267	617,294	13.6	13.8
Provincial	686,665	909,116	463,854	527,970	653,800	1,086,307	1,355,522	66.2	24.8
District Governments	88,373	90,937	80,182	80,304	110,440	169,488	191,566	53.5	13.0
General Government (By industries)	1,089,414	1,359,098	898,530	995,500	1,241,418	1,798,062	2,164,382	44.8	20.4
i) Public Administration and Social Security (General Government)	967,642	1,229,418	804,220	888,918	1,070,774	1,634,531	1,923,075	52.6	17.7
ii) Education	74,026	69,232	59,004	56,683	101,795	81,784	154,703	(19.7)	89.2
iii) Human health and social work activities	47,746	60,448	35,306	49,899	68,848	81,747	86,604	18.7	5.9

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

Note: Figure in parenthesis indicate negative growth.

TABLE 1.8

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE, PUBLIC, AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2015-16)

Sector	2016-17	2017-18	2018-19	2019-20	2020-21 F	2021-22 R	2022-23 P	Rs million	
								% Change	
								2021-22/ 2020-21	2022-23/ 2021-22
GFCF (A+B+C)	5,017,178	5,533,617	4,921,409	4,592,834	4,761,190	5,030,894	4,135,815	5.7	(17.8)
A. Private Sector	3,621,176	3,879,013	3,812,927	3,627,468	3,681,814	3,820,451	3,112,239	3.8	(18.5)
B. Public Sector	353,002	418,721	404,028	257,481	272,571	274,939	176,559	0.9	(35.8)
C. General Govt.	1,043,000	1,235,883	704,454	707,885	806,805	935,504	847,017	16.0	(9.5)
Private & Public (A+B)	3,974,178	4,297,734	4,216,955	3,884,949	3,954,385	4,095,390	3,288,798	3.6	(19.7)
SECTOR-WISE:									
1. Agriculture, Forestry & Fishing	954,120	988,985	996,522	996,479	1,043,770	1,082,303	1,020,127	3.7	(5.7)
2. Mining and Quarrying	101,274	71,341	57,706	55,167	37,088	36,374	27,754	(1.9)	(23.7)
3. Manufacturing (A+B)	720,981	739,446	706,175	627,453	625,998	653,378	343,241	4.4	(47.5)
A. Large Scale	622,096	631,209	587,689	497,732	502,193	529,100	244,256	5.4	(53.8)
B. Small Scale (including Slaughtering)	98,885	108,237	118,486	129,721	123,805	124,278	98,985	0.4	(20.4)
4. Electricity Gas and Water Supply	183,994	363,600	399,832	239,057	220,800	194,903	125,711	(11.7)	(35.5)
5. Construction	107,742	78,075	36,618	38,333	35,276	46,205	31,185	31.0	(32.5)
6. Wholesale and Retail Trade	221,295	274,423	337,356	290,600	297,684	244,641	149,568	(17.8)	(38.9)
7. Accommodation and Food Services Activities (Hotels & Restaurants)	89,007	77,829	67,246	41,238	37,077	30,504	20,681	(17.7)	(32.2)
8. Transport and Storage	471,198	555,163	437,579	259,458	392,552	450,594	274,505	14.8	(39.1)
9. Information and Communication	150,510	130,204	121,632	262,277	150,167	216,736	108,415	44.3	(50.0)
10. Finance and Insurance Activities	62,897	56,060	57,198	55,568	62,162	61,673	73,201	(0.8)	18.7
11. Real Estate Activities (OD)	543,355	563,585	584,065	604,777	626,873	649,919	673,767	3.7	3.7
12. Public Administration and Defence; compulsory social security	926,416	1,117,958	630,514	632,097	695,903	850,422	752,583	22.2	(11.5)
13. Education	175,242	174,250	161,297	161,121	184,036	163,958	185,611	(10.9)	13.2
14. Human Health and Social Work Activities	104,203	117,045	93,289	104,484	117,736	120,045	116,207	2.0	(3.2)
15. Other Private Services	204,944	225,651	234,380	224,726	234,068	229,240	233,259	(2.1)	1.8

P: Provisional, R: Revised, F: Final

Note: Figure in parenthesis indicate negative growth.

(Contd...)

TABLE 1.8 a

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2015-16)

Sector	2016-17	2017-18	2018-19	2019-20	2020-21 F	2021-22 R	2022-23 P	Rs million	
								% Change	
								2021-22/ 2020-21	2022-23/ 2021-22
PRIVATE SECTOR	3,621,176	3,879,013	3,812,927	3,627,468	3,681,814	3,820,451	3,112,239	3.8	(18.5)
1. Agriculture, forestry and fishing	953,943	988,757	996,336	996,250	1,043,597	1,082,130	1,019,830	3.7	(5.8)
Crop and animal production, hunting and related service activities	916,568	951,246	958,495	958,138	1,005,292	1,043,579	981,031	3.8	(6.0)
Crops	206,283	219,931	206,156	182,757	206,978	219,862	141,973	6.2	(35.4)
Cotton Ginning	1,063	1,084	1,106	1,128	1,150	1,173	1,197	2.0	2.0
Livestock	709,222	730,231	751,233	774,253	797,164	822,544	837,861	3.2	1.9
Forestry	1,423	1,453	1,485	1,517	1,550	1,584	1,618	2.2	2.1
Fishing	35,952	36,058	36,356	36,595	36,755	36,967	37,181	0.6	0.6
2. Mining and Quarrying	38,317	47,307	43,443	39,790	21,993	22,964	20,091	4.4	(12.5)
3. Manufacturing (A+B)	693,978	731,594	704,791	621,324	616,643	644,604	340,096	4.5	(47.2)
i. Large Scale	595,093	623,357	586,305	491,603	492,838	520,326	241,111	5.6	(53.7)
ii. Small Scale (including Slaughtering)	98,885	108,237	118,486	129,721	123,805	124,278	98,985	0.4	(20.4)
Small Scale	94,697	103,850	113,887	124,895	119,306	119,758	95,108	0.4	(20.6)
Slaughtering	4,188	4,387	4,599	4,826	4,499	4,520	3,877	0.5	(14.2)
4. Electricity, gas, and water supply	41,949	117,837	74,272	59,696	46,394	59,381	56,183	28.0	(5.4)
Electricity & gas	16,759	93,459	46,313	36,073	20,780	33,032	25,799	59.0	(21.9)
Water supply	25,190	24,378	27,959	23,623	25,614	26,349	30,384	2.9	15.3
5. Construction	102,132	72,006	35,819	35,207	28,476	31,520	18,438	10.7	(41.5)
6. Wholesale and retail trade	221,295	274,423	337,356	290,600	297,684	244,641	149,568	(17.8)	(38.9)
7. Accommodation and food service activities (Hotels and Restaurants)	89,007	77,829	67,246	41,238	37,077	30,504	20,681	(17.7)	(32.2)
8. Transportation and Storage	404,424	450,369	404,459	241,910	355,995	413,454	218,787	16.1	(47.1)
9. Information and communication	118,300	106,218	99,089	232,167	127,414	164,269	89,345	28.9	(45.6)
Information	40,092	49,173	47,619	36,122	45,229	45,477	31,677	0.5	(30.3)
Communication	78,208	57,045	51,470	196,045	82,185	118,792	57,668	44.5	(51.5)
10. Financial and Insurance activities	46,671	50,065	51,025	49,967	54,730	48,905	64,810	(10.6)	32.5
11. Real estate activities (Ownership of Dwellings)	543,355	563,585	584,065	604,777	626,873	649,919	673,767	3.7	3.7
12. Education	104,370	111,295	115,037	120,815	117,879	121,407	125,069	3.0	3.0
13. Human health and social work activities	58,491	62,077	65,609	69,002	72,991	77,513	82,315	6.2	6.2
14. Other Private Services	204,944	225,651	234,380	224,726	234,068	229,240	233,259	(2.1)	1.8

P: Provisional, R: Revised, F: Final

(Contd...)

Note: Figure in parenthesis indicate negative growth.

TABLE 1.8 b

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2015-16)

Sector	2016-17	2017-18	2018-19	2019-20	2020-21 F	2021-22 R	2022-23 P	Rs million	
								% Change	
								2021-22/ 2020-21	2022-23/ 2021-22
Public Sector and General Govt. (B+C)	1,396,002	1,654,604	1,108,482	965,366	1,079,376	1,210,443	1,023,576	12.1	(15.4)
B. Public Sector (Autonomous & Semi Auto-Bodies)	353,002	418,721	404,028	257,481	272,571	274,939	176,559	0.9	(35.8)
1. Agriculture, Forestry & Fishing	177	228	186	229	173	173	297	0.0	71.7
2. Mining and Quarrying	62,957	24,034	14,263	15,377	15,095	13,410	7,663	(11.2)	(42.9)
3. Manufacturing (Large Scale)	27,003	7,852	1,384	6,129	9,355	8,774	3,145	(6.2)	(64.2)
4. Electricity, Gas & Water Supply	142,045	245,763	325,560	179,361	174,406	135,522	69,528	(22.3)	(48.7)
5. Construction	5,610	6,069	799	3,126	6,800	14,685	12,747	116.0	(13.2)
6. Transport & Storage	66,774	104,794	33,120	17,548	36,557	37,140	55,718	1.6	50.0
Railways	37,729	7,845	11,456	4,452	2,755	3,734	381	35.5	(89.8)
Post Office & PTCL	1	0	782	1,094	1	1	0	0.0	(100.0)
Others	29,044	96,949	20,882	12,002	33,801	33,405	55,337	(1.2)	65.7
7. Information and Communication	32,210	23,986	22,543	30,110	22,753	52,467	19,070	130.6	(63.7)
8. Finance & Insurance	16,226	5,995	6,173	5,601	7,432	12,768	8,391	71.8	(34.3)
C. General Govt.	1,043,000	1,235,883	704,454	707,885	806,805	935,504	847,017	16.0	(9.5)
Federal	300,982	326,495	277,926	275,350	310,121	282,133	241,574	(9.0)	(14.4)
Provincial	657,410	826,695	363,664	375,432	424,909	565,189	530,475	33.0	(6.1)
District Governments	84,608	82,693	62,863	57,103	71,776	88,182	74,968	22.9	(15.0)
General Government (By industries)	1,043,000	1,235,881	704,453	707,886	806,805	935,504	847,017	16.0	(9.5)
i) Public Administration and Social Security (General Government)	926,416	1,117,958	630,514	632,097	695,903	850,422	752,583	22.2	(11.5)
ii) Education	70,872	62,955	46,260	40,306	66,157	42,551	60,542	(35.7)	42.3
iii) Human health and social work activities	45,712	54,968	27,680	35,482	44,745	42,532	33,892	(4.9)	(20.3)

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

Note: Figure in parenthesis indicate negative growth.

Agriculture

TABLE 2.1 A**PRODUCTION INDEX OF IMPORTANT CROPS**

Fiscal Year	Food crops			Cash crop	Fiber crop
	Wheat	Maize	Rice	Sugarcane	Cotton
	Base Year 2005-06				
2005-06	100.0	100.0	100.0	100.0	100.0
2006-07	109.5	99.3	98.0	122.6	98.7
2007-08	98.5	115.9	100.3	143.1	89.5
2008-09	113.0	115.5	125.3	112.0	90.8
2009-10	109.6	104.9	124.1	110.5	99.2
2010-11	118.5	119.2	87.0	123.8	88.0
2011-12	110.3	139.5	111.1	130.7	104.4
2012-13	113.8	135.7	99.8	142.7	100.1
2013-14	122.1	159.0	122.6	151.0	98.1
2014-15	117.9	158.7	126.2	140.7	107.2
	Base Year 2015-16				
2015-16	100.0	100.0	100.0	100.0	100.0
2016-17	104.1	116.4	100.7	115.3	107.6
2017-18	97.8	112.0	109.5	127.3	120.5
2018-19	95.0	129.5	105.9	102.6	99.4
2019-20	98.5	149.1	109.0	101.4	92.2
2020-21	107.1	169.6	123.8	123.7	71.3
2021-22 R	102.2	180.7	137.1	135.4	84.0
2022-23 P	107.8	193.2	107.7	139.1	49.5

P: Provisional R: Revised

Source: Pakistan Bureau of Statistics

TABLE 2.1 B

BASIC DATA ON AGRICULTURE

Fiscal Year	Cropped Area (million hectares)	Improved Seed distribution (000 Tonnes)	Water ^ Availability (MAF)	Fertilizer Offtake (000 N/T)	Credit Disbursed (Rs million)	Tubewells Public & Private (Number in 000)
2010-11	22.72	331.02	137.16	3,933	263,022	1,103.4
2011-12	22.50	346.38	135.86	3,861	293,850	997.7
2012-13	22.56	327.08	137.51	3,621	336,247	1,220.4
2013-14	23.16	359.18	137.51	4,089	391,353	1,317.3
2014-15	23.26	481.30	138.59	4,316	515,875	1,332.9
2015-16	24.04	431.79	133.00	3,699	598,287	1,357.0
2016-17	23.01	554.95	132.70	5,040	704,488	1,382.2
2017-18	23.45	604.58	133.40	4,763	972,606	1,391.3
2018-19	23.45	554.13	127.40	4,614	1,173,990	1,285.8
2019-20	24.10	550.77	130.00	4,549	1,214,684	1,285.8
2020-21	23.90	616.76	131.50	5,008	1,365,870	1,285.8
2021-22	23.90	778.22	131.02	5,001	1,418,906	1,285.8 *
2022-23 P	-	655.89	-	3,311	1,221,918	-

(Contd.)

TABLE 2.1 B (Continued)

BASIC DATA ON AGRICULTURE

Fiscal Year	Production of Tractors (Nos)	Production of meat (000 Tonnes)	Milk (000 Tonnes)	Fish Production (000 Tonnes)	Total Forest Production (000 cu.mtr.)
2010-11	71,550	3,094	37,475	699.9	352
2011-12	48,120	3,232	38,617	724.8	354
2012-13	48,871	3,379	39,855	728.8	354
2013-14	34,521	3,531	41,133	735.0	-
2014-15	45,860	3,696	42,454	765.0	-
2015-16	33,883	3,873	43,818	788.0	-
2016-17	53,499	4,061	45,227	797.0	-
2017-18	52,551	4,262	46,682	807.0	-
2018-19	37,457	4,478	48,185	799.0	-
2019-20	32,451	4,708	49,737	804.0	-
2020-21	36,900	4,954	51,340	810.0	-
2021-22	58,880	5,220	52,996	812.0	-
2022-23 P	22,626	5,503	54,707	700.0	-

P : Provisional
 ^: At farm gate

- : Not available
 *: Repeated

Source: Pakistan Bureau of Statistics
 Ministry of National Food Security and Research
 Ministry of Planning, Development & Special Initiatives

TABLE 2.2
LAND UTILIZATION

Fiscal Year	Total Area	Reported Area	Forest Area	Not Available for Cultivation	Culturable Waste	Cultivated Area			Million Hectares	
						Current Fallow	Net Area Sown	Total Area Cultivated	Area Sown more than once	Total Cropped Area
						1	2	3	4	5
2010-11	79.61	57.64	4.26	23.37	7.98	6.38	15.65	22.03	7.07	22.72
2011-12	79.61	57.73	4.26	23.25	8.19	7.05	14.98	22.03	7.52	22.50
2012-13	79.61	57.78	4.26	23.06	8.21	7.04	15.22	22.26	7.34	22.56
2013-14	79.61	57.99	4.55	25.56	8.27	6.68	15.40	22.06	7.76	23.16
2014-15	79.61	57.99	4.54	25.54	8.30	6.66	15.46	23.24	7.82	23.26
2015-16	79.61	58.11	3.99	25.56	8.27	7.10	15.62	22.74	7.90	24.04
2016-17	79.61	58.00	4.47	25.54	8.37	9.51	15.59	22.11	7.46	23.01
2017-18	79.61	58.02	4.47	25.60	8.29	9.40	15.74	22.15	7.75	23.45
2018-19	79.61	57.90	4.47	23.00	8.29	9.40	15.74	22.15	7.75	23.45
2019-20	79.60	57.90	3.90	23.10	8.20	10.10	15.74	22.80	8.40	24.10
2020-21	79.60	57.90	3.90	23.40	8.10	6.80	15.60	22.50	8.20	23.90
2021-22 P	79.60	58.00	3.90	23.40	8.20	6.80	15.50	22.50	8.30	23.90

P: Provisional

Source: Pakistan Bureau of Statistics
Ministry of National Food Security and Research

Note:

1. Total Area Reported is the total physical area of the villages/deh, tehsils or districts, etc.
2. Forest Area is the area of any land classed or administered as forest under any legal enactment dealing with forests. Any cultivated area which may exist within such forest is shown under heading "cultivated area".
3. Area Not Available for Cultivation is that uncultivated area of the farm which is under farm home-steads, farm roads and other connected purposes and not available for cultivation.
4. Culturable Waste is that uncultivated farm area which is fit for cultivation but was not cropped during the year under reference nor in the year before that.
5. Current Fallow (ploughed but uncropped) is that area which is vacant during the year under reference but was sown at least once during the previous year.
Cultivated Area is that area which was sown at least during the year under reference or during the previous year.
Cultivated Area = Net Area Sown + Current Fallow.
6. Net Area Sown is that area which is sown at least once during (Kharif & Rabi) the year under reference.
7. Area Sown more than once is the difference between the total cropped area and the net area sown.
8. Total Cropped Area means the aggregate area of crops raised in a farm during the year under reference including the area under fruit trees.

TABLE 2.3
AREA UNDER IMPORTANT CROPS

Fiscal Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total Food Grains	Gram	Sugar-cane	Rapeseed and Mustard	Sesamum	000 Hectares	
												Cotton	Tobacco
2010-11	8,901	2,365	548	229	974	77	13,094	1,054	988	212	78	2,689	51
2011-12	8,650	2,571	458	214	1,087	72	13,052	1,008	1,058	201	76	2,835	46
2012-13	8,660	2,309	461	198	1,060	73	12,761	992	1,129	224	71	2,879	50
2013-14	9,199	2,789	475	198	1,168	71	13,900	950	1,173	220	82	2,806	49
2014-15	9,204	2,891	462	195	1,142	68	13,962	943	1,141	214	83	2,961	54
2015-16	9,224	2,739	486	274	1,191	66	13,980	940	1,131	201	79	2,902	53
2016-17	8,972	2,724	469	256	1,348	61	13,830	971	1,218	190	80	2,489	47
2017-18	8,797	2,901	489	255	1,251	58	13,751	977	1,342	199	83	2,700	46
2018-19	8,678	2,810	456	241	1,374	57	13,616	943	1,102	237	83	2,373	45
2019-20	8,805	3,034	522	199	1,404	49	14,013	944	1,040	353	139	2,517	51
2020-21	9,168	3,335	350	126	1,418	42	14,439	883	1,165	224	170	2,079	55
2021-22	8,977	3,537	227	77	1,653	38	14,509	862	1,260	276	200	1,937	44
2022-23 P	9,043	2,976	241	59	1,720	36	14,075	830	1,319	509	260	2,144	44

P: Provisional

Source: Pakistan Bureau of Statistics

Note: 1 ha = 2.47 acres

TABLE 2.4
PRODUCTION OF IMPORTANT CROPS

Fiscal Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total Food Grains	Gram	Sugar-cane	Rapeseed and Mustard	Sesamum	000 Tonnes		Tobacco
												Cotton		
												(000 tonnes)	(000 Bales)	
2010-11	25,214	4,823	346	141	3,707	71	34,302	496	55,309	188	31.0	1,949	11,460	103
2011-12	23,473	6,160	304	137	4,338	66	34,478	284	58,397	164	30.2	2,310	13,595	98
2012-13	24,211	5,536	311	123	4,220	67	34,468	751	63,750	205	29.2	2,214	13,031	108
2013-14	25,979	6,798	301	119	4,944	67	38,208	399	67,460	203	32.4	2,170	12,769	130
2014-15	25,086	7,003	294	115	4,937	63	37,498	379	62,826	196	33.1	2,372	13,960	120
2015-16	25,633	6,801	300	161	5,271	61	38,227	286	65,482	185	31.8	1,688	9,917	116
2016-17	26,674	6,849	305	148	6,134	58	40,168	330	75,482	181	34.1	1,815	10,671	100
2017-18	25,076	7,450	339	153	5,902	55	38,975	323	83,333	225	35.2	2,032	11,946	107
2018-19	24,349	7,202	350	149	6,826	55	38,931	447	67,174	302	35.7	1,677	9,861	104
2019-20	25,248	7,414	384	120	7,883	48	41,097	498	66,380	488	64.4	1,556	9,148	133
2020-21	27,464	8,420	266	96	8,940	42	45,228	234	81,009	296	102.2	1,202	7,064	168
2021-22	26,209	9,323	226	64	9,525	38	45,385	316	88,651	402	128.0	1,417	8,329	134
2022-23 P	27,634	7,322	256	49	10,183	37	45,481	238	91,111	796	152.3	835	4,910	134

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.5
YIELD PER HECTARE OF MAJOR AGRICULTURAL CROPS

Fiscal Year	Kg/Hectare					
	Wheat	Rice	Sugarcane	Maize	Gram	Cotton
2010-11	2,833	2,039	55,981	3,806	471	725
2011-12	2,714	2,396	55,196	3,991	282	815
2012-13	2,796	2,398	56,466	3,981	757	769
2013-14	2,824	2,437	57,511	4,233	420	774
2014-15	2,726	2,422	55,062	4,323	402	802
2015-16	2,779	2,483	57,897	4,426	304	582
2016-17	2,973	2,514	61,972	4,550	340	729
2017-18	2,851	2,568	62,096	4,718	331	753
2018-19	2,806	2,563	60,956	4,968	474	707
2019-20	2,868	2,444	63,841	5,614	528	618
2020-21	2,996	2,525	69,534	6,305	265	578
2021-22	2,920	2,635	70,341	5,764	367	731
2022-23 P	3,056	2460	69,085	5,922	287	390

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.6
PRODUCTION AND EXPORT OF FRUIT

Fiscal Year	Production of Important Fruit								Export	
	Citrus	Mango	Apple	Banana	Apricot	Almonds	Grapes	Guava	Quantity	Value
									000 Tonnes	
2010-11	1,982	1,889	526	139	190	22	64	547	669	25,017
2011-12	2,147	1,700	599	97	189	21	64	495	737	32,068
2012-13	2,002	1,680	556	116	179	22	64	500	718	38,085
2013-14	2,168	1,659	606	119	178	22	66	496	784	45,196
2014-15	2,395	1,717	617	118	171	22	66	488	682	44,375
2015-16	2,344	1,636	620	135	173	22	66	523	677	44,607
2016-17	2,180	1,784	670	137	166	21	66	548	646	39,878
2017-18	2,351	1,734	565	135	142	21	67	586	697	43,842
2018-19	2,469	1,723	544	136	108	20	68	548	756	56,272
2019-20	2,369	1,639	604	151	94	20	82	706	798	67,769
2020-21	2,621	1,714	672	142	124	21	89	963	975	76,846
2021-22	2,371	1,845	732	216	159	19	108	938	622	84,385
2022-23 P	2371	1786	733	216	160	19	108	938	533	52,458

P: Provisional (Jul-Mar)

Source: Pakistan Bureau of Statistics

TABLE 2.7

**CROP WISE COMPOSITION OF OUTPUT OF IMPORTANT AGRICULTURAL CROPS
(AT CONSTANT BASIC PRICES)**

Fiscal Year/ Crops	Base Year 2005-06		Base Year 2015-16						% Share	
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
									R	P
Important Crops	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Food Crops	61.21	59.94	66.04	65.07	61.56	66.21	68.43	70.65	68.09	71.69
Wheat	40.29	38.63	46.25	44.97	41.41	43.09	43.63	44.14	40.85	44.84
Maize	8.88	8.83	9.65	10.47	9.87	12.24	13.76	14.50	14.93	16.62
Rice	12.04	12.49	10.14	9.63	10.28	10.88	11.04	12.01	12.31	10.23
Cash Crop	13.09	12.11	16.27	17.13	18.92	16.47	15.92	18.08	19.12	20.46
Sugarcane	13.09	12.11	16.27	17.13	18.92	16.47	15.92	18.08	19.12	20.46
Fibre Crop	25.70	27.95	17.70	17.79	19.53	17.32	15.66	11.26	12.79	7.86
Cotton	25.70	27.95	17.70	17.79	19.53	17.32	15.66	11.26	12.79	7.86

P: Provisional R: Revised

Source: Pakistan Bureau of Statistics

TABLE 2.8

CREDIT DISBURSED BY AGENCIES

Fiscal Year	ZTBL	DPBs	PPCBL	Commercial Banks	MFBs	Islamic Banks*	MFI/RSPs**	Total
2010-11	65,361	50,187	7,162	140,312	-	-	-	263,022
2011-12	66,068	60,876	8,520	146,271	12,115	-	-	293,850
2012-13	67,068	69,271	8,304	172,833	18,770	-	-	336,247
2013-14	77,920	84,813	8,809	195,488	22,796	1,527	-	391,353
2014-15	95,827	108,708	10,486	262,912	32,951	4,991	-	515,875
2015-16	90,977	123,097	10,335	311,401	53,938	8,540	-	598,287
2016-17	92,451	139,061	10,880	342,068	87,772	12,326	19,930	704,488
2017-18	83,187	184,863	10,724	523,930	124,756	16,392	28,754	972,606
2018-19	71,478	211,942	9,677	653,531	153,998	39,379	33,984	1,173,990
2019-20	62,286	224,970	8,825	708,245	139,298	42,143	28,917	1,214,684
2020-21	78,500	274,525	8,205	801,472	132,070	47,815	23,281	1,365,870
2021-22	69,216	298,719	7,516	764,338	186,344	66,579	26,195	1,418,906
2022-23 P	47,074	259,633	6,200	666,728	158,691	62,007	21,585	1,221,918

P: Provisional (Jul-Mar) - : Not available

Source: State Bank of Pakistan

ZTBL: Zarai Taraqiati Bank Limited

DPBs: 13 Domestic Private Banks

PPCBL: Punjab Provincial Corporative Bank Limited

Commercial Banks: Include ABL, HBL, MCB, NBP & UBL

MFBs: 11 Microfinance Banks

*: 6 Islamic Banks

**: 9 Microfinance Institutions / Rural Support Programmes

TABLE 2.9

FERTILIZER OFFTAKE AND IMPORTS OF FERTILIZERS & PESTICIDES

000 N/Tonnes

Fiscal Year	Fertilizer Offtake				Import of Fertilizers	Import of Insecticides	
	Nitrogen	Phosphorus	Potash	Total		Quantity (Tonnes)	Value (Mln Rs.)
2010-11	3,134	767	32	3,933	645	36,183	13,178
2011-12	3,207	633	21	3,861	1,177	32,152	12,255
2012-13	2,853	747	21	3,621	735	17,882	8,507
2013-14	3,185	881	24	4,089	1,148	23,546	12,572
2014-15	3,309	975	33	4,316	984	23,157	14,058
2015-16	2,672	1,007	20	3,699	901	17,386	15,974
2016-17	3,730	1,269	41	5,040	961	18,088	16,680
2017-18	3,435	1,279	50	4,763	1,191	26,480	19,162
2018-19	3,408	1,153	53	4,614	1,093	29,117	25,909
2019-20	3,415	1,084	50	4,549	890	32,089	29,572
2020-21	3,711	1,228	69	5,008	884	37,441	30,083
2021-22	3,838	1,092	71	5,001	684	34,316	36,266
2022-23 P	2,718	569	25	3,311	441	27,346	34,689

P: Provisional (Jul-Mar)

Source: Pakistan Bureau of Statistics
National Fertilizer Development Centre

TABLE 2.10

AVERAGE RETAIL SALE PRICES OF FERTILIZERS

Rs per bag of 50 Kgs

Fiscal Year	Urea	AN/CAN	AS	NP	SSP(G)	DAP	SOP
2010-11	1,035	843	1,124	2,108	896	3,236	2,807
2011-12	1,719	1,392	-	2,691	1,260	4,054	3,797
2012-13	1,799	1,443	-	2,524	1,172	3,902	3,945
2013-14	1,827	1,566	-	2,513	1,050	3,640	4,233
2014-15	1,883	1,606	-	2,584	1,012	3,677	4,904
2015-16	1,860	1,564	-	2,339	973	3,343	5,131
2016-17	1,378	1,198	-	1,869	886	2,596	4,100
2017-18	1,386	1,241	-	2,175	890	2,882	3,659
2018-19	1,745	1,571	-	2,829	1,002	3,518	3,945
2019-20	1,850	1,700	-	2,695	1,068	3,558	4,299
2020-21	1,698	1,547	-	3,144	1,249	4,432	4,462
2021-22	1,913	1,686	-	5,371	1,968	8,227	7,727
2022-23 P	2,803	2,673	-	5,952	2,555	10,544	12,907

P: Provisional (Jul-Mar)

-: Not available

Source: Pakistan Bureau of Statistics
National Fertilizer Development Centre

AN/CAN: Ammonium Nitrate/Calcium Ammonium Nitrate

AS: Ammonium Sulphate DAP: Diammonium Phosphate

NP: Nitrophosphate SOP: Sulphate of Potash

SSP: Single Super Phosphate

TABLE 2.11

AREA IRRIGATED BY DIFFERENT SOURCES

Fiscal Year	Canals	Wells	Canal Wells	Tubewells	Million Hectares	
					Canal Tubewells	Total
2010-11	6.00	0.36	0.25	3.92	7.60	19.16
2011-12	5.59	0.35	0.19	4.03	7.86	18.99
2012-13	5.22	0.30	0.19	3.81	7.86	18.68
2013-14	5.55	0.38	0.27	3.71	8.15	19.28
2014-15	5.55	0.38	0.27	3.71	8.15	19.28
2015-16	5.59	0.35	0.30	4.48	8.19	19.33
2016-17	5.56	0.10	0.30	3.57	7.89	18.91
2017-18	5.66	0.43	0.28	3.57	8.19	19.32
2018-19	5.42	0.27	0.28	3.75	8.23	19.16
2019-20	5.55	0.26	0.25	4.04	8.51	19.90
2020-21	5.31	0.28	0.24	3.98	8.75	20.18
2021-22 P	5.31	0.28	0.24	3.98	8.75	20.18

P: Provisional

Source: Pakistan Bureau of Statistics
Ministry of National Food Security & Research

TABLE 2.12

PROCUREMENT/SUPPORT PRICES OF AGRICULTURAL COMMODITIES

Fiscal Year	Wheat	Sugarcane* (at factory gate)			Rs per 40 Kg
		Khyber Pakhtunkhwa	Punjab	Sindh	Seed Cotton (Phutti)
2010-11	950	125	125	125	-
2011-12	1,050	150	150	154	-
2012-13	1,200	170	170	172	-
2013-14	1,200	170	170	172	-
2014-15	1,300	180	180	182	3,000
2015-16	1,300	180	180	172	3,000
2016-17	1,300	180	180	182	-
2017-18	1,300	180	180	182	-
2018-19	1,300	180	180	182	-
2019-20	1,400	190	190	192	-
2020-21	1,800	200	200	202	-
2021-22	2,200	225	225	250	5,000
2022-23	3,900	300	300	302	8,500

*: Sugarcane prices are notified by the respective Provincial Governments

Source: Ministry of National Food Security & Research

TABLE 2.13

PROCUREMENT, RELEASES AND STOCKS OF WHEAT

Fiscal Year	Wheat (May-April)		
	Procurement	Releases	Stocks
2010-11	6,150.0	6,404.0	3,186.0
2011-12	5,792.0	5,820.0	3,506.0
2012-13	7,910.0	6,363.0	1,681.0
2013-14	5,948.0	6,149.0	7,566.0
2014-15	6,139.0	3,380.0	6,447.0
2015-16	5,806.0	4,468.1	6,284.0
2016-17	6,516.0	-	4,531.0
2017-18	5,942.0	-	9,858.0
2018-19	4,034.0	-	3,777.0
2019-20	6,596.0	1,846.3	602.2
2020-21	5,810.5	3,894.0	8,144.1
2021-22	6,614.0	7,130.0	2,030.7
2022-23 P	3,144.1*	8,841.0**	4,641.5^

P: Provisional - : Not available

Source: Ministry of National Food Security & Research

*: As on 02-05-2023

Procurement is still in progress till July against the target for 2022-23 of 6.800 million tonnes

**: As on 04-04-2023

^: As on 02-05-2023

TABLE 2.14

LIVESTOCK POPULATION

Fiscal Year	Million Numbers								
	Buffalo	Cattle	Goat	Sheep	Poultry	Camels	Asses	Horses	Mules
2010-11	31.7	35.6	61.5	28.1	663.0	1.0	4.7	0.4	0.2
2011-12	32.7	36.9	63.1	28.4	721.0	1.0	4.8	0.4	0.2
2012-13	33.7	38.3	64.9	28.8	785.0	1.0	4.9	0.4	0.2
2013-14	34.6	39.7	66.6	29.1	855.0	1.0	4.9	0.4	0.2
2014-15	35.6	41.2	68.4	29.4	932.0	1.0	5.0	0.4	0.2
2015-16	36.6	42.8	70.3	29.8	1,016.0	1.0	5.1	0.4	0.2
2016-17	37.7	44.4	72.2	30.1	1,108.0	1.1	5.2	0.4	0.2
2017-18	38.8	46.1	74.1	30.5	1,210.0	1.1	5.3	0.4	0.2
2018-19	40.0	47.8	76.1	30.9	1,321.0	1.1	5.4	0.4	0.2
2019-20	41.2	49.6	78.2	31.2	1,443.0	1.1	5.5	0.4	0.2
2020-21	42.4	51.5	80.3	31.6	1,578.0	1.1	5.6	0.4	0.2
2021-22	43.7	53.4	82.5	31.9	1,725.0	1.1	5.7	0.4	0.2
2022-23	45.0	55.5	84.7	32.3	1,887.0	1.1	5.8	0.4	0.2

Note: Estimated figures based on inter census growth rate of Livestock Census 1996 & 2006

Source: Ministry of National Food Security & Research

TABLE 2.15
LIVESTOCK PRODUCTS

Fiscal Year	Milk*	Beef	Mutton	Poultry Meat	Wool	Hair	Bones	Fats	Blood	Eggs (Mln.Nos.)	Hides (Mln.Nos.)	Skins (Mln.Nos.)	000 Tonnes
2010-11	37,475	1,711	616	767	42.5	23.2	735.1	234.8	58.3	12,857	13.5	48.5	
2011-12	38,617	1,769	629	834	43.0	23.8	757.5	241.7	59.8	13,114	13.9	49.6	
2012-13	39,855	1,829	643	907	43.6	24.4	780.5	248.8	61.3	13,813	14.4	50.7	
2013-14	41,133	1,887	657	987	44.1	25.1	802.9	255.8	62.8	14,556	14.9	51.9	
2014-15	42,454	1,951	671	1,074	44.6	25.8	827.2	263.3	64.4	15,346	15.4	53.1	
2015-16	43,818	2,017	686	1,170	45.1	26.5	852.3	271.0	66.1	16,188	15.9	54.3	
2016-17	45,227	2,085	701	1,276	45.7	27.2	878.2	279.0	67.8	17,083	16.4	55.5	
2017-18	46,682	2,155	717	1,391	46.2	27.9	904.9	287.3	69.5	18,037	17.0	56.8	
2018-19	48,185	2,227	732	1,518	46.8	28.6	932.5	295.8	71.3	19,052	17.5	58.1	
2019-20	49,737	2,303	748	1,657	47.3	29.4	961.0	304.5	73.1	20,133	18.1	59.5	
2020-21	51,340	2,380	765	1,809	47.9	30.2	990.3	313.6	75.0	21,285	18.8	60.8	
2021-22	52,996	2,461	782	1,977	48.4	31.0	1,020.7	322.9	77.0	22,512	19.4	62.3	
2022-23	54,707	2,544	799	2,160	49.0	31.8	1,052.0	332.5	79.0	23,819	20.0	63.7	

*: Human Consumption

Source: Ministry of National Food Security & Research

Note: From 2006-07 onward figures estimates are based on Inter census growth rate of Livestock Census 1996 & 2006

Manufacturing and Mining

TABLE 3.1 A

RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

Minerals in 000 tonnes	Antimony (tonnes)	Argonite/ Marble (000 tonnes)	China Clay (000 tonnes)	Chromite (000 tonnes)	Coal (000 tonnes)	Dolomite (tonnes)	Fire Clay (000 tonnes)	Fullers Earth (000 tonnes)	Gypsum Anhydrite (000 tonnes)	Lime Stone (000 tonnes)
Years										
2011-12	12	1,751	22	179	3,179	198,392	408	7	1,260	35,016
2012-13	89	2,360	23	136	2,813	335,819	455	4	1,250	38,932
2013-14	979	2,920	16	86	3,340	720,633	465	6	1,326	38,787
2014-15	114	2,874	19	102	3,408	222,378	405	8	1,417	40,470
2015-16	21	4,747	21	69	3,749	669,920	551	14	1,872	46,123
2016-17	65	4,906	29	105	3,954	301,124	584	18	2,080	52,149
2017-18	-	8,813	19	97	4,478	488,825	842	9	2,476	70,819
2018-19	-	7,736	21	138	5,407	472,474	671	11	2,518	75,596
2019-20	-	5,797	15	121	8,428	302,045	884	3	2,150	65,810
2020-21	-	7,917	12	140	9,229	388,038	1,010	2	2,527	76,632
2021-22 R	-	6626	17	195	9,677	487,151	675	2	2,325	58,362
<u>Jul-Mar</u>										
2021-22	-	4,781	16	127	7,365	324,654	491	2	1,232	39,581
2022-23 P	-	4,401	14	111	8,661	462,251	616	1	1,170	43,793

- : Not available

P: Provisional

R: Revised

(Contd.)

TABLE 3.1 B

RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

Minerals in 000 tonnes	Magne- site (tonnes)	Rock Salt (000 tonnes)	Silica Sand (000 tonnes)	Ochre (tonnes)	Sulphur (tonnes)	Soap Stone (000 tonnes)	Baryte (000 tonnes)	Bauxite/ Laterite (tonnes)	Iron Ore (tonnes)	Crude Oil (m. barrels)	Natural Gas (000 m.cu.mtr.)
Years											
2011-12	5,444	2,136	270	42,107	25,560	56	49	323,848	384,893	24.57	44.15
2012-13	6,705	2,160	356	37,769	20,610	93	118	353,355	412,108	27.84	42.65
2013-14	4,130	2,220	298	32,634	35,672	89	134	480,054	197,074	31.58	42.30
2014-15	4,581	2,136	268	33,909	19,730	116	205	451,818	328,702	34.49	41.51
2015-16	35,228	3,553	387	68,352	14,869	126	158	773,289	432,156	31.65	41.96
2016-17	19,656	3,534	338	86,080	23,740	152	92	719,030	501,664	32.27	41.68
2017-18	23,596	3,654	376	75,939	22,040	142	89	995,855	677,206	32.56	41.32
2018-19	42,996	3,799	805	81,502	20,715	157	116	779,118	627,464	32.50	40.68
2019-20	16,165	3,369	780	132,144	19,948	150	55	639,890	573,695	28.09	37.29
2020-21 R	15,120	3,366	466	106,704	19,398	289	52	1,085,913	805,696	27.56	36.22
2021-22 R	5,886	2,716	637	90,731	16,288	301	128	514,164	717,281	28.09	37.03
<u>Jul-Mar</u>											
2021-22	6,409	2,037	425	65,055	12,442	259	84	344,753	619,957	21.70	28.20
2022-23 P	2,895	2,289	724	74,741	9,406	147	129	528,476	299,558	19.48	25.58

P: Provisional

R: Revised

Source: Pakistan Bureau of Statistics

TABLE 3.2
PRODUCTION INDEX OF MINING AND MANUFACTURING

Year	Mining	Manufacturing
	Base Year 2005-06 = 100	
2010-11	108.0	111.1
2011-12	113.7	112.4
2012-13	115.3	117.4
2013-14	118.5	123.7
2014-15	120.5	127.9
2015-16	121.6	131.9
	Base Year 2015-16 = 100	
2016-17	101.9	104.2
2017-18	108.3	111.5
2018-19	109.4	115.3
2019-20	101.0	102.6
2020-21	104.1	114.5
2021-22	117.4	128.1
<u>Jul-Mar</u>		
2021-22	99.0	126.2
2022-23 P	116.0	116.6

P: Provisional R: Revised Source: Pakistan Bureau of Statistics

TABLE 3.3
COTTON TEXTILES STATISTICS

Year	No. of Mills	Installed Capacity		Working at the end of the period		Spindle Hours Worked (Million)	Loom Hours Worked (Million)	Consumption of Cotton (mln kg)	Total Yarn Produced (mln.kg)	Surplus Yarn (tonnes)	Total Production of Cloth (mln. sqmtr.)
		No. of Spindles (000)	No. of Looms (000)	No. of Spindles (000)	No. of Looms (000)						
2010-11	524	11,762	7	10,757	5	76,835	23.0	3,405.7	2,939.5	2,851.2	1,020.3
2011-12	212	11,762	7	10,653	5	76,933	23.0	3,427.1	2,954.6	2,857.3	1,023.4
2012-13	526	11,946	8	10,872	5	76,757	23.0	3,539.3	3,060.0	2,960.9	1,029.1
2013-14	538	13,269	8	10,999	6	78,207	24.0	3,675.5	3,323.7	2,669.5	1,036.1
2014-15	411	13,184	8	11,058	5	79,184	24.0	2,732.7	3,360.0	3,256.2	1,037.0
2015-16	408	13,142	8	11,263	5	78,548	28.0	2,732.5	3,405.6	3,301.6	1,039.2
2016-17	408	13,409	9	11,338	6	77,213	30.0	2,733.1	3,428.1	3,315.3	1,043.3
2017-18	408	13,409	9	11,313	6	51,280	19.0	1,825.0	3,430.1	2,190.3	1,043.7
2018-19	408	13,409	9	11,338	6	86,871	29.6	2,735.2	3,431.4	3,314.4	1,046.0
2019-20	408	13,409	9	11,338	6	19,897	9.0	2,467.3	3,059.9	2,945.6	934.5
2020-21	408	13,409	9	11,338	6	80,315	30.15	2,743.1	3,441.6	3,324.7	969.8
2021-22	408	13,409	9	11,338	6	82,685	34.56	2,743.5	3,445.8	3,328.9	1,050.7
2022-23 P	408	13,409	9	9,500	6	34,639	14.01	962.4	2,088.9	1,482.9	703.9

P: Provisional (Jul-Mar) Source: Textile Commissioner Organization

TABLE 3.4

PRODUCTION OF FERTILIZERS, VEGETABLE GHEE, SUGAR AND CEMENT

(000 tonnes)

Year	Fertilizers					Vegetable Ghee	Sugar	Cement
	Urea	Super Phosphate	Ammonium Nitrate	Dia-Ammonium phosphate	Nitro Phosphate			
2010-11	4,552.1	173.3	275.1	663.8	252.3	1,092	4,169	28,716
2011-12	4,470.7	114.7	432.3	622.6	337.6	1,103	4,634	29,557
2012-13	4,215.1	79.3	401.3	729.9	291.9	1,139	5,074	31,055
2013-14	4,930.3	87.8	519.1	693.1	447.2	1,185	5,582	31,418
2014-15	5,073.1	63.6	569.2	754.9	501.9	1,185	5,150	32,185
2015-16	5,846.9	89.5	647.4	787.6	594.6	1,241	5,115	35,432
2016-17	5,912.7	81.6	664.7	802.4	630.2	1,280	7,049	37,022
2017-18	5,405.2	65.2	518.9	758.4	471.4	1,347	6,566	41,148
2018-19	5,957.9	78.1	448.9	785.1	443.9	1,392	5,260	39,924
2019-20	6,159.8	55.8	545.7	737.7	602.7	1,454	4,881	39,121
2020-21	6,294.9	104.6	786.1	788.7	876.4	1,455	5,694	49,797
2021-22	6,442.4	97.6	827.9	896.6	835.7	1,401	7,921	48,011
<u>Jul-Mar</u>								
2021-22 R	4,753.7	73.5	615.5	670.2	618.7	956	5,778	31,938
2022-23 P	4,413.9	70.4	600.9	451.0	559.2	1,024	6,107	28,163

P: Provisional - : Not available

Source: Pakistan Bureau of Statistics

TABLE 3.5

PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Food and Tobacco		Jute Textiles (000 tonnes)	Rubber			
	Beverages (Million liters)	Cigarettes (Million Nos)		Motor Tyres (000 Nos)	Motor Tubes (000 Nos)	Cycle Tyres (000 Nos)	Cycle Tubes (000 Nos)
2010-11	1,492	65,403	93	9,222	19,108	2,879	6,534
2011-12	1,813	61,954	94	7,011	20,338	3,431	6,846
2012-13	2,079	67,377	103	7,864	20,269	3,429	7,746
2013-14	2,552	64,482	102	8,802	20,825	4,038	8,061
2014-15	2,956	62,667	94	9,058	22,001	4,633	8,391
2015-16	3,137	53,522	55	9,735	24,467	4,205	7,285
2016-17	3,565	34,341	60	9,710	24,635	3,930	7,577
2017-18	3,440	59,058	74	10,392	24,665	3,753	7,717
2018-19	3,459	60,729	67	10,807	25,514	4,584	9,907
2019-20	3,232	46,085	65	11,128	24,550	4,438	9,058
2020-21	3,449	51,527	70	9,458	22,447	3,519	6,795
2021-22	3,417	59,695	58	7,906	22,391	3,846	7,030
<u>Jul-Mar</u>							
2021-22	2,260	46,063	44	5,940	16,793	2,829	5,181
2022-23 P	2,391	35,108	48	5,437	17,154	2,955	5,396

P: Provisional

(Contd.)

TABLE 3.5
PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Chemicals						Transport, Machinery & Electrical Appliances		
	Soda Ash (000 tonnes)	Sulphuric Acid (000 tonnes)	Caustic Soda (000 tonnes)	Chlorine Gas (000 tonnes)	Paints & Varnishes (tonnes)	Polishes & Creams for Footwear (mln. grams)	Bicycles (000 Nos.)	Sewing Machines (000 Nos.)	Total TV Sets (000 Nos.)
2010-11	378.0	114.8	172.0	15.2	25,673	1,018.6	345.3	47.0	425.6
2011-12	370.7	100.4	179.1	15.8	23,026	1,028.8	262.1	39.6	268.8
2012-13	366.2	89.4	182.9	15.5	28,048	1,039.1	233.0	32.9	462.9
2013-14	409.1	85.3	167.5	15.0	37,236	1,049.5	203.7	19.8	426.6
2014-15	437.1	70.2	184.0	17.4	48,631	975.7	210.9	19.3	428.2
2015-16	468.5	75.1	225.3	16.4	53,651	985.5	199.0	13.5	453.2
2016-17	479.7	56.0	223.9	16.3	49,173	995.3	200.2	18.3	438.9
2017-18	509.8	49.0	270.1	16.6	51,930	1,005.3	200.3	23.4	400.3
2018-19	572.1	49.4	246.6	17.5	52,265	1,015.3	173.5	35.4	380.7
2019-20 R	550.6	40.3	342.4	15.8	51,761	1,025.5	141.1	28.6	282.1
2020-21	594.3	72.5	394.1	17.1	90,166	1,035.7	79.3	20.2	209.7
2021-22	651.3	111.3	405.1	19.1	88,234	1,046.1	141.2	14.7	217.2
<u>Jul-Mar</u>									
2021-22	485.9	80.5	296.2	14.3	65,678	723.8	103.2	12.6	160.5
2022-23 P	547.3	54.1	337.7	15.5	65,302	731.1	110.6	3.2	118.0

P: Provisional R: Revised

(Contd.)

TABLE 3.5
PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Electrical Appliances		Paper & Board		Steel Products		
	Electric Bulbs (Mln.Nos)	Electric Tubes (000 metres)	Paper Board (000 tonnes)	Paper (All Types) (000 tonnes)	Coke (000 tonnes)	Pig Iron (000 tonnes)	Billets (000 tonnes)
2010-11	79.6	1,180.0	206.1	228.7	301.7	433.1	1,628.9
2011-12	79.0	1,266.0	283.0	246.3	192.9	249.1	1,616.4
2012-13	79.7	-	381.9	232.4	203.4	201.5	1,638.5
2013-14	75.1	-	465.8	218.7	31.9	89.4	2,128.3
2014-15	64.6	-	415.7	204.0	275.8	265.5	2,731.0
2015-16	73.9	-	376.9	233.1	57.4	1.5	3,183.3
2016-17	72.4	-	404.6	263.9	0.0	0.0	4,099.0
2017-18	76.4	-	457.3	273.9	0.0	0.0	5,186.0
2018-19	63.7	-	447.3	256.7	0.0	0.0	3,874.0
2019-20	57.8	-	448.9	257.6	0.0	0.0	3,164.0
2020-21	51.3	-	501.2	229.0	0.0	0.0	4,777.0
2021-22	48.4	-	544.1	308.9	0.0	0.0	6,358.0
<u>Jul-Mar</u>							
2021-22	40.7	-	407.3	239.5	0.0	0.0	4,733.0
2022-23 P	7.3	-	341.9	269.8	0.0	0.0	4,058.0

P: Provisional -: Not available

Source: Pakistan Bureau of Statistics

TABLE 3.6

PERCENT GROWTH OF SELECTED INDUSTRIAL ITEMS

	Cotton Yarn	Cotton Cloth	Jute Goods	Veg.Ghee	Cigarettes	Fertilizers	Cement	Soda Ash	Caustic Soda	Sugar
	(in %)									
2010-11	5.46	1.08	(12.30)	1.57	0.17	(8.88)	(8.43)	(7.70)	(5.62)	32.62
2011-12	0.52	0.30	0.98	1.01	(5.27)	0.08	2.93	(1.93)	4.11	11.16
2012-13	3.57	0.56	9.28	3.25	8.75	(4.02)	5.07	(1.22)	2.11	9.48
2013-14	8.62	0.68	(1.07)	4.08	(4.30)	16.50	1.17	11.72	(8.42)	10.03
2014-15	1.09	0.08	(7.21)	(0.04)	(2.81)	4.56	2.44	6.83	9.85	(7.75)
2015-16	1.36	0.22	(41.33)	4.78	(14.59)	13.87	10.09	7.18	22.45	(0.68)
2016-17	0.66	0.40	8.15	3.12	(35.84)	1.68	4.49	2.39	(0.62)	37.80
2017-18	0.06	0.04	23.86	5.21	71.98	(9.87)	11.14	6.26	20.67	(6.85)
2018-19	0.04	0.22	(9.54)	3.34	2.83	7.59	(2.97)	12.22	(8.70)	(19.89)
2019-20	(10.83)	(10.66)	(3.08)	4.50	(24.11)	4.32	(2.01)	(3.75)	38.85	(7.20)
2020-21 R	12.47	12.19	7.33	0.01	11.87	7.41	27.29	7.93	15.10	16.66
2021-22	0.50	0.22	(17.38)	(3.71)	15.85	2.73	(3.59)	9.59	2.79	39.11
<u>Jul-Mar</u>										
2021-22	0.66	0.29	(16.28)	(1.76)	16.69	3.29	(2.86)	10.57	1.44	38.10
2022-23 P	(19.49)	(10.70)	8.94	8.71	(23.78)	(9.54)	(13.16)	12.65	13.99	(14.35)

P: Provisional R: Revised

Source: Pakistan Bureau of Statistics

Note: Figures in parenthesis represent negative growth

Fiscal Development

TABLE 4.1

FEDERAL GOVERNMENT OVERALL BUDGETARY POSITION

Fiscal Year / Item	Rs million	
	2021-22	2022-23 P July-March
A. REVENUE		
<u>FBR Tax Revenue</u> (1 +2)	6,142,802	5,155,906
1. <u>Direct Taxes</u>	2,280,470	2,308,916
2. <u>Indirect Taxes</u>	<u>3,862,332</u>	<u>2,846,990</u>
i. Customs	1,009,498	701,152
ii. Sales Tax	2,531,856	1,901,067
iii. Federal Excise	320,978	244,771
<u>Non-Tax Revenue</u>	<u>1,185,421</u>	<u>1,240,676</u>
Gross Revenue Receipts	<u>7,328,223</u>	<u>6,396,582</u>
B. EXPENDITURE		
<u>Current Expenditure</u>	<u>8,451,562</u>	<u>6,675,446</u>
i. Defence	1,411,646	1,000,698
ii. Mark-up payments	3,182,432	3,582,447
iii. Grants	1,239,288	685,093
vi. Others**	2,618,196	1,407,208
<u>Development Expenditure and Net Lending</u>	<u>701,110</u>	<u>428,086</u>
<u>Statistical Discrepancy</u>	<u>197,417</u>	<u>-125,353</u>
Total Expenditure	<u>9,350,089</u>	<u>6,978,179</u>

P : Provisional

Source: Budget Wing, Finance Division, Islamabad

*: Includes other categories not shown here

TABLE 4.2

SUMMARY OF PUBLIC FINANCE (CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENTS)

Fiscal Year / Items	Rs million						
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 P July-March
Total Revenues (i+ii)	4,936,723	5,228,014	4,900,724	6,272,168	6,903,370	8,035,383	6,938,244
Federal	4,535,452	4,679,945	4,412,625	5,756,162	6,244,698	7,294,720	6,370,632
Provincial	401,271	548,069	488,099	516,006	658,672	740,663	567,612
i) Tax Revenues	3,682,818	4,243,520	4,231,272	4,411,538	5,272,699	6,755,168	5,617,739
Federal	3,361,046	3,842,148	3,829,469	3,997,921	4,764,302	6,142,802	5,155,906
Provincial	321,772	401,372	401,803	413,617	508,397	612,366	461,833
ii) Non-Tax Revenues	1,253,905	984,494	669,452	1,860,630	1,630,671	1,280,215	1,320,505
Federal	1,174,406	837,797	583,156	1,758,241	1,480,396	1,151,918	1,214,726
Provincial	79,499	146,697	86,296	102,389	150,275	128,297	105,779
Total Expenditures (a+b+c+d)	6,800,520	7,488,395	8,345,640	9,648,488	10,306,691	13,295,275	10,016,917
a) Current	5,197,854	5,854,267	7,104,030	8,532,020	9,084,010	11,521,375	9,244,595
Federal	3,472,150	3,789,767	4,776,150	6,016,192	6,264,821	8,354,104	6,607,856
Provincial	1,725,704	2,064,500	2,327,880	2,515,828	2,819,189	3,167,271	2,636,739
b) Development	1,693,474	1,584,057	1,178,442	1,155,213	1,238,738	1,617,050	1,013,985
c) Net Lending to PSE's	-12,817	37,625	40,750	48,528	76,938	40,372	46,461
d) Statistical Discrepancy	-77,991	12,446	22,418	-87,273	-92,995	116,478	-288,124
Overall Balance	-1,863,797	-2,260,381	-3,444,916	-3,376,320	-3,403,321	-5,259,892	-3,078,673
Primary Balance	-515,362	-760,459	-1,353,790	-756,581	-653,592	-1,677,445	503,774
Financing (net)	1,863,797	2,260,380	3,444,916	3,376,320	3,403,321	5,259,892	3,078,673
External (net)	541,390	785,166	416,706	895,510	1,338,091	1,178,410	-682,809
Domestic (i+ii+iii)	1,322,407	1,475,214	3,028,210	2,480,810	2,065,230	4,081,482	3,761,482
i) Non-Bank	276,629	352,719	764,986	540,250	196,189	980,570	1,802,720
ii) Bank	1,045,778	1,120,495	2,263,224	1,940,561	1,869,041	3,100,912	1,958,762
iii) Privatization Proceeds	-	-	2,000	-	-	-	-
Memorandum Item							
GDP (mp) in Rs billion	35,553	39,190	43,798	47,540	55,836	66,624	84,658
	(As Percent of GDP at Market Price)						
Total Revenue	13.9	13.3	11.2	13.2	12.4	12.1	8.2
Tax Revenue	10.4	10.8	9.7	9.3	9.4	10.1	6.6
Non-Tax Revenue	3.5	2.5	1.5	3.9	2.9	1.9	1.6
Expenditure	19.1	19.1	19.1	20.3	18.5	20.0	11.8
Current	14.6	14.9	16.2	17.9	16.3	17.3	10.9
Development Expenditure & net Lending	4.7	4.1	2.8	2.5	2.4	2.5	1.3
Overall Balance	-5.2	-5.8	-7.9	-7.1	-6.1	-7.9	-3.6
Primary Balance	-1.4	-1.9	-3.1	-1.6	-1.2	-2.5	0.6

P : Provisional

Source: Budget Wing, Finance Division, Islamabad

Note: Beginning from FY2016, Pakistan's GDP was rebased at 2015-16 Prices from the old base of 2005-06. Therefore, wherever, GDP appears in the denominator the number prior to FY2016 are not comparable.

/1: During FY2021, the fiscal accounts have been reclassified in line with the implementation of PFM procedures. According to the reclassification, federal taxes other than FBR have now been included in non-tax revenue. To make the data comparable, the fiscal indicators since FY2016 have also been reclassified.

TABLE 4.3
CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENT REVENUES

Fiscal Year/Items	Rs million						
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 P July-March
Total Revenue (I+II)	4,936,723	5,228,014	4,900,724	6,272,168	6,903,370	8,035,383	6,938,244
Federal	4,535,452	4,679,945	4,412,625	5,756,162	6,244,698	7,294,720	6,370,632
Provincial	401,271	548,069	488,099	516,006	658,672	740,663	567,612
I. Tax Revenues	3,682,818	4,243,520	4,231,272	4,411,538	5,272,699	6,755,168	5,617,739
Federal (A+B)	3,361,046	3,842,148	3,829,469	3,997,921	4,764,302	6,142,802	5,155,906
A. Direct Taxes	1,343,197	1,536,636	1,445,594	1,524,252	1,731,860	2,280,470	2,308,916
B. Indirect Taxes	2,017,849	2,305,512	2,383,875	2,473,669	3,032,442	3,862,332	2,846,990
i. Excise Duty	198,570	205,877	233,591	250,470	277,072	320,978	244,771
ii. Sales Tax	1,323,261	1,491,310	1,464,887	1,596,821	1,990,186	2,531,856	1,901,067
iii. Customs	496,018	608,325	685,397	626,378	765,184	1,009,498	701,152
Provincial	321,772	401,372	401,803	413,617	508,397	612,366	461,833
Sales Tax on services GST	170,791	223,860	202,881	232,969	293,645	355,720	287,980
Excise Duty	6,635	8,554	9,274	7,643	8,218	8,896	7,335
Stamp Duties	38,167	62,754	70,396	59,148	55,217	70,888	47,475
Motor Vehicle Taxes	21,282	24,123	24,850	17,979	26,779	36,219	24,873
Others*	84,897	82,081	94,402	95,878	124,538	140,643	94,170
II. Non-Tax Revenues	1,253,905	984,494	669,452	1,860,630	1,630,671	1,280,215	1,320,505
Federal	1,174,406	837,797	583,156	1,758,241	1,480,396	1,151,918	1,214,726
Provincial	79,499	146,697	86,296	102,389	150,275	128,297	105,779
Surcharges**	239,959	203,086	211,612	306,037	447,177	147,901	374,208
i. Gas	73,262	24,212	5,304	12,356	22,523	20,372	11,728
ii. Petroleum	166,697	178,874	206,308	293,681	424,654	127,529	362,480

P: Provisional

Source: Budget Wing, Finance Division

* : It also includes property tax

** : Non-Tax Revenues under these heads are exclusively Federal

Note: According to the re-classification, of data as per PFM procedures, federal taxes other than FBR have now been included under Non tax revenues

TABLE 4.4

CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENT EXPENDITURES

							Rs million
Fiscal Year/Items	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 P July-March
Current Expenditure	5,197,854	5,854,267	7,104,030	8,532,020	9,084,010	11,521,374	9,244,595
Federal	3,472,150	3,789,767	4,776,150	6,016,192	6,264,821	8,354,103	6,607,856
Defence	888,078	1,030,407	1,146,793	1,213,281	1,316,189	1,411,646	1,000,698
Mark-up Payments	1,348,435	1,499,922	2,091,126	2,619,739	2,749,729	3,182,432	3,582,447
Subsidies	153,717	114,194	195,345	359,923	425,023	1,529,609	524,432
Others	1,081,920	1,145,244	1,342,886	1,823,249	1,773,651	2,230,416	1,500,279
Provincial	1,725,704	2,064,500	2,327,880	2,515,828	2,819,189	3,167,271	2,636,739
Development Expenditure	1,693,474	1,584,057	1,178,442	1,155,213	1,238,738	1,617,050	1,013,985
Net Lending to PSEs	-12,817	37,625	40,750	48,528	76,938	40,372	46,461
Statistical Discrepancy	-77,991	12,446	22,418	-87,273	-92,995	116,478	-288,124
Expenditure Booked excl discrepancy	6,878,511	7,475,949	8,323,222	9,735,761	10,399,686	13,178,796	10,305,041
Total Expenditure	6,800,520	7,488,395	8,345,640	9,648,488	10,306,691	13,295,274	10,016,917
Memorandum Items:	(Percent Growth over preceding period)						
Current Expenditure	10.7	12.6	21.3	20.1	6.5	26.8	
Defence	17.2	16	11.3	5.8	8.5	7.3	
Mark-up Payments	6.7	11.2	39.4	25.3	5.0	15.7	
Current Subsidies	-25.8	-25.7	71.1	84.2	18.1	259.9	
Development Expenditure	30.1	-6.5	-25.6	-2.0	7.2	30.5	
Expenditure Booked excl discrepancy	14.5	8.7	11.3	17.0	6.8	26.7	
Total Expenditure	17.3	10.1	11.4	15.6	6.8	29.0	
	As % of total expenditures						
Current Expenditure	76.4	78.2	85.1	88.4	88.1	86.7	92.3
Defence	13.1	13.8	13.7	12.6	12.8	10.6	10.0
Mark-up Payments	19.8	20	25.1	27.2	26.7	23.9	35.8
Current Subsidies	2.3	1.5	2.3	3.7	4.1	11.5	5.2
Development Expenditure*	24.7	21.7	14.6	12.5	12.8	12.2	10.1

P: Provisional

Source: Budget Wing, Finance Division

* : Include Net Lending

TABLE 4.5

DEBT SERVICING

							Rs million
Fiscal Year / Item	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 P July-March
A. Mark-up Payments	1,348,435	1,499,922	2,091,126	2,619,739	2,749,729	3,182,432	3,582,447
Servicing of Domestic Debt	1,220,265	1,322,645	1,820,821	2,313,133	2,523,811	2,828,572	3,107,743
Servicing of Foreign Debt	128,170	177,277	270,305	306,606	225,918	353,860	474,704
B. Repayment/Amortization of Foreign Debt	544,314	450,189	974,001	1,362,353	940,278	1,681,088	2,268,527
C. Total Debt Servicing (A+B)	1,892,749	1,950,111	3,065,127	3,982,092	3,690,007	4,863,520	5,850,974
MEMORANDUM ITEMS	(As Percent of GDP)						
Servicing of Domestic Debt	3.4	3.4	4.2	4.9	4.5	4.2	3.7
Servicing of Foreign Debt	0.4	0.5	0.6	0.6	0.4	0.5	0.6
Repayment/Amortization of Foreign Debt	1.5	1.1	2.2	2.9	1.7	2.5	2.7
Total Debt Servicing	5.3	5	7	8.4	6.6	7.3	6.9

P: Provisional

Source: Budget Wing, Finance Division

Money and Credit

TABLE 5.1
COMPONENTS OF BROAD MONEY (M2)

Stock	End June						Rs million
	2018	2019	2020	2021	2022	2022-23 (Mar)	
1. Currency Issued	4,644,900	5,294,754	6,468,725	7,288,807	8,002,583	8,764,876	
2. Currency held by SBP	1,181	1,199	1,201	568	552	347	
3. Currency in tills of Scheduled Banks	255,891	343,516	325,508	378,302	429,566	493,218	
4. Currency in circulation (1-2-3)	4,387,828	4,950,039	6,142,016	6,909,937	7,572,465	8,271,312	
5. Other deposits with SBP*	26,962	33,636	41,218	68,004	95,319	96,335	
6. Scheduled Banks Total Deposits**	11,582,372	12,814,820	14,724,770	17,319,755	19,934,849	20,428,951	
7. Resident Foreign Currency Deposits (RFCD)	829,355	1,109,780	1,074,511	1,046,150	1,212,791	1,483,438	
8. Broad Money (4+5+6)	15,997,162	17,798,494	20,908,004	24,297,697	27,602,634	28,796,598	
9. Growth rate (%)	9.7	11.3	17.5	16.2	13.6	4.3	
Memorandum							
1. Currency / Money ratio	27.4	27.8	29.4	28.4	27.4	28.7	
2. Demand Deposits / Money ratio	63.0	62.8	60.6	63.2	64.3	63.3	
3. Time Deposits / Money ratio	4.2	3.0	4.7	3.8	3.5	2.5	
4. Other Deposits / Money ratio	0.2	0.2	0.2	0.3	0.3	0.3	
5. RFCD / Money ratio	5.2	6.2	5.1	4.3	4.4	5.2	
6. Income Velocity of Money***	2.4	2.4	2.3	2.3	2.4	-	

P : Provisional R : Revised

Source: State Bank of Pakistan

* : The deposits of other institutions are part of 'other deposits' from July 03, 2020 onwards.

** : Excluding inter banks deposits and deposits of federal and provincial governments, foreign constituents and international organization etc.

*** : Income velocity of money is estimated using GDP (from PBS) at current prices (with latest base)/ Average of two periods monetary assets (M2)-only in case where full year monetary data is available.

TABLE 5.2

CAUSATIVE FACTORS ASSOCIATED WITH BROAD MONEY (M2)

Rs million

	2018	2019	2020	2021	2022	2022-23 (Mar)
A. Stock End June						
1. Public Sector Borrowing (net)						
(i + ii + iii)	10,199,670	12,336,664	14,547,233	16,265,119	19,622,850	21,999,903
i. Net Budgetary Support	9,392,960	11,596,468	13,748,309	15,373,463	18,506,467	20,908,359
ii. Commodity Operations	819,680	756,416	813,435	903,999	1,133,655	1,111,585
iii. Zakat Fund etc.	-12,971	-16,220	-14,510	-12,344	17,273	-20,041
2. Non-Government Sector	7,033,598	8,072,803	8,372,428	9,114,395	10,695,839	11,348,657
i. Autonomous Bodies*	324,787	285,745	258,059	266,372	303,771	314,333
ii. Net Credit to Private Sector & PSEs	6,708,811	7,787,058	8,114,369	8,848,024	10,392,067	11,034,323
a. Private Sector	5,972,968	6,666,505	6,862,862	7,629,069	9,241,217	9,258,346
b. Public Sector Corp. other than 2(i)	743,413	1,108,476	1,232,463	1,170,373	1,089,675	1,274,446
c. PSEs Special Account Debt Repayment	-24,244	-24,244	-24,244	-24,244	-24,244	-24,244
d. Other Financial Institutions (NBFIs)	16,675	36,321	43,288	72,825	85,419	525,775
3. Counterpart Funds	-530	-560	-534	-534	-530	-530
4. Other Items (Net)	-1,027,153	-1,103,333	-1,494,971	-1,806,007	-1,962,285	-1,725,181
5. Domestic Credit (1+2+3+4)	16,205,586	19,305,575	21,424,157	23,572,973	28,355,874	31,622,849
6. Foreign Assets (Net)	-208,423	-1,507,081	-516,153	724,723	-753,240	-2,826,250
7. Broad Money (5+6)	15,997,162	17,798,494	20,908,003	24,297,696	27,602,634	28,796,598
B. Changes over the year (July-June)						
8. Public Sector Borrowing (net)						
(i+ii+iii)	1,244,073	2,136,994	2,210,569	1,717,885	3,357,731	2,377,054
i. Net Budgetary Support	1,110,887	2,203,507	2,151,841	1,625,155	3,133,004	2,401,892
ii. Commodity Operations	133,172	-63,264	57,019	90,565	229,656	-22,070
iii. Zakat Fund etc.	14	-3,249	1,709	2,166	4,929	-2,768
9. Non-Government Sector	1,022,331	1,039,205	299,625	741,967	1,581,443	652,818
i. Autonomous Bodies*	74,543	-39,042	-27,686	8,313	37,400	10,562
ii. Net Credit to Private Sector & PSEs	947,788	1,078,247	327,311	733,654	1,544,044	642,256
a. Private Sector*	775,495	693,537	196,357	766,207	1,612,148	17,129
b. Public Sector Corp. other than 2(i)	170,859	365,064	123,987	-62,090	-80,699	184,771
c. PSEs Special Account Debt Repayment	0	0	0	0	0	0
d. Other Financial Institutions (NBFIs)	1,433	19,646	6,967	29,537	12,594	440,356
10. Counterpart Funds	0	-30	25	0	5	0
11. Other Items (Net)	-39,651	-76,180	-391,638	-311,036	-156,279	237,104
12. Domestic Credit Expansion (8+9+10+11)	2,226,753	3,099,989	2,118,582	2,148,817	4,782,901	3,266,975
13. Foreign Assets (Net)	-810,473	-1,298,658	990,928	1,240,876	-1,477,963	-2,073,010
14. Monetary Expansion (12+13)	1,416,280	1,801,332	3,109,510	3,389,693	3,304,937	1,193,965

P : Provisional R: Revised

Source: State Bank of Pakistan

* : Autonomous bodies are WAPDA (PEPCO), OGDCL, SSGC, SNGPL, PIA, Pakistan Steel and Pakistan Railway.

Note: w.e.f December 31, 2022 Scheduled Banks credit to NBFIs, earlier reported under credit to private sector is reclassified as credit to NBFIs and become part of other Financial Institutions

TABLE 5.3

SCHEDULED BANKS' CONSOLIDATED POSITION BASED ON LAST WEEKEND POSITION OF LIABILITIES & ASSETS

	Rs million					
Item Description	2018	2019	2020	2021	2022	2022-23 (Mar)
Assets						
Cash & Balances with Treasury Banks	1,349,450	1,966,692	1,408,559	1,528,246	2,308,137	2,069,842
Balances with other Banks	186,038	195,992	212,150	213,911	330,061	479,249
Lending to Financial Institutions	612,681	717,249	843,513	966,673	858,227	1,570,640
Investments	8,178,723	7,624,217	10,681,288	13,615,840	16,441,736	19,215,683
Gross Advances	7,361,622	8,096,771	8,202,328	8,831,088	10,771,563	11,834,916
Less: Provision for Non- Performing Advances	463,772	488,093	546,797	629,039	672,486	715,541
Advances – Net of Provision	6,897,850	7,608,677	7,655,531	8,202,049	10,099,077	11,119,375
Operating Fixed Assets	417,591	468,981	567,753	635,575	716,433	823,141
Deferred Tax Assets	52,835	59,834	56,161	70,764	107,049	183,027
Other Assets	715,125	943,951	950,083	908,754	1202,385	1,942,709
Total Assets	18,410,293	19,585,594	22,375,037	26,141,812	32,063,106	37,403,665
Liabilities						
Bills Payable	230,357	299,737	245,363	322,389	358,528	298,706
Borrowings	3,014,680	2,412,023	2,865,768	4,097,113	6,725,049	9,291,655
Deposits and other Accounts	13,062,787	14,458,307	16,229,036	18,695,178	21,490,459	23,579,638
Sub-ordinated Loans	79,460	108,670	126,296	112,732	136,828	162,669
Liabilities Against Assets Subject to Finance Lease	20	0	2,134	1,823	10,134	12,687
Deferred Tax Liabilities	22,070	22,591	47,329	17,288	5,847	35,024
Other Liabilities	577,934	803,227	964,493	997,101	1,300,389	1,841,252
Total Liabilities	16,987,306	18,104,555	20,480,420	24,243,625	30,027,234	35,221,631
Net Assets	1,422,987	1,481,039	1,894,617	1,898,187	2,035,872	2,182,034
Represented by:						
Paid up Capital / Head Office Capital Account	525,796	546,922	556,465	561,451	584,837	606,789
Reserves	285,610	340,060	357,675	379,965	440,578	519,689
Un-appropriated / Un-remitted Profit	440,846	480,816	618,864	696,938	870,554	1,004,227
Sub total	1,252,252	1,367,798	1,533,004	1,638,354	1,895,969	2,130,705
Surplus/ (Deficit) on Revaluation of Assets	170,736	113,241	361,613	259,833	139,904	51,329
Total	1,422,988	1,481,039	1,894,617	1,898,187	2,035,875	2,182,034

Source: State Bank of Pakistan

TABLE 5.4

LIST OF DOMESTIC, FOREIGN BANKS AND DFIs

<u>Public Sector Commercial Banks</u>	<u>Foreign Banks</u>
1. First Women Bank Ltd.	1. Citibank N.A.
2. National Bank of Pakistan	2. Deutsche Bank A.G.
3. Sindh Bank Limited	3. Industrial and Commercial Bank of China Limited
4. The Bank of Khyber	4. Bank of China Limited
5. The Bank of Punjab	
<u>Specialized Scheduled Banks</u>	<u>Development Financial Institutions</u>
1. The Punjab Provincial Co-operative Bank	1. House Building Finance Company Limited
2. Industrial Development Bank Limited (IDBL)	2. PAIR Investment Company Limited
3. SME Bank Limited	3. Pak Kuwait Investment Company of Pakistan (Pvt) Limited
4. Zarai Taraqiati Bank Limited	4. Pak Libya Holding Company (Pvt) Limited
	5. Pak Oman Investment Company (Pvt) Limited
	6. Pak-Brunai Investment Company Ltd
	7. Pak-China Joint Investment Co. Ltd
	8. Pakistan Mortgage Refinance Company Limited
	9. Saudi Pak Industrial & Agricultural Investment Company (Pvt) Limited
<u>Private Local Banks</u>	<u>Micro Finance Banks</u>
1. Allied Bank Limited	1. Advans Pakistan Microfinance Bank
2. Albarka Bank Pakistan Limited*	2. Apna Microfinance Bank Ltd
3. Askari Bank Limited	3. FINCA Microfinance Bank Ltd
4. Bank Al Falah Limited	4. Khushhali Microfinance Bank
5. Bank Al Habib Limited	5. Mobilink Microfinance Bank (Formerly Waseela Microfinance Bank)
6. Bank Islami Pakistan Limited*	6. NRSP Microfinance Bank Ltd
7. Dubai Islamic Bank Pakistan Limited*	7. Pak Oman Microfinance Bank Ltd
8. Faysal Bank Limited*	8. Sindh Microfinance Bank Limited
9. Habib Bank Limited	9. Telenor Microfinance Bank Ltd
10. Habib Metropolitan Bank Limited	10. HBL Microfinance Bank (Formerly The First Microfinance Bank)
11. JS Bank Limited	11. U Microfinance Bank Limited
12. MCB Bank Limited	
13. MCB Islamic Bank*	
14. Meezan Bank Limited*	
15. Samba Bank Limited	
16. Silk Bank Limited	
17. Soneri Bank Limited	
18. Standard Chartered Bank (Pakistan) Limited	
19. Summit Bank Limited	
20. United Bank Limited	

* : Full fledged Islamic Banks

Source: State Bank of Pakistan

TABLE 5.5

SECURITY AND NATURE WISE WEIGHTED AVERAGE LENDING RATES /
FINANCING RATES (ALL SCHEDULED BANKS)*

		(Percent)								
As at the End of		Precious Metal	Stock Exchange Securities	Merch- andise	Machi- nery	Real Estate	Financial Oblig- ations	Others	Unse- cured Advances	Total Advances
Conventional Banking										
2019	Jun	11.20	12.34	10.32	11.74	11.09	10.74	11.88	28.12	11.64
		(11.20)	(12.41)	(10.19)	(11.58)	(11.09)	(10.74)	(12.00)	(28.12)	(11.56)
	Dec	12.67	14.08	11.20	12.89	11.55	12.01	14.08	26.14	12.92
		(12.67)	(13.79)	(10.99)	(12.64)	(11.53)	(11.65)	(13.80)	(26.14)	(12.42)
2020	Jun	14.13	10.79	8.87	9.60	9.25	8.65	10.96	28.20	10.30
		(14.13)	(10.73)	(8.60)	(9.69)	(9.25)	(8.71)	(10.96)	(28.20)	(10.10)
	Dec	10.58	7.85	6.91	7.83	7.24	7.01	8.06	27.42	8.03
		(10.58)	(7.83)	(6.84)	(7.80)	(7.24)	(6.90)	(7.80)	(27.42)	(7.96)
2021	Jun	10.40	8.38	6.63	7.85	6.80	7.19	8.78	28.30	8.16
		(10.40)	(8.37)	(6.51)	(7.68)	(6.80)	(7.07)	(9.51)	(28.30)	(8.13)
	Dec	11.30	9.06	7.48	8.67	7.86	8.60	8.94	28.77	8.83
		(11.30)	(9.04)	(7.49)	(8.52)	(7.86)	(8.48)	(9.31)	(28.77)	(8.88)
2022	Jun	12.52	11.86	9.94	11.33	9.89	11.13	12.57	30.10	11.60
		(12.52)	(11.70)	(9.74)	(10.76)	(9.88)	(10.95)	(12.54)	(30.10)	(11.27)
	Dec	17.72	15.47	14.17	13.83	12.91	14.12	16.29	31.49	15.00
		(17.72)	(15.38)	(13.90)	(13.32)	(12.90)	(13.97)	(16.74)	(31.49)	(14.70)
Islamic Banking										
2019	Jun	-	11.26	10.99	11.07	10.87	9.31	11.34	5.76	11.13
		-	(8.00)	(10.95)	(10.90)	(10.87)	(9.31)	(11.23)	(5.24)	(10.99)
	Dec	-	10.95	11.59	12.63	12.14	10.35	12.92	12.92	12.40
		-	(7.13)	(11.53)	(12.63)	(12.16)	(10.35)	(11.85)	(10.52)	(11.96)
2020	Jun	-	13.12	9.55	11.10	10.30	9.30	10.56	10.81	10.38
		-	(11.43)	(9.46)	(11.16)	(10.25)	(8.83)	(10.20)	(10.74)	(10.19)
	Dec	-	7.96	7.50	8.41	7.75	6.57	7.40	9.82	7.68
		-	(9.56)	(7.51)	(8.42)	(7.71)	(6.48)	(7.32)	(9.82)	(7.72)
2021	Jun	-	8.90	6.84	8.01	7.59	5.03	7.71	16.06	7.53
		-	(8.93)	(6.79)	(7.99)	(7.48)	(5.03)	(7.66)	(16.06)	(7.44)
	Dec	-	7.12	7.55	9.08	8.46	5.20	7.93	16.45	8.14
		-	(7.02)	(7.54)	(9.04)	(8.33)	(5.20)	(7.68)	(16.45)	(8.14)
2022	Jun	-	12.70	10.14	11.30	10.27	9.29	11.26	23.66	10.82
		-	(12.65)	(9.90)	(11.23)	(10.22)	(8.86)	(10.11)	(23.66)	(10.46)
	Dec	-	14.64	13.06	14.03	12.79	11.25	14.64	27.70	13.76
		-	(14.58)	(12.73)	(13.89)	(12.63)	(11.04)	(13.25)	(27.70)	(13.17)

R: Revised

Source: State Bank of Pakistan

*: Weighted average rates shown in parentheses represent Private Sector

TABLE 5.6
SALE OF MARKET TREASURY BILLS THROUGH AUCTION

							Rs million
No.	Securities	2018	2019	2020	2021	2022	2023 (Jul-Mar)
Market Treasury Bills							
A.	Three Months Maturity						
	Amount Offered						
i)	Face value	19,826,420	23,757,544	14,913,709	15,505,232	17,474,185	20,474,326
ii)	Discounted value	19,549,300	23,222,877	14,486,853	15,250,389	17,044,574	19,697,772
	Amount Accepted						
i)	Face value	16,231,950	18,866,489	8,811,853	8,698,476	11,833,518	13,871,870
ii)	Discounted value	16,005,555	18,448,036	8,554,064	8,556,387	11,533,971	13,342,738
	Weighted Average Yield						
i)	Minimum % p.a.	5.9902	6.7575	7.6896	6.4267	7.2103	15.5734
ii)	Maximum % p.a.	6.7595	12.7454	13.7490	7.4418	15.1193	21.0644
B.	Six Months Maturity						
	Amount Offered						
i)	Face value	1,620,207	120,484	4,345,673	9,989,084	11,998,595	3,601,336
ii)	Discounted value	1,560,051	101,275	4,115,593	9,627,168	11,432,459	3,307,530
	Amount Accepted						
i)	Face value	1,271,001	8,928	1,705,828	5,585,878	5,318,275	503,202
ii)	Discounted value	1,233,895	8,502	1,613,386	5,384,224	5,071,332	465,411
	Weighted Average Yield						
i)	Minimum % p.a.	6.0093	7.8526	7.4786	6.4666	7.4292	15.6806
ii)	Maximum % p.a.	6.8322	12.6958	13.9498	7.7463	14.9545	21.9567
C.	Twelve Months Maturity						
	Amount Offered						
i)	Face value	86,406	29,073	14,210,931	2,462,402	5,378,274	4,733,216
ii)	Discounted value	78,882	15,431	12,653,509	2,287,089	4,811,666	4,025,403
	Amount Accepted						
i)	Face value	47,687	500	4,649,744	580,918	1,492,526	1,139,509
ii)	Discounted value	44,979	443	4,133,139	542,086	1,324,154	977,904
	Weighted Average Yield						
i)	Minimum % p.a.	6.0273	13.1500	7.2892	6.5475	7.6000	15.6655
ii)	Maximum % p.a.	6.0386	13.1500	14.2169	7.7908	15.1503	21.4865

Note : Amount includes Non-competitive Bids.

Source: State Bank of Pakistan

TABLE 5.7

SALE OF PAKISTAN INVESTMENT BONDS THROUGH AUCTION

							Rs million
No.	Securities	2018	2019	2020	2021	2022	2023 (Jul-Mar)
Pakistan Investment Bonds							
A.	Amount Offered (Face Value)	348,935	3,156,891				
	02 Years (Floater) Maturity (PFL) Quarterly				213,423	1,383,367	2,996,832
	03 Years Maturity	235,367	976,869	2,389,228	1,181,021	1,856,725	861,901
	05 Years Maturity	48,467	653,189	1,643,278	866,330	2,020,087	1,705,866
	07 Years Maturity	-	-	-	-	-	-
	10 Years Maturity	65,101	815,509	1,216,358	445,052	1,885,183	1,014,089
	03 Years (Floater) Maturity (PFL) Semi-Annual			84,100	1,193,302	-	-
	05 Years (Floater) Maturity (PFL) Semi-Annual			48,500	776,785	359,750	1,846,128
	10 Years (Floater) Maturity (PFL) Semi-Annual		706,324	1,445,471	384,124	71,900	200,314
	03 Years (Floater) Maturity (PFL) Quarterly				365,931	2,620,598	2,136,518
	05 Years (Floater) Maturity (PFL) Quarterly				107,600	-	-
	10 Years (Floater) Maturity (PFL) Quarterly				130,050	-	-
	15 Years Maturity	-	-	22,925	96,589	96,051	5,700
	20 Years Maturity	-	5,000	22,659	72,061	10,529	-
	30 Years Maturity	-	-	-	-	0	-
B.	Amount Accepted (Face Value)	101,732	1,183,510				
	(a) 02 Years (Floater) Quarterly Maturity (PFL)						
	(i) Amount Accepted				175,664	908,867	2,155,703
	(ii) Cut-Off Price						
	(1) Minimum Cut-Off Price				99.5239	99.0272	98.3956
	(2) Maximum Cut-Off Price				99.6467	99.6516	99.2090
	(b) 03 Years Maturity.						
	(i) Amount Accepted	37,915	418,859	1,102,152	479,261	551,365	264,483
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	6.4029	12.0002	7.5239	7.2359	8.6626	13.7633
	(2) Maximum % p.a.	7.4677	13.6770	14.1519	9.3344	13.9550	18.0500
	(c) 03 Years (Floater) Maturity (PFL) Semi-Annual**						
	(i) Amount Accepted			60,552	624,763		
	(ii) Margin* / Cut-Off Price						
	(1) Minimum bps / Cut-Off Price			45bps	98.8132		
	(2) Maximum bps / Cut-Off Price			45bps	100.4413		
	(d) 03 Years (Floater) Quarterly Maturity (PFL)						
	(i) Amount Accepted				228,976	1,683,880	1,301,691
	(ii) Cut-Off Price						
	(1) Minimum Cut-Off Price				98.9923	97.2128	96.5547
	(2) Maximum Cut-Off Price				99.2323	99.2531	97.8357
	(e) 05 Years Maturity						
	(i) Amount Accepted	14,932	199,680	612,849	301,239	663,029	690,156
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	6.8960	9.2500	7.8740	8.2139	9.1602	13.0568
	(2) Maximum % p.a.	8.4795	13.7687	13.7740	9.8296	13.0731	13.4666

(Contd...)

TABLE 5.7

SALE OF PAKISTAN INVESTMENT BONDS THROUGH AUCTION

Rs million

No.	Securities	2018	2019	2020	2021	2022	2023 (Jul-Mar)
	(f) 05 Years (Floater) Maturity (PFL) Semi-Annual**						
	(i) Amount Accepted			34,500	306,271	129,562	1,244,358
	(ii) Margin* / Cut-Off Price						
	(1) Minimum bps / Cut-Off Price			49bps	98.1794	98.2095	95.4203
	(2) Maximum bps / Cut-Off Price			49bps	100.4845	98.2660	96.3515
	(g) 05 Years (Floater) Quarterly Maturity (PFL)						
	(i) Amount Accepted				90,500		
	(ii) Cut-Off Price						
	(1) Minimum Cut-Off Price				97.9779		
	(2) Maximum Cut-Off Price				98.0119		
	(h) 7 Years Maturity						
	(i) Amount Accepted	-	-				
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	-	-				
	(2) Maximum % p.a.	-	-				
	(i) 10 Years Maturity						
	(i) Amount Accepted	48,885	253,195	332,797	149,729	563,210	14,294
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	7.9359	12.8267	8.4767	8.8570	9.8230	12.2197
	(2) Maximum % p.a.	8.6999	13.6820	13.4548	10.2140	13.0576	12.2197
	(j) 10 Years (Floater) Maturity (PFL) Semi-Annual**						
	(i) Amount Accepted	-	-	723,417	136,707	64,553	159,517
	(ii) Margin* / Cut-Off Price						
	(1) Minimum bps / Cut-Off Price	-	-	70 bps	100	100	93.0004
	(2) Maximum bps / Cut-Off Price	-	-	75 bps	101.0536	100	93.8497
	(k) 10 Years (Floater) Quarterly Maturity (PFL)						
	(i) Amount Accepted	-	-	-	98,542	-	-
	(ii) Cut-Off Price						
	(1) Minimum Cut-Off Price	-	-	-	95.2412		
	(2) Maximum Cut-Off Price	-	-	-	95.2853		
	(l) 15 Years Maturity						
	(i) Amount Accepted	-	-	16,800	64,000	59,000	-
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	-	-	9.6640	9.7020	10.4000	
	(2) Maximum % p.a.	-	-	10.4540	10.0000	10.4000	
	(m) 20 Years Maturity						
	(i) Amount Accepted	-	-	6,113	62,061	-	-
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	-	-	10.5100	10.3400		
	(2) Maximum % p.a.	-	-	11.7999	10.5624		
	(n) 30 Years Maturity						
	(i) Amount Accepted	-	-	-	-	-	-
	(ii) Weighted Average Yield						
	(1) Minimum % p.a.	-	-	-	-	-	-
	(2) Maximum % p.a.	-	-	-	-	-	-

Source: State Bank of Pakistan

* : The benchmark for coupon rate is defined in clause 'B' of DMMD Circular No. 9 dated May 07, 2018.

** : Margins quoted over benchmark rate in fresh auctions of floating rate PIB (PFL)

Note:1: A special issuance in PFL-SA 10 Years Issued by GoP to Independent Power Producer (IPPs) against their receivables from GoP on 4th June, 2021 (Rs 28,905.1 Million) and on 29-Nov-21 (Rs 43,322.80 Million)

2: Amounts include non-competitive bids & short sale accommodation as well.

**Capital Markets
&
Corporate Sectors**

TABLE 6.1
NATIONAL SAVINGS SCHEMES (NET INVESTMENT)

		Rs million							
Name of Scheme	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (Jul-Mar)	
1	Defence Savings Certificates	8,053.0	16,620.0	10,743.6	57,171.0	92,783.1	(9,132.6)	(10,440.0)	(27,060.3)
2	National Deposit Scheme	(0.3)	(0.7)	0.1	(0.03)	-	(0.00)	(0.36)	(0.02)
3	Khaas Deposit Scheme	(2.0)	(51.4)	(0.2)	(0.04)	(0.05)	(0.24)	(0.02)	(1,358.1)
4	Special Savings Certificates (R)	(1,932.8)	(39,344.6)	(51,180.1)	31,842.5	13,945.7	(6,327.9)	(44,748.0)	(76,962.1)
5	Special Savings Certificates (B)	-	(0.8)	(0.6)	-	(0.01)	(0.50)	-	-
6	Regular Income Certificates	(16,223.0)	(20,950.7)	8,726.3	142,088.1	83,232.3	26,711.2	(10,563.3)	(34,994.2)
7	Bahbood Saving Certificates	63,761.1	57,432.1	45,395.3	119,573.1	83,380.0	2,549.4	16,628.9	(13,354.6)
8	Pensioners' Benefit Account	20,645.1	18,716.7	21,504.4	43,367.4	33,876.0	16,347.2	22,055.6	9,413.8
9	Savings Accounts	3,807.7	4,684.4	3,413.0	(166.2)	4,537.0	1,083.5	10,508.6	1,074.0
10	Special Savings Accounts	30,924.1	65,246.6	59,939.2	(132,393.5)	200,770.6	(39,659.1)	(273,790.9)	(182,710.7)
11	Mahana Amdani Accounts	(63.0)	(55.2)	(46.7)	(73.8)	(60.4)	(47.52)	31.12	(88.2)
12	Prize Bonds	123,901.9	97,791.6	101,575.7	40,432.1	(171,109.9)	(315,531.7)	(81,803.7)	8,409.5
13	Postal Life Insurance	-	2,529.8	875.5	1,248.4	628.0	(1,311.9)	-	-
14	National Savings Bonds	-	-	-	-	(137.0)	-	-	-
15	Short Term Saving Certificates	157.9	2,077.4	560.6	761.0	19,254.6	(20,362.2)	690.3	10,781.1
16	Premium Prize Bonds (R)	-	2,921.7	2,323.2	2,820.0	11,322.7	25,147.2	12,706.3	(1,401.4)
17	Shuhda Welfare Accounts	-	-	-	42.1	27.0	24.2	40.2	15.3
Grand Total		233,029.6	207,617.0	203,829.1	306,712.0	372,449.4	(320,510.9)	(358,685.1)	(308,235.9)

- : Not available

Figures in Parenthesis represent negative value

Source: Central Directorate of National Savings (CDNS)

TABLE 6.2
MARK UP RATE/PROFIT RATE ON FEDERAL GOVERNMENT'S DEBT INSTRUMENTS

S. No.	Name of Securities	Coupon/Profit Rates	Remarks	Tax Status
1	Pakistan Investment Bonds (PIBs)			Profit taxable
	Fixed-rate PIBs			
	3-years maturity	10.00%	3-years PIB first issued on 04-Aug-22	
	5-Years maturity	10.50%	5-Years PIB first issued on 13-Oct-22	
	10-Years maturity	11.00%	10-Years PIB first issued on 30-Nov-22	
	15-Years maturity	10.50%	15-Years PIB first issued on 16-Apr-20	
	20-Years maturity	11.00%	20-Years PIB first issued on 19-Sep-19	
	30-Years maturity	11.00%	30-Years PIB first issued on 07-Jan-21	
	Floating-rate PIBs			
	2-years maturity	coupon rate linked to 3-month t-bill auction's weighted-average yield	fortnightly coupon reset and quarterly coupon payment; issued on 06-Apr-23	
3-years maturity		Quarterly coupon reset and payment; issued on 09-Feb-23		
5-Years maturity	coupon rate linked to 6-month t-bill auction's weighted-average yield	For 5- and 10- year floating rate PIBs, coupon reset and payment are half yearly; 5- and 10- year floating-rate PIBs were issued on 06-Apr-23 and 04-Nov-21, respectively.		
10- Years maturity				
2	Government Ijara Sukuk			Profit taxable
	3-year Variable Rental Rate Sukuk	rental rate is benchmarked to 6-month t-bill's auction weighted-average yield	Cut-off margin is -25 BPs; first issued on 05-Jan-23	
	5-year Variable Rental Rate Sukuk		Cut-off margin is zero BP; first issued on 26-Oct-22	
	3-year Fixed Rental Rate Sukuk	18.24%	First Issued on 17-Apr-23	
	5-year Fixed Rental Rate Sukuk	12.49%	First Issued on 16-Nov-22	

Note: Federal Government debt securities auctioned by DMMD, SBP
The Securities issuance status is as of end March, 2023.

Source: State Bank of Pakistan

Inflation

TABLE 7.1 (A)
PRICE INDICES

A. COMBINED CONSUMER PRICE INDEX BY GROUPS\													
(Base Year : 2007-08 = 100)													
Groups/ Fiscal Year	General	Food & Non Alcoholic Beverages	Beverages & Tobaco	Clothing & Foot wear	Housing, Water, Elec.Gas & Fuel	Household Equipment & Repair Maintenance	Health	Transport	Communi- cation	Recreation & Culture	Education	Restaurant & Hotels	Miscellan- ous
2010-11	146.45	164.10	151.64	133.35	135.27	135.59	123.79	149.01	122.47	134.62	128.17	164.04	152.45
2011-12	162.57	182.20	165.01	153.45	146.17	160.28	137.97	171.39	122.94	145.35	143.83	185.82	181.47
2012-13	174.53	195.18	191.02	175.58	151.34	179.87	156.56	186.43	126.16	169.07	156.69	203.63	199.49
2013-14	189.58	212.74	223.38	198.01	164.60	195.85	167.15	195.15	129.76	183.77	172.57	228.61	210.15
2014-15	198.16	220.20	269.93	213.82	174.93	208.68	176.19	187.22	130.09	190.29	196.40	244.58	221.13
2015-16	203.82	219.42	329.25	224.18	183.90	217.38	182.69	174.25	130.56	194.21	213.02	256.79	228.22
2016-17	212.29	226.59	368.88	233.36	192.91	223.90	201.82	172.93	131.79	196.31	235.72	256.79	240.23
2017-18	220.62	232.95	310.09	244.45	202.50	233.06	218.13	182.18	133.26	200.24	264.79	285.88	254.99
2018-19	236.81	242.62	345.33	260.88	221.07	251.44	235.29	211.50	141.29	215.90	289.97	302.04	276.48
Base Year 2015-16=100													
	General	Food & Non- Alcoholic Beverages	Alcoholic Beverages Tobaco	Clothing and Footwear	Housing, Water, Elec., Gas and other fuels	Furnishing and Household Equipment Maintenance	Health	Transport	Communi- cation	Recreation & Culture	Education	Restau- ants and hotels	Misc. goods and services
2016-17	104.83	110.24	110.76	105.29	105.98	102.34	107.97	99.26	100.03	102.27	110.83	106.04	104.39
2017-18	110.18	117.60	100.83	110.94	111.23	106.00	114.98	108.04	100.65	104.91	123.88	113.15	109.93
2018-19	117.99	112.24	112.26	118.13	120.08	114.00	122.92	125.31	103.27	111.54	134.74	119.10	118.86
2019-20	129.99	129.59	135.80	129.56	128.33	125.70	136.81	138.71	106.84	118.70	141.90	127.78	132.96
2020-21	140.58	146.74	143.36	142.61	136.35	136.23	148.36	140.38	107.62	123.99	143.71	138.66	148.34
2021-22	157.19	165.58	158.71	154.51	150.58	151.41	162.67	175.68	112.53	131.14	153.19	155.07	162.79
July-April													
2021-22	154.99	162.40	155.43	152.44	150.32	148.98	161.14	168.64	112.44	129.62	151.42	152.56	160.65
2022-23	195.17	220.54	242.77	180.89	166.91	193.07	185.15	255.76	116.08	175.19	165.91	201.51	204.14

(Contd.)

Note: i) On the adoption of each new base year the data for the common periods may not be matched
ii) July to April cumulative indices

TABLE 7.1 (B)

PRICE INDICES (HEADLINE & CORE INFLATION)

Year	Indices				Headline & Core Inflation			
	General	Food	Non-Food	Core	General	Food	Non-Food	Core
(Base Year : 2007-08 = 100)								
2010-11	146.45	164.10	135.87	131.03	13.66	18.02	10.71	9.38
2011-12	162.57	182.20	150.81	144.78	11.01	11.03	11.00	10.49
2012-13	174.53	195.18	162.16	158.62	7.36	7.12	7.53	9.56
2013-14	189.58	212.74	175.69	171.82	8.62	9.00	8.35	8.32
2014-15	198.16	220.20	184.95	183.08	4.53	3.50	5.27	6.55
2015-16	203.82	224.78	191.25	190.71	2.86	2.08	3.41	4.17
2016-17	212.29	233.37	199.65	200.61	4.16	3.82	4.39	5.19
2017-18	220.62	237.59	210.45	212.34	3.92	1.81	5.41	5.85
2018-19	236.81	248.44	229.84	229.21	7.34	4.57	9.21	7.94
CPI Indices (Base Year : 2015-16 = 100)								
	National	Urban			Rural			
	CPI	Food	Non-food	Core	Food	Non-food	Core	
2016-17	104.81	104.32	105.13	106.10	105.11	104.48	105.60	
2017-18	109.72	108.33	111.25	112.27	107.57	110.29	111.05	
2018-19	117.18	113.35	120.70	120.34	112.68	118.74	118.55	
2019-20	129.76	128.74	130.72	129.38	130.62	128.41	128.83	
2020-21	141.31	144.74	138.17	137.13	147.74	137.89	138.62	
2021-22	158.48	164.20	153.11	148.29	167.00	154.84	151.13	
<u>July-April</u>								
2021-22	156.08	161.11	151.43	146.79	163.58	152.76	149.35	
2022-23	200.14	219.31	181.12	169.61	228.81	189.63	178.33	
CPI (%) (Base Year : 2015-16 = 100)								
	National	Urban			Rural			
	CPI	Food	Non-food	Core	Food	Non-food	Core	
2016-17	4.81	4.32	5.13	6.10	5.11	4.48	5.60	
2017-18	4.68	3.84	5.82	5.82	2.34	5.56	5.16	
2018-19	6.80	4.63	8.49	7.19	4.75	7.66	6.75	
2019-20	10.74	13.58	8.30	7.51	15.92	8.14	8.67	
2020-21	8.90	12.43	5.70	5.99	13.11	7.38	7.60	
2021-22	12.15	13.44	10.83	8.14	13.04	12.29	9.02	
<u>July-April</u>								
2021-22	11.04	12.14	10.20	7.63	11.01	11.37	8.30	
2022-23	28.23	36.12	19.61	15.55	39.88	24.14	19.40	

(Contd.)

Note: (i) Core Inflation is defined as overall inflation adjusted for food and energy.

(ii) On the adoption of each new base year the data for the common periods may not be matched

TABLE 7.1 (C)
PRICES INDICES

B. Wholesale Price Index by Groups											
(Base Year : 2007-08 = 100)											
Groups/ Fiscal Year	General	Agriculture Forestry & Fishery Product	Ores & Minerals, Materials electricity gas & water	Food Product, Beverages & Tobacco, Textiles Apparel Leather Products	Other Transportable Goods	Metal Products Machinery & Equipment	Sensitive Price Indi- cator	GDP Deflator			
2010-11	164.17	183.20	159.13	166.49	155.77	128.10	159.48	193.50			
2011-12	181.28	185.03	182.74	176.07	194.64	152.55	170.77	204.45			
2012-13	194.61	198.23	211.17	188.39	203.93	159.29	184.04	219.00			
2013-14	210.48	219.00	240.37	200.70	214.59	168.31	201.15	235.18			
2014-15	209.85	220.56	245.47	206.76	197.12	172.72	205.18	245.40			
2015-16	207.65	226.43	245.91	213.58	171.21	171.46	207.35	246.49			
2016-17	216.02	248.00	242.08	225.59	168.07	174.40	210.59	256.29			
2017-18	223.52	256.02	242.99	229.90	198.27	184.00	212.44	262.33			
2018-19	250.28	276.64	279.87	254.78	220.88	190.87	223.34	284.88			
Base Year 2015-16=100											
	General	Agriculture Forestry & Fishery	Ores/Minerals, Elec., gas & water	Food, Beverages Tobacco, Textiles, Textiles, Leather	Food Products Beverages & Tobacco	Textiles Apparels	Leather Products	Other Transpor- table Goods	Metal Product Machinery & Equipment	Sensitive Price Indicator	GDP Deflator
2016-17	104.45	108.15	99.32	105.63	103.82	109.42	101.83	101.69	103.22	107.62	103.95
2017-18	109.97	113.34	100.88	107.08	104.00	115.64	101.40	115.52	106.06	110.28	107.84
2018-19	127.55	124.35	127.07	119.30	112.45	133.41	107.72	147.71	115.26	115.92	117.74
2019-20	140.63	137.80	163.40	131.68	126.74	141.64	113.65	147.95	131.83	131.85	129.38
2020-21	153.87	155.69	167.57	149.24	146.95	155.76	119.27	151.61	150.09	150.09	142.84
2021-22	192.20	194.98	183.52	177.03	171.86	190.49	127.27	218.97	181.34	175.75	163.01
July-April											
2021-22	186.76	189.98	183.57	174.18	168.25	189.11	124.86	205.78	177.67	173.25	163.01
2022-23	250.39	241.09	225.11	218.58	222.26	215.52	159.07	305.90	283.54	228.22	203.80

Source: Pakistan Bureau of Statistics

Note: On the adoption of each new base year the data for the common periods may not be matched

TABLE 7.2

MONTHLY PERCENTAGE CHANGES IN CPI, WPI AND SPI

Months	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
	Base Year 2007-08=100								Base Year 2015-16=100							
Jul	1.27	-0.25	2.02	1.70	0.43	1.34	0.34	0.94	-	0.57	1.51	1.83	2.50	1.33	4.35	
Aug	1.40	0.90	1.16	0.33	0.24	-0.30	0.19	0.21	-0.36	0.15	-0.31	1.64	0.63	0.58	2.45	
Sep	1.03	0.79	-0.29	0.35	-0.10	0.20	0.63	-0.06	0.42	0.69	-0.03	0.77	1.54	2.12	-1.15	
Oct	1.44	0.38	1.97	0.21	0.49	0.81	0.75	2.33	0.93	1.09	2.12	1.82	1.70	1.90	4.71	
Nov	0.29	-0.39	1.27	-0.51	0.59	0.21	0.37	0.11	0.47	0.66	-0.12	1.34	0.82	2.98	0.76	
Dec	-0.70	0.23	-1.32	-1.01	-0.57	-0.68	-0.10	-0.41	-0.58	-0.03	-0.30	-0.34	-0.68	-0.02	0.49	
Jan	1.54	1.67	0.49	0.08	0.21	0.18	0.03	1.00	0.43	0.08	0.25	1.97	-0.21	0.39	2.88	
Feb	0.30	-0.34	-0.32	-0.92	-0.25	0.28	-0.31	0.64	0.48	-0.26	0.87	-1.04	1.80	1.15	4.32	
Mar	1.17	0.41	0.96	0.23	0.15	0.84	0.31	1.42	1.05	0.22	2.00	0.04	0.36	0.79	3.72	
Apr	1.83	1.09	1.70	1.32	1.55	1.40	1.82	1.26	0.72	1.08	0.73	-0.84	1.03	1.61	2.41	
May	1.15	0.51	-0.26	0.76	-0.21	0.01	0.51	0.78	-0.52	0.46	0.60	0.32	0.10	0.44		
Jun	0.04	0.72	0.61	0.62	0.64	-0.41	0.56	0.36	0.17	0.83	0.48	0.82	-0.24	6.34		
	Base Year 2007-08=100								Base Year 2015-16=100							
Jul	-	-	-	-	-	-	-	-	-	0.59	1.41	1.98	2.15	1.29	4.47	
Aug	-	-	-	-	-	-	-	-	-0.46	0.20	-0.31	1.46	0.81	0.48	2.62	
Sep	-	-	-	-	-	-	-	-	0.32	0.42	-0.08	0.75	1.26	2.01	-2.06	
Oct	-	-	-	-	-	-	-	-	0.79	0.89	2.23	1.59	1.27	1.67	4.50	
Nov	-	-	-	-	-	-	-	-	0.47	0.63	-0.09	1.00	0.64	2.86	0.38	
Dec	-	-	-	-	-	-	-	-	-0.59	0.05	-0.32	-0.37	-0.35	0.32	0.35	
Jan	-	-	-	-	-	-	-	-	0.82	0.18	0.43	1.68	-0.16	0.06	2.36	
Feb	-	-	-	-	-	-	-	-	0.51	-0.15	0.86	-1.09	2.27	0.93	4.54	
Mar	-	-	-	-	-	-	-	-	1.01	0.28	1.87	0.13	0.27	0.65	3.90	
Apr	-	-	-	-	-	-	-	-	0.96	1.37	0.83	-0.68	1.34	1.60	2.00	
May	-	-	-	-	-	-	-	-	-0.32	0.53	0.68	0.30	0.19	0.31		
Jun	-	-	-	-	-	-	-	-	0.21	0.72	0.34	0.69	-0.37	6.19		
	Base Year 2007-08=100								Base Year 2015-16=100							
Jul	-	-	-	-	-	-	-	-	-	0.54	1.67	1.60	3.02	1.40	4.17	
Aug	-	-	-	-	-	-	-	-	-0.21	0.07	-0.30	1.91	0.35	0.72	2.19	
Sep	-	-	-	-	-	-	-	-	0.57	1.10	0.04	0.79	1.95	2.29	0.18	
Oct	-	-	-	-	-	-	-	-	1.15	1.40	1.96	2.17	2.35	2.25	5.01	
Nov	-	-	-	-	-	-	-	-	0.48	0.72	-0.17	1.86	1.09	3.15	1.30	
Dec	-	-	-	-	-	-	-	-	-0.56	-0.14	-0.29	-0.30	-1.17	-0.51	0.70	
Jan	-	-	-	-	-	-	-	-	-0.14	-0.07	-0.02	2.41	-0.29	0.89	3.62	
Feb	-	-	-	-	-	-	-	-	0.45	-0.45	0.87	-0.97	1.12	1.48	4.01	
Mar	-	-	-	-	-	-	-	-	1.12	0.13	2.19	-0.10	0.51	1.00	3.48	
Apr	-	-	-	-	-	-	-	-	0.36	0.64	0.58	-1.08	0.57	1.63	2.97	
May	-	-	-	-	-	-	-	-	-0.82	0.35	0.47	0.34	-0.03	0.65		
Jun	-	-	-	-	-	-	-	-	0.12	1.01	0.70	1.02	-0.06	6.57		
	Base Year 2007-08=100								Base Year 2015-16=100							
Jul	-0.40	0.36	1.65	0.54	-0.38	2.34	-0.24	2.41	-	-0.70	3.69	3.05	5.41	2.28	1.99	
Aug	0.55	1.02	2.65	-0.48	-0.49	-0.03	0.33	0.79	0.06	0.19	0.55	1.25	1.27	1.17	3.14	
Sep	0.25	0.35	0.71	0.15	-0.46	0.06	-1.52	0.06	-0.40	0.28	-1.51	0.07	1.05	3.17	1.43	
Oct	0.37	0.11	1.13	-0.31	0.53	-0.04	0.61	4.17	-0.09	0.88	4.40	2.03	2.88	4.24	-0.47	
Nov	-0.53	-0.37	0.25	-0.99	0.01	-0.21	0.36	0.70	0.54	1.05	1.04	-0.82	-0.94	3.79	-0.02	
Dec	-1.33	0.43	-0.99	-1.89	-0.65	-0.14	0.36	-0.88	0.20	0.49	-1.34	-0.30	0.34	-0.24	-0.71	
Jan	2.26	1.25	0.53	-1.03	-0.53	0.51	1.81	-0.21	0.83	2.60	-0.82	1.83	2.50	0.65	1.77	
Feb	0.56	0.34	-0.14	-1.09	-0.59	0.47	-0.15	0.90	0.81	0.41	1.62	-0.80	2.20	1.91	8.19	
Mar	0.67	0.26	0.34	0.01	-0.40	0.66	0.25	1.70	0.42	-0.08	2.23	-0.88	3.72	3.86	4.67	
Apr	1.80	0.77	0.10	0.86	1.30	0.89	1.27	2.33	0.43	1.28	1.76	-2.04	-0.36	3.16	0.09	
May	2.15	-0.43	-0.08	1.10	0.55	-0.20	1.28	1.43	-0.15	2.02	1.47	-2.08	0.30	1.44		
Jun	-0.05	1.00	1.37	1.18	1.38	-0.46	1.48	0.33	-0.08	2.46	0.25	-0.32	0.91	8.18		
	Base Year 2007-08=100								Base Year 2015-16=100							
Jul	2.38	0.51	2.27	1.95	0.34	1.32	-0.45	1.17	-	0.00	1.39	1.03	3.03	1.80	7.27	
Aug	0.83	1.29	1.54	0.83	-0.19	0.23	0.54	0.22	-0.25	1.06	-0.20	2.72	0.92	0.70	5.25	
Sep	1.34	1.25	0.06	0.24	0.46	0.11	2.13	-0.06	0.21	2.06	-0.42	1.87	2.09	2.72	-1.42	
Oct	0.76	-0.45	1.17	-0.03	1.18	0.67	0.86	1.15	0.49	0.94	2.27	2.66	3.36	2.15	-1.47	
Nov	0.74	0.03	3.22	-1.13	1.00	0.33	0.34	0.26	0.68	0.20	-0.69	3.71	1.10	3.58	6.11	
Dec	-2.01	0.05	-2.54	-1.52	-0.71	-0.78	-0.67	0.02	-1.25	-0.88	-0.25	-1.97	-2.71	-0.43	0.15	
Jan	1.00	1.92	-2.54	-0.87	-0.67	-0.80	-1.04	0.61	-1.00	-1.52	0.36	0.45	-0.82	-0.79	1.35	
Feb	-0.12	0.07	-0.09	-0.99	-0.52	0.21	-1.21	1.48	0.42	-1.16	2.45	-0.79	3.14	1.27	3.66	
Mar	1.49	0.78	2.15	0.00	-0.15	1.79	-0.60	1.56	2.75	-0.91	2.13	-0.31	5.70	0.64	5.77	
Apr	1.67	-0.29	0.07	0.39	-0.12	-0.91	0.45	0.89	-0.69	0.86	0.48	-1.77	0.41	1.48	2.70	
May	-0.14	0.07	-1.51	1.31	-0.96	-0.89	-0.15	1.24	-0.38	0.71	0.58	2.15	0.79	0.64		
Jun	1.39	2.45	1.11	0.99	1.12	0.14	1.78	1.57	0.00	1.45	0.90	1.37	-0.44	6.19		

Source: Pakistan Bureau of Statistics

Note: On the adoption of each new base year the data for the common periods may not be matched

TABLE 7.3 (A)

PRICE INDICES BY CONSUMER INCOME GROUPS

Income Group/ Fiscal Year	Spliced with Base Year 2007-08 = 100					
	All Income Groups	Upto Rs 8000	Rs 8001 to 12000	Rs 12000 to 18000	Rs 18001 to 35000	Above Rs 35,000
2010-11	146.45	149.04	148.56	147.59	148.91	145.34
2011-12	162.57	164.00	164.37	163.06	165.01	162.09
2012-13	174.53	176.93	178.55	176.83	176.28	172.48
2013-14	189.58	192.57	193.69	193.00	192.26	186.72
2014-15	198.16	199.60	201.15	201.33	200.80	195.76
2015-16	203.82	204.45	206.72	206.14	206.80	201.65
2016-17	212.29	212.28	214.84	214.22	215.25	210.42
2017-18	220.62	218.23	221.44	221.15	222.70	220.09
2018-19	236.81	230.11	234.06	234.21	238.88	239.16
Consumption Group/ Fiscal Year	Base Year 2015-16 = 100					
	Urban					
	Combined	(Upto Rs. 17,732)	(Rs. 17,733 to 22,888)	(Rs. 22,889 to 29,517)	(Rs. 29,518 to 44,175)	(Above Rs. 44,175)
2016-17	104.83	104.21	104.38	104.49	104.60	105.05
2017-18	110.18	108.00	108.52	108.90	109.39	110.98
2018-19	117.99	113.92	115.00	115.57	116.31	119.90
2019-20	129.99	126.97	127.47	129.29	129.29	131.60
2020-21	140.58	140.81	140.22	141.34	140.74	141.11
2021-22	157.19	158.59	157.37	158.38	157.59	157.35
<u>Jul-April</u>						
2021-22	154.99	156.39	155.21	156.16	155.35	155.17
2022-23	195.17	201.23	198.60	199.44	197.75	194.39
	Rural					
	Combined	(Upto Rs. 17,732)	(Rs. 17,733 to 22,888)	(Rs. 22,889 to 29,517)	(Rs. 29,518 to 44,175)	(Above Rs. 44,175)
2016-17	104.77	104.54	104.66	104.69	104.84	104.95
2017-18	109.04	108.25	108.54	108.77	109.11	109.50
2018-19	115.95	114.33	114.94	115.31	115.83	118.02
2019-20	129.42	129.30	129.08	128.87	128.85	130.65
2020-21	142.42	144.61	143.31	142.26	141.40	141.82
2021-22	160.43	162.81	161.18	160.32	159.41	159.84
<u>July-April</u>						
2021-22	157.73	160.13	158.51	157.60	156.68	157.15
2022-23	207.63	212.63	209.71	208.67	206.57	204.07

Source: Pakistan Bureau of Statistics

Note: On the adoption of each new base year the data for the common periods may not be matched

TABLE 7.3 (B)

ANNUAL CHANGES IN PRICE INDICES AND GDP DEFLATOR

Fiscal Year	Consumer Price Index			Wholesale Price Index	Sensitive Price Indicator	Annual GDP Deflator
	National	Urban	Rural			
(Base Year : 2007-08 = 100)						
2010-11	13.66	-	-	21.25	16.57	19.52
2011-12	11.01	-	-	10.42	7.08	5.66
2012-13	7.36	-	-	7.35	7.77	7.12
2013-14	8.62	-	-	8.15	9.30	7.39
2014-15	4.53	-	-	-0.30	1.75	4.34
2015-16	2.86	-	-	-1.05	1.31	0.45
(Base Year : 2015-16 = 100)						
2016-17	4.81	5.10	4.77	4.45	7.62	3.95
2017-18	4.68	7.08	4.08	3.90	7.38	3.74
2018-19	6.80	7.09	6.34	15.99	5.11	9.18
2019-20	10.74	10.17	11.62	10.24	13.74	9.88
2020-21	8.90	8.15	10.04	9.41	13.83	10.41
2021-22	12.15	11.82	12.65	24.91	17.10	14.12
<u>July-April</u>						
2021-22	11.04	10.94	11.19	22.89	16.93	14.12
2022-23	28.23	25.92	31.64	34.07	31.73	25.03

Source: Pakistan Bureau of Statistics

TABLE 7.4

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

Fiscal Year	(Price in Rs.) (Weight in Kg.)											
	Wheat (Av.Qlty)	Wheat Flour (Av.Qlty)	Basmati Rice (Broken)	Moong Pulse (Washed)	Gram Pulse (Av.Qlty)	Beef (Cow/ Buffalo with bone)	Chicken (Farm)	Mutton (Goat) (Av.Qlty)	Eggs Hen (Farm) Doz.	Potato (Av.Qlty)	Dry Onion (Av.Qlty)	Tomato (Av.Qlty)
(Base Year : 2007-08 = 100)												
2010-11	25.98	29.41	50.32	136.49	70.25	215.42	130.98	411.48	72.78	27.58	33.28	44.86
2011-12	26.74	30.26	60.36	127.90	83.32	252.41	150.07	482.04	86.95	25.33	32.24	46.46
2012-13	30.61	34.53	69.01	115.95	99.70	268.38	143.93	517.83	92.02	26.09	36.71	49.80
2013-14	37.02	40.98	74.09	137.64	74.77	283.99	161.40	559.49	97.61	42.79	41.63	58.36
2014-15	34.56	39.28	72.38	161.94	79.33	301.55	153.64	592.56	98.71	42.49	35.80	55.05
2015-16	33.92	38.57	63.00	160.30	123.53	316.37	151.95	627.94	89.84	25.75	44.29	49.14
2016-17	33.77	37.99	63.90	139.93	149.85	327.52	145.88	662.65	101.86	34.09	30.08	51.82
2017-18	33.11	37.45	72.07	118.15	118.76	348.64	158.87	733.68	103.17	33.89	48.59	59.62
2018-19	34.95	39.36	76.82	128.64	123.10	376.47	163.06	783.88	102.93	27.21	36.91	64.85
Base Year : 2015-16=100												
2019-20	-	897.48	81.92	213.44	142.21	431.29	169.73	896.00	106.71	44.57	59.90	56.83
2020-21	-	1010.32	90.41	231.42	143.81	482.26	207.39	1004.05	153.10	53.41	43.01	61.38
2021-22	-	1173.32	100.93	171.96	159.66	584.71	234.56	1195.01	163.07	45.52	49.17	80.28
<u>July-April</u>												
2021-22	-	1162.54	98.90	171.63	154.82	573.39	222.84	1167.70	162.32	46.06	44.95	80.99
2022-23	-	1621.17	143.30	248.01	240.37	694.90	325.29	1444.58	247.83	59.07	136.37	93.81

(Contd.)

Note: In the new base year 2015-16, dissemination of prices started w.e.f July, 2019

TABLE 7.4 (A)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

Fiscal Year	Mustard Oil (Mill)	Vegetable Ghee (Loose)	Rock Salt (Powder)	Red Chillies (Av.Qlty)	Sugar (Open Market)	Gur (Sup. Qlty)	Milk Fresh (Ltr.)	(Price in Rs.) (Weight in Kg.)
								Tea in* Packet (Sup.Qlty) 200 grams
(Base Year : 2007-08 = 100)								
2010-11	156.56	150.31	7.28	230.27	72.72	83.86	50.10	123.19
2011-12	178.29	166.26	8.13	299.42	60.99	78.27	58.17	135.15
2012-13	185.88	160.73	8.74	254.06	53.25	74.50	65.24	146.01
2013-14	184.48	160.57	9.37	221.33	53.82	82.83	69.86	154.58
2014-15	183.08	151.90	9.98	261.42	57.14	83.95	76.21	133.80
2015-16	179.67	138.35	10.43	274.03	62.60	89.28	78.24	172.76
2016-17	181.15	143.34	10.64	272.60	64.94	88.20	80.59	177.24
2017-18	183.83	146.22	11.10	266.58	53.70	81.49	82.75	189.44
2018-19	195.43	161.85	12.29	335.21	59.84	85.75	86.74	210.27
Base Year : 2015-16=100								
2019-20	208.50	225.75	29.90	157.44	76.60	115.20	93.43	225.54
2020-21	254.12	269.95	30.01	318.56	94.21	128.82	105.17	230.17
2021-22	382.54	402.10	32.24	298.75	94.46	136.98	115.61	248.19
July-April								
2021-22	363.10	382.88	31.63	317.47	96.15	138.37	113.85	245.63
2022-23	543.64	553.67	44.64	217.45	94.31	139.18	147.90	376.06

(Contd.)

Note: In the new base year 2015-16, prices are disseminated started w.e.f July, 2019.

*: Tea packet prices in bases year 2015-16=100 is quoted of 190 grams packet price.

TABLE 7.4 (B)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

Fiscal Year	Cigarettes (Pkt)	Long Cloth (Mtr.)	Georgette (Mtr.)	Shoes Gents Concord Bata*	Firewood (Kikar/ Babul 40 Kgs.)	Match Box (40/ 50 Sticks) Each	Washing Soap (707/555 Cake)	(Rs/unit)
								Life-buoy Soap (Cake)
(Base Year : 2007-08 = 100)								
2010-11	27.44	148.57	72.35	499.00	354.29	1.00	15.14	25.47
2011-12	29.10	111.21	88.07	499.00	441.74	1.06	18.39	30.50
2012-13	32.34	151.14	101.61	549.00	491.55	1.10	21.00	32.29
2013-14	38.45	176.59	112.40	671.92	538.12	1.42	23.34	35.86
2014-15	45.85	200.22	122.90	699.00	566.85	1.74	24.33	36.06
2015-16	57.75	203.29	123.29	699.00	593.42	1.99	24.74	36.16
2016-17	64.85	206.13	124.12	699.00	604.81	2.14	25.74	38.06
2017-18	50.86	215.80	127.34	699.00	621.24	2.24	26.39	40.67
2018-19	57.29	268.31	154.69	699.00	566.61	2.42	36.35	46.66
Base Year 2015-16=100								
2019-20	81.24	306.67	146.50	899.00	668.45	2.51	45.13	44.66
2020-21	83.42	359.53	165.77	1013.60	716.92	3.11	53.78	47.04
2021-22	85.60	396.01	182.26	1260.33	787.06	3.58	72.75	54.77
July-April								
2021-22	83.85	391.72	180.42	1242.01	778.17	3.53	70.46	53.59
2022-23	130.91	453.85	211.74	1499.00	972.96	4.54	105.98	84.29

(Contd.)

Note: In the new base year 2015-16, dissemination of prices started w.e.f July, 2019.

*: Prices of Gents Sandal Bata has been quoted in base year 2015-16 instead of prices of Shoes Gents Concord Bata in previous base year.

TABLE 7.4 (C)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

Fiscal Year	Energy Saver (14-W)	Cooked Beef (Plate)	Cooked Dal (Plate)	Rice Irri-6 (Kg)	Masoor Pulse (Kg)	Mash Pulse (Kg)	Garlic (Kg)	Cooking Oil Dalda (2.5 Ltr*)	(Rs/unit)
									Vegetable Ghee (2.5 Kg)
(Base Year : 2007-08 = 100)									
2010-11	124.75	52.88	33.65	38.87	117.72	163.16	198.92	435.88	435.98
2011-12	139.93	60.54	37.27	45.68	102.64	145.82	107.89	502.66	501.91
2012-13	151.82	68.55	40.16	49.90	100.39	132.72	123.18	535.55	519.06
2013-14	162.69	77.84	45.46	54.05	120.49	134.21	129.71	538.73	511.77
2014-15	165.49	82.86	48.41	51.99	135.32	163.82	139.00	513.55	495.00
2015-16	166.95	87.19	52.62	47.16	146.36	238.59	200.32	457.61	448.92
2016-17	167.79	92.56	56.70	48.71	140.36	223.70	273.46	460.79	452.68
2017-18	168.98	101.49	58.83	51.53	118.44	164.91	166.10	471.26	464.46
2018-19	173.40	113.60	64.17	54.59	107.55	152.18	157.72	497.94	483.96
Base Year 2015-16=100									
2019-20	185.73	133.64	68.75	62.54	141.16	211.13	280.43	1199.22	586.30
2020-21	199.66	148.96	75.60	71.09	156.48	250.28	216.42	1374.94	690.38
2021-22	211.44	170.33	84.54	75.18	201.24	262.50	289.44	2038.51	1015.00
<u>July-April</u>									
2021-22	208.38	167.28	83.04	73.91	191.18	257.04	286.73	1947.02	970.30
2022-23	257.43	218.51	111.29	107.38	284.99	380.18	357.22	2913.85	1410.85

(Contd.)

Note: In the new base year 2015-16. Prices are disseminated w.e.f July, 2019.

*: The unit of cooking oil Dalda has changed from 2.5 Ltr. to 5 Ltr. in base year 2015-16.

TABLE 7.4 (D)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

Fiscal Year	Curd (Kg)	Tea Pre-prepared (Cup)	Banana (Doz.)	Lawn Hussain (Mtr.)	Shirting Hussain (Mtr.)	Shoes Lady Bata	Chappal Gents Spang	Bread Plain (M.Size)	(Rs/Unit)
									Milk Powder Nido (400 grams*)
(Base Year : 2007-08 = 100)									
2010-11	58.41	12.66	49.16	150.31	88.80	397.33	139.00	28.24	204.38
2011-12	68.19	14.25	65.10	166.26	108.37	399.00	152.08	31.23	247.85
2012-13	75.74	15.30	68.83	166.52	124.22	449.00	179.00	34.23	289.78
2013-14	81.88	16.97	70.63	198.05	144.91	499.00	179.00	39.17	310.50
2014-15	89.48	18.70	76.77	239.61	157.72	499.00	179.00	40.78	251.69
2015-16	92.10	19.36	75.70	244.90	162.32	500.61	179.02	40.82	372.70
2016-17	94.66	20.28	78.87	251.98	164.85	502.39	179.09	41.11	378.43
2017-18	99.15	21.23	81.04	260.65	171.58	524.53	183.65	42.07	379.46
2018-19	101.24	22.28	77.11	316.04	206.01	599.00	199.00	44.10	401.08
Base Year 2015-16=100									
2019-20	108.22	25.81	78.82	355.16	201.32	599.00	199.00	47.82	448.85
2020-21	121.53	28.35	86.09	389.20	234.43	599.00	218.48	55.55	478.05
2021-22	133.44	32.70	90.98	420.28	264.98	650.41	277.80	63.55	507.25
<u>July-April</u>									
2021-22	131.67	32.14	86.17	416.24	261.92	641.10	269.88	62.84	502.90
2022-23	170.85	42.46	126.00	465.45	310.72	699.00	379.00	86.74	620.76

(Contd.)

Note: In the new base year 2015-16, dissemination of prices started w.e.f July, 2019.

*: The unit has changed from 400 gms to 390 gms in base year 2015-16.

TABLE 7.4 (E)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS (Average of 17 Centers)

Fiscal Year	Kerosene (per ltr.)	Gas Charges (100 cf)	Elect Charges (upto 50 units)*	Petrol Super (per ltr.)	Tele Local Call Charges (per Call)
(Base Year : 2007-08 = 100)					
2010-11	84.89	110.20	1.84	75.70	3.59
2011-12	104.84	132.73	1.89	92.93	3.59
2012-13	116.07	119.58	2.00	101.26	3.74
2013-14	123.45	124.18	2.00	110.99	3.94
2014-15	100.94	124.18	2.00	88.58	3.94
2015-16	80.62	127.79	2.00	72.31	3.94
2016-17	77.48	128.66	2.00	69.09	3.94
2017-18	98.74	128.70	2.00	80.70	3.94
2018-19	119.97	140.99	2.00	97.00	4.47
Base Year 2015-16=100					
2019-20	-	141.57	3.90	106.49	1.55
2020-21	-	141.57	4.63	107.12	1.60
2021-22	-	141.57	6.36	144.00	1.79
<u>July-April</u>					
2021-22	-	141.57	6.53	137.53	1.79
2022-23		167.00	6.49	240.01	1.79

-: Not available

Source: Pakistan Bureau of Statistics

Note: In the new base year 2015-16, prices are disseminated w.e.f July, 2019.

*: The unit has been changed from 50 units to lower income group consumers (Q1) in the base year 2015-16.

TABLE 7.5

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES

Fiscal Year	Wheat	Rice	Gram (Whole)	Sugar Refined	Vegetable Ghee	Tea	Meat	Vegetables	Fresh Milk	Cotton*	Motor Spirit
(Base Year : 2007-08 = 100)											
2010-11	159.53	123.39	169.24	251.13	118.21	165.31	174.86	173.43	157.40	171.48	126.84
2011-12	163.44	149.45	-	229.24	141.37	192.23	214.40	211.52	190.29	189.55	155.00
2012-13	188.52	165.42	-	201.93	141.75	203.24	228.80	216.66	213.81	168.92	168.70
2013-14	227.13	177.67	-	206.98	141.51	215.49	238.93	254.41	225.98	185.58	184.99
2014-15	209.29	172.20	-	189.35	147.13	145.16	236.14	255.40	249.87	208.86	167.79
2015-16	209.07	147.58	-	237.16	119.85	242.82	267.79	258.45	255.23	249.16	120.71
2016-17	208.21	154.49	-	242.70	124.63	243.24	282.23	280.77	266.08	268.07	115.52
2017-18	202.02	172.15	-	201.60	127.22	261.70	311.25	294.16	275.05	262.92	134.99
2018-19	211.14	191.38	-	226.24	135.10	285.16	348.60	293.46	287.20	269.50	164.47
(Base Year 2015-16=100)											
2019-20	119.09	145.34	-	123.16	138.46	126.36	139.45	178.87	116.22	127.20	150.35
2020-21	158.62	166.97	-	150.78	167.12	129.72	162.32	161.91	141.12	138.85	148.00
2021-22	175.16	182.90	-	153.61	262.71	142.24	192.37	195.68	149.26	146.49	206.78
<u>July-April</u>											
2021-22	171.53	179.12	-	155.99	246.91	140.37	189.42	196.26	146.58	144.20	194.62
2022-23	282.58	256.03	-	153.93	357.42	201.83	221.87	285.39	190.18	171.64	340.52

-: Not available

(Contd.)

*: In the base year 2015-16 prices of Cotton Seeds has been quoted instead of Cotton prices.

TABLE 7.5

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES

Fiscal Year	Kerosene Oils	Fire Wood	Cotton Yarn	Matches	Soaps	Fertilizers	Transport	Leather	Timber	Cement
(Base Year : 2007-08 = 100)										
2010-11	141.73	151.43	182.87	110.37	130.52	174.65	116.77	107.07	127.27	140.80
2011-12	166.98	190.47	196.06	118.84	151.04	258.65	-	109.08	139.00	162.19
2012-13	177.67	215.48	208.38	132.57	167.01	261.38	-	111.60	149.51	185.77
2013-14	178.30	238.11	213.03	143.20	180.26	266.33	-	168.48	170.36	203.42
2014-15	179.03	252.59	246.11	175.76	160.21	235.83	-	216.67	200.60	225.95
2015-16	162.08	263.90	173.44	162.62	183.87	260.00	-	220.42	214.44	212.15
2015-16	161.99	263.88	173.41	162.62	183.87	260.10	-	220.40	214.35	212.23
2016-17	178.77	272.97	198.86	165.53	189.10	219.37	-	222.98	225.62	214.45
2017-18	186.98	282.43	216.99	171.36	191.32	222.52	-	215.78	233.96	217.99
2018-19	232.43	290.68	267.72	172.07	198.37	258.49	-	224.79	243.08	236.62
Base Year 2015-16 = 100										
2019-20	169.85	111.12	164.90	1164.79	110.25	101.84	-	106.04	111.87	113.42
2020-21	141.77	124.41	179.14	1172.40	113.18	102.06	-	108.77	152.12	122.71
2021-22	230.78	132.99	232.48	1228.39	130.05	142.37	-	119.84	162.32	151.50
<u>July-April</u>										
2021-22	212.79	133.23	231.06	1201.34	127.65	137.48	-	124.86	161.37	145.31
2022-23	377.33	156.38	239.61	1771.31	169.03	204.50	-	142.60	194.61	202.66

-: Not available

Source: Pakistan Bureau of Statistics

In the new Base Year 2015-16, prices are disseminated w.e.f July, 2019.

Trade and Payments

TABLE 8.1

SUMMARY BALANCE OF PAYMENTS AS PER BPM6

ITEM	US \$ million								
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 R	2022-23 Jul-Mar P
Current Account Balance	-2,815	-4,961	-12,270	-19,195	-13,434	-4,449	-2,820	-17,481	-3,372
Current Account Balance without off. transfers	-3,141	-5,546	-12,844	-20,165	-14,177	-4,898	-3,079	-17,823	-3,623
Exports of Goods FOB	24,090	21,972	22,003	24,768	24,257	22,536	25,639	32,493	21,088
Imports of Goods FOB	41,357	41,118	48,001	55,671	51,869	43,645	54,273	71,543	41,494
Balance on Trade in Goods	-17,267	-19,146	-25,998	-30,903	-27,612	-21,109	-28,634	-39,050	-20,406
Exports of Services	5,872	5,456	5,915	5,851	5,966	5,437	5,945	7,102	5,528
Imports of Services	8,848	9,002	10,576	12,277	10,936	8,753	8,461	12,942	5,757
of which									
Transportation	4,160	3,272	3,808	3,956	3,639	3,036	3,279	7,405	3,025
Travel	1,518	1,839	2,000	2,289	1,709	1,229	752	1,413	1,069
Balance on Trade in Services	-2,976	-3,546	-4,661	-6,426	-4,970	-3,316	-2,516	-5,840	-229
Balance on Trade in Goods and Services	-20,243	-22,692	-30,659	-37,329	-32,582	-24,425	-31,150	-44,890	-20,635
Primary Income credit	644	610	696	726	578	479	508	652	765
Primary Income debit	5,243	5,955	5,710	6,163	6,188	5,938	4,908	5,900	4,660
of which: Interest Payments	1,605	1,733	1,993	2,600	3,066	3,109	2,176	2,994	3,435
Balance on Primary Income	-4,599	-5,345	-5,014	-5,437	-5,610	-5,459	-4,400	-5,248	-3,895
Balance on Goods, Services and Primary Income	-24,842	-28,037	-35,673	-42,766	-38,192	-29,884	-35,550	-50,138	-24,530
Secondary Income credit	22,291	23,204	23,604	23,800	24,990	25,802	33,027	32,949	21,389
of which: Workers' Remittances	18,721	19,917	19,351	19,914	21,740	23,131	29,450	31,279	20,527
Secondary Income debit	264	128	201	229	232	367	297	292	231
Balance on secondary Income	22,027	23,076	23,403	23,571	24,758	25,435	32,730	32,657	21,158
Capital Account Balance	375	273	375	376	229	285	224	205	349
Capital Account credit	375	279	375	376	229	288	224	205	349
Capital Account debit	0	6	0	0	0	3	0	0	0
Net lending (+) / Net borrowing (-)									
(Current and Capital Accounts)	-2,440	-4,688	-11,895	-18,819	-13,205	-4,164	-2,596	-17,276	-3,023
Financial Account	-5,119	-6,878	-9,855	-13,611	-11,759	-9,313	-8,768	-11,261	2,024
Direct investment	-960	-2,374	-2,320	-2,772	-1,436	-2,652	-1,648	-1,702	193
Direct Investment Abroad	73	19	86	10	-74	-54	171	234	1,243
Direct Investment in Pakistan	1,033	2,393	2,406	2,782	1,362	2,598	1,819	1,936	1,050
Portfolio investment	-1,886	429	250	-2,257	1,274	409	-2,774	55	1,016
Portfolio Investment Abroad	-44	100	-1	-48	-144	-115	-12	-24	-1
Portfolio Investment in Pakistan	1,842	-329	-251	2,209	-1,418	-524	2,762	-79	-1,017
Financial Derivatives (other than reserves) and ESOs*	-2	0	0	0	0	-8	0	-1	-11
Other Investment	-2,271	-4,933	-7,785	-8,582	-11,597	-7,062	-4,346	-9,613	826
Net Acquisition of Financial Assets	-71	96	1,180	273	-67	-127	1,345	2,613	-834
Net Incurrence of Liabilities	2,200	5,029	8,965	8,855	11,530	6,935	5,691	12,226	-1,660
of which									
General Government	1,400	3,445	5,040	4,894	4,294	5,919	5,738	6,117	-2,067
Disbursements	4,243	6,159	9,414	8,507	8,255	13,181	9,808	11,256	7,030
Credit and Loans with the IMF (Other than Reserves)	0	0	0	0	0	2,834	500	1,053	1,166
Other Long Term	3,088	4,498	8,251	6,782	6,610	8,736	8,060	7,989	4,821
Short Term	1,155	1,661	1,163	1,725	1,645	1,611	1,248	2,214	1,043
Amortization	2,841	2,714	4,374	4,107	5,982	7,299	5,855	8,343	8,806
Credit and Loans with the IMF (Other than Reserves)	563	53	0	0	0	0	0	0	0
Other Long Term	1,696	1,927	2,981	2,619	4,444	6,117	5,071	7,811	7,621
Short Term	582	734	1,393	1,488	1,538	1,182	784	532	1,185
Other Liabilities (Net)	-2	0	0	494	2,021	37	1,785	3,204	-291
Net Errors and Omissions	-33	462	94	-933	-58	150	-619	-303	76
Overall Balance	-2,646	-2,652	1,946	6,141	1,504	-5,299	-5,553	6,318	4,971
Reserves and Related Items	2,646	2,652	-1,946	-6,141	-1,504	5,299	5,553	-6,318	-4,971
Use of Fund Credit and Loans	1,949	2,009	102	-86	-376	-745	-1,080	-1,015	-687
Exceptional Financing	0	0	0	0	0	0	0	0	0
SBP Gross Reserves	14,836	19,446	17,550	11,341	9,301	13,724	18,716	11,090	5,312

P: Provisional R: Revised

Source: State Bank of Pakistan

* : Employee Stock Options

TABLE 8.2
COMPONENTS OF BALANCE OF PAYMENTS (AS PERCENT OF GDP)

Year	Exports *	Imports *	Trade Deficit *	Worker's Remittances #	Current Account Balance #
2010-11	11.6	18.9	7.3	5.2	0.1
2011-12	10.5	20.0	9.5	5.9	-2.1
2012-13	10.6	19.4	8.9	6.0	-1.1
2013-14	10.3	18.4	8.2	6.5	-1.3
2014-15	8.7	16.9	8.2	6.9	-1.0
2015-16**	6.6	14.2	7.6	6.3	-1.6
2016-17	6.0	15.6	9.6	5.7	-3.6
2017-18	6.5	17.0	10.5	5.6	-5.4
2018-19	7.1	17.0	9.9	6.8	-4.2
2019-20	7.1	14.8	7.7	7.7	-1.5
2020-21	7.3	16.2	8.9	8.4	-0.8
2021-22	8.5	21.3	12.9	8.3	-4.7
July-March					
2021-22	6.2	15.7	9.5	6.1	-3.5
2022-23 P	6.2	12.9	6.7	6.0	-1.0

P : Provisional

Source: PBS, SBP & EA Wing, Finance Division

* : Based on the data compiled by PBS

** : Based on revised GDP base year since 2015-16 onwards

: MoF Calculation based on data compiled by SBP

TABLE 8.3
EXPORTS, IMPORTS & TRADE BALANCE

Year	Rs. million			Growth Rate (%)			US \$ million			Growth Rate (%)		
	Current Prices			Exports	Imports	Balance	Current Prices			Exports	Imports	Balance
	Exports	Imports	Balance				Exports	Imports	Balance			
2010-11	2,120,847	3,455,287	-1,334,440	31.12	18.70	3.16	24,810	40,414	-15,604	28.62	16.43	1.19
2011-12	2,112,140	4,009,093	-1,896,953	-0.48	16.03	42.27	23,624	44,912	-21,288	-4.78	11.13	36.43
2012-13	2,366,478	4,349,880	-1,983,402	12.12	8.50	4.47	24,460	44,950	-20,490	3.54	0.08	-3.75
2013-14	2,583,463	4,630,521	-2,047,058	9.17	6.45	3.21	25,110	45,073	-19,963	2.66	0.27	-2.57
2014-15	2,397,513	4,644,152	-2,246,639	-7.20	0.29	9.75	23,667	45,826	-22,159	-5.75	1.67	11.00
2015-16	2,166,846	4,658,749	-2,491,903	-9.62	0.31	10.92	20,787	44,685	-23,898	-12.17	-2.49	7.85
2016-17	2,138,186	5,539,721	-3,401,535	-1.32	18.91	36.50	20,422	52,910	-32,488	-1.76	18.41	35.94
2017-18	2,555,043	6,694,897	-4,139,854	19.50	20.85	21.71	23,212	60,795	-37,583	13.66	14.90	15.68
2018-19	3,128,230	7,443,253	-4,315,023	22.43	11.18	4.23	22,958	54,763	-31,805	-1.09	-9.92	-15.37
2019-20	3,369,782	7,029,819	-3,660,037	7.72	-5.55	-15.18	21,394	44,553	-23,159	-6.81	-18.64	-27.18
2020-21	4,041,927	8,982,441	-4,940,514	19.95	27.78	34.99	25,304	56,380	-31,076	18.28	26.55	34.19
2021-22	5,661,127	14,273,394	-8,612,267	40.06	58.90	74.32	31782	80,136	-48,354	25.60	42.14	55.60
July- March												
2021-22	4,018,758	10,117,304	-6,098,546	33.06	58.67	81.73	23,350	58,859	-35,509	24.95	49.05	70.70
2022-23 P	4,948,514	10,195,090	-5,246,576	23.14	0.77	-13.97	21,036	43,727	-22,691	-9.91	-25.71	-36.10

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.4

UNIT VALUE INDICES & TERMS OF TRADE (T.O.T) (1990-91 = 100)

Groups	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	July-March	
							2021-22	2022-23 P
All Groups								
Exports	703.39	735.40	794.77	841.44	903.14	1,217.87	1,128.28	1,489.12
Imports	1,199.54	1,261.25	1,342.30	1,369.71	1,450.51	1,982.41	1,818.16	2,197.85
T.O.T.	58.47	58.32	59.21	61.43	62.26	61.43	62.06	67.75
Food & Live Animals								
Exports	923.60	1,134.29	1,229.51	1,280.54	1,355.88	1,534.26	1,492.07	1,864.11
Imports	829.56	943.23	908.93	1,172.18	1,179.43	1,411.26	1,352.08	1,635.17
T.O.T.	111.34	120.26	135.27	109.24	114.96	108.72	110.35	114.00
Beverages & Tobacco								
Exports	1,225.01	1,061.25	860.48	830.28	776.77	1,114.17	1,001.72	1,263.38
Imports	1,762.07	1,656.22	1,325.61	1,287.99	1,488.28	1,414.25	1,409.99	1,512.40
T.O.T.	69.52	64.08	64.91	64.46	52.19	78.78	71.04	83.53
Crude Materials(inedible except fuels)								
Exports	888.69	1,043.30	1,119.52	1,327.78	1,210.79	1,406.95	1323.4	1,497.86
Imports	1,019.86	1,020.56	1,102.13	1,228.58	1,284.58	1,691.15	1,591.49	1,813.43
T.O.T.	87.14	102.23	101.58	108.07	94.26	83.19	83.15	82.60
Minerals, Fuels & Lubricants								
Exports	1,126.22	1,485.92	2,016.59	1,894.55	1,624.56	2,675.19	2,424.40	2,932.95
Imports	811.76	1,030.32	1,564.46	1,411.00	1,259.52	2,353.30	1,980.39	2,763.43
T.O.T.	138.74	144.22	128.90	134.27	128.98	113.68	122.42	106.13
Chemicals								
Exports	1,017.19	1,054.28	1,129.18	1,252.79	1,256.13	1,212.00	1,202.64	1,331.72
Imports	1,277.08	1,264.05	1,335.10	1,455.62	1,426.78	1,731.89	1,633.80	1,803.37
T.O.T.	79.65	83.40	84.58	86.07	88.04	69.98	73.61	73.85
Animal & Vegetable Oils, Fats & Waxes								
Exports	-	-	-	-	-	-	-	-
Imports	1,090.65	1,010.73	995.35	1,133.53	1,451.50	2,245.99	1,987.37	2,657.72
T.O.T.	-	-	-	-	-	-	-	-
Manufactured Goods								
Exports	595.81	580.96	616.90	647.03	669.74	1,056.33	957.94	1,378.56
Imports	927.03	939.97	1,110.15	1,289.64	1,333.21	1,571.32	1,472.37	1,660.09
T.O.T.	64.27	61.81	55.57	50.17	50.24	67.23	65.06	83.04
Machinery, Transport & Equipment								
Exports	1,741.77	1,838.42	1,466.32	1,129.99	1,393.65	2,215.54	1,664.05	3,087.36
Imports	1,872.19	1,913.85	1,458.64	1,387.32	1,895.14	2,109.52	2,111.36	2,218.20
T.O.T.	93.03	96.06	100.53	81.45	73.54	105.03	78.81	139.18
Miscellaneous Manufactured Articles								
Exports	786.63	820.87	887.27	982.56	1,185.14	1,371.75	1,286.09	1,606.83
Imports	2,494.45	2,652.61	2,186.14	2,019.53	1,989.64	2,127.27	2,344.45	1,804.03
T.O.T.	31.54	30.95	40.59	48.65	59.57	64.48	54.86	89.07

- : Not available

Source: Pakistan Bureau of Statistics

P: Provisional

TABLE 8.5 A

ECONOMIC CLASSIFICATION OF EXPORTS

Year	Primary Commodities		Semi-Manufactured		Manufactured Goods		Total Value*
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	
	2010-11	377,536	18	274,500	13	1,468,811	
2011-12	362,404	17	261,831	12	1,486,370	71	2,110,605
2012-13	364,127	15	391,151	17	1,611,199	68	2,366,478
2013-14	420,496	16	369,066	14	1,793,901	70	2,583,463
2014-15	402,750	17	352,074	15	1,642,689	68	2,397,513
2015-16	356,584	16	254,329	12	1,555,933	72	2,166,846
2016-17	331,040	15	246,319	12	1,560,826	73	2,138,186
2017-18	454,351	18	307,567	12	1,793,125	70	2,555,043
2018-19	567,876	18	307,322	10	2,253,032	72	3,128,230
2019-20	629,112	19	283,213	08	2,457,457	73	3,369,782
2020-21	629,971	16	284,605	07	3,127,350	77	4,041,927
2021-22	907,361	16	375,011	07	4,378,756	77	5,661,127
July-March							
2021-22	634,524	16	269,370	07	3,114,864	78	4,018,758
2022-23 P	803,899	16	306,679	06	3,837,937	78	4,948,514

P : Provisional

Source: Pakistan Bureau of Statistics

* : Total may differ due to rounding off figure

TABLE 8.5 B

ECONOMIC CLASSIFICATION OF IMPORTS

Year	Capital Goods		Industrial Raw Material For				Consumer Goods		Total Value *
	Value	Percentage Share	Capital Goods		Consumer Goods		Value	Percentage Share	
			Value	Percentage Share	Value	Percentage Share			
2010-11	829,005	24	239,525	7	1,826,243	53	560,512	16	3,455,285
2011-12	911,561	23	262,212	7	2,292,309	57	543,011	14	4,009,093
2012-13	1,049,775	24	293,733	7	2,353,818	54	652,553	15	4,349,880
2013-14	1,081,329	23	306,810	7	2,462,189	53	780,192	17	4,630,521
2014-15	1,233,341	27	388,167	8	2,214,664	48	807,980	17	4,644,152
2015-16	1,482,878	31	417,210	9	1,887,884	41	870,977	19	4,658,748
2016-17	1,887,928	34	470,891	9	2,199,168	40	981,733	18	5,539,721
2017-18	2,084,584	31	660,986	10	2,878,788	43	1,070,539	16	6,694,897
2018-19	2,062,358	28	747,761	10	3,301,354	44	1,331,780	18	7,443,253
2019-20	2,016,700	29	757,355	11	2,978,352	42	1,277,412	18	7,029,818
2020-21	2,497,994	28	980,837	11	3,844,593	43	1,659,015	18	8,982,441
2021-22	3,314,722	23	1,440,082	10	6,604,237	46	2,914,353	20	14,273,394
July-March									
2021-22	1,474,519	15	1,764,296	17	4,365,200	43	2,513,288	25	10,117,304
2022-23 P	1,052,528	10	1,559,348	15	5,502,518	54	2,080,694	20	10,195,090

P: Provisional

Source: Pakistan Bureau of Statistics

* : Total may differ due to rounding off figures

TABLE 8.6
MAJOR IMPORTS

Items	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Rs million	
										July-March	
										2021-22	2022-23 P
1. Chemicals	498,340	532,197	540,558	579,959	719,354	865,613	851,989	1,063,394	1,536,219	1,076,326	1,200,428
2. Drugs & medicines	81,399	96,183	96,135	102,110	118,122	148,428	157,763	221,027	706,716	642,678	228,216
3. Dyes and colours	38,601	40,221	43,345	47,334	55,255	72,491	65,958	87,948	104,987	79,260	75,581
4. Chemical Fertilizers	73,058	92,641	75,667	67,063	90,879	105,162	89,580	114,521	148,331	114,762	121,983
5. Electrical goods	114,784	122,183	187,163	243,082	236,896	239,618	349,334	259,081	334,345	254,493	291,294
6. Machinery (non-electrical)	551,829	633,733	712,920	996,128	1,045,502	984,410	1,042,935	1,365,097	1,602,932	1,245,754	749,484
7. Transport equipment	219,877	263,622	297,225	332,549	462,630	397,772	229,955	455,168	760,449	556,049	355,311
8. Paper, board & stationery	44,362	56,130	56,930	59,960	69,096	78,298	66,947	75,259	89,788	69,922	78,639
9. Tea	30,827	34,532	53,491	54,839	60,368	77,367	84,354	92,834	110,985	83,888	101,130
10. Sugar-refined	635	631	645	535	554	534	608	20,893	32,371	32,208	1,011
11. Art-silk yarn	63,596	69,028	64,612	66,478	72,996	94,611	79,126	104,697	156,194	111,601	104,059
12. Iron, steel & Manufactures thereof	180,530	226,030	261,291	228,719	344,595	401,045	319,554	390,487	615,788	450,251	419,854
13. Non-ferrous metals	44,389	44,709	51,722	55,534	67,736	61,698	49,606	77,951	116,661	77,302	91,427
14. Petroleum & Products	1,527,753	1,195,025	794,697	982,619	1,289,222	1,475,012	1,171,969	1,316,909	3,201,993	1,887,716	2,260,835
15. Edible oils	206,955	186,010	195,200	212,327	238,563	265,430	300,008	440,317	662,889	487,124	737,683
16. Grains, pulses & flour	52,710	71,742	77,525	110,483	72,603	84,754	112,183	286,736	271,562	233,406	434,474
17. Other imports	900,876	979,535	1,149,622	1,340,002	1,750,526	2,091,010	2,057,949	2610,122	3,821,184	2,714,564	2,943,681
Grand Total	4,630,521	4,644,152	4,658,749	5,539,721	6,694,897	7,443,253	7,029,818	8,982,441	14,273,394	10,117,304	10,195,090

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.7
MAJOR EXPORTS

	Rs million										
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	July-March	
										2021-22	2022-23 P
1. Rice	222,907	206,266	194,246	168,244	224,739	285,031	343,916	325,585	450,159	309,929	383,875
2. Fish and Fish preparations	37,918	35,429	33,918	41,214	49,755	60,405	64,118	66,040	77,386	53,656	84,494
3. Fruits	45,196	44,375	44,607	39,878	43,842	56,272	67,769	76,846	84,358	67,913	52,458
4. Wheat	732	291	17	109	27,109	20,124	1,815	-	-	-	-
5. Sugar	29,638	32,686	13,818	16,867	56,379	31,147	11,063	-	-	-	22,987
6. Meat and Meat Preparations	23,650	24,657	28,036	23,103	24,920	33,438	48,021	52,978	60,682	42,850	71,555
7. Raw Cotton	21,353	14,931	7,948	4,559	6,184	2,709	2,669	131	1,160	1,160	2,926
8. Cotton Yarn	205,660	187,376	131,700	130,216	151,063	152,726	155,158	161,781	214,144	156,067	134,944
9. Cotton Fabrics	285,130	248,431	230,757	223,675	242,374	285,625	287,877	307,157	433,902	308,842	360,769
10. Hosiery (Knitwear)	235,564	243,719	246,267	247,242	298,374	394,748	440,104	609,576	912,042	641,198	789,867
11. Bed wear	219,962	213,018	210,543	223,812	248,538	307,202	338,750	443,286	584,811	420,355	475,476
12. Towels	78,889	80,778	83,681	83,819	87,633	107,043	111,969	149,783	197,792	141,139	175,489
13. Readymade Garments	196,198	212,210	228,861	242,782	283,498	362,320	401,355	485,061	695,737	492,799	622,741
14. Art Silk and Synthetic Textiles	39,508	33,485	30,005	19,638	34,069	40,433	49,548	59,106	81,742	59,093	72,918
15. Carpets, Carpeting Rugs & Mats	12,935	12,098	10,186	8,219	8,317	9,147	8,516	11,844	14,843	10,493	13,217
16. Sports Goods excl. Toys	37,260	34,294	33,862	32,285	37,710	41,995	41,286	44,443	65,191	44,738	71,984
17. Leather Excluding Reptile Leather (Tanned)	56,496	49,583	37,803	36,180	36,330	34,269	29,001	25,791	37,043	26,618	29,711
18. Leather Manufactures	64,368	60,429	54,788	51,421	57,422	66,146	74,588	90,110	110,159	79,519	103,259
19. Foot wear	12,208	13,304	11,453	10,024	11,913	16,734	19,839	21,125	27,914	20,054	32,599
20. Medical & Surgical Instruments	34,726	34,576	37,408	35,574	41,618	52,970	55,960	68,506	75,164	52,819	79,054
21. Chemicals and Pharmaceuticals	120,391	99,339	83,752	92,176	114,350	154,532	159,377	183,253	281,018	187,990	252,265
22. Engineering goods	33,487	22,675	19,645	18,238	22,882	23,518	27,229	36,042	42,418	28,866	43,891
23. Jewelry	33,844	668	833	610	644	661	506	2,162	2,592	1,752	1,279
24. Cement and cement Products	52,147	44,943	33,468	24,896	24,420	36,550	40,849	42,959	39,296	34,418	32,263
25. All other items	483,295	447,952	359,244	363,405	420,960	552,485	588,499	778,362	1,171,573	836,489	1,038,493
Total Exports	2,583,463	2,397,513	2,166,846	2,138,186	2,555,043	3,128,230	3,369,782	4,041,927	5,661,127	4,018,758	4,948,514

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.8

DESTINATION OF EXPORTS & ORIGIN OF IMPORTS

REGION	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	% Share	
										July-March	
										2021-22	2022-23 P
1. Developed Countries											
Exports	44.7	46.7	51.6	53.4	52.2	53.6	54.5	57.8	58.1	57.3	57.5
Imports	20.5	20.9	23.3	22.5	22.0	21.8	21.0	20.5	18.0	19.7	20.0
a. OECD											
Exports	43.5	45.5	50.5	52.2	50.8	52.3	53.0	56.5	56.9	56.1	56.2
Imports	18.5	18.4	20.9	20.6	20.1	19.9	19.3	18.3	15.8	17.0	17.3
b. Other European Countries											
Exports	1.2	1.1	1.1	1.2	1.3	1.3	1.4	1.3	1.2	1.2	1.3
Imports	2.0	2.5	2.4	1.9	1.9	1.8	1.7	2.3	2.2	2.7	2.7
2. CMEA*											
Exports	1.6	1.7	1.9	2.1	2.0	2.2	2.3	2.5	2.1	2.2	2.4
Imports	1.0	1.3	0.9	1.3	1.0	0.9	1.1	1.9	1.1	1.1	1.0
3. Developing Countries											
Exports	53.7	51.6	46.6	44.6	45.8	44.2	43.3	39.7	39.8	40.5	40.1
Imports	78.5	77.8	75.8	76.2	77.0	77.3	77.9	77.6	80.9	79.2	79.0
a. OIC											
Exports	23.3	20.9	18.6	17.2	17.5	16.7	17.6	14.7	13.1	12.8	15.2
Imports	39.4	33.2	24.7	26.2	28.2	30.8	27.3	25.7	31.6	27.7	27.9
b. SAARC											
Exports	5.5	5.6	6.0	6.1	6.1	5.8	4.6	3.7	4.2	4.5	4.7
Imports	4.8	4.0	4.3	3.5	3.4	3.0	1.1	0.8	0.6	0.7	0.8
c. ASEAN											
Exports	2.6	3.6	2.6	2.8	3.7	3.4	3.3	3.1	3.8	3.7	3.9
Imports	11.0	10.7	10.2	9.8	10.2	10.3	10.4	10.9	10.9	11.3	11.5
d. Central America											
Exports	0.7	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.7	0.8
Imports	0.1	0.1	0.2	0.2	0.3	0.2	0.4	0.2	0.2	0.2	0.3
e. South America											
Exports	1.4	1.3	1.2	1.2	1.2	1.1	1.0	1.1	1.3	1.3	1.4
Imports	0.8	1.3	2.2	1.4	1.5	1.2	2.0	2.7	2.3	1.8	2.0
f. Other Asian Countries											
Exports	14.9	14.1	12.1	11.5	11.3	11.9	10.6	11.9	12.4	12.9	14.1
Imports	20.2	25.6	30.7	31.6	29.3	27.0	31.6	32.4	29.7	31.6	31.5
g. Other African Countries											
Exports	5.2	5.2	5.0	4.7	4.8	4.2	4.9	4.0	3.6	3.7	3.8
Imports	2.2	2.9	3.4	3.4	4.1	4.8	5.1	4.8	5.5	5.9	5.7
h. Central Asian States											
Exports	0.1	0.1	0.2	0.3	0.4	0.5	0.4	0.6	0.8	0.9	0.9
Imports	-	-	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.2	0.1
Total	100	100	100	100	100	100	100	100	100	100	100

P: Provisional - : Not available

Source: Pakistan Bureau of Statistics

*: Council for Mutual Economic Assistance

TABLE 8.9

WORKERS' REMITTANCES

COUNTRY	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	US \$ million	
										July-March	
										2021-22	2022-23 P
I. Cash Flow	15,837.7	18,719.8	19,916.8	19,351.3	19,913.6	21,739.4	23,132.3	29,449.9	31,278.8	23,018.6	20,526.9
Bahrain	318.8	389.0	448.4	396.4	355.7	340.2	417.1	470.8	529.5	391.8	346.8
Canada	160.0	171.0	176.0	187.4	211.1	213.0	313.4	594.8	708.1	514.2	419.7
Germany	85.6	78.1	93.7	94.1	127.8	123.5	392.2	431.9	508.9	378.2	395.0
Japan	7.1	7.8	13.2	14.3	22.8	23.0	66.4	85.2	78.9	57.8	57.2
Kuwait	681.4	748.1	774.0	763.8	774.2	725.8	738.6	861.6	935.5	693.1	614.8
Norway	30.8	27.6	34.9	41.3	47.8	43.5	69.7	111.8	145.7	107.6	85.3
Qatar	329.2	350.2	380.9	404.4	371.1	385.9	760.2	910.7	1,028.5	754.2	698.4
Saudi Arabia	4,729.4	5,630.4	5,968.3	5,469.8	4,858.8	5,003.0	6,613.5	7,726.3	7,754.2	5,827.8	4,910.6
Sultanat-e-Oman	530.5	685.7	819.4	760.9	657.3	667.2	994.3	1,088.6	1,131.9	831.7	757.1
U.A.E.	3,109.5	4,231.8	4,365.3	4,328.0	4,359.0	4,617.3	5,611.8	6,164.8	5,846.2	4,298.0	3,604.3
Abu Dhabi	1,512.5	1,750.7	1,418.3	1,426.8	1,132.7	1,488.0	810.4	944.8	1,208.2	862.1	771.5
Dubai	1,550.0	2,412.0	2,877.7	2,845.3	3,173.7	3,075.5	4,768.2	5,116.0	4,558.3	3,379.7	2,788.5
Sharjah	45.5	67.6	66.5	50.5	47.6	37.2	25.1	79.4	59.8	43.1	29.6
Others	1.5	1.5	2.8	5.5	5.0	16.7	8.1	24.6	19.8	13.1	14.6
U.K.	2,180.2	2,376.2	2,579.7	2,341.7	2,892.4	3,412.3	2,569.0	4,091.0	4,492.9	3,193.4	3,053.2
U.S.A	2,467.7	2,702.7	2,524.7	2,452.9	2,838.0	3,309.1	1,742.8	2,599.6	3,087.4	2,218.4	2,288.6
Other Countries	1,207.4	1,321.3	1,738.4	2,096.2	2,397.7	2,875.7	2,843.3	4,313.0	5,031.3	3,752.2	3,295.9
II. Encashment*	0.0	0.2	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (I+II)	15,837.7	18,720.0	19,916.8	19,351.3	19,913.6	21,739.5	23,132.3	29,449.9	31,278.8	23,018.6	20,526.9

Source: State Bank of Pakistan

* : Encashment and Profit in Pak Rs. of Foreign Exchange Bearer Certificates (FEBs)
& Foreign Currency Bearer Certificates (FCBCs)

TABLE 8.9

WORKERS' REMITTANCES

COUNTRY	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	% Share	
										July-March	
										2021-22	2022-23 P
Cash Flow											
Bahrain	2.01	2.08	2.25	2.05	1.8	1.56	1.80	1.6	1.7	1.7	1.7
Canada	1.01	0.91	0.88	0.97	1.1	0.98	1.35	2.0	2.3	2.2	2.0
Germany	0.54	0.42	0.47	0.49	0.6	0.57	1.70	1.5	1.6	1.6	1.9
Japan	0.04	0.04	0.07	0.07	0.1	0.11	0.29	0.3	0.3	0.3	0.3
Kuwait	4.30	4.00	3.89	3.95	3.9	3.34	3.19	2.9	3.0	3.0	3.0
Norway	0.19	0.15	0.18	0.21	0.2	0.20	0.30	0.4	0.5	0.5	0.4
Qatar	2.08	1.87	1.91	2.09	1.9	1.78	3.29	3.1	3.3	3.2	3.4
Saudi Arabia	29.86	30.08	29.97	28.27	24.4	23.01	28.59	26.2	24.8	25.3	23.9
Sultanat-e-Oman	3.35	3.66	4.11	3.93	3.3	3.07	4.30	3.7	3.6	3.6	3.7
U.A.E.	19.63	22.61	21.92	22.37	21.9	21.24	24.26	20.9	18.7	18.7	17.6
Abu Dhabi	9.55	9.35	7.12	7.37	5.7	6.84	3.50	3.2	3.9	3.7	3.8
Dubai	9.79	12.88	14.45	14.70	15.9	14.15	20.61	17.4	14.6	14.7	13.6
Sharjah	0.29	0.36	0.33	0.26	0.2	0.17	0.11	0.3	0.2	0.2	0.1
Others	0.01	0.01	0.01	0.03	0.0	0.08	0.03	0.1	0.1	0.05	0.1
U.K.	13.77	12.69	12.95	12.10	14.5	15.70	11.11	13.9	14.4	13.9	14.9
U.S.A	15.58	14.44	12.68	12.68	14.3	15.22	7.53	8.8	9.9	9.6	11.1
Other Countries	7.62	7.06	8.73	10.83	12.0	13.23	12.29	14.6	16.1	16.3	16.1
Total	100	100	100	100	100	100	100	100	100	100	100

P: Provisional

Source: State Bank of Pakistan

TABLE 8.10

GOLD & CASH FOREIGN EXCHANGE RESERVES HELD & CONTROLLED BY STATE BANK OF PAKISTAN IN RUPEES

Rs million												
Period	Total				Cash ²				Gold ¹			
	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High
2011 R	1,696,181	1,584,975	1,556,926	1,775,642	1,428,227	1,299,849	1,294,186	1,445,662	267,954	285,126	235,433	329,980
2012	1,438,697	1,314,155	1,299,786	1,584,430	1,125,621	980,592	954,440	1,257,965	313,077	333,563	303,074	348,805
2013	963,392	774,197	753,136	1,302,120	717,295	512,038	471,447	965,052	246,097	262,159	246,097	337,068
2014	1,307,687	1,449,882	754,644	1,449,882	1,038,379	1,200,107	481,286	1,200,107	269,308	249,775	248,274	288,264
2015	1,757,189	2,034,391	1,452,365	2,034,391	1,510,039	1,803,668	1,188,267	1,803,668	247,151	230,723	230,723	264,097
2016	2,325,799	2,307,147	2,001,893	2,404,776	2,038,628	2,055,633	1,759,993	2,128,176	287,170	251,514	241,900	291,829
2017	2,110,682	2,037,749	1,789,701	2,229,859	1,840,320	1,740,610	1,509,347	1,966,073	270,361	297,139	263,786	297,139
2018	1,693,453	1,631,886	1,590,720	1,906,897	1,377,842	1,262,167	1,258,993	1,598,188	315,611	369,719	302,540	369,719
2019	1,957,315	2,546,110	1,766,630	2,546,110	1,488,690	2,056,041	1,386,208	2,056,041	468,625	490,069	376,650	498,191
2020	2,923,806	3,006,317	2,546,494	3,021,459	2,306,312	2,379,318	1,960,582	2,379,318	617,495	626,999	508,578	681,860
2021	3,525,879	4,031,780	2,813,795	4,210,904	2,948,523	3,364,010	2,276,950	3,583,263	577,356	667,770	536,845	667,770
2022	3,045,363	2,247,688	2,247,688	3,862,595	2,271,726	1,394,657	1,394,657	3,169,933	777,637	853,031	659,413	872,393
2023 P			2,144,007	2,675,466			1,072,688	1,507,618			991,822	1,167,848

- : Not available P: Provisional R: Revised *: Last day of the month Source: State Bank of Pakistan

1: Gold excludes unsettled claims of Gold on RBI

2: Cash includes Sinking fund, Foreign currencies cash holdings and excludes unsettled claims on RBI

Note: Gold and Currency wise foreign exchange reserve are converted into US Dollar and then converted into PKR. Further, Low and High value may differ with given US \$ due to exchange rate volatility.

TABLE 8.11**EXCHANGE RATE POSITION (Pakistan Rupees in Terms of One Unit of Selected Foreign Currencies)**

Country	Currency	(Average During the Year)									July-March 2022-23 P
		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
Australia	Dollar	94.4043	84.6706	75.8551	78.9703	85.1230	97.1750	105.9281	119.3876	128.5504	159.0320
Bangladesh	Taka	1.3232	1.3045	1.3327	1.3263	1.3414	1.6203	1.8636	1.8864	2.0811	2.4341
Canada	Dollar	96.1939	86.6031	78.6541	78.9236	86.5105	102.7630	117.6982	124.7096	140.0847	175.8508
China	Yuan	16.7639	16.3639	16.1983	15.4059	16.9332	19.9618	22.4714	24.1827	27.4877	33.9953
Hong Kong	Dollar	13.2668	13.0664	13.4416	13.5015	14.0663	17.3843	20.2849	20.6442	22.7589	30.0837
India	Rupee	1.6757	1.6354	1.5735	1.5778	1.6903	1.9323	2.1845	2.1727	2.3546	2.8930
Iran	Rial	0.0041	0.0037	0.0035	0.0033	0.0030	0.0032	0.0038	0.0038	0.0042	0.0056
Japan	Yen	1.0180	0.8865	0.8959	0.9611	0.9965	1.2257	1.4617	1.5034	1.5108	1.7191
Kuwait	Dinar	364.0262	346.1203	345.2872	345.0024	364.9610	448.8278	516.4404	526.2587	585.6467	766.9110
Malaysia	Ringgit	31.6823	29.3817	25.2457	24.4675	27.0716	33.0115	37.5510	38.7926	41.9288	52.6588
Nepal	Rupee	1.0477	1.0222	0.9838	0.9861	1.0565	1.2070	1.3770	1.3550	1.4838	1.8403
Norway	Krone	17.0596	14.2794	12.4110	12.4644	13.7701	16.0675	16.9236	18.2895	19.8550	23.2555
Singapore	Dollar	81.6310	77.3079	74.9776	75.1927	81.9160	99.7173	114.1680	118.7881	130.4234	171.8845
Sri Lanka	Rupee	0.7862	0.7701	0.7372	0.7031	0.7107	0.7853	0.8669	0.8409	0.7855	0.6588
Sweden	Krona	15.7629	13.1103	12.4006	11.8827	13.2473	14.8779	16.3999	18.6777	19.3564	22.3205
Switzerland	Franc	113.7726	107.4720	106.3904	105.5866	113.2043	136.7574	161.7409	175.8046	190.1290	247.8541
S. Arabia	Riyal	27.4313	27.0040	27.7996	27.9260	29.2998	36.2985	42.1047	42.6535	47.2939	62.6906
Thailand	Baht	3.2278	3.1076	2.9393	3.0034	3.3964	4.2335	5.0949	5.1892	5.3140	6.6562
UAE	Dirham	28.0070	27.5787	28.3865	28.5170	29.9164	37.0585	43.0181	43.5597	48.3140	64.1110
UK	Pound	167.2207	159.4351	154.4878	132.7123	148.0433	175.9308	199.0651	215.2793	235.5923	279.9940
USA	Dollar	102.8591	101.2947	104.2351	104.6971	109.8444	136.0901	158.0253	160.0219	177.4512	235.4944
EMU	Euro	139.4950	121.6726	115.6294	114.0341	131.0859	155.0710	174.5851	190.7393	199.4916	243.7830
IMF	SDR	158.0043	146.9546	145.8777	143.8126	156.7849	189.5557	217.2951	228.2827	246.9933	310.4787

P: Provisional

Source: State Bank of Pakistan

Public Debt

TABLE 9.1

PUBLIC & PUBLICLY GUARANTEED DEBT OUTSTANDING (AS ON 31-03-2023)

Country/Creditor	\$ Million
I. BILATERAL	
a. Paris Club Countries	Amount
AUSTRIA	18
BELGIUM	11
CANADA	34
FINLAND	3
FRANCE	1,479
GERMANY	1,120
ITALY	160
JAPAN	4,193
KOREA	387
THE NETHERLANDS	76
NORWAY	8
RUSSIA	72
SPAIN	55
SWEDEN	58
SWITZERLAND	65
UNITED KINGDOM	3
UNITED STATES	1,024
Sub Total Ia. Paris Club Countries	8,765
b. Non Paris Club Countries	
CHINA	14,794
KUWAIT	125
LIBYA	1
SAUDI ARABIA	1,839
UNITED ARAB EMIRATES	22
Sub Total Ib. Non-Paris Club Countries	16,781
c. Commercial Banks	6,296
d. SAFE/TIME Deposit	7,000
Total I. (a+b+c+d)	38,843
II. MULTILATERAL & Others	
ASIAN DEVELOPMENT BANK (ADB)	15,136
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)	2,177
INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)	16,516
Other	2,984
ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB)	1,410
ISLAMIC DEVELOPMENT BANK (IDB)	943
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)	360
NORDIC DEVELOPMENT FUND	5
OPEC FUND	117
ECO TRADE BANK	149
Sub Total II. Multilateral & Others	36,812
III. BONDS	7,800
IV. IDB (SHORT TERM CREDIT)	280
V. LOCAL CURRENCY BONDS (TBs & PIBs)	4
VI. PAKISTAN BANAO CERTIFICATES (PBCs), NAYA PAKISTAN CERTIFICATES (NPCs)	586
Grand Total: (I+II+III+IV+V+VI)	84,325

Note: Excluding IMF Loans

Source: Economic Affairs Division

TABLE 9.2

COMMITMENTS AND DISBURSEMENTS OF LOANS AND GRANTS (BY TYPE)

\$ Million

Fiscal Year	Project Aid		Non-Project Aid								Total*	
			Non-Food		Food		BOP		Relief			
	Commitment	Disbursement	Commitment	Disbursement	Commitment	Disbursement	Commitment	Disbursement	Commitment	Disbursement	Commitment	Disbursement
2000-01	396	1,030	-	-	91	23	1,128	1,128	21	5	1,637	2,186
2001-02	973	741	-	-	40	114	2,589	1,880	0	21	3,603	2,756
2002-03	700	846	-	-	-	9	1,089	1,057	11	8	1,800	1,920
2003-04	1,214	622	-	-	-	-	1,263	755	2	3	2,479	1,380
2004-05	2,089	918	-	-	-	-	1,202	1,803	-	2	3,291	2,723
2005-06	3,250	2,084	-	-	22	10	1,225	1,262	1	1	4,498	3,357
2006-07	1,365	1,308	133	-	-	12	2,649	2,058	3	3	4,151	3,381
2007-08	2,440	1,565	-	80	-	-	1,309	2,013	2	2	3,751	3,660
2008-09	2,296	1,272	125	175	18	-	3,947	3,238	2	2	6,389	4,688
2009-10	3,729	1,213	100	100	-	-	2,846	2,305	68	49	6,744	3,668
2010-11	2,384	1,076	-	-	-	-	397	648	1,799	895	4,580	2,620
2011-12	3,341	1,753	100	73	-	-	1,135	949	103	314	4,679	3,089
2012-13	1,848	2,071	100	51	-	-	708	466	4	268	2,660	2,855
2013-14	9,809	2,015	125	80	-	-	5,019	4,612	4	133	14,957	6,840
2014-15	2,038	2,449	-	10	-	-	2,671	3,163	12	134	4,721	5,756
2015-16	12,325	2,337	-	-	-	-	5,069	5,199	6	15	17,400	7,551
2016-17	4,257	3,609	-	-	-	-	7,803	7,072	11	1	12,071	10,682
2017-18	3,510	4,460	-	-	-	-	8,566	8,173	2	45	12,078	12,678
2018-19	1,280	3,466	-	-	-	-	7,129	7,352	1	1	8,410	10,819
2019-20	1,962	3,117	-	-	-	-	7,922	8,783	-	-	9,884	11,900
2020-21	4,332	3,376	-	-	-	-	12,127	10,908	-	2	16,459	14,285
2021-22	2,547	3,608	-	-	-	-	13,176	13,366	-	0	15,723	16,975
2022-23 (Jul-Mar)	2,767	1,374	-	-	-	-	4,461	6,391	-	0	7,228	7,765

*: Excluding IMF Loans

Source: Economic Affairs Division

Notes:

- Project Aid includes commitments and disbursements for Earthquake Rehabilitation & Construction
- BOP includes commitment and disbursement for Bonds, Commercial Banks, BOP Programme Loans, IDB Short-term credit and Tokyo Pledges
- Relief includes commitment and disbursement for Afghan Refugees, IDPs, Earthquake and Flood Assistance

TABLE 9.3
ANNUAL COMMITMENTS, DISBURSEMENTS, SERVICE PAYMENTS AND EXTERNAL DEBT OUTSTANDING

Fiscal Year	Debt Outstanding @		Transactions during period					Debt Servicing as % of		
	Disbursed*	Undisbursed*	Commitment**	Disbursement**	Service Payments***			Export Receipts (Goods)	Foreign Exchange Earning	GDP
					Principal	Interest	Total			
2000-01	25,608	2,860	1,167	1,846	1,004	663	1,668	18.7%	11.7%	2.3%
2001-02	27,215	3,504	3,293	2,423	772	538	1,309	14.3%	8.5%	1.8%
2002-03	28,301	3,811	1,747	1,729	971	613	1,583	14.4%	7.7%	1.9%
2003-04	28,900	5,392	2,125	1,372	2,513	702	3,215	25.8%	14.6%	3.3%
2004-05	30,813	4,975	3,113	2,452	1,072	669	1,742	12.0%	6.5%	1.6%
2005-06	33,033	5,838	4,507	3,163	1,424	712	2,136	12.9%	6.7%	1.6%
2006-07	35,673	6,277	4,059	3,356	1,283	819	2,102	12.2%	6.4%	1.4%
2007-08	40,770	6,540	3,398	3,160	1,130	949	2,079	10.2%	5.6%	1.2%
2008-09	42,567	7,451	5,792	4,032	2,566	873	3,439	18.0%	9.7%	2.0%
2009-10	43,187	9,634	6,171	3,099	2,339	756	3,095	15.7%	8.1%	1.7%
2010-11	46,458	9,797	4,580	2,620	1,925	762	2,687	10.6%	5.6%	1.3%
2011-12	46,349	10,316	4,679	3,089	1,534	717	2,251	9.1%	4.7%	1.0%
2012-13	44,350	9,954	1,278	2,486	1,903	709	2,612	10.5%	5.2%	1.1%
2013-14	48,978	15,770	11,263	3,760	2,074	736	2,810	11.2%	5.5%	1.1%
2014-15	47,832	18,559	3,621	3,601	2,262	949	3,211	13.3%	6.1%	1.2%
2015-16	52,979	20,669	14,215	4,693	3,202	1,092	4,294	19.5%	8.4%	1.4%
2016-17	57,643	21,524	5,651	4,859	5,195	1,242	6,437	29.3%	12.3%	1.9%
2017-18	65,526	19,573	4,120	4,320	4,175	1,636	5,811	23.5%	10.5%	1.6%
2018-19	70,601	17,739	3,119	5,578	7,054	2,067	9,121	37.6%	16.3%	2.8%
2019-20	74,558	19,032	5,803	7,327	8,569	1,985	10,554	46.8%	19.5%	3.5%
2020-21	84,424	21,867	6,931	6,168	5,913	1,381	7,294	28.4%	11.2%	2.1%
2021-22	89,024	16,841	7,837	8,533	10,305	1,992	12,296	37.8%	16.8%	3.3%
2022-23 (Jul-Mar)	84,325	17,828	6,065	6,583	10,585	2,023	12,608	59.8%	25.8%	3.8%

* : Excluding grants

Source: Economic Affairs Division

** : Excluding IMF, Short Term Credit, Commercial Credits and Bonds

*** : Excluding IMF Loans

@: Public and Publicly Guaranteed Loans (Excluding IMF)

Note: PBS has changed the National Accounts base year from 2005/06 to 2015/16. The new GDP numbers are available from 2015/16

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

US\$ Million

Fiscal Year	Kind	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (Jul-Mar)
I. PARIS CLUB COUNTRIES											
1.	Australia	-	-	-	-	-	-	-	-	-	-
	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-	-
2.	Austria	4.9	3.8	3.8	4.0	3.9	2.8	1.5	-	2.8	3.1
	Principal	4.9	3.8	3.8	4.0	3.9	2.8	1.5	-	2.8	3.1
	Interest	3.0	2.3	2.0	1.8	1.7	1.4	0.7	-	0.5	0.5
3.	Belgium	1.2	1.2	1.3	1.5	1.8	2.0	1.1	-	2.0	2.2
	Principal	1.2	1.2	1.3	1.5	1.8	2.0	1.1	-	2.0	2.2
	Interest	1.8	1.5	1.3	1.2	1.2	1.1	0.5	-	0.4	0.3
4.	Canada	3.1	3.6	4.1	4.7	5.4	6.1	3.4	-	6.2	6.9
	Principal	3.1	3.6	4.1	4.7	5.4	6.1	3.4	-	6.2	6.9
	Interest	0.8	0.7	0.8	1.2	1.3	1.9	0.8	-	0.2	0.6
5.	Denmark	-	-	-	-	-	-	-	-	-	-
	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-	-
6.	France	52.3	53.4	57.9	79.3	109.6	115.6	66.6	-	105.6	118.2
	Principal	52.3	53.4	57.9	79.3	109.6	115.6	66.6	-	105.6	118.2
	Interest	79.2	66.8	60.6	57.9	58.6	52.7	25.7	0.3	28.4	38.1
7.	Finland	0.2	0.4	0.3	0.3	0.4	0.4	0.5	-	0.4	0.4
	Principal	0.2	0.4	0.3	0.3	0.4	0.4	0.5	-	0.4	0.4
	Interest	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-	0.0	0.1
8.	Germany	14.5	16.8	16.0	39.5	66.7	67.8	34.5	0.2	50.7	54.2
	Principal	14.5	16.8	16.0	39.5	66.7	67.8	34.5	0.2	50.7	54.2
	Interest	26.7	25.1	24.8	22.4	22.9	19.9	10.1	0.5	6.9	6.2
9.	Italy	0.8	0.8	0.9	1.1	1.2	1.4	0.8	-	1.4	1.5
	Principal	0.8	0.8	0.9	1.1	1.2	1.4	0.8	-	1.4	1.5
	Interest	0.2	0.1	0.2	0.2	0.2	0.3	0.1	-	0.0	0.1
10.	Japan	55.9	51.2	62.5	175.5	281.8	294.0	179.6	0.6	193.3	220.1
	Principal	55.9	51.2	62.5	175.5	281.8	294.0	179.6	0.6	193.3	220.1
	Interest	103.3	88.1	90.4	93.8	89.9	86.2	48.2	0.1	36.5	34.9
11.	Korea	16.6	19.0	22.2	25.8	30.2	34.0	22.3	8.4	37.8	38.1
	Principal	16.6	19.0	22.2	25.8	30.2	34.0	22.3	8.4	37.8	38.1
	Interest	5.9	5.5	6.1	8.0	9.3	11.8	5.9	0.6	2.8	4.6
12.	Norway	0.6	0.7	0.8	0.9	1.1	1.2	0.7	-	1.3	1.1
	Principal	0.6	0.7	0.8	0.9	1.1	1.2	0.7	-	1.3	1.1
	Interest	0.2	0.2	0.2	0.2	0.3	0.3	0.2	-	0.1	0.1
13.	The Netherlands	0.5	0.5	0.5	2.4	4.7	4.6	2.3	-	3.1	3.3
	Principal	0.5	0.5	0.5	2.4	4.7	4.6	2.3	-	3.1	3.3
	Interest	3.2	3.0	2.6	2.5	2.7	2.5	2.1	-	1.2	2.0
14.	Russia	4.3	4.9	5.6	6.4	7.3	8.4	4.6	-	-	-
	Principal	4.3	4.9	5.6	6.4	7.3	8.4	4.6	-	-	-
	Interest	5.5	5.4	5.1	4.7	4.4	4.0	1.9	-	-	-
15.	Sweden	5.4	6.1	7.0	8.1	9.2	10.6	5.8	-	10.6	11.9
	Principal	5.4	6.1	7.0	8.1	9.2	10.6	5.8	-	10.6	11.9
	Interest	1.2	1.1	1.3	1.9	2.3	3.2	1.4	-	0.4	1.0
16.	Spain	1.0	1.1	1.2	2.6	3.9	4.1	2.2	-	3.6	4.0
	Principal	1.0	1.1	1.2	2.6	3.9	4.1	2.2	-	3.6	4.0
	Interest	1.8	1.8	1.8	1.7	1.9	2.0	1.0	-	0.7	0.8
17.	Switzerland	3.4	3.7	4.1	5.2	6.4	7.1	4.0	-	7.0	8.0
	Principal	3.4	3.7	4.1	5.2	6.4	7.1	4.0	-	7.0	8.0
	Interest	3.9	1.1	1.0	1.0	0.9	0.8	0.4	-	0.5	0.5
18.	USA	6.1	7.0	8.0	25.5	43.1	45.0	23.8	-	28.8	35.1
	Principal	6.1	7.0	8.0	25.5	43.1	45.0	23.8	-	28.8	35.1
	Interest	28.4	29.4	27.7	27.3	26.1	24.7	11.8	-	9.7	10.0
19.	UK	0.3	0.4	0.4	0.4	0.5	0.5	0.3	-	0.5	0.5
	Principal	0.3	0.4	0.4	0.4	0.5	0.5	0.3	-	0.5	0.5
	Interest	0.1	0.1	0.1	0.1	0.1	0.1	0.0	-	0.0	0.0
	TOTAL (I)	171.1	174.6	196.6	383.1	577.3	605.5	353.8	9.1	454.9	508.6
	Principal	171.1	174.6	196.6	383.1	577.3	605.5	353.8	9.1	454.9	508.6
	Interest	265.1	232.2	225.8	225.9	223.9	213.1	110.7	1.4	88.3	99.6
II. NON-PARIS CLUB COUNTRIES											
1.	China	121.3	128.0	170.4	712.3	216.1	342.0	421.6	135.5	394.4	1,290.8
	Principal	121.3	128.0	170.4	712.3	216.1	342.0	421.6	135.5	394.4	1,290.8
	Interest	103.5	139.3	141.5	205.8	240.3	388.2	450.8	169.8	240.3	421.8
2.	Czecho-Slovakia	-	-	-	-	-	-	-	-	-	-
	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-	-
3.	Kuwait	7.1	7.6	10.3	9.5	11.2	12.1	12.0	11.5	16.1	13.5
	Principal	7.1	7.6	10.3	9.5	11.2	12.1	12.0	11.5	16.1	13.5
	Interest	3.1	3.1	3.2	3.8	4.1	4.0	3.5	3.4	3.6	2.9
4.	Libya	-	-	-	-	-	-	-	-	-	-
	Principal	-	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-	-
5.	Saudi Arabia	166.7	121.9	111.2	167.1	30.7	32.8	30.0	-	121.8	317.7
	Principal	166.7	121.9	111.2	167.1	30.7	32.8	30.0	-	121.8	317.7
	Interest	7.5	5.7	5.4	7.8	4.3	5.1	10.7	-	73.3	26.7
6.	UAE	4.5	4.5	6.3	6.3	6.3	6.3	6.3	-	1.8	1.9
	Principal	4.5	4.5	6.3	6.3	6.3	6.3	6.3	-	1.8	1.9
	Interest	3.0	1.7	1.7	1.6	1.4	1.0	0.8	-	0.6	0.5
7.	EXIM Bank (FE)	7.3	8.3	9.5	10.9	12.5	14.3	7.9	-	14.4	16.3
	Principal	7.3	8.3	9.5	10.9	12.5	14.3	7.9	-	14.4	16.3
	Interest	1.2	1.1	1.1	1.1	1.9	3.5	1.8	-	0.5	0.7
8.	PL-480	1.2	1.2	1.2	3.1	5.1	4.8	2.4	-	3.2	3.9
	Principal	1.2	1.2	1.2	3.1	5.1	4.8	2.4	-	3.2	3.9
	Interest	2.9	1.5	2.9	2.9	2.7	2.6	1.3	-	1.2	1.3
9.	CCC	9.7	11.1	12.7	14.6	16.7	19.1	10.6	-	29.8	30.5
	Principal	9.7	11.1	12.7	14.6	16.7	19.1	10.6	-	29.8	30.5
	Interest	15.2	14.6	13.9	13.1	12.2	11.1	5.1	-	5.9	4.7
	TOTAL (II)	317.6	282.5	321.6	923.9	298.7	431.5	490.7	147.0	581.6	1,674.5
	Principal	317.6	282.5	321.6	923.9	298.7	431.5	490.7	147.0	581.6	1,674.5
	Interest	136.5	167.0	169.7	236.0	266.9	415.5	474.0	173.3	325.3	458.7
III. MULTILATERAL											
1.	ADB	728.1	721.2	755.4	778.4	757.6	744.0	803.0	846.6	845.1	635.8
	Principal	728.1	721.2	755.4	778.4	757.6	744.0	803.0	846.6	845.1	635.8
	Interest	82.6	80.6	84.8	107.4	138.8	184.1	201.8	174.4	150.4	178.3
2.	AIB	-	-	-	-	-	-	-	-	-	6.1
	Principal	-	-	-	-	-	-	-	-	-	6.1
	Interest	-	-	-	-	-	-	-	-	-	19.2
3.	IBRD	165.6	156.1	147.3	128.0	136.8	117.2	85.0	87.9	100.8	96.1
	Principal	165.6	156.1	147.3	128.0	136.8	117.2	85.0	87.9	100.8	96.1
	Interest	8.1	5.9	8.0	13.4	17.1	42.0	40.6	22.4	19.7	48.5

(Contd...)

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

US\$ Million

Fiscal Year	Kind	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (Jul-Mar)	
4	IDA	236.3	253.5	256.8	279.0	344.8	370.2	452.3	512.3	582.7	469.1	
	Principal											
5	IFAD	4.8	5.3	5.5	6.6	7.9	7.8	7.8	9.2	9.2	6.0	
	Principal											
6	IDB	23.6	31.6	44.6	50.8	58.5	80.8	93.1	87.7	90.0	65.5	
	Principal											
7	IDB (ST)	413.0	409.1	734.5	877.9	836.3	1,082.1	836.7	757.2	533.0	1,207.8	
	Principal											
TOTAL (III)		1,571.4	1,576.8	1,944.0	2,120.6	2,141.9	2,402.1	2,277.8	2,301.0	2,160.7	2,486.4	
	Interest											
IV. DEVELOPMENT FUNDS												
1.	NORDIC	1.6	0.8	0.6	0.6	0.6	0.6	0.3	0.6	0.6	0.4	
	Principal											
2.	OPEC Fund	3.0	4.5	6.4	6.1	6.1	9.5	9.4	9.4	8.9	5.0	
	Principal											
3.	Turkey (EXIM Bank)	0.7	31.3	1.3	1.3	1.3	41.3	1.3	1.3	-	-	
	Principal											
4.	E.L.Bank	8.4	8.2	7.0	5.5	5.0	5.0	-	-	-	-	
	Principal											
5.	ANZ Bank / Standard Chartered Bank	-	172.5	225.0	1,003.8	1,138.9	2,552.0	4,434.7	3,444.1	5,177.3	4,568.1	
	Principal											
TOTAL (IV)		13.6	217.3	240.2	1,017.2	1,151.9	2,608.4	4,445.8	3,455.5	5,186.8	4,573.5	
	Interest											
V. GLOBAL BONDS												
1.	Euro Bonds	110.8	301.4	354.3	366.9	422.8	502.7	395.8	361.8	586.7	391.7	
	Principal											
2.	Saindak Bonds	-	-	-	-	-	-	-	-	-	-	
	Principal											
3.	US Dollar Bonds (NHA)	-	-	-	-	-	-	-	-	-	-	
	Principal											
TOTAL (V)		110.8	301.4	354.3	366.9	422.8	502.7	395.8	361.8	586.7	391.7	
	Interest											
TOTAL (I+II+III+IV+V)		2,073.8	2,251.2	3,202.5	5,194.8	4,169.7	7,047.4	8,568.0	5,912.5	9,384.0	10,243.0	
Total (P+I)		2,809.8	3,200.4	4,294.2	6,437.1	5,786.4	9,114.8	10,558.0	7,293.5	11,224.5	12,015.0	
VI. OTHERS												
1.	NBP	-	-	-	-	-	-	-	-	-	-	
	Principal											
2.	Bank of Indosuez	-	-	-	-	-	-	-	-	-	-	
	Principal											
3.	NBP Bahrain	-	-	-	-	-	-	-	-	-	-	
	Principal											
4.	ANZ Bank	-	-	-	-	-	-	-	-	-	-	
	Principal											
5.	US Dollar Bonds	-	-	-	-	-	-	-	-	-	-	
	Principal											
6.	Cash (ST)	-	-	-	-	-	-	-	-	-	-	
	Principal											
7.	OTF	0.2	-	-	-	-	-	-	-	-	-	
	Principal											
8.	Exchange Loss	-	-	-	-	19.4	-	-	-	-	-	
	Principal											
9.	Unspent Balance	-	10.7	-	-	5.3	6.7	1.1	0.1	11.8	10.4	
	Principal											
10.	Naya Pakistan Certificates (NPCs)	-	-	-	-	-	-	-	-	908.8	331.7	
	Principal											
11.	KSA Deposit	-	-	-	-	-	-	-	-	-	-	
	Principal											
TOTAL (VI)		0.2	-	-	-	19.4	-	-	-	98.7	107.8	
	Interest											
10	SAFE Deposit (VII)	-	-	-	-	-	-	-	-	52.5	143.6	
	Principal											
TOTAL (I+II+III+IV+V+VI+VII)		2,073.8	2,261.9	3,202.5	5,194.8	4,175.0	7,054.2	8,569.2	5,912.6	10,304.6	10,585.1	
Grand Total (P+I)		2,810.0	3,211.1	4,294.2	6,437.1	5,811.1	9,121.5	10,554.2	7,293.6	12,296.3	12,608.5	

Note: Excluding IMF Loans

Source: Economic Affairs Division

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN*

Lending Country/Agency	2016-17			2017-18		
	Amount	Interest Rate/	Amortization	Amount	Interest Rate/	Amortization
	\$ Million	Commission(%)	years	\$ Million	Commission(%)	years
A. Paris Club Countries						
1. Germany						
2. Japan	23.8	Fixed 0.1 & LIBOR Yen 06 Months + 0.1	30			
3. France	114.0	LIBOR EURO 06 Months + 0.52	20	192.1	LIBOR EURO 06 Months + 0.47 & 0.52	20
4. Italy						
5. Korea	76.3	Fixed 0.1	40			
Sub-Total A	214.1			192.1		
B. Non-Paris Club						
1. China**	729.4	Fixed 2 & LIBOR 06 Months + 2.8	20	500.0	LIBOR 12 Months + 1	2
2. Kuwait				14.9	Fixed 2.5	21
3. Saudi Arabia						
Sub-Total B	729.4			514.9		
C. Multilateral						
1. IDB Short-term	700.0	LIBOR 12 Months + 2.22	1	694.4	Fixed 4 & LIBOR 12 Months + 2.22	1
2. IDB						
3. IDA	761.2	1.88 to 3.2 Fixed	25	1,386.3	Fixed 2 to 3.36	25
4. ADB	2,001.0	2 Fixed & LIBOR 6 Months + 0.6	25	1,589.6	Fixed 2 & LIBOR 6 Months + 0.6	24
5. OPEC						
6. IBRD	690.0	LIBOR 6 Months + 0.5 & 0.75	21	855.0	LIBOR 6 Months + 0.75	21
7. IFAD	50.0	Fixed 1.75	20	82.6	Fixed 0.75	40
8. EIB						
9. E.C.O BANK	40.0	LIBOR 6 Months + 1.9	2			
10. AIIB	300.0	LIBOR 6 Months + 0.75	20			
Sub-Total C	4,542.2			4,607.9		
D. Commercial Banks						
1. SCB (London)	700.0	Fixed 4.47	10	200.0	LIBOR 12 Months + 1.4	1
2. SUISSE AG, UBL, ABL	1,000.0	LIBOR 6 Months + 2 to 3	1 & 9	1,200.0	LIBOR 3 Months + 2	1
3. Dubai Bank				80.0	LIBOR 3 Months + 2.6	2
4. Noor Bank	445.0	LIBOR 3 Months + 2.3 to 2.5	2	220.0	LIBOR 3 Months + 2	1
5. Bank of China	300.0	LIBOR 3 Months + 2.93	3	200.0	LIBOR CHF 3 MONTHS + 2	3
6. China Development Bank	1,700.0	LIBOR 6 Months + 3.02	3	1,000.0	LIBOR 3 Months + 3	3
7. Citi Bank	275.0	LIBOR 3 Months + 2.7	2	267.0	LIBOR 3 Months + 2.7	2
8. ICBC-China	300.0	LIBOR 3 Months + 2.75	2	1,000.0	LIBOR 3 Months + 3.25	3
Sub-Total (D)	4,720.0			4,167.0		
E. International Bonds						
1. Bonds 2021	1,000.0	Fixed 5.5	5			
2. Bonds 2027				1,500.0	Fixed 6.875	10
3. Sukuk 2022				1,000.0	Fixed 5.625	5
Sub-Total (E)	1,000.0			2,500.0		
Total (A+B+C+D+E)	11,205.7			11,981.9		
Lending Country/Agency	2018-19			2019-20		
	Amount	Interest Rate/	Amortization	Amount	Interest Rate/	Amortization
	\$ Million	Commission(%)	years	\$ Million	Commission(%)	years
A. Paris Club Countries						
1. Germany						
2. Japan						
3. France	148.0	LIBOR EURO 6 MONTH +0.25	20	23.0	Interest Free	28
4. Italy				80.0	Fixed +1.5	25
5. Korea						
Sub-Total A	148.0			103.0		
B. Non-Paris Club						
1. China**	2,000.0	LIBOR 12 Months +1	1			
2. Kuwait						
3. Saudi Arabia						
Sub-Total B	2,000.0			0.0		
C. Multilateral						
1. IDB Short-term	926.0	LIBOR 12 Months + 2.7	1	555.8	LIBOR 12 Months + 2.7	1
2. IDB				200.0		
3. IDA	615.6	Fixed 1.25	30	1,449.0	Fixed 1.25	30
4. ADB	355.0	LIBOR 6 Months + 0.6	25	2,823.3	LIBOR 6 Months + 0.6	25
5. OPEC						
6. IBRD				652.0	LIBOR 6 Months + 0.5	25
7. IFAD				36.0		
8. EIB						
9. E.C.O BANK	40.0	LIBOR 12 Months + 1.9	1			
10. AIIB				540.0	LIBOR 6 MONTHS +0.6	16
Sub-Total C	1,936.6			6,256.1		
D. Commercial Banks						
1. SCB (London)				200.0		
2. SUISSE AG, UBL, ABL	495.0	LIBOR 3 Months + 3.25	1	200.0	LIBOR 3 Months + 3.25	1
3. Dubai Bank	685.0	LIBOR 12 Months + 2	1	445.0	LIBOR 3 Months + 2.2	1
4. Noor Bank	225.0	LIBOR 12 Months + 2.25				
5. Bank of China				500.0	LIBOR 6 Months + 2.93 and 2.65	2 and 3
6. China Development Bank	2,183.7	SHIBOR 6 Months + 2.5	3	1,700.0	LIBOR 6 Months +3	3
7. Citi Bank				150.0	LIBOR 3 Months + 2.2	
8. ICBC China	300.0	LIBOR 6 Months + 2.75	2			
9. Ajman Bank	274.0	LIBOR 6 Months + 2.20	1	267.5	LIBOR 6 Months + 2.20	1
Sub-Total (D)	4,162.7			3,462.5		
Total (A+B+C+D)	8,247.2			9,821.6		

*Excluding IMF Loans ** Including SAFE Deposits

Source: Economic Affairs Division

TABLE 9.6

GRANT ASSISTANCE AGREEMENTS SIGNED

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (Jul-Mar)
(\$ Million)											
I. Paris Club Countries											
1. Australia	-	-	-	-	-	-	-	-	-	-	-
2. Austria	-	-	-	-	-	-	-	-	-	-	-
3. Canada	-	-	-	-	-	-	-	-	-	-	-
4. France	0.5	3.4	-	6.5	-	-	-	-	-	-	0.3
5. Germany	13.1	18.4	9.0	56.8	1.1	11.6	5.7	13.5	5.9	-	-
6. Japan	28.4	19.2	79.7	38.1	10.7	26.2	3.0	-	71.5	27.6	9.3
7. The Netherlands	-	-	-	-	-	-	-	-	-	-	-
8. Norway	12.4	-	-	-	-	-	-	-	-	-	-
9. Korea	-	-	-	-	-	-	-	-	-	-	-
10. Switzerland	-	-	-	-	-	-	-	-	-	-	-
11. UK	1,173.3	-	534.4	-	49.8	-	-	-	-	-	-
12. USA	70.0	150.0	-	43.0	677.3	-	-	-	-	-	-
13. Italy	-	-	-	-	-	-	-	-	-	-	-
14. Denmark	-	-	-	-	-	-	-	-	-	-	-
15. Belgium	-	-	-	-	-	-	-	-	-	-	5.4
Sub-Total (I)	1,297.6	191.0	623.0	144.5	738.9	37.8	8.7	13.5	77.4	27.6	15.0
II. Non Paris Club Countries											
1. China	11.4	-	123.9	4.5	-	21.2	-	-	-	157.3	-
2. Iran	-	-	-	-	-	-	-	-	-	-	-
3. UAE	-	-	-	-	-	-	-	-	-	-	-
4. Oman	-	-	-	-	-	-	-	-	-	-	-
5. Saudi Arabia	-	26.7	-	53.5	-	-	16.1	-	-	-	-
Sub-Total (II)	11.4	26.7	123.9	58.0	-	21.2	16.1	-	-	157.3	-
III. Multilateral											
1. ADB	-	-	-	247.6	3.5	19.2	4.0	5.0	2.0	-	5.0
2. EEC / EU	19.6	200.7	-	230.2	-	-	130.9	14.6	-	-	-
3. Islamic Development Bank	-	-	-	0.6	0.3	-	-	-	-	-	-
4. IDA	-	9.0	-	-	-	-	2.0	10.2	117.7	-	-
5. IBRD	39.4	18.1	127.2	-	111.2	15.6	-	15.0	69.9	54.8	82.0
6. IFAD	-	-	0.5	-	-	-	-	2.9	3.1	-	-
7. AIIB	-	-	-	-	-	-	-	1.5	4.1	-	-
8. UN and Specialised Agencies	-	2.4	-	-	-	-	-	-	-	-	-
9. UNDP Special Grant	-	-	-	-	-	-	-	-	-	-	-
10. World Food Programme	-	-	-	-	-	-	-	-	-	-	-
11. UNFPA	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (III)	59.0	230.2	127.8	478.3	114.9	34.8	136.9	49.1	196.8	54.8	87.0
IV. Relief Assistance for											
A. Afghan Refugees	4.2	-	1.0	1.3	1.1	1.9	0.9	0.3	-	-	-
B. Earthquake	-	-	-	-	-	-	-	-	-	-	-
1. Afghanistan	-	-	-	-	-	-	-	-	-	-	-
2. Algeria	-	-	-	-	-	-	-	-	-	-	-
3. Austria	-	-	-	-	-	-	-	-	-	-	-
4. Azerbaijan	-	-	-	-	-	-	-	-	-	-	-
5. Bhutan	-	-	-	-	-	-	-	-	-	-	-
6. Brunei	-	-	-	-	-	-	-	-	-	-	-
7. China	-	-	-	-	-	-	-	-	-	-	-
8. Cyprus	-	-	-	-	-	-	-	-	-	-	-
9. Indonesia	-	-	-	-	-	-	-	-	-	-	-
10. Jordan	-	-	-	-	-	-	-	-	-	-	-
11. Malaysia	-	-	-	-	-	-	-	-	-	-	-
12. Morocco	-	-	-	-	-	-	-	-	-	-	-
13. Oman	-	-	-	-	-	-	-	-	-	-	-
14. Pak-Turk foundation	-	-	-	-	-	-	-	-	-	-	-
15. Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-
16. South Korea	-	-	-	-	-	-	-	-	-	-	-
17. Thailand	-	-	-	-	-	-	-	-	-	-	-
18. Turkey for FATA TDPs	-	-	-	-	10.0	-	-	-	-	-	-
19. UK	-	-	-	-	-	-	-	-	-	-	-
20. ADB	-	-	-	-	-	-	-	-	-	-	-
21. WB (IDA)	10.0	-	-	-	-	-	-	-	-	-	-
22. Germany	-	-	-	-	-	-	-	-	-	-	-
23. IDB	-	-	-	-	-	-	-	-	-	-	-
24. Mauritius	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (IV)	14.2	-	1.0	1.3	11.1	1.9	0.9	0.3	-	-	-
V. International Bonds											
Sub-Total (V)	-	-	-	-	-	-	-	-	-	41.7	-
Grand Total (I+II+III+IV+V)	1,382.3	447.9	875.6	682.1	864.9	95.7	162.6	62.9	274.2	281.3	102.0

Source : Economic Affairs Division

TABLE 9.7

TOTAL LOANS AND CREDITS CONTRACTED

Lending Country/Agency	(\$ Million)									
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (Jul-Mar)
A. Paris Club Countries										
1. Austria	-	-	-	-	-	-	-	-	-	-
2. Australia	-	-	-	-	-	-	-	-	-	-
3. Belgium	-	-	-	-	-	-	-	-	-	-
4. Canada	-	-	-	-	-	-	-	-	-	-
5. France	83.3	-	46.3	114.0	192.1	148.0	-	77.3	-	23.9
6. Germany	27.3	-	44.6	-	-	-	-	32.1	-	-
7. Japan	49.3	-	109.8	23.8	-	-	-	-	-	-
8. Korea	-	-	139.8	76.3	-	-	80.0	-	-	-
9. Netherlands	-	-	-	-	-	-	-	-	-	-
10. Norway	-	-	-	-	-	-	-	-	-	-
11. Spain	-	-	-	-	-	-	-	-	-	-
12. UK	-	-	-	-	-	-	-	-	-	-
13. USA	-	-	-	-	-	-	-	-	-	-
14. Italy	-	-	-	-	-	-	23.0	-	-	-
15. Sweden	-	-	-	-	-	-	-	-	-	-
Sub-Total (A)	159.9	-	340.4	214.1	192.1	148.0	103.0	109.4	-	23.9
B. Non-Paris Club Countries										
1. China	6,493.8	37.7	9,422.7	729.4	500.0	2,000.0	-	1,000.0	-	-
2. Kuwait	-	-	-	-	14.9	-	-	-	-	-
3. Saudi Arabia	282.8	-	55.0	-	-	-	-	-	-	-
4. Turkey (EXIM Bank)	-	-	-	-	-	-	-	-	1,200.0	1,000.0
5. Abu Dhabi Fund	-	-	-	-	-	-	-	-	-	-
6. CATIC	-	-	-	-	-	-	-	-	1,012.0	-
Sub-Total (B)	6,776.6	37.7	9,477.7	729.4	514.9	2,000.0	-	1,000.0	2,212.0	1,000.0
C. Multilateral										
1. IBRD	-	-	100.0	690.0	855.0	-	652.0	854.0	195.0	-
2. IDA	1,554.1	1,425.4	1,598.6	761.2	1,386.3	615.6	1,449.0	3,633.6	92.0	2,642.2
3. ADB	2,148.8	762.1	1,713.1	2,001.0	1,589.6	355.0	2,823.3	900.0	1,783.1	1,792.6
4. IFAD	-	31.6	67.9	-	82.6	-	36.0	62.3	-	50.0
5. European Investment Bank	136.5	-	-	-	-	-	-	-	-	-
6. ECOTDB	30.0	-	35.0	40.0	-	40.0	-	-	52.0	54.3
7. OPEC Fund	50.0	-	-	50.0	-	-	-	50.0	72.0	-
8. IDB	264.4	-	100.0	-	-	-	200.0	-	252.5	-
9. IDB (ST)	1,006.5	488.8	1,237.0	700.0	694.4	926.0	555.8	951.5	881.5	161.0
10. AIIB	-	-	100.0	300.0	-	-	540.0	321.8	178.6	501.6
Sub-Total (C)	5,190.3	2,707.9	4,951.6	4,542.2	4,607.9	1,936.6	6,256.1	6,773.2	3,506.7	5,201.7
D. International Bonds										
1. Eurobonds / Sukuks	2,000.0	1,000.0	500.0	1,000.0	2,500.0	-	-	2,500.0	2,000.0	-
Sub-Total (D)	2,000.0	1,000.0	500.0	1,000.0	2,500.0	-	-	2,500.0	2,000.0	-
E. Commercial Banks										
1. SCB London	172.5	100.1	-	700.0	200.0	-	200.0	600.0	400.0	-
2. Dubai Bank	-	-	125.0	-	80.0	685.0	445.0	825.0	1,140.0	-
3. Noor Bank	-	-	340.0	445.0	220.0	225.0	-	-	-	-
4. SUISSE AG, UBL, ABL	200.0	-	983.0	1,000.0	1,200.0	495.0	200.0	215.0	343.5	-
5. Bank of China	-	-	-	300.0	200.0	-	500.0	-	-	200.0
6. China Development Bank	-	-	-	1,700.0	1,000.0	2,183.7	1,700.0	1,000.0	2,239.0	700.0
7. ICBC-China	-	-	-	300.0	1,000.0	300.0	-	1,300.0	-	-
8. Citi Bank	-	-	-	275.0	267.0	-	150.0	-	-	-
9. Emirates NBD	-	-	-	-	-	-	-	370.0	600.0	-
10. Ajman Bank	-	-	-	-	-	274.0	267.5	350.0	-	-
11. NBP Bahrain	-	-	-	-	-	-	-	142.0	-	-
Sub-Total (E)	372.5	100.1	1,448.0	4,720.0	4,167.0	4,162.7	3,462.5	4,802.0	4,722.5	900.0
F. SFD TIME Deposit	-	-	-	-	-	-	-	-	3,000.0	-
Grand-Total (A+B+C+D+E+F)	14,499.2	3,845.7	16,717.7	11,205.7	11,981.9	8,247.3	9,821.6	15,184.6	15,441.2	7,125.7

Note: Total may differ due to rounding off

Source : Economic Affairs Division

Education

TABLE 10.1

NUMBER OF EDUCATIONAL INSTITUTIONS BY KIND, LEVEL & SEX

Year													Numbers	
	Primary* Schools (000)		Middle Schools (000)		High Schools (000)		Technical & Vocational Institutions		Higher Sec/ Inter Colleges		Degree Colleges		Univer- sities	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	
2010-11	155.5	58.2	41.6	20.4	25.2	9.5	3,224	2,206	3,435	1,690	1,558	814	135	
2011-12	154.7	57.0	41.9	21.0	28.7	11.6	3,257	2,229	4,515	2,184	1,384	643	139	
2012-13	159.7	60.1	42.2	21.4	29.9	12.3	3,290	2,253	5,030	2,410	1,534	683	147	
2013-14	157.9	60.3	42.9	21.1	30.6	12.6	3,323	2,276	5,179	2,462	1,086	518	161	
2014-15	165.9	66.0	44.8	22.4	31.3	13.1	3,579	1,819	5,393	2,567	1,410	308	163	
2015-16	164.6	65.3	45.7	27.0	31.7	15.6	3,746	1,514	5,470	1,437	1,418	260	163	
2016-17	168.9	66.1	49.1	27.9	31.6	14.7	3,798	1,536	5,130	2,689	1,431	344	185	
2017-18	172.5	73.5	46.7	23.5	31.4	13.5	3,740	1,330	5,754	2,654	1,659	834	186	
2018-19	180.1	80.7	47.3	23.7	31.7	13.7	3,740	1,330	5,876	2,634	2,893	1,425	202	
2019-20	180.1	85.4	47.0	26.9	31.7	14.5	3,740	1,330	5,898	2,738	2,983	1,500	202	
2020-21	180.2	85.1	47.2	26.5	34.2	15.1	3,740	1,330	7,102	3,271	3,021	1,515	202	
2021-22 (E)	182.6	90.0	46.8	26.2	34.8	15.2	3,729	1,294	7,648	3,413	3,692	2,546	206	

E: Estimated *: Including Pre-Primary, Mosque Schools and Non-Formal Basic Education

Notes:

1. All figures include Public & Private Sector data
2. Female institution includes percentage of mixed institutions

TABLE 10.2

ENROLMENT IN EDUCATIONAL INSTITUTIONS BY KIND, LEVEL & SEX

Year													Numbers	
	Primary Stage I-V (000)		Middle Stage VI-VIII (000)		High Stage IX-X (000)		Technical & Vocational (000)		Higher Sec/ Inter Colleges (000)		Degree Colleges		Universities	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
2010-11	18,063	7,971	5,644	2,421	2,630	1,103	281	106	1,188	408	431,180	218,374	1,107,682	521,284
2011-12	18,677	7,905	6,020	2,573	2,753	1,155	290	109	1,294	367	497,152	222,098	1,319,799	642,198
2012-13	18,790	8,278	6,188	2,653	2,898	1,215	302	113	1,400	395	641,539	234,006	1,594,648	805,062
2013-14	19,441	8,567	6,461	2,798	3,109	1,303	309	117	1,234	497	465,435	240,585	1,594,648	805,062
2014-15	19,847	8,778	6,582	2,843	3,501	1,493	320	112	1,665	662	510,588	82,479	1,299,160	602,550
2015-16	21,551	9,534	6,922	3,026	3,653	1,580	315	112	1,698	675	518,144	86,134	1,355,649	602,509
2016-17	21,686	9,660	6,996	3,088	3,583	1,541	345	120	1,595	618	537,407	89,512	1,463,279	667,912
2017-18	22,931	10,093	7,362	3,273	3,861	1,692	433	148	1,688	765	604,614	294,388	1,575,793	695,028
2018-19	23,588	10,625	7,634	3,426	3,969	1,755	433	148	2,140	984	725,631	402,603	1,858,704	832,299
2019-20	23,758	10,698	7,870	3,544	4,015	1,784	433	148	2,227	1,019	771,636	416,679	1,858,704	832,299
2020-21	24,352	10,925	8,415	3,784	4,360	1,915	433	148	2,320	1,062	757,886	404,385	1,858,704	832,299
2021-22 (E)	24,950	11,211	8,756	3,954	4,549	2,008	455	155	2,531	1,214	820,073	688,883	1,959,160	873,268

E : Estimated

Notes:

1. All figures include Public & Private Sector data
2. Enrolment of Deeni Madaris and Non-Formal Basic Education are included.

TABLE 10.3

NUMBER OF TEACHERS IN EDUCATIONAL INSTITUTIONS IN PAKISTAN, BY KIND, LEVEL & SEX

Year													Numbers
	Primary Schools* (000)		Middle Schools (000)		High Schools (000)		Technical & Voca- tional Institutions		Higher Sec/ Inter Colleges		Degree Colleges		Universities
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
2010-11	440.5	210.1	335.0	220.3	452.8	235.3	15,591	4,993	81,183	39,378	36,349	16,181	63,557
2011-12	427.4	198.6	351.4	233.9	458.7	271.3	15,847	5,079	97,633	52,746	40,191	16,815	70,053
2012-13	428.8	209.1	362.6	241.5	489.6	287.2	16,109	5,168	132,011	71,121	48,809	19,319	77,557
2013-14	420.1	209.5	364.8	243.6	500.5	296.3	16,377	5,259	124,336	58,867	25,964	7,599	77,557
2014-15	430.9	218.9	380.8	256.1	514.2	306.2	19,393	5,353	118,079	63,569	36,587	7,239	88,288
2015-16	444.6	226.3	394.2	270.3	529.5	318.0	18,157	4,384	123,061	66,528	37,082	7,379	83,375
2016-17	475.2	258.9	455.4	325.7	560.6	342.6	18,207	4,304	120,336	63,386	37,857	7,541	58,733
2017-18	522.4	284.0	448.1	319.8	563.3	342.9	18,207	4,304	123,154	64,320	41,233	17,803	56,885
2018-19	494.9	276.5	448.7	322.0	567.3	348.5	18,207	4,304	136,008	70,818	61,602	27,260	60,279
2019-20	485.2	267.3	442.7	316.6	566.7	346.9	18,207	4,304	137,660	70,441	60,064	26,836	60,279
2020-21	476.5	266.2	434.0	311.5	592.3	363.8	18,207	4,304	158,386	81,481	59,455	25,095	60,279
2021-22 (E)	476.8	267.7	429.9	308.8	599.0	368.3	18,207	4,304	168,402	86,133	66,239	36,778	60,596

E : Estimated *: Including Pre-primary, Mosque Schools and Non-Formal Basic Education

Notes:

All figures include Public & Private Sector data

Sources:

1. Figures of Primary, Middle, High and Higher Sec. from 2010-11 to 2020-21 is based on Annual Pakistan Education Statistics Reports, NEMIS, PIE, Islamabad.
2. Figures of Universities is provided by Higher Education Commission (HEC), Islamabad.

Health and Nutrition

TABLE 11.1

NATIONAL MEDICAL AND HEALTH ESTABLISHMENTS, Progressive (Calendar Year Basis)

Year	Hospitals	Dispensaries	BHUs Sub Health Centres	Maternity & Child Health Centres	Rural Health Centres	TB Centres	Total Beds	(Numbers)
								Population per Bed
2011	980	5,039	5,449	851	579	345	107,537	1,647
2012	1,092	5,176	5,478	628	640	326	111,802	1,616
2013	1,113	5,413	5,471	687	667	329	118,378	1,557
2014	1,143	5,548	5,438	670	669	334	118,170	1,591
2015	1,172	5,695	5,478	733	684	339	119,548	1,604
2016	1,243	5,971	5,473	755	668	345	124,821	1,565
2017	1,264	5,654	5,505	727	688	431	131,049	1,585
2018	1,279	5,671	5,527	747	686	441	132,227	1,608
2019	1,282	5,743	5,472	752	670	412	133,707	-
2020	1,289	5,849	5,561	752	719	410	147,112	-
2021	1,276	5,832	5,559	781	736	416	146,053	-
2022 (P)	1,276	5,832	5,559	781	736	416	146,053	-

P: Provisional - : Not Available

Source: Pakistan Bureau of Statistics

TABLE 11.2

REGISTERED MEDICAL AND PARAMEDICAL PERSONNEL (Progressive) AND EXPENDITURE ON HEALTH, (Calendar Year Basis)

Year	Regis- tered Doctors *	Regis- tered Dentists *	Regis- tered Nurses *	Register- ed Mid- wives	Register- ed Lady Health Visitors	Population per		Expenditure (Rs. Million)**	
						Doctor	Dentist	Develop- ment	Non- Develop- ment
						(Numbers)		(Numbers)	
2011	152,368	11,649	77,683	30,722	12,621	1,162	15,203	27,658	78,359
2012	160,880	12,692	82,119	31,503	13,678	1,123	14,238	29,898	104,284
2013	167,759	13,716	86,183	32,677	14,388	1,099	13,441	31,781	129,421
2014	175,223	15,106	90,276	33,687	15,325	1,073	12,447	55,904	146,082
2015	184,711	16,652	94,766	34,668	16,448	1,038	11,513	65,213	165,959
2016	195,896	18,333	99,228	36,326	17,384	997	10,658	75,249	192,704
2017	208,007	20,463	103,777	38,060	18,400	957	9,730	99,005	229,957
2018	220,829	22,595	108,474	40,272	19,910	963	9,413	87,434	329,033
2019	233,261	24,930	112,123	41,810	20,565	-	-	58,624	363,154
2020	245,987	27,360	116,659	43,129	21,361	-	-	77,496	427,915
2021	266,430	30,501	121,245	44,693	22,408	-	-	91,664	494,606
2022	282,383	33,156	127,855	46,110	24,022	-	-	207,129	712,289

- : Not available

*: Registered with Pakistan Medical and Dental Council and Pakistan Nursing Council.

**: Expenditure figures are for respective Financial Year

Source: Pakistan Medical & Dental Council (PMDC)
Pakistan Nurses Council. (PNC)
Pakistan Bureau of Statistics
PRSP Budgetary Expenditure, External
Finance (Policy wing), Finance Division

TABLE 11.3

DATA ON EXPANDED PROGRAMME OF IMMUNIZATION VACCINATION PERFORMANCE
(Calendar Year Basis)

Vaccine/doze.	2014	2015	2016	2017	2018	2019	2020	2021	2022	Nos. in 000
B.C.G.	6,150.8	5,848.5	6,233.7	6,356.5	6,608.4	7,261.5	7,019.4	7141.2	7,514.4	
POLIO										
0	4,746.2	4,796.7	5,120.1	5,420.8	5,818.8	6,220.4	6,339.8	6239.7	6,604.8	
I	5,838.7	5,743.6	5,990.7	6,001.4	6,138.1	6,618.3	6,607.1	6593.4	7,066.8	
II	5,494.8	5,387.8	5,537.9	5,618.4	6,138.1	6,249.3	6,239.1	6172.1	6,643.0	
III	5,369.4	5,257.4	5,378.7	5,455.2	5,672.4	6,115.9	6,124.0	6128.9	6,638.5	
PENTAVALENT										
I	5,843.5	5,713.7	5,933.6	6,009.0	5,526.7	6,725.8	6,145.7	6650.3	7,082.7	
II	5,491.0	5,353.2	5,532.2	5,625.0	6,139.5	6,360.6	5,766.4	6224.7	6,649.4	
III	5,370.8	5,225.9	5,371.7	5,472.0	5,676.0	6,231.3	5,665.8	6167.6	6,639.3	
T.T										
I	4,536.5	5,048.2	4,569.7	4,690.3	4,874.9	5,272.2	4,993.8	4966.7	5,015.3	
II	3,708.5	4,063.1	3,934.9	3,993.8	4,103.6	4,560.7	4,366.7	4323.6	4,382.1	
III	577.7	586.7	398.5	191.4	192.5	260.7	225.1	207.0	769.7	
IV	185.4	157.9	97.8	51.9	57.9	70.8	60.1	58.0	137.9	
V	105.8	86.6	56.8	27.5	30.7	37.0	27.6	26.3	77.8	
MEASLES										
I	5,370.8	5,192.1	5,516.8	5,606.5	5,455.4	6,216.6	6,284.2	5504.6	6,578.3	
II	4,684.7	4,684.7	4,684.7	4,710.9	4,734.0	5,492.7	5,617.2	5492.6	5,856.1	
PNEUMOCOCCAL (PCV10)										
I	5,526.3	5,641.8	5,884.3	5,994.4	5,528.7	6,724.8	6,590.8	6576.3	7,075.2	
II	5,197.4	5,388.6	5,505.8	5,605.1	6,135.8	6,356.5	6,225.8	6145.0	6,646.9	
III	5,072.4	5,175.9	5,374.9	5,470.6	5,673.4	6,228.7	6,127.0	6083.2	6,643.1	

B.C.G. Bacillus+Calamus+Guerin D.P.T Diphteira+Perussia+Tetanus Source: National Institute of Health (NIH)
T.T Tetanus Toxoid Pakistan Bureau of Statistics

PENTAVALENT = DPT+HBV+Diphtheria + pertosis + HIB (Heamoinflunza -Type B)

PNEUMOCOCCAL (pcv10) :- Vaccine of pneumonia I,II,III,IV,V stands for 1st, 2nd, 3rd, 4th & 5th doses.

TABLE 11.4

DOCTOR CONSULTING FEE IN VARIOUS CITIES

Period*	In Rupees										Pakistan
	Faisal-abad	Gujran-wala	Hyder-abad	Islam-abad	Karachi	Lahore	Pesha-war	Quetta	Rawal-pindi	Sukkur	
Base Year : 2007-08 = 100											
2010-11	80.00	75.00	68.75	100.00	93.85	70.00	166.67	180.00	85.00	100.00	101.93
2011-12	90.00	75.00	80.00	200.00	100.00	70.36	191.61	200.00	110.00	100.00	121.70
2012-13	90.00	75.00	100.00	146.25	100.00	100.00	225.00	200.00	135.00	100.00	127.13
2013-14	90.00	75.00	100.00	175.00	100.00	100.00	220.83	200.00	166.67	100.00	132.75
2014-15	125.00	75.00	100.00	175.00	100.00	100.00	266.67	200.00	166.67	100.00	140.83
2015-16	125.00	75.00	100.00	175.00	100.00	100.00	266.67	200.00	166.67	100.00	140.83
2016-17	135.42	77.08	100.00	220.83	141.28	100.00	266.67	200.00	212.50	100.00	155.38
2017-18	250.00	100.00	100.00	225.00	173.39	118.75	266.67	200.00	216.67	135.42	178.59
2018-19	250.00	100.00	100.00	225.00	197.43	125.00	266.67	200.00	216.67	150.00	228.16
Base Year : 2015-16 = 100											
2019-20	264.47	100.00	100.00	334.56	210.18	160.14	462.83	212.09	305.87	185.38	254.29
2020-21	300.00	183.33	109.63	389.13	226.41	195.33	589.43	216.94	354.74	200.00	289.61
2021-22	320.33	200.00	144.53	510.91	240.71	209.00	641.72	276.13	472.23	245.85	337.04
2022-23 (Jul-Mar)	348.80	266.67	200.84	642.83	319.54	228.89	742.25	297.20	557.36	291.57	396.66

*: Fiscal Year

Note: In the new base year 2015-16, prices are disseminated w.e.f July, 2019

Source: Pakistan Bureau of Statistics

Population, Labour Force and Employment

TABLE 12.1
POPULATION

Year	Population* (mln)	Labour Force Participation Rate (%)	Civilian Labour Force (mln)	Employed Total (mln)	Crude Birth Rate**	Crude Death Rate**	Infant Mortality Rate**	Growth Rate**
2011	177.10	32.98	58.41	55.17	27.50	7.30	70.50	2.03
2012	180.71	32.83	59.33	55.80	27.20	7.20	69.00	2.00
2013	184.35	32.88	60.35	56.58	26.80	7.00	67.50	1.97
2014	188.02	32.28	60.09	56.52	26.40	6.90	66.10	1.95
2015	191.71	32.30	61.04	57.42	26.10	6.80	64.60	1.92
2016	198.78	-	-	-	27.80	7.00	62.40	2.08
2017	207.68	-	-	-	27.30	7.80	67.20	2.40
2018	211.82	31.70	65.50	61.71	26.70	6.80	60.50	1.99
2019	216.08	32.20	68.75	64.03	26.10	6.70	59.50	1.94
2020	220.40	-	-	-	25.40	6.60	58.50	1.80
2021	224.78	32.30	71.76	67.25	-	-	-	-
2022	229.22	-	-	-	-	-	-	-

- : Not available

Source: Pakistan Bureau of Statistics

* : Total Population is revised from 2018 onward on the basis of Census 2017 by NIPS

** : NIPS has not estimated the population indicators from 2018 onward on the basis of Census 2017. However, the given estimates are based on Census 1998

TABLE 12.2
POPULATION IN RURAL / URBAN AREAS

Year	All Areas	Male	Female	Population in Million	
				Rural areas	Urban areas
2011	177.10	91.59	85.51	110.73	66.37
2012	180.71	93.43	87.28	112.02	68.69
2013	184.35	95.29	89.06	113.28	71.07
2014	188.02	97.16	90.86	115.52	72.50
2015	191.71	99.04	92.67	116.52	75.19
2016	198.79	102.69	96.10	115.85	82.93
2017	207.68	106.34	101.34	131.94	75.74
2018	211.82	108.41	103.41	134.37	77.45
2019	216.08	110.54	105.53	136.87	79.20
2020	220.40	112.71	107.69	139.39	81.01
2021	224.78	114.90	109.88	141.96	82.83
2022	229.22	117.11	112.10	144.53	84.69

Source: i) Ministry of Planning, Development & Special Initiatives
ii) National Institute of Population Studies

TABLE 12.3

POPULATION IN URBAN, RURAL AREAS 1972, 1981, 1998 AND 2017 CENSUS

Region/ Province	Population*									Density (Per sq. km)
	Total			Urban			Rural			
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	
<u>1972 CENSUS</u>										
PAKISTAN	65,309	34,833	30,476	16,594	9,027	7,567	48,716	25,806	22,909	82
Islamabad**	238	131	106	77	46	31	161	86	75	259
Punjab**	37,607	20,209	17,398	9,183	4,977	4,206	28,424	15,232	13,192	183
Sindh	14,156	7,574	6,582	5,726	3,131	2,595	8,430	4,443	3,987	100
Khyber Pakhtunkhwa	8,388	4,363	4,026	1,196	647	549	7,193	3,716	3,477	113
Balochistan	2,429	1,290	1,139	399	218	181	2,029	1,071	958	7
FATA	2,491	1,266	1,225	13	8	5	2,478	1,258	1,220	92
<u>1981 CENSUS</u>										
PAKISTAN	84,253	44,232	40,021	23,841	12,767	11,074	60,412	31,465	28,947	106
Islamabad	340	185	155	204	113	91	136	72	64	376
Punjab	47,292	24,860	22,432	13,052	6,952	6,100	34,241	17,909	16,332	230
Sindh	19,029	9,999	9,030	8,243	4,433	3,810	10,786	5,566	5,220	135
Khyber Pakhtunkhwa	11,061	5,761	5,300	1,665	898	767	9,396	4,863	4,533	148
Balochistan	4,332	2,284	2,048	677	371	306	3,655	1,913	1,742	13
FATA	2,199	1,143	1,056	-	-	-	2,199	1,143	1,056	81
<u>1998 CENSUS</u>										
PAKISTAN	132,352	68,874	63,478	43,036	22,752	20,284	89,316	46,122	43,194	166
Islamabad	805	434	371	529	291	238	276	144	133	889
Punjab	73,621	38,094	35,527	23,019	12,071	10,948	50,602	26,023	24,579	359
Sindh	30,440	16,098	14,342	14,840	7,904	6,935	15,600	8,193	7,407	216
Khyber Pakhtunkhwa	17,744	9,089	8,655	2,994	1,589	1,405	14,750	7,500	7,250	238
Balochistan	6,566	3,057	3,059	1,569	849	719	4,997	2,657	2,340	19
FATA	3,176	1,652	1,524	85	46	39	3,091	1,606	1,485	117
<u>2017 CENSUS</u>										
PAKISTAN	207,685	106,340	101,345	75,671	39,163	36,508	132,014	67,177	64,837	261
Islamabad	2,003	1,053	951	1,009	536	473	994	517	478	2,211
Punjab	109,990	55,922	54,067	40,547	20,829	19,719	69,442	35,094	34,349	536
Sindh	47,855	24,882	22,972	24,833	12,952	11,881	23,022	11,930	11,092	340
Khyber Pakhtunkhwa	30,509	15,446	15,062	5,735	2,975	2,760	24,773	12,471	12,302	409
Balochistan	12,335	6,485	5,851	3,407	1,798	1,608	8,928	4,686	4,242	36
FATA	4,993	2,552	2,441	140	73	66	4,853	2,479	2,375	183

- : Not available

Source: Pakistan Bureau of Statistics

* : This population does not include the population of AJK and Gilgit Baltistan

** : Adjusted due to transfer of some mouzas from Rawalpindi to Islamabad district

Note : Total may differ due to rounding off figures

TABLE 12.4

POPULATION BY AGE, IN URBAN, RURAL AREAS 1981, 1998 AND 2017 CENSUS

In Thousands

Age (in years)	Total			Rural			Urban		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
1981 Census									
All ages	82,055	43,090	38,965	58,214	30,323	27,891	23,841	12,767	11,074
0-4	12,574	6,200	6,373	8,995	4,387	4,608	3,579	1,813	1,766
5-9	13,142	6,811	6,331	9,591	4,973	4,618	3,552	1,839	1,713
10-14	10,803	5,857	4,946	7,684	4,204	3,480	3,119	1,653	1,467
15-19	7,763	4,193	3,571	5,223	2,828	2,395	2,540	1,365	1,175
20-24	6,228	3,270	2,958	4,119	2,111	2,008	2,108	1,159	950
25-29	5,479	2,891	2,588	3,760	1,948	1,812	1,719	944	776
30-34	4,617	2,388	2,229	3,226	1,631	1,595	1,391	757	634
35-39	4,197	2,121	2,077	2,922	1,452	1,469	1,276	668	608
40-44	3,865	1,937	1,928	2,733	1,332	1,402	1,132	606	526
45-49	3,076	1,610	1,466	2,194	1,121	1,074	882	490	392
50-54	2,966	1,638	1,328	2,170	1,179	991	796	459	337
55-59	1,611	859	751	1,187	618	569	424	242	182
60-64	2,216	1,299	917	1,667	973	695	549	327	222
65-69	987	555	431	755	420	334	232	135	97
70-74	1,161	678	484	900	526	374	261	152	109
75 and above	1,369	782	588	1,088	622	466	281	160	121
1998 Census*									
All ages	129,176	67,222	61,954	86,225	44,516	41,709	42,951	22,705	20,245
0-4	19,118	9,761	9,357	13,534	6,907	6,627	5,584	2,854	2,730
5-9	20,215	10,571	9,644	14,211	7,466	6,745	6,004	3,105	2,899
10-14	16,732	8,909	7,822	11,106	5,973	5,133	5,625	2,935	2,690
15-19	13,400	6,909	6,490	8,553	4,396	4,158	4,846	2,514	2,333
20-24	11,588	5,815	5,773	7,402	3,610	3,791	4,186	2,205	1,981
25-29	9,521	4,879	4,643	6,092	3,024	3,067	3,429	1,854	1,575
30-34	8,040	4,232	3,807	5,083	2,604	2,479	2,956	1,628	1,328
35-39	6,167	3,254	2,912	3,846	1,984	1,862	2,320	1,270	1,050
40-44	5,745	2,931	2,815	3,660	1,812	1,848	2,086	1,119	967
45-49	4,563	2,360	2,203	2,995	1,512	1,483	1,569	849	720
50-54	4,148	2,201	1,948	2,776	1,459	1,318	1,372	742	630
55-59	2,777	1,505	1,272	1,868	1,001	867	909	504	405
60-64	2,637	1,418	1,219	1,838	987	851	799	431	368
65-69	1,554	850	704	1,076	585	491	478	265	214
70-74	1,408	778	631	1,022	564	458	386	214	172
75 and above	1,563	849	714	1,162	632	531	400	217	183
2017 Census									
All ages	207,685	106,340	101,345	132,014	67,177	64,837	75,671	39,163	36,508
00-04	29,163	14,944	14,219	19,821	10,156	9,665	9,342	4,788	4,554
05-09	30,026	15,643	14,384	20,473	10,701	9,772	9,553	4,942	4,611
10-14	24,527	12,947	11,580	16,193	8,586	7,607	8,334	4,360	3,974
15-19	21,367	11,097	10,269	13,449	6,968	6,481	7,918	4,130	3,788
20-24	18,496	9,248	9,248	11,132	5,480	5,652	7,364	3,768	3,596
25-29	16,401	7,940	8,462	9,863	4,672	5,191	6,538	3,268	3,270
30-34	14,152	6,948	7,203	8,410	4,029	4,381	5,741	2,919	2,822
35-39	12,049	6,091	5,958	7,267	3,614	3,653	4,782	2,476	2,305
40-44	9,627	4,849	4,778	5,692	2,793	2,899	3,935	2,056	1,879
45-49	7,932	4,062	3,869	4,795	2,411	2,383	3,137	1,651	1,486
50-54	6,946	3,645	3,301	4,146	2,159	1,987	2,799	1,486	1,314
55-59	4,975	2,648	2,327	3,003	1,573	1,430	1,972	1,075	897
60-64	4,312	2,248	2,064	2,670	1,372	1,298	1,642	876	765
65-69	2,952	1,558	1,394	1,918	1,004	913	1,034	554	480
70-74	2,134	1,132	1,002	1,406	746	660	728	386	342
75 and above	2,627	1,339	1,288	1,775	912	863	852	427	425

* : Figures regarding FATA are not included

Source: Pakistan Bureau of Statistics

TABLE 12.5**POPULATION OF PAKISTAN BY PROVINCE, LAND AREA AND PERCENTAGE DISTRIBUTION 1951-2017**

	Area Sq km	Population (In Thousand)					
		1951	1961	1972	1981	1998	2017
PAKISTAN	796,096 (100)	33,740 (100)	42,880 (100)	65,309 (100)	84,254 (100)	132,352 (100)	207,685 (100)
Khyber Pakhtunkhwa	74,521 (9.4)	4,557 (13.5)	5,731 (13.4)	8,389 (12.8)	11,061 (13.1)	17,744 (13.4)	30,509 (14.7)
FATA	27,220 (3.4)	1,332 (3.9)	1,847 (4.3)	2,491 (3.8)	2,199 (2.6)	3,176 (2.4)	4,993 (2.4)
Punjab	205,345 (25.8)	20,541 (60.9)	25,464 (59.4)	37,607 (57.6)	47,292 (56.1)	73,621 (55.6)	109,990 (53.0)
Sindh	140,914 (17.7)	6,048 (17.9)	8,367 (19.5)	14,156 (21.7)	19,029 (22.6)	30,440 (23.0)	47,855 (23.0)
Balochistan	347,190 (43.6)	1,167 (3.5)	1,353 (3.2)	2,429 (3.7)	4,332 (5.1)	6,566 (5.0)	12,335 (5.9)
Islamabad	906 (0.1)	96 (0.3)	118 (0.3)	238 (0.4)	340 (0.4)	805 (0.6)	2,003 (1.0)

Note: Percentage distribution is given in parenthesis

Source: Pakistan Bureau of Statistics

TABLE 12.6

LITERACY RATIOS OF POPULATION BY SEX, REGION AND URBAN/RURAL AREAS, 1981 TO 2017 CENSUS

Sex	Total					Urban					Rural				
	2017		1998		1981	2017		1998		1981	2017		1998		1981
	15 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above
Pakistan															
Both	56.1	58.9	41.0	43.9	26.2	71.3	73.2	60.5	63.1	47.1	46.4	50.1	30.4	33.6	17.3
Male	65.8	67.8	53.0	54.8	35.0	76.7	78.0	68.7	70.0	55.3	58.6	61.3	44.0	46.4	26.2
Female	46.2	49.7	28.0	32.0	16.0	65.6	68.1	51.0	55.2	37.3	34.2	38.6	16.2	20.1	7.3
Islamabad															
Both	80.4	81.5	69.7	72.4	47.8	80.3	81.1	75.2	77.2	57.6	80.5	81.8	58.4	62.5	32.5
Male	86.1	86.5	79.5	80.6	59.1	85.7	85.9	82.2	83.2	65.8	86.5	87.2	73.2	75.1	48.1
Female	74.0	75.8	57.7	62.4	33.5	74.1	75.6	65.9	69.7	46.8	73.9	76.0	42.1	48.8	14.7
Punjab															
Both	60.9	64.0	43.4	46.6	27.4	74.6	76.6	61.9	64.5	46.7	52.3	56.2	34.5	38.0	20.0
Male	68.9	71.2	55.2	57.2	36.8	78.7	80.1	69.8	70.9	55.2	62.6	65.5	47.9	50.4	29.6
Female	52.8	56.7	30.8	35.1	16.8	70.3	73.0	53.0	57.2	36.7	42.1	46.9	20.5	24.8	9.4
Sindh															
Both	53.1	54.6	43.9	45.3	31.4	69.0	70.4	62.6	63.7	50.8	32.6	35.2	23.9	25.7	15.6
Male	61.7	62.5	54.5	54.5	39.7	74.3	75.1	70.0	69.8	57.8	45.1	46.9	37.2	37.9	24.5
Female	43.8	45.9	32.0	34.8	21.6	63.2	65.3	54.9	56.7	42.2	19.5	22.6	10.2	12.2	5.2
Khyber Pakhtunkhwa															
Both	49.7	54.0	31.5	35.4	16.7	64.0	67.1	51.0	54.3	35.8	46.1	50.8	27.2	31.3	13.2
Male	66.3	69.2	48.2	51.4	25.9	76.1	78.0	65.5	67.5	47.0	63.6	67.0	44.1	47.7	21.7
Female	33.5	38.7	14.6	18.8	6.5	50.9	55.4	33.9	39.1	21.9	29.3	34.8	10.6	14.7	3.8
Balochistan															
Both	40.5	43.6	23.1	24.8	10.3	56.3	59.6	43.4	46.9	33.2	33.7	37.0	15.2	17.5	6.2
Male	52.1	54.1	33.3	34.0	15.2	68.4	70.3	55.9	58.1	42.4	45.1	47.4	24.0	25.8	9.8
Female	27.9	31.9	11.8	14.1	4.3	43.0	47.6	20.8	33.1	18.5	21.6	25.5	5.6	7.9	1.7
FATA															
Both	31.4	36.1	-	17.4	6.4	50.3	54.1	-	39.3	-	30.8	35.5	-	16.8	6.4
Male	51.7	56.0	-	29.5	10.9	71.6	73.4	-	59.7	-	51.0	55.5	-	28.6	10.9
Female	11.4	15.7	-	3.0	0.8	26.9	32.7	-	12.0	-	10.9	15.3	-	2.8	0.8

- : Not available

Source: Pakistan Bureau of Statistics

FATA: Federally Administered Tribal Areas

TABLE 12.7

LAND AREA, POPULATION AND PERCENTAGE DISTRIBUTION

Region / Years	Area Sq. Kms	Population in Thousand							
		2015	2016	2017	2018	2019	2020	2021	2022
Pakistan	796,096 100	191,708 100	198,785 100	207,685 100	211,821 100	216,075 100	220,399 100	224,781 100	229,215 100
i. Punjab	205,345 25.79	103,837 54.16	107,959 54.31	109,989 52.96	111,995 52.87	114,048 52.78	116,130 52.69	118,235 52.60	120,359 52.51
ii. Sindh	140,914 17.70	45,988 23.98	46,568 23.43	47,855 23.04	49,237 23.24	50,647 23.43	52,073 23.62	53,511 23.81	54,962 23.98
iii. Khyber Pakhtunkhwa	74,521 9.36	25,836 13.47	27,714 13.94	35,502 17.09	35,944 16.96	36,412 16.85	36,895 16.74	37,392 16.63	37,900 16.53
iv. Balochistan	347,190 43.61	9,942 5.18	10,408 5.24	12,335 5.93	12,568 5.93	12,818 5.93	13,078 5.93	13,346 5.93	13,623 5.94
v. FATA	27,220 3.42	4,623 2.41	4,927 2.48	FATA merged in Khyber Pakhtunkhwa					
vi. Islamabad	906 0.11	1,479 0.77	1,207 0.60	2,003 0.96	2,077 0.98	2,150 0.99	2,224 1.00	2,297 1.02	2,370 1.03

Note: Total Population is revised from 2018 onward on the basis of Census 2017 by NIPS

Sources : Ministry of Planning, Development & Special Initiatives
Pakistan Bureau of Statistics
National Institute of Population Studies (NIPS)

TABLE 12.8

PERCENTAGE DISTRIBUTION OF POPULATION OF 10 YEARS AND ABOVE AND CIVILIAN LABOUR FORCE BY GENDER AND AREA 2020-21

	Percent Share											
	Population			Civilian Labour Force								
				Total Civilian Labour Force			Employed			Unemployed		
Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	
PAKISTAN	100	50.63	49.37	44.90	34.36	10.54	42.07	32.48	9.60	2.82	1.88	0.94
Rural	100	50.12	49.88	48.56	34.61	13.95	45.75	32.83	12.92	2.81	1.78	1.03
Urban	100	51.48	48.52	38.79	33.93	4.86	35.95	31.88	4.06	2.85	2.05	0.80
Punjab	100	49.85	50.15	47.38	34.21	13.17	44.18	32.12	12.06	3.20	2.09	1.11
Rural	100	49.29	50.71	52.26	34.72	17.54	49.01	32.71	16.30	3.25	2.01	1.24
Urban	100	50.75	49.25	39.45	33.39	6.06	36.32	31.17	5.16	3.12	2.22	0.90
Sindh	100	52.01	47.99	43.83	36.52	7.31	42.14	35.31	6.83	1.69	1.21	0.48
Rural	100	51.76	48.24	49.71	37.79	11.92	48.69	37.05	11.64	1.02	0.74	0.28
Urban	100	52.23	47.77	38.68	35.41	3.27	36.40	33.79	2.61	2.28	1.63	0.66
Khyber Pakhtunkhwa	100	50.08	49.92	39.51	31.65	7.86	36.02	29.39	6.63	3.49	2.26	1.23
Rural	100	49.74	50.26	40.07	31.52	8.55	36.55	29.32	7.23	3.52	2.20	1.32
Urban	100	51.82	48.18	36.65	32.27	4.38	33.35	29.73	3.62	3.30	2.54	0.76
Balochistan	100	54.33	45.67	40.39	34.94	5.45	38.65	33.47	5.18	1.75	1.48	0.27
Rural	100	54.15	45.85	42.75	35.86	6.88	41.39	34.66	6.73	1.36	1.21	0.15
Urban	100	54.78	45.22	34.68	32.71	1.97	31.98	30.58	1.40	2.70	2.13	0.57

Source : Pakistan Bureau of Statistics
Labour Force Survey 2020-21

TABLE 12.9

LABOUR FORCE AND EMPLOYMENT

	In million								
Mid Year	2009-10	2010-11	2011-12*	2012-13	2013-14	2014-15	2017-18	2018-19	2020-21
Population	172.57	176.20	180.71	183.57	186.19	189.19	206.62	214.49	222.44
Rural	105.70	107.00	120.10	121.66	121.56	123.36	131.19	135.39	142.09
Urban	66.87	69.20	60.61	61.91	64.63	65.83	75.43	79.10	80.35
Working Age Population	124.06	126.60	129.84	132.07	132.24	134.99	147.91	153.49	159.83
Rural	80.08	81.77	83.87	84.96	83.62	85.60	91.02	94.14	99.88
Urban	43.98	44.83	45.97	47.11	48.62	49.39	56.89	59.35	59.95
Labour Force	56.92	57.84	59.33	59.74	60.10	61.04	65.50	68.75	71.76
Rural	39.56	40.12	41.15	41.23	41.14	41.95	42.91	45.85	48.50
Urban	17.36	17.72	18.18	18.15	18.96	19.09	22.59	22.90	23.26
Employed Labour Force	53.76	54.40	55.80	56.01	56.52	57.42	61.71	64.03	67.25
Rural	37.66	38.24	39.22	39.14	39.07	39.85	40.75	42.94	45.70
Urban	16.10	16.16	16.58	16.87	17.45	17.57	20.96	21.10	21.55
Unemployed Labour Force	3.16	3.44	3.53	3.73	3.58	3.62	3.79	4.71	4.51
Rural	1.90	1.88	1.93	2.09	2.06	2.10	2.15	2.91	2.81
Urban	1.26	1.56	1.60	1.64	1.52	1.52	1.64	1.80	1.71
Unemployment Rate (%)	5.55	5.95	5.95	6.24	6.00	5.90	5.80	6.90	6.3
Rural	4.82	4.68	4.68	5.08	5.01	5.00	5.00	6.40	5.8
Urban	7.21	8.84	8.84	8.83	8.02	8.00	7.20	7.90	7.3
Labour Force Participation Rates (%)	32.98	32.83	32.83	32.88	32.28	32.30	31.70	32.20	32.3
Rural	34.50	34.26	34.26	34.23	33.84	34.00	32.70	33.90	34.1
Urban	29.99	29.99	29.99	30.21	29.35	29.00	30.00	28.90	29.0

Source : Pakistan Bureau of Statistics (Labour Force Survey)
*Ministry of Planning, Development & Special Initiatives

TABLE 12.10
POPULATION AND LABOUR FORCE

Years	Popula- tion	Crude Activity Rate(%)	Labour Force	Unemp- loyed Labour Force	Employed Labour Force	Agricul- ture	Mining & Manu- facturing	Const- ruction	Electricity & Gas Distri- bution	Transport Storage & Commu- cation	In million	
											Whole- Sale & Retail Trade	Others
2010-11	176.20	32.83	57.84	3.44	54.40	24.51	7.51	3.78	0.26	2.78	8.78	6.78
2011-12*	180.71	32.83	59.33	3.53	55.80	25.14	7.70	3.88	0.27	2.85	8.28	7.68
2012-13	183.57	32.88	60.34	3.76	56.58	24.73	8.03	4.21	0.30	2.82	8.14	8.35
2013-14	186.19	32.28	60.10	3.58	56.52	24.57	8.00	4.15	0.27	3.07	8.24	8.21
2014-15	189.19	32.30	61.04	3.62	57.42	24.27	8.89	4.20	0.45	3.11	8.41	8.09
2017-18	206.62	31.70	65.50	3.79	61.71	23.76	10.05	4.70	0.45	3.50	9.21	10.05
2018-19	214.49	32.10	68.75	4.71	64.03	25.07	9.76	5.13	0.50	3.98	9.28	10.30
2020-21	222.44	32.30	71.76	4.51	67.25	25.18	10.25	6.39	0.43	4.19	9.66	11.13

Source: Pakistan Bureau of Statistics (Labour Force Survey)
*Ministry of Planning, Development & Special Initiatives

TABLE 12.11
DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRIES

Years	Agricul- ture	Mining & Manu- facturing	Const- ruction	Electricity & Gas Distri- bution	Transport Storage & Commu- cation	Whole- Sale & Retail Trade	in Percentage
							Others
2010-11	45.05	13.80	6.95	0.48	5.11	16.15	12.46
2011-12*	45.05	13.80	6.95	0.42	5.11	14.83	13.76
2012-13	43.71	14.20	7.44	0.53	4.98	14.39	14.75
2013-14	43.48	14.16	7.33	0.48	5.44	14.58	14.53
2014-15	42.27	15.49	7.31	0.79	5.00	14.64	14.09
2017-18	38.50	16.28	7.61	0.73	5.67	14.92	16.29
2018-19	39.16	15.25	8.01	0.78	5.76	14.50	16.54
2020-21	37.40	15.20	9.50	0.60	6.30	14.40	16.60

- : Not available

Source: Pakistan Bureau of Statistics
*Ministry of Planning, Development & Special Initiatives

Note : Labour Force Survey was not conducted in 2011-12

TABLE 12.12

PERCENTAGE DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRY 2020-21

Major Industry Division	In Percentage														
	Pakistan			Punjab			Sindh			Khyber Pakhtunkhwa			Balochistan		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
Total	100	68	32	58.1	39.9	18.2	22.8	12.3	10.5	14	11.9	2.1	5.1	3.9	1.2
1. Agriculture, Forestry and Fishing	37.4	35.4	2	22.6	21.5	1.1	8.3	7.7	0.6	4.4	4.3	0.1	2.1	1.9	0.1
2. Mining and Quarrying	0.3	0.3	0.1	0.1	0.1	0	0.1	0	0	0.1	0.1	0	0.1	0.1	0
3. Manufacturing	14.9	7.4	7.5	9.6	5	4.6	3.5	1	2.5	1.6	1.2	0.3	0.3	0.2	0.1
4. Electricity, Gas Steam and Air Conditioning Supply	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0	0	0	0
5. Water Supply, Sewerage, Waste, Management & Remediation Activity	0.4	0.2	0.3	0.2	0.1	0.1	0.1	0	0.1	0	0	0	0	0	0
6. Construction	9.5	6.7	2.8	5	3.6	1.4	1.9	1	1	2.1	1.9	0.3	0.5	0.3	0.1
7. Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles	14.4	6.3	8	8.1	3.6	4.5	3.5	0.8	2.7	2	1.5	0.5	0.7	0.4	0.3
8. Transport, storage	5.8	3.4	2.3	3	1.8	1.3	1.3	0.5	0.8	1.1	0.9	0.2	0.4	0.3	0.1
9. Accommodation and Food Services Activities	1.9	1	0.9	1	0.5	0.5	0.5	0.2	0.3	0.2	0.2	0.1	0.2	0.1	0
10. Information and Communication	0.5	0.1	0.4	0.3	0.1	0.2	0.1	0	0.1	0	0	0	0	0	0
11. Financial and Insurance Activities	0.5	0.1	0.4	0.3	0.1	0.2	0.2	0	0.2	0	0	0	0	0	0
12. Real Estate Activities	0.5	0.1	0.3	0.3	0.1	0.2	0.1	0	0.1	0.1	0	0	0	0	0
13. Professional, Scientific and Technical Activities	0.6	0.2	0.4	0.4	0.1	0.3	0.1	0	0.1	0	0	0	0	0	0
14. Administrative and Support Service Activities	0.8	0.3	0.5	0.4	0.2	0.3	0.2	0.1	0.2	0.1	0.1	0	0	0	0
15. Public Administration and Defence Compulsory Social Security	2.9	1.3	1.6	1.3	0.5	0.7	0.9	0.3	0.6	0.5	0.4	0.2	0.3	0.2	0.1
16. Education	3.8	2	1.8	2.1	1	1.1	0.6	0.2	0.4	0.8	0.6	0.2	0.2	0.1	0.1
17. Human Health and Social Work Activities	1.3	0.6	0.7	0.7	0.3	0.4	0.3	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0
18. Arts, Entertainment & Recreation	0.2	0.1	0.1	0.1	0.1	0.1	0	0	0	0	0	0	0	0	0
19. Other Services Activities	2.5	1.4	1.1	1.4	0.8	0.6	0.6	0.2	0.4	0.3	0.3	0	0.2	0.1	0.1
20. Activities of Households as Employer; Undifferentiated Goods & Services - Producing Activities of Household for own use	1.6	0.8	0.7	1	0.5	0.5	0.3	0.1	0.2	0.2	0.2	0	0	0	0
21. Activities Extraterritorial Organizations and Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note: Total may not tally due to rounding

Source: Pakistan Bureau of Statistics
(Labour Force Survey 2020-21)

TABLE 12.13

AGE SPECIFIC LABOUR FORCE PARTICIPATION RATE

In Percentage

Age Group	2007-08	2008-09	2009-10	2010-11	2012-13	2013-14	2014-15	2017-18	2018-19	2020-21
10 years & over										
Both Sexes	45.17	45.66	45.89	45.69	45.70	45.45	45.22	44.30	44.80	44.9
Male	69.54	69.31	68.83	68.70	68.89	68.07	67.78	68.00	67.70	67.86
Female	19.59	20.66	21.51	21.67	21.50	22.17	22.02	20.10	21.50	21.35
10-14										
Male	17.09	16.20	15.42	14.27	14.46	12.62	11.22	9.80	8.80	5.44
Female	9.69	9.48	9.24	8.83	7.98	8.37	7.71	6.40	5.60	4.3
15-19										
Male	53.94	52.74	52.68	51.59	51.16	49.68	47.55	47.60	44.90	47.89
Female	17.61	18.90	19.17	19.58	18.19	19.32	18.01	15.60	17.20	16.65
20-24										
Male	85.12	85.39	84.54	84.27	82.38	81.71	82.32	84.60	81.20	85.99
Female	20.98	22.76	23.88	24.20	24.41	25.14	25.74	23.30	26.80	27.72
25-34										
Male	96.90	97.19	96.89	97.42	96.73	96.91	97.33	97.00	98.30	97.59
Female	21.87	23.63	25.48	25.44	26.01	26.57	27.15	25.57	27.20	28.55
35-44										
Male	97.87	98.37	97.53	98.34	98.45	98.06	98.33	98.38	99.40	98.52
Female	26.75	27.67	27.88	29.46	28.72	30.00	29.43	27.97	29.20	29.78
45-54										
Male	96.65	96.69	96.96	97.29	97.02	97.13	97.24	96.77	99.20	96.19
Female	24.42	25.86	29.41	28.35	29.11	29.37	30.75	26.07	29.90	28.95
55-59										
Male	92.54	93.71	93.26	92.24	92.61	92.78	93.80	91.70	94.80	84.21
Female	25.53	26.37	27.98	26.27	26.60	27.48	27.29	23.40	24.40	18.05
60+										
Male	59.46	56.38	55.49	54.95	52.42	53.33	55.16	51.30	48.60	43.00
Female	15.50	15.22	13.54	14.62	13.58	12.77	11.95	11.50	8.90	7.58

Source: Pakistan Bureau of Statistics
(Labour Force Surveys)

TABLE 12.14

DAILY WAGES OF CONSTRUCTION WORKERS IN DIFFERENT CITIES

Category of workers and cities	(Base Year : 2007-08= 100)						In Pak Rupees (Base Year : 2015-16 = 100)			
	2014	2015	2016	2017	2018	2019	2019-20	2020-21	2021-22	2022-23 July-March
Painter*										
Islamabad	1,000.00	1,200.00	1,200.00	1,250.00	1,300.00	1,432.57	1,425.27	1,432.57	1454.83	1839.47
Karachi	792.31	861.54	861.54	861.54	1,292.31	1,359.76	1,357.23	1,426.70	1541.28	1638.81
Lahore	780.36	830.36	830.36	925.00	1,100.00	1,232.45	1,232.45	1,232.45	1245.11	1532.62
Peshawar	741.67	800.00	800.00	1,000.00	1,000.00	1,200.00	1,205.27	1,314.31	1500.00	1595.99
Quetta	900.00	900.00	900.00	900.00	1,000.00	1,297.43	1,289.08	1,355.87	1397.61	1397.61
Mason (Raj)										
Islamabad	1,000.00	1,200.00	1,200.00	1,250.00	1,300.00	1,440.83	1,440.83	1,490.14	1568.72	1924.15
Karachi	861.54	1,061.54	1,061.54	1,061.54	1,430.77	1,500.00	1,500.00	1,500.00	1502.72	1958.90
Lahore	826.79	926.79	926.79	1,025.00	1,150.00	1,232.45	1,274.93	1,428.17	1713.02	1745.11
Peshawar	900.00	900.00	1,000.00	1,200.00	1,200.00	1,200.00	1,227.10	1,437.65	1500.00	1580.87
Quetta	1,100.00	1,100.00	1,100.00	1,100.00	1,200.00	1,497.77	1,489.42	1,597.89	1898.24	1898.24
Labour (Unskilled)										
Islamabad	600.00	700.00	700.00	800.00	825.00	965.49	965.49	994.25	1086.57	1398.21
Karachi	530.00	630.77	663.46	719.23	932.69	981.03	990.78	1,000.00	1179.06	1375.47
Lahore	600.00	600.00	600.00	725.00	850.00	832.03	869.14	921.10	1000.00	1164.71
Peshawar	483.33	500.00	500.00	600.00	600.00	631.64	656.80	800.00	800.00	892.45
Quetta	550.00	550.00	550.00	550.00	700.00	996.66	988.30	1,021.74	1096.96	1096.96

Data pertains to month of November each year

Source: Pakistan Bureau of Statistics

*: Painter is included while Carpenter is excluded in Base Year 2015-16

Note : From 2019-20 the data pertains to fiscal year

Transport and Communications

TABLE 13.1 A**TRANSPORT (Roads)**

(in kilometers)

Years	Expressway	Highway	Local Road	Metro Road	Motorway	National Highway	Primary Road	Secondary Road	Total
2019-20	460	20,089	373,423	86	3,210	12,122	4,387	87,647	501,424
2020-21	428	32,097	373,525	76	2,471	-	4,388	87,765	500,749
2021-22	428	32,097	373,525	146	2,816	-	4,388	87,765	501,165
2022-23 (Jul-Mar)	428	32,097	373,525	146	2,816	-	4,388	87,765	501,165

Source: National Transport Research Center

TABLE 13.1 B**RAILWAYS**

Fiscal Year	Locomotives (Nos.)	Freight Wagons (Nos.)	Route (Km)	Number of Passengers carried (Million)	Freight carried (Million Tonnes)	Freight Tonne (Million Km)	Gross Earnings (Rs. Million)
2010-11	528	18,468	7,791	64.90	2.61	1,757	18,612
2011-12	522	17,611	7,791	41.10	1.30	403	15,444
2012-13	493	16,635	7,791	41.90	1.00	419	18,070
2013-14	421	16,179	7,791	47.70	1.60	1,090	22,800
2014-15	458	15,452	7,791	52.90	3.60	3,301	31,924
2015-16	460	15,164	7,791	52.20	5.00	4,773	36,582
2016-17	455	16,085	7,791	52.40	5.63	5,031	40,065
2017-18	478	16,159	7,791	54.90	8.40	8,080	49,570
2018-19	472	14,327	7,791	60.40	8.30	8,304	54,508
2019-20	473	14,448	7,791	44.30	7.41	7,369	47,584
2020-21	467	14,448	7,791	28.40	8.20	8,179	48,649
2021-22	466	13,900	7,791	35.70	8.00	8,070	60,257
2022-23 (Jul-Mar) P	461	13,448	7,791	22.55	4.29	4,270	39,950

P: Provisional

Source: Ministry of Railways

TABLE 13.1 C

PAKISTAN NATIONAL SHIPPING CORPORATION (PNSC)

Fiscal Year	No. of Vessels	Dead Wt. Tonnes	Gross Earnings (Rs. Million)
2010-11	11	646,666	9,293.0
2011-12	9	610,167	8,875.3
2012-13	9	642,207	12,252.9
2013-14	9	642,207	15,726.5
2014-15	9	681,806	15,536.3
2015-16	9	681,806	12,543.0
2016-17	9	681,806	12,477.0
2017-18	9	681,806	10,070.0
2018-19	11	831,711	10,862.5
2019-20	11	831,711	13,803.0
2020-21	11	831,711	12,788.5
2021-22	13	1,045,957	27,714.1
2022-23 (Jul- Mar) P	12	938,876	42,378.7

P: Provisional

Source: Pakistan National Shipping Corporation

TABLE 13.1 D

PORTS-Cargo Handled

Fiscal Year	Karachi Port (000 tonnes)			Port Qasim (000 tonnes)			Gwadar Port (000 tonnes)		
	Total	Imports	Exports	Total	Imports	Exports	Total	Imports	Exports
2010-11	41,431	28,589	12,842	26,168	19,511	6,657	476.0	476.0	-
2011-12	37,875	26,201	11,674	24,025	18,075	5,950	1426.0	1426.0	-
2012-13	38,850	26,700	21,150	24,801	17,754	7,047	507.6	507.6	-
2013-14	41,350	30,343	11,007	25,775	18,076	7,699	649.0	649.0	-
2014-15	43,422	29,672	13,750	30,014	21,608	8,405	439.2	438.9	0.3
2015-16	50,045	34,594	15,451	33,321	25,857	7,464	51.4	50.6	0.8
2016-17	52,493	42,638	9,855	37,358	30,995	6,363	82.3	80.4	1.9
2017-18	54,685	41,669	13,016	45,555	38,471	7,084	26.8	24.1	2.7
2018-19	46,893	32,863	14,031	49,031	41,878	7,153	5.0	3.6	1.3
2019-20	41,840	27,206	14,634	51,017	43,509	7,508	27.3	26.6	0.7
2020-21	52,279	36,469	15,810	57,993	50,339	7,654	54.7	50.9	3.8
2021-22	51,709	35,540	16,169	55,150	46,665	8,485	79.7	77.3	2.4
2022-23 (Jul-March)	31,791	22,677	9,114	31,532	26,146	5,386	138.2	138.2	-

P : Provisional

- : Not available

* : July-April

Source: Karachi Port Trust
Port Qasim Authority
Gwadar Port Authority

TABLE 13.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION-Operational

Year	PIA Fleet No. of Planes	Available Seat (Million Km)	Route Km	Passenger Load Factor%	Available Tonne (Million Km)	Operating Expenses (Million Rs.)
2011	40	21,726	460,719	72.0	2,972	135,023
2012	38	19,850	448,120	70.0	2,859	133,930
2013	38	17,412	411,936	70.0	2,471	129,588
2014	34	16,537	389,455	72.0	2,396	114,944
2015	34	16,666	367,251	70.0	2,436	108,478
2016	37	19,201	382,057	72.0	2,798	121,863
2017	36	19,108	360,937	73.2	2,659	122,193
2018	32	18,081	332,303	77.3	2,521	170,447
2019	31	18,372	389,725	81.3	2,610	166,917
2020	30	8,902	705,820	74.5	1,327	95,670
2021	30	7,682	374,054	66.9	1,020	101,212
2022	35	13,075	341,821	80.3	1,806	183,345

(Contd.)

PAKISTAN INTERNATIONAL AIRLINES CORPORATION-Revenue

Year	Revenue Passengers (Million Km)	Revenue Passengers Carried (000)	Revenue Load Factor (%)	Revenue Kilometers Flown (000)	Revenue Tonne (Million Km)	Revenue Hours Flown	Operating Revenue (Million Rs.)
2011	15,664	5,953	56.0	84,898	1,678	141,727	116,551
2012	13,874	5,236	53.0	75,750	1,513	127,268	112,130
2013	12,237	4,449	55.0	63,144	1,351	106,476	95,771
2014	11,903	4,202	52.0	61,389	1,242	101,556	99,519
2015	11,711	4,394	49.0	67,630	1,191	111,455	91,269
2016	13,751	5,486	49.0	79,842	1,375	131,838	88,998
2017	13,988	5,342	55.2	75,207	1,469	122,081	90,288
2018	13,975	5,203	58.4	70,089	1,472	110,050	100,051
2019	14,938	5,290	59.0	70,515	1,539	110,640	147,500
2020	6,629	2,541	52.4	37,403	695	57,370	94,989
2021	5,138	2,657	53.7	34,544	547	55,710	86,185
2022	10,497	4,281	58.0	53,811	1,048	84,742	172,038

Note: PIA Financial Year has changed to Calendar Year

Source: Pakistan International Airlines Corporation

TABLE 13.3

NUMBER OF MOTOR VEHICLES REGISTERED

Calendar Year								(Nos.)
	Motor Cycle (2 Wheels)	Motor Cycle (3 Wheels)	Motor Cars Jeeps & Station Wagons	Motor Cabs/ Taxis	Buses	Trucks	Others	Total
2011	5,781,953	266,390	1,881,560	124,651	202,476	225,075	1,178,890	9,660,995
2012	7,500,182	323,189	2,094,289	143,859	215,374	240,888	1,270,788	11,788,569
2013	9,169,528	380,579	2,281,083	145,234	220,347	247,197	1,340,963	13,784,931
2014	11,006,421	466,185	2,437,735	145,424	224,403	253,574	1,406,819	15,940,561
2015	13,081,400	559,114	2,715,322	167,678	229,290	261,845	1,487,460	18,502,109
2016	15,223,925	670,507	2,932,619	170,759	235,521	269,302	1,555,279	21,057,912
2017	17,507,747	761,420	3,195,405	170,890	242,076	277,930	1,642,682	23,798,150
2018	19,783,957	841,445	3,494,007	171,117	249,047	284,683	1,724,426	26,548,682
2019	22,001,277	919,020	3,703,649	171,179	253,996	288,652	1,799,789	29,137,562
2020	23,407,865	951,425	3,833,616	171,462	255,409	293,460	1,844,302	30,757,539
2021 (R)	25,119,891	980,500	4,065,482	171,679	257,223	295,909	1,902,181	32,792,865
2022 (P)*	26,884,786	10,01,860	4,327,539	171,884	259,043	298,760	1,963,577	34,907,449

P: Provisional

*: January-September

Source: Pakistan Bureau of Statistics

TABLE 13.4

MOTOR VEHICLES ON ROAD-LCV

Year								(In 000 Nos.)
	Mcy/ Scooter	Motor Car	M. Cab/ Taxi	Motor Rickshaw	D.Van	Pickup	Jeep	Station Wagon
2010-11	5,468.8	2,822.2	154.6	89.8	173.6	135.3	78.5	175.2
2011-12	6,015.7	3,104.4	170.0	98.8	191.0	148.8	86.4	192.7
2012-13	5,550.0	3,600.0	160.7	120.5	180.0	150.2	78.7	180.1
2013-14	6,100.0	4,600.0	168.8	108.0	181.0	150.0	60.0	185.0
2014-15	6,405.0	4,820.0	178.0	112.0	190.0	158.0	64.0	191.0
2015-16	6,669.3	6,131.7	186.5	118.1	191.4	166.3	54.2	192.0
2016-17	11,975.3	6,954.0	197.4	122.0	204.2	176.4	69.6	201.9
2017-18	14,060.9	7,183.5	197.7	128.1	210.1	187.2	80.0	206.6
Base Year 2018-19								
2018-19	14,623.3	7,470.8	205.6	133.2	218.5	194.7	83.2	214.9
2019-20	22,808.8	3,960.2	116.1	721.3	139.9	513.5	150.9	903.4
2020-21	24,722.3	4,141.9	116.5	759.5	151.7	527.4	175.7	90.5
2021-22	26,505.2	4,400.5	116.6	788.1	168.7	543.1	214.9	90.7
2022-23 (Jul-Mar)	27,487.2	4,547.8	116.8	802.4	179.3	549.4	233.3	90.8

(Contd.)

TABLE 13.4

MOTOR VEHICLES ON ROAD-HCV

Year							(In 000 Nos.)
	Ambulance	Buses	Trucks	Tractor	Tankers (Oil & Water)	Others	Total
2010-11	4.5	125.6	209.5	970.9	11.4	24.0	10,443.8
2011-12	5.0	138.2	230.5	1,068.0	12.5	26.4	11,488.2
2012-13	3.7	130.2	220.5	1,128.7	12.3	60.5	11,576.1
2013-14	4.0	140.0	240.0	1,228.0	12.6	65.0	13,242.4
2014-15	4.0	148.0	252.0	1,283.0	12.6	68.0	13,885.6
2015-16	3.8	150.6	263.8	1,351.6	14.0	75.5	15,568.8
2016-17	5.7	156.3	276.2	1,430.1	14.8	74.7	21,858.6
2017-18	6.9	159.2	280.0	1,460.2	15.2	92.4	24,268.0
Base Year 2018-19							
2018-19	7.2	165.6	291.2	1,518.6	15.8	96.1	25,238.7
2019-20	8.8	193.7	325.6	628.0	24.3	287.1	29,968.8
2020-21 E	9.1	164.7	313.2	648.1	21.1	287.3	32,129.0
2021-22	9.7	166.7	317.0	670.3	21.3	287.5	34,300.2
2022-23 (Jul-Mar)	10.0	167.9	319.7	684.3	21.4	288.8	35,499.1

E: Estimated

Source: Ministry of Communication (NTRC)

Note: NTRC conducted a comprehensive data collection exercise from source i.e. all provincial registration authorities. As a result, actual data for the year 2018-19 was provided for publication in Economic Survey of Pakistan

TABLE 13.5

MOTOR VEHICLES-PRODUCTION

Fiscal Year							(In Nos.)
	Motor Cycle/Rickshaw	Cars & Jeeps	L.C.Vs	Buses	Trucks	Tractors	
2010-11	1,638,457	134,855	19,142	490	2,810	70,855	
2011-12	1,649,532	154,706	20,929	568	2,597	48,152	
2012-13	1,675,071	121,807	14,517	522	1,923	50,871	
2013-14	1,728,137	117,498	17,477	559	2,674	34,524	
2014-15	1,777,251	153,633	28,189	575	4,039	48,883	
2015-16	2,071,123	180,717	35,836	1,070	5,666	34,914	
2016-17	2,500,650	190,466	24,265	1,118	7,712	53,975	
2017-18	2,825,071	231,138	29,055	784	9,187	71,894	
2018-19	2,459,849	216,780	24,453	913	6,035	49,902	
2019-20	1,813,448	97,889	12,068	532	2,945	32,608	
2020-21	2,475,894	163,122	19,744	570	3,808	50,486	
2021-22	2,190,344	232,015	39,190	645	5,225	58,922	
Jul-Mar							
2021-22	1,666,374	198,969	38,745	514	5,608	41,918	
2022-23	1,012,488	111,751	18,888	628	3,310	22,690	

Source: Pakistan Bureau of Statistics

TABLE 13.6

MOTOR VEHICLES-IMPORTS

Fiscal Year	Bicycle	Motorised Cycles	Motor Cycles	Motor Rickshaw	Rickshaw chassis with Engine	Cars	Passengers M. Cars (NES)	Car Chassis with Engine	Pickup	in Nos.
										Jeeps
2010-11	184,023	103,694	216,080	14,746	-	675,810	344	163	35,462	27
2011-12	199,876	29,645	246,332	51,142	-	874,386	137	2	63,786	35
2012-13	211,535	36,839	275,931	19,043	-	671,531	923	-	35,101	29
2013-14	260,532	42,840	213,466	32,745	-	778,073	54	-	29,459	14
2014-15	386,981	58,270	291,882	97,591	-	1,854,622	10	2	65,751	21
2015-16	541,381	102,593	327,001	44,911	1	1,384,775	5	-	69,146	13
2016-17	715,496	106,046	323,290	30,811	192	1,568,723	-	-	110,247	3
2017-18	1,351,813	140,778	393,790	33,489	161	1,855,468	-	2	251,019	76
2018-19	692,174	124,283	290,091	30,823	-	2,119,541	-	-	88,945	38
2019-20	262,867	108,502	302,046	28,089	-	1,212,456	-	-	87,340	1
2020-21	377,087	69,457	398,502	35,155	-	1,493,580	-	4	84,911	4
2021-22	247,196	91,175	453,910	40,089	-	1,550,946	-	-	90,244	31
2022-23 P (Jul-Mar)	130,662	56,856	256,226	349	-	1,328,668	-	-	207,986	64

(Contd.)

Fiscal Year	Station Wagon	Delivery Van	Lorries Trucks Ambulance	Passenger Vehicles Public	Special Lorries Trucks & Vans	Bus etc. Chassis	Buses, Trolley Buses	Motor Vehicles for Goods	Spl. Truck etc. Chassis	Road Tractors for Trailers
2010-11	29	4	24,728	225	3,371	1,553	861	5	233	1,345
2011-12	73	1	11,942	441	563	1,828	1,555	2	16	1,598
2012-13	42	735	31,027	16,947	2,832	1,586	668	-	9	1,252
2013-14	8	2,732	23,946	1,282	1,406	3,997	425	7	17	1,309
2014-15	18	5,477	33,489	2,810	927	4,818	847	-	3,063	9,991
2015-16	126	8,707	47,645	3,036	1,398	9,136	1,234	1	3,267	4,442
2016-17	4	10,553	50,380	2,649	1,929	21,046	720	10	81	1,836
2017-18	4	12,810	38,095	3,316	1,098	2,152	685	1,313	152	1,307
2018-19	-	8,596	20,872	1,335	518	1,568	611	1	85	1,278
2019-20	-	2,361	10,701	227	197	494	404	7	406	1,493
2020-21	-	3,812	12,549	1,353	187	1,409	314	5	24	4,262
2021-22	-	5,270	14,113	1,503	171	986	494	1	88	4,360
2022-23 P (Jul-Mar)	-	1,586	26,148	512	56	668	223	-	186	10,346

(Contd.)

Fiscal Year	Tractor Agricultural	Tractor Caterpillar	Tractor Heavy Duty for const.	Tractor Roads	Tractor (NES)	Electric Vehicles	Electric Bikes	Sport Utility Vehicle	3-Wheel Loader
2010-11	905	-	148	144	12,208	-	-	-	-
2011-12	3,684	-	68	-	12,930	-	-	-	-
2012-13	1,988	-	131	225	18,773	-	-	-	-
2013-14	2,088	-	347	157	16,796	13	15	1	-
2014-15	3,086	-	476	434	28,743	13	104	14	100
2015-16	1,843	4	369	675	30,464	25	64	10	10,202
2016-17	4,831	-	843	703	66,946	12	59	42	2,956
2017-18	3,796	44	643	713	63,638	-	-	11	16,929
2018-19	2,270	-	95	867	2,468	-	-	9	2,180
2019-20	1,366	-	86	488	6,913	-	-	19	47
2020-21	2,244	-	105	166	2,466	-	-	4	2
2021-22	3,658	-	163	188	4,348	-	-	7	5
2022-23 P (Jul-Mar)	2,256	-	151	98	9,436	-	-	-	3

P : Provisional

- : Not Available

Source: Pakistan Bureau of Statistics

TABLE 13.7**PAKISTAN POST OFFICES**

Fiscal Year	No. of Post Offices		
	Urban	Rural	Total
2010-11	1,580	10,455	12,035
2011-12	1,797	10,238	12,035
2012-13	2,178	10,650	12,828
2013-14	1,813	10,264	12,077
2014-15	1,813	10,264	12,077
2015-16	1,782	9,962	11,744
2016-17	2,046	9,450	11,496
2017-18	2,046	9,450	11,496
2018-19	1,717	8,352	10,069
2019-20	1,519	8,626	10,145
2020-21	1,514	8,072	9,586
2021-22	2,179	8,012	10,191
2022-23 (Jul-Mar)	1,742	8,282	10,024

Source: Pakistan Post Office

Energy

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	1. Oil/Petroleum (tons)						Total
	Households	Industry	Agriculture	Transport	Power	Other Govt.	
2010-11	85,449	1,355,443	40,597	8,892,268	8,138,956	373,794	18,886,507
2011-12	79,448	1,419,125	23,297	9,265,883	7,594,663	295,847	18,678,263
2012-13	97,847	1,379,096	31,828	9,817,546	7,749,007	317,805	19,393,129
2013-14	100,679	1,297,035	46,655	10,299,718	9,006,085	358,512	21,108,684
2014-15	89,017	1,300,190	37,235	11,372,924	8,995,231	365,471	22,160,068
2015-16	74,357	2,023,377	14,512	13,022,573	7,765,629	386,232	23,286,680
2016-17	77,169	1,990,398	12,671	14,582,925	8,531,825	366,958	25,561,946
2017-18	66,075	1,784,781	14,527	16,047,392	6,377,388	387,801	24,677,964
2018-19	60,557	1,299,437	15,021	14,673,564	2,759,465	409,132	19,217,176
2019-20	45,844	1,221,474	11,993	13,861,073	1,526,796	371,303	17,038,484
2020-21	29,816	1,472,777	12,134	15,779,499	2,364,586	306,961	19,965,773
2021-22	29,522	1,332,899	11,822	17,409,035	3,683,322	373,489	22,840,089
(July-March)							
2021-22*	24,792	1,025,826	9,738	12,789,549	2,423,462	276,316	16,549,305
2022-23	13,547	889,741	7,400	10,254,475	1,413,780	261,668	12,840,611

P : Provisional

(Contd...)

Note: HSD consumption in agricultural sector is not available separately and is included under transport sector. Agricultural sector represents LDO only.

*: Consumption of POL products available till February 2020.

Source : Oil Companies Advisory Committee.

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	2. Gas (mm cft)*								Total
	Households	Commercial	Cement	Fertilizer	Power	SSGC*	Industry	Transport CNG**	
2010-11	232,244	36,466	1,378	228,460	337,401		291,667	113,055	1,240,671
2011-12	261,915	39,627	1,266	211,828	358,381		296,181	119,000	1,288,198
2012-13	291,917	40,689	586	188,020	362,262		284,278	100,228	1,267,980
2013-14	269,135	38,117	522	216,518	349,535		259,032	87,634	1,220,493
2014-15	278,069	35,187	831	225,512	371,562		247,214	66,517	1,224,892
2015-16	271,302	33,633	497	262,923	440,593		231,517	64,455	1,304,920
2016-17	290,868	32,858	583	276,805	446,941		262,006	67,245	1,377,307
2017-18	284,428	32,096	886	248,104	544,654		274,074	70,455	1,454,697
2018-19	311,887	31,205	387	233,834	511,140	53,261	246,706	65,099	1,453,517
2019-20	325,348	26,999	266	248,204	424,579	26,222	225,660	46,448	1,323,725
2020-21	312,688	27,316	932	314,536	434,878	56,503	262,370	53,780	1,463,002
2021-22	309,768	24,013	1,101	319,751	385,522	47,219	233,116	21,945	1,342,434
(July-March)									
2021-22	247,884	19,110	273	200,655	304,395	-	181,272	19,656	973,245
2022-23	249,795	16,926	819	188,370	273,819	-	145,509	16,653	891,891

P : Provisional - : Not available

(Contd...)

* RLNG withheld by SSGCL.

** Sector wise natural gas consumption is available till Feb-2019.

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	3. Electricity (Gwh)									4. Coal (000 metric ton)					
	Traction	Household	Commercial	Industrial	Agricultural	Street Lights	General Services*	Other Govt.	Total	Household	Power	Brick Kilns	Cement	Other Govt.	Total
2010-11	1	35,885	5,782	21,207	8,971	456	-	4,797	77,099	-	96.5	3,003.6	4,617.1	-	7,717.1
2011-12	1	35,589	5,754	21,801	8,548	478	-	4,590	76,761	-	104.6	3,108.2	4,456.9	-	7,669.7
2012-13	-	36,116	6,007	22,313	7,697	457	-	4,199	76,789	-	63.0	2,696.0	4,129.9	-	6,889.0
2013-14	-	39,549	6,375	24,356	8,290	458	-	4,381	83,409	-	160.7	2,727.6	3,669.2	-	6,557.5
2014-15	-	41,450	6,512	24,979	8,033	441	-	4,403	85,818	-	151.2	3,010.4	5,553.8	-	8,715.4
2015-16	-	44,486	7,181	25,035	8,526	459	-	4,744	90,431	-	204.4	3,541.1	5,485.3	-	9,230.8
2016-17	-	48,698	7,856	24,010	9,221	484	-	5,260	95,529	-	859.6	2,855.3	7,470.8	-	11,185.8
2017-18	-	54,028	8,606	27,468	10,128	475	-	6,222	106,927	-	4,436.1	3,941.7	9,603.3	-	17,981.1
2018-19	-	53,685	8,513	28,760	9,809	451	1	8,240	109,461	-	5,901.5	5,391.2	10,234.3	-	21,527.1
2019-20	-	55,963	7,975	25,708	9,757	385	256	8,328	108,371	1.3	10,897.0	8,183.8	6,074.8	-	25,156.9
2020-21	-	58,722	8,501	29,954	10,238	413	368	8,621	116,816	1.5	9,215.5	8,678.1	10,184.2	-	28,079.3
2021-22	-	56,202	8,652	31,600	10,247	387	427	3,748	111,263	1.6	12,807.8	5,643.0	23,675.1	-	42,127.4
(July-March)															
2021-22	-	39,833	6,217	22,734	7,222	281	298	6,346	82,931	-	9,800.0	6,900.0	5,300.0	-	22,000.0
2022-23	-	39,200	6,576	23,687	6,906	376	2,693	4,595	84,034	1.5	7,295.3	3,321.2	4,800.0	-	15,418.0

- : Not available P: Provisional Source: Ministry of Energy, Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.2

COMMERCIAL ENERGY SUPPLIES (ELECTRICITY)

Fiscal Year	Installed Capacity MW	Generation GW/h (a)	Hydroelectric		Thermal		Nuclear		Renewable		Imported (GW/h)
			Installed Capacity (MW) (b)	Generation (GW/h)	Installed Capacity (MW)	Generation (GW/h)	Installed Capacity (MW)	Generation (GW/h)	Installed Capacity (MW)	Generation (GW/h)	
2010-11	22,477	94,653	6,481	31,811	15,209	59,153	787	3,420	-	-	269
2011-12	22,797	95,365	6,556	28,517	15,454	61,308	787	5,265	-	-	274
2012-13	22,812	96,497	6,773	29,857	15,289	61,711	750	4,553	-	-	375
2013-14	23,531	104,089	6,893	31,873	15,887	66,707	750	5,090	-	-	419
2014-15	23,759	107,408	7,030	32,474	15,541	67,886	750	5,804	438	802	443
2015-16	25,889	111,763	7,122	34,633	17,115	70,512	750	4,605	902	1,549	463
2016-17	29,944	123,614	7,129	32,183	20,488	81,268	1,090	6,999	1,237	2,668	496
2017-18	33,554	131,275	7,139	27,925	23,347	89,614	1,430	9,880	1,637	3,857	556
2018-19	35,114	128,532	8,639	27,339	23,347	86,602	1,430	9,909	1,698	4,682	487
2019-20	36,701	128,673	8,668	33,585	24,682	80,121	1,430	10,815	2,047	4,152	514
2020-21	36,536	135,671	8,723	33,548	24,461	88,453	1,430	9,346	1,921	4,323	498
2021-22	41,402	150,866	8,723	32,706	26,307	92,791	3,630	19,174	2,742	6,195	463
(July-March)											
2021-22	41,557 [#]	122,934 [#]	10,251	29,181	24,710	74,862	3,647	15,182	2,949	3,709	314
2022-23	41,000	94,509	10,592	26,937	24,095	43,526	3,530	19,739	2,783	3,919	389

- : Not Available Source: Ministry of Energy
(a) GWh: Giga Watt hour (b) MW: Mega Watt
#: Electricity data is available upto April 2022

TABLE 14.3

COMMERCIAL ENERGY SUPPLIES (OIL, GAS, PETROLEUM, COAL)

Fiscal Year	Oil		Gas		Petroleum Products		Coal	
	Crude Oil Imports 000 barrels	Local Crude Extraction 000 barrels	Production mcf*	Imports mcf	Imports 000 tons	Production 000 tons	Imports 000 tons	Production 000 tons
2010-11	51,306	24,041	1,471,591	-	12,371	8,911	4,267	3,450
2011-12	47,104	24,573	1,558,959	-	11,507	8,395	4,057	3,613
2012-13	57,037	27,841	1,505,841	-	10,489	9,914	3,710	3,179
2013-14	61,933	31,585	1,493,508	-	11,523	10,926	3,119	3,438
2014-15	64,208	34,490	1,465,760	20,191	13,347	11,253	5,004	3,712
2015-16	66,855	31,652	1,481,551	102,735	13,550	11,021	4,885	4,142
2016-17	66,737	32,269	1,471,855	190,406	15,145	11,513	7,021	4,165
2017-18	79,607	32,557	1,458,936	320,180	13,344	12,929	13,684	4,297
2018-19	66,833	32,496	1,436,455	380,879	8,807	11,839	15,686	5,841
2019-20	50,022	28,087	1,316,635	355,559	7,539	9,353	16,422	8,735
2020-21	65,494	27,568	1,279,243	423,951	10,117	10,070	18,850	9,230
2021-22	84,441	26,804	1,237,251	405,925	13,186	10,992	32,533	9,595
(July-March)								
2021-22***	49,705	20,407	925,107	301,809	9,346	8,181	12,209 **	4,847 @
2022-23	43,916	19,275	899,059	250,086	6,118	7,383	6,577	8,842 #

P : Provisional - : Not available Ministry of Energy

(a) MW: Mega Watt (b) GWh: Giga Watt hour

* : Million cubic feet

** : Figure of coal production and import are available till February 2021

*** : Production of crude oil, gas and coal is available till February 2020

@ : Figures for coal production are estimated on the basis of available data.

: Coal production for Balochistan is available upto December 2022, while for Punjab it is available upto February 2023

TABLE 14.4

Consumer-End Applicable Tariff

Description	Fixed Charges	Notified Tariff w.e.f. 01-01-2019	* Industrial Support Package w.e.f. July 01, 2019	Qtr. Adjust. for 1st & 2nd quarter, Notified w.e.f. 1-07-2019	Qtr. Adjust. for 3rd & 4th quarter and interim increase on account Distribution Margin, notified w.e.f. 1-10-2019	Quarterly Uniform Tariff 1 st Qtr 2019-20 w.e.f. 1-12-2019	Total Applicable Tariff
		Variable Charges	Variable Charges	Variable Charges	Variable Charges	Variable Charges	Variable Charges
	Rs./ kW/M	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh
	A	B	C	D	E	F	G= B+C+D+E+F
A1- Residential							
Up to 50 Units		2.00		-	-	-	2.00
For peak load requirement less than 5 kW							
01-100 Units		5.79		-	-	-	5.79
101-200 Units		8.11		-	-	-	8.11
201-300 Units		10.2		-	-	-	10.20
301-700Units		17.6		0.75	0.83	0.07	19.25
Above 700 Units		20.7		0.75	0.83	0.07	22.35
For peak load requirement exceeding 5 kW)							
Time of Use (TOU) - Peak		20.7		0.75	0.83	0.07	22.35
Time of Use (TOU) - Off-Peak		14.38		0.75	0.83	0.07	16.03
Temporary Supply		20.84		1.80	0.83	0.07	23.54
A2- Commercial							
For peak load requirement less than 5 kW		18		0	0.83	0.26	19.09
For peak load requirement exceeding 5 kW							
Regular	400	19.68		1.8	0.83	0.26	22.57
Time of Use (TOU) - Peak		21.6		1.8	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	400	15.63		1.8	0.83	0.26	18.52
Temporary Supply		18.39		1.8	0.83	0.26	21.28
A3- General Services		17.56		1.8	0.83	0.26	20.45
B- Industrial							
B1		15.28		1.8	0.83	0.26	18.17
B1 Peak		18.84	(3.00)	1.80	0.83	0.26	18.73
B1 Off Peak		13.28		1.80	0.83	0.26	16.17
B2	400	14.78		1.80	0.83	0.26	17.67
B2 - TOU (Peak)		18.78	(3.00)	1.80	0.83	0.26	18.67
B2 - TOU (Off-peak)	400	13.07		1.80	0.83	0.26	15.96
B3 - TOU (Peak)		18.78	(3.00)	1.80	0.83	0.26	18.67
B3 - TOU (Off-peak)	380	12.98		1.80	0.83	0.26	15.87
B4 - TOU (Peak)		18.78	(3.00)	1.80	0.83	0.26	18.67
B4 - TOU (Off-peak)	360	12.88		1.80	0.83	0.26	15.77
Temporary Supply		16.36		1.80	0.83	0.26	19.25
C - Single Point Supply							
C1(a) Supply at 400 Volts-less than 5 kW		18.68		1.80	0.83	0.26	21.57
C1(b) Supply at 400 Volts-exceeding 5 kW	400	18.18		1.80	0.83	0.26	21.07
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	400	15		1.80	0.83	0.26	17.89
C2 Supply at 11 kV	380	17.98		1.80	0.83	0.26	20.87
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	380	14.8		1.80	0.83	0.26	17.69
C3 Supply above 11 kV	360	17.88		1.80	0.83	0.26	20.77
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	360	14.7		1.80	0.83	0.26	17.59
D- Agricultural							
Scarp		15.68		1.80	0.83	0.26	18.57
Time of Use (TOU) - Peak		18.6		1.80	0.83	0.26	21.49
Time of Use (TOU) - Off-Peak	200	11.35		1.80	0.83	0.26	14.24
Agricultural Tube-wells	200	5.35		1.49	0.83	0.26	7.934
Time of Use (TOU) - Peak		5.35		1.49	0.83	0.26	7.934
Time of Use (TOU) - Off-Peak	200	5.35		1.49	0.83	0.26	7.934
Public Lighting - Tariff G		18.68		1.80	0.83	0.26	21.57
Residential Colonies - Tariff H		18.68		1.80	0.83	0.26	21.57
Railway Traction Tariff I		18.68		1.80	0.83	0.26	21.57
Tariff K - AJK	360	15.9		1.80	0.83	0.26	18.79
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	360	14.7		1.80	0.83	0.26	17.59
Tariff K -Rawat Lab		18.68		1.80	0.83	0.26	21.57
J- Special Contract							
J-1 For Supply at 66 kV & above	360	17.88		1.80	0.83	0.26	20.77
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	360	14.7		1.80	0.83	0.26	17.59
J-2 (a) For Supply at 11, 33 kV	380	17.98		1.80	0.83	0.26	20.87
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	380	14.8		1.80	0.83	0.26	17.69
J-2 (b) For Supply at 66 kV & above	360	17.88		1.80	0.83	0.26	20.77
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	360	14.7		1.80	0.83	0.26	17.59
J-3 (a) For Supply at 11, 33 kV	380	17.98		1.80	0.83	0.26	20.87
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	380	14.8		1.80	0.83	0.26	17.69
J-3 (b) For Supply at 66 kV & above	360	17.88		1.80	0.83	0.26	20.77
Time of Use (TOU) - Peak		21.6		1.80	0.83	0.26	24.49
Time of Use (TOU) - Off-Peak	360	14.7		1.80	0.83	0.26	17.59

Source: NEPRA

* Industrial Support Package (ISP) reduction shall be inclusive of any downward revision of Fuel Price Adjustment notified from time to time.
 Note: FC Surcharge @ Rs. 0.43/kWh and NJ Surcharge @ 0.10/kWh are applicable in addition to above on all consumer categories except life line.

TABLE 14.4

Consumer-End Applicable Tariff

Description	Fixed Charges	Notified Base Tariff w.e.f. 01-11-2021	Uniform Applicable Quarterly adjustment 4th Qtr. FY 2019-20, 1st & 2nd Qtr. FY 2020-21 & Surcharge w.e.f. 01.10.2021	Total Applicable Tariff
		Variable Charges	Variable Charges	Variable Charges
	Rs./ kW/M	Rs./kWh	Rs./kWh	Rs./kWh
	A	B	C	D= B+C
A1- Residential				
For peak load requirement less than 5 kW				
Protected				
Up to 50 Units - Life Line		3.95		3.95
51-100 units - Life Line		7.74	(0.0673)	7.67
0-100 Units		7.74	(0.0673)	7.67
101-200 Units		10.06	(0.0673)	9.99
Un-Protected				
01-100 Units		9.42	(0.0673)	9.35
101-200 Units		11.74	(0.0673)	11.67
201-300 Units		13.83	(0.0673)	13.76
301-400 Units		21.23	1.6527	22.88
401-500 Units		21.23	1.6527	22.88
501-600 Units		21.23	1.6527	22.88
601-700Units		21.23	1.6527	22.88
Above 700 Units		24.33	1.6527	25.98
For peak load requirement exceeding 5 kW)				
Time of Use (TOU) - Peak		24.33	1.6527	25.98
Time of Use (TOU) - Off-Peak		18.01	1.6527	19.66
Temporary Supply		24.47	1.6527	26.12
A2- Commercial				
For peak load requirement less than 5 kW				
For peak load requirement exceeding 5 kW				
Regular	440	23.02	2.9027	25.92
Time of Use (TOU) - Peak		24.94	2.9027	27.84
Time of Use (TOU) - Off-Peak	440	18.97	2.9027	21.87
Temporary Supply		21.73	2.9027	24.63
A3- General Services				
		20.90	2.9027	23.80
B- Industrial				
B1 (upto 25kW)		18.62	2.9027	21.52
B1 - TOU (Peak)		16.62	2.9027	19.52
B1 Off Peak		16.62	2.9027	19.52
B2 (25-500 kW)	440	18.12	2.9027	21.02
B2 - TOU (Peak)		16.41	2.9027	19.31
B2 - TOU (Off-peak)	440	16.41	2.9027	19.31
B3 - TOU (Peak)		16.32	2.9027	19.22
B3 - TOU (Off-peak)	420	16.32	2.9027	19.22
B4 - TOU (Peak)		16.22	2.9027	19.12
B4 - TOU (Off-peak)	400	16.22	2.9027	19.12
Temporary Supply		19.70	2.9027	22.60
C - Single Point Supply				
C1(a) Supply at 400 Volts-less than 5 kW				
C1(b) Supply at 400 Volts-exceeding 5 kW	440	21.52	2.9027	24.42
Time of Use (TOU) - Peak		24.94	2.9027	27.84
Time of Use (TOU) - Off-Peak	440	18.34	2.9027	21.24
C2 Supply at 11 kV	420	21.32	2.9027	24.22
Time of Use (TOU) - Peak		24.94	2.9027	27.84
Time of Use (TOU) - Off-Peak	420	18.14	2.9027	21.04
C3 Supply above 11 kV	400	21.22	2.9027	24.12
Time of Use (TOU) - Peak		24.94	2.9027	27.84
Time of Use (TOU) - Off-Peak	400	18.04	2.9027	20.94
D- Agricultural				
Scarp				
Time of Use (TOU) - Peak		19.02	2.9027	21.92
Time of Use (TOU) - Off-Peak	200	14.69	2.9027	17.59
Agricultural Tube-wells	200	8.69	2.5927	11.28
Time of Use (TOU) - Peak		8.69	2.5927	11.28
Time of Use (TOU) - Off-Peak	200	8.69	2.5927	11.28
Public Lighting - Tariff G				
Residential Colonies - Tariff H		22.02	2.9027	24.92
Railway Traction Tariff I		22.02	2.9027	24.92
Tariff K - A JK	400	19.24	2.9027	22.14
Time of Use (TOU) - Peak		24.94	2.9027	27.84
Time of Use (TOU) - Off-Peak	400	18.04	2.9027	20.94
Tariff K -Rawat Lab		22.02	2.9027	24.92

Source: NEPRA

Note: In addition to above, Monthly FCA is also applicable

FC Surcharge @ Rs. 0.43/kWh is applicable in addition to above on all consumer categories except life line.

TABLE 14.4

Consumer-End Applicable Tariff

Description	GOP Applicable Base Tariff		2nd Qtr. Adj. FY 2022-23 w.e.f. Apr. Jun. 23	F.C Surcharge w.e.f. March 2023	Total Applicable Tariff
	Fixed Charge Rs./kW/M	Variable Charges Rs./kWh	Variable Charges Rs./kWh	Variable Charges Rs./kWh	Variable Charges Rs./kWh
Residential					
For peak load requirement less than 5 kW					
Protected	Up to 50 Units - Life Line	3.95	-	-	3.95
	51-100 units - Life Line	7.74	-	-	7.74
Un-Protected	01-100 Units	7.74	0.47	0.43	8.64
	101-200 Units	10.06	0.47	0.43	10.96
	01-100 Units	13.48	0.47	0.43	14.38
	101-200 Units	18.95	0.47	0.43	19.85
	201-300 Units	22.14	0.47	0.43	23.04
	301-400 Units	25.53	0.47	3.82	29.82
	401-500 Units	27.74	0.47	3.82	32.03
	501-600 Units	29.16	0.47	3.82	33.45
	601-700Units	30.30	0.47	3.82	34.59
	Above 700 Units	35.22	0.47	3.82	39.51
For peak load requirement exceeding 5 kW)					
	Time of Use (TOU) - Peak	34.39	0.47	3.82	38.68
	Time of Use (TOU) - Off-Peak	28.07	0.47	3.82	32.36
	Temporary Supply	34.53	0.47	3.82	38.82
Total Residential					
Commercial - A2					
For peak load requirement less than 5 kW		30.25	0.47	3.82	34.54
For peak load requirement exceeding 5 kW					
	Regular	500	31.93	0.47	36.22
	Time of Use (TOU) - Peak		33.85	0.47	38.14
	Time of Use (TOU) - Off-Peak	500	27.88	0.47	32.17
	Temporary Supply		30.64	0.47	34.93
	Electric Vehicle Charging Station		31.93	0.47	36.22
Total Commercial					
General Services-A3		29.81	0.47	3.82	34.10
Industrial					
	B1	26.83	0.47	3.82	31.12
	B1 Peak	30.39	0.47	3.82	34.68
	B1 Off Peak	24.83	0.47	3.82	29.12
	B2	500	26.33	0.47	30.62
	B2 - TOU (Peak)		30.33	0.47	34.62
	B2 - TOU (Off-peak)	500	24.62	0.47	28.91
	B3 - TOU (Peak)		30.33	0.47	34.62
	B3 - TOU (Off-peak)	460	24.53	0.47	28.82
	B4 - TOU (Peak)		30.33	0.47	34.62
	B4 - TOU (Off-peak)	440	24.43	0.47	28.72
	Temporary Supply		27.91	0.47	32.20
Total Industrial					
Single Point Supply					
	C1(a) Supply at 400 Volts-less than 5 kW	30.93	0.47	3.82	35.22
	C1(b) Supply at 400 Volts-exceeding 5 kW	500	30.43	0.47	34.72
	Time of Use (TOU) - Peak		33.85	0.47	38.14
	Time of Use (TOU) - Off-Peak	500	27.25	0.47	31.54
	C2 Supply at 11 kV	460	30.23	0.47	34.52
	Time of Use (TOU) - Peak		33.85	0.47	38.14
	Time of Use (TOU) - Off-Peak	460	27.05	0.47	31.34
	C3 Supply above 11 kV	440	30.13	0.47	34.42
	Time of Use (TOU) - Peak		33.85	0.47	38.14
	Time of Use (TOU) - Off-Peak	440	26.95	0.47	31.24
Total Single Point Supply					
Agricultural Tube-wells - Tariff D					
	Scarp	26.93	0.47	3.82	31.22
	Time of Use (TOU) - Peak		29.85	0.47	34.14
	Time of Use (TOU) - Off-Peak	200	22.60	0.47	26.89
	Agricultural Tube-wells	200	16.60	0.47	20.89
	Time of Use (TOU) - Peak		16.60	0.47	20.89
	Time of Use (TOU) - Off-Peak	200	16.60	0.47	20.89
Total Agricultural					
	Public Lighting - Tariff G	29.93	0.47	3.82	34.22
	Residential Colonies	29.93	0.47	3.82	34.22
	Railway Traction	29.93	0.47	3.82	34.22
	Tariff K - AJK	440	27.15	0.47	31.44
	Time of Use (TOU) - Peak		32.85	0.47	37.14
	Time of Use (TOU) - Off-Peak	440	25.95	0.47	30.24
	Tariff K -Rawat Lab	29.93	0.47	3.82	34.22

Source: NEPRA

TABLE 14.5
OIL SALE PRICES

Date	01-09-2018	01-10-2018	01-11-2018	01-12-2018	01-01-2019	01-02-2019	01-03-2019	01-04-2019
Rs/Ltrs								
EX-NRL/PRL KARACHI								
Motor Gasoline	92.83	92.83	97.83	95.83	90.97	90.38	92.89	98.89
HOBC (Automotive 100 Octane) Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	83.50	863.50	86.50	83.50	82.98	82.31	86.31	89.31
HSD	106.57	106.57	112.94	110.94	106.68	106.68	111.43	117.43
LDO	75.96	75.96	82.44	77.44	75.28	75.03	77.54	80.54
Aviation gasoline (100LL)								
JP-1:	80.94	84.83	92.34	84.42	73.59	73.39	73.48	81.95
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	80.75	84.64	92.15	84.23	73.41	73.20	73.29	81.92
- : Not available								

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Date	01-05-2019	05-05-2019	01-06-2019	01-07-2019	1-8-2019	1-9-2019	1-10-2019	1-11-2019
Rs/Ltrs								
EX-NRL/PRL KARACHI								
Motor Gasoline	98.89	108.42	112.68	112.68	117.83	113.24	113.24	114.24
HOBC (Automotive 100 Octane) Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	89.31	96.77	98.46	98.46	103.84	99.57	99.57	97.18
HSD	117.43	122.32	126.82	126.82	132.47	127.14	127.14	127.41
LDO	80.54	86.94	88.62	88.62	97.52	91.89	91.89	85.33
Aviation gasoline (100LL)								
JP-1:	85.75	85.75	87.45	83.99	92.30	87.90	89.33	86.15
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	85.73	85.73	87.42	83.97	92.28	87.68	89.31	86.12
- : Not available								

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Date	1-12-2019	1-1-2020	1-2-2020	1-3-2020	25-3-2020	27-6-20	1-8-2020	1-9-2020
Rs/Ltrs								
EX-NRL/PRL KARACHI								
Motor Gasoline	113.99	116.60	116.60	111.59	96.58	100.11	103.97	103.97
HOBC (Automotive 100 Octane) Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	96.35	99.45	99.45	92.45	77.45	59.32	65.29	65.29
HSD	125.01	127.26	127.26	122.25	107.25	101.46	106.46	106.46
LDO	82.43	84.51	84.51	77.51	62.51	56.24	62.86	62.86
Aviation gasoline (100LL)								
JP-1:	85.34	93.02	93.02	80.92	77.37	49.05	24.85	48.64
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	85.32	87.09	87.09	74.06	51.46	19.31	24.84	48.61
- : Not available								

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Date	16-5-2021	1-6-2021	16-6-2021	1-7-2021	16-7-2021	1-8-2021	16-8-2021	1-9-2021	Rs/Ltrs
EX-NRL/PRL KARACHI									
Motor Gasoline	108.56	108.56	110.69	112.69	118.09	119.80	119.80	118.33	
HOBC (Automotive 100 Octane) Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)									
Kerosene	80.00	80.00	81.89	85.75	87.14	87.49	88.30	86.80	
HSD	110.76	110.76	112.55	113.99	116.53	116.53	116.53	115.03	
LDO	77.65	77.65	79.68	83.40	84.67				
Aviation gasoline (100LL)									
JP-1:	-	-	-	91.04	90.58	90.59	91.48	91.48	
i) For sale to PIA Domestic Flight ii) For sale to PIA foreign flights & foreign airline iii) For Cargo & Technical Landing Flights									
JP-4									
JP-8	-	-	-	89.05	90.56	90.57	91.46	91.46	
- : Not available					Source: Hydrocarbon Development Institute of Pakistan (HDIP)				

TABLE 14.5
OIL SALE PRICES

Date	16-9-2021	1-10-2021	16-10-2021	1-11-2021	5-11-2021	6-11-2021	1-12-2021	16-12-2021	Rs/Ltrs
EX-NRL/PRL KARACHI									
Motor Gasoline	123.30	127.30	137.79	137.79	145.82	145.82	145.82	140.82	
HOBC (Automotive 100 Octane) Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)									
Kerosene	92.26	99.31	110.26	110.26	116.53	116.53	116.53	109.53	
HSD	120.04	122.04	134.48	134.48	142.62	142.62	142.62	137.62	
LDO									
Aviation gasoline (100LL)									
JP-1:	93.45	100.63	112.64	112.64	120.71	117.05	113.50	105.83	
i) For sale to PIA Domestic Flight ii) For sale to PIA foreign flights & foreign airline iii) For Cargo & Technical Landing Flights									
JP-4									
JP-8	93.42	100.61	112.61	112.61	120.69	117.02	113.48	105.80	
- : Not available					Source: Hydrocarbon Development Institute of Pakistan (HDIP)				

TABLE 14.5
OIL SALE PRICES

Date	1-1-2022	16-1-2022	1-2-2022	16-2-2022	1-3-2022	16-3-2022	1-4-2022	16-4-2022	Rs/Ltrs
EX-NRL/PRL KARACHI									
Motor Gasoline	144.82	147.83	147.83	159.86	149.86	149.86	149.86	149.86	
HOBC (Automotive 100 Octane) Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)									
Kerosene	113.48	116.48	116.48	126.56	125.56	125.56	125.56	125.56	
HSD	141.62	144.62	144.62	154.15	144.15	144.15	144.15	144.15	
LDO									
Aviation gasoline (100LL)									
JP-1:	111.21	114.54	114.54	123.97	118.31	118.31	118.31	118.31	
i) For sale to PIA Domestic Flight ii) For sale to PIA foreign flights & foreign airline iii) For Cargo & Technical Landing Flights									
JP-4									
JP-8	110.07	116.87	116.87	135.72	140.41	140.41	140.41	140.41	
- : Not available					Source: Hydrocarbon Development Institute of Pakistan (HDIP)				

TABLE 14.5

OIL SALE PRICES

Date	1-5-2022	16-5-2022	27-5-2022	1-6-2022	3-6-2022	16-6-2022	1-7-2022	16-7-2022	Rs/Ltrs
EX-NRL/PRL KARACHI									
Motor									
Gasoline	149.86	149.86	179.86	179.86	209.86	233.89	248.74	230.24	
HOBC (Automotive 100 Octane)									
Super (90 Octane) Blend of Motor									
Gasoline @ 60% and HOBC 40%									
Kerosene	125.56	125.56	155.56	155.56	181.94	211.43	230.26	196.45	
HSD	144.15	144.15	174.15	174.15	204.15	263.31	276.54	236.00	
LDO	118.31	118.31	148.31	148.31	178.31	207.47	226.1	191.44	
Aviation gasoline (100LL)									
JP-1:	-	-	-	-	-	-	227.84	216.08	
i) For sale to PIA Domestic Flight									
ii) For sale to PIA foreign flights & foreign airline									
iii) For Cargo & Technical Landing Flights									
JP-4									
JP-8	-	-	-	-	-	-	276.54	216.05	
- : Not available									

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Date	1-8-2022	16-8-2022	1-9-2022	16-9-2022	1-10-2022	16-10-2022	1-11-2022	16-11-2022	Rs/Ltrs
EX-NRL/PRL KARACHI									
Motor									
Gasoline	227.19	233.19	235.98	237.43	224.80	224.80	224.80	224.80	
HOBC (Automotive 100 Octane)									
Super (90 Octane) Blend of Motor									
Gasoline @ 60% and HOBC 40%									
Kerosene	201.07	199.40	210.36	202.02	191.83	191.83	191.83	191.83	
HSD	244.95	244.44	247.43	247.43	235.30	235.30	235.30	235.30	
LDO	191.32	191.75	201.54	197.28	186.50	186.50	186.50	186.50	
Aviation gasoline (100LL)									
JP-1:	215.02	211.85	228.28	215.95	199.13	206.25	214.00	209.79	
i) For sale to PIA Domestic Flight									
ii) For sale to PIA foreign flights & foreign airline									
iii) For Cargo & Technical Landing Flights									
JP-4									
JP-8	215.17	211.83	228.26	215.92	199.11	206.22	207.18	209.77	
- : Not available									

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Date	1-12-2022	16-12-2022	1-1-2023	16-1-2023	30-1-2023	16-2-2023	1-3-2023	Rs/Ltrs
EX-NRL/PRL KARACHI								
Motor Gasoline								
	224.80	214.80	214.80	214.80	249.80	272.00	267.00	
HOBC (Automotive 100 Octane)								
Super (90 Octane) Blend of Motor								
Gasoline @ 60% and HOBC 40%								
Kerosene	181.93	171.83	171.83	171.83	189.83	202.73	187.73	
HSD	235.30	227.80	227.80	227.80	262.80	280.00	280.00	
LDO	179.00	169.00	169.00	193.78	213.84	253.18	202.07	
Aviation gasoline (100LL)								
JP-1:	197.67	196.50	161.63	193.78	213.84	253.18	202.07	
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	197.65	178.80	161.61	186.88	213.82	228.70	264.50	
- : Not available								

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.6
GAS SALE PRICES

Sectors		* w.e.f 01-07-2019	* w.e.f 01-09-2020	w.e.f 27-09-2023
1. DOMESTIC	1. DOMESTIC		1. DOMESTIC	1. DOMESTIC
Upto 50 M ³ per month	Upto 50 M ³ per month	121	Upto 0.5 hm ³ per month	<u>Projected Category</u>
Upto 100 M ³ per month	Upto 100 M ³ per month	300	Upto 1 hm ³ per month	Upto 0.25 hm ³ per month
Upto 200 M ³ per month	Upto 200 M ³ per month	553	Upto 2 hm ³ per month	121
Upto 300 M ³ per month	Upto 300 M ³ per month	738	Upto 3 hm ³ per month	150
Upto 400 M ³ per month	Upto 400 M ³ per month	1107	Upto 4 hm ³ per month	200
Upto 500 M ³ per month	Above 400 M ³ per month	1460	Above 4 hm ³ per month	250
Over 500 M ³ per month				<u>Non Projected Category</u>
2. Bulk Consumers		780	2. Bulk Consumers	Upto 0.25 hm ³ per month
3. Special Commercial (Roti Tanoor)			3. Special Commercial (Roti Tanoor)	Upto 0.6 hm ³ per month
Upto 50 M ³ per month			Upto 0.5 hm ³ per month	300
Upto 100 M ³ per month	Upto 100 M ³ per month	110	Upto 1 hm ³ per month	400
Upto 200 M ³ per month			Upto 2 hm ³ per month	600
Upto 300 M ³ per month	Upto 300 M ³ per month	220	Upto 3 hm ³ per month	800
Upto 400 M ³ per month			Upto 4 hm ³ per month	1,100
Over 400 M ³ per month	Over 400 M ³ per month	700	Over 3 hm ³ per month	2,000
4. Commercial		1283	4. Commercial	3,100
5. Ice Factories		1283	5. Ice Factories	2. Bulk Consumers
6. Textile (Including Jute), carpets, leather, sports and surgical goods		786	6.General Industries	1,600
7. Industrial		1021	7. Export Oriented (General Industrial)	3. Special Commercial (Roti Tanoor)
8. Captive Power		1021	8. Export Oriented (Captive)	Upto 0.5 hm ³ per month
9. Compressed Natural Gas(CNG)		1283	8. Captive Power (General Industry)	110
10. Cement		1277	CNG Region-I	110
			CNG Region-II	220
			Cement	220
				700
11. Fertilizer Companies			11. Fertilizer Companies	Over 3 hm ³ per month
On SNGPL's System			On SNGPL's System	2. Bulk Consumers
(a) For Feed Stock			(a) For Feed Stock	1,600
i. Pak American Fertilizer Limited.		300	i. Pak American Fertilizer Limited.	3. Special Commercial (Roti Tanoor)
ii. Dawood Hercules Chemical Limited		300	ii. Dawood Hercules Chemical Limited	Upto 0.5 hm ³ per month
iii. Pak Arab Fertilizer Limited		300	iii. Pak Arab Fertilizer Limited	110
iv. Pak China Fertilizer Limited		300	iv. Pak China Fertilizer Limited	110
v. Hazara Phosphate Fertilizer Plant Limited		300	v. Hazara Phosphate Fertilizer Plant Limited	220
vi. FFC Jordan Fertilizer				220
vii. ENGRO Fertilizer Limited	US\$ 0.70		vii. ENGRO Fertilizer Limited	700
On SSGCL's System			On SSGCL's System	4. Commercial
Fauji Fertilizer Bin Qasim Limited		300	(i) a) Fauji Fertilizer Bin Qasim Limited	1,650
FFBQL - additional 10 MMCFD feed stock			(b) For Fuel - All Fertilizer Companies	5. Ice Factories
(b) For Fuel - All Fertilizer Companies		1021		1,650
On MARI's SYSTEM			On MARI's SYSTEM	6. General Industries
(a) For Feed Stock			(a) For Feed Stock	1,200
i. Engro Fertilizer Company Limited		300	i. Engro Fertilizer Company Limited	7. Export Oriented (General Industries)
ii. Fauji Fertilizer Company Limited (Goth Machi/Mirpur Mathelo)		300	ii. Fauji Fertilizer Company Limited (Goth Machi/Mirpur Mathelo)	1,100
iii. Fatima Fertilizer Company Limited	US\$ 0.70		iii. Fatima Fertilizer Company Limited	8. Export Oriented (Captive)
iv. Fatima Fertilizer Company Limited, Mirpur Mathelo, District Gholki			iv. Fatima Fertilizer Company Limited, Mirpur Mathelo, District Gholki	1,100
(b) For Fuel		1021	(b) For Fuel	9. Captive Power (General Industry)
				1,200
12. Power Station (WAPDA's and KESCS's)			12. Power Station (WAPDA's and KESCS's)	10. CNG Region
i. WAPDA & KESC Power Station		824	i. WAPDA & KESC Power Station	1,805
ii. WAPDA's Gas Turbine Power Station Nishatabad, Faisalabad		824	ii. WAPDA's Gas Turbine Power Station Nishatabad, Faisalabad	11. Cement
iii. Liberty Power Limited	1283.47		iii. Liberty Power Limited	1,805
13. Independent Power Producers		824	13. Independent Power Producers	12. Fertilizer Companies
14. On MARI's System				1,506
(a) For Feed Stock			(a) For Feed Stock	On SNGPL's System
i. Engro Fertilizer Company Limited		300	i. Engro Fertilizer Company Limited	(a) For Feed Stock
ii. Fauji Fertilizer Company Limited (Goth Machi/Mirpur Mathelo)		300	ii. Fauji Fertilizer Company Limited (Goth Machi/Mirpur Mathelo)	i. Pak American Fertilizer Limited.
iii. Fatima Fertilizer Company Limited	US\$ 0.70		iii. Fatima Fertilizer Company Limited	510
iv. Fatima Fertilizer Company Limited, Mirpur Mathelo, District Gholki			iv. Fatima Fertilizer Company Limited, Mirpur Mathelo, District Gholki	510
(b) For Fuel		1021	(b) For Fuel	510
				510
				510
				510
				510
				510
				US \$ 0.79
				1,500
				On SSGCL's System
				i) a. Fauji Fertilizer Bin Qasim Limited
				510
				b. For Fuel - All Fertilizer Companies
				1,500
				On MARI's System
				(a) For Feed Stock
				i. Engro Fertilizer Company Limited
				302
				ii. Fauji Fertilizer Company Limited (Goth Machi/Mirpur Mathelo)
				302
				iii. Fatima Fertilizer Company Limited
				302
				(b) For Fuel
				1,023
				iv. Foundation Power Company (Dharki) Limited
				1,050
				On MARI's System
				(a) For Feed Stock
				i. Engro Fertilizer Company Limited
				302
				ii. Fauji Fertilizer Company Limited (Goth Machi/Mirpur Mathelo)
				302
				iii. Fatima Fertilizer Company Limited
				302
				(b) For Fuel
				1,023
				iv. Foundation Power Company (Dharki) Limited
				1,050
				13. Power Station (Wapda's And KESCS's)
				(i) WAPDA & KESC Power Station
				1,050
				(ii) WAPDA's Gas Turbine Power Station Nishatabad, Faisalabad
				1,050
				14. Independent Power Producers
				1,050
15. RAW Gas Sold to WAPDA's GUDDU Power Station				
i. Sui Field (917 BTU) and Kanhot (866 BTU)-PPL		824		
ii. Mari (754)-MGCL		824		
iii. Foundation Power Company (Dharki) Limited		824		
iv. Sara/Suri Fields-Tulow				

*: Effective till to date

Source : Directorate General of Gas.

WEIGHTS AND MEASURES

RUPEES

One Lakh	=One hundred thousand	=100,000
Ten Lakh	=One million	=1,000,000
One Crore	=Ten million	=10,000,000
One Billion	=One thousand million	
One Trillion	=One thousand billion	

CURRENCY EQUIVALENT

Prior to 1972

One Rupee = US\$ 0.21 One US\$ = Rs. 4.76

With effect from 8th January, 1982, Rupee is floating against Dollar and is linked to a basket of currencies.

WEIGHTS

One Gram	=0.035 Ounce	=0.0857 Tola
One Pound	=16 ounces	=453.592 grams
One Kilogram	=1000 grams	=1.07 seers =2.205 pounds
One Metric tonne	=1000 Kilograms	=0.9842 ton =26.792 Maunds
One Maund	=37.3242 Kilograms	
One Tonne	=2240 pounds	=1.016 metric tonnes
One cotton bale	=375 lbs.	=170.2 kg
One bushel	=0.73 mds	=27.25 kg

LENGTH

One yard	=3 feet =36 inches	=0.914 metre
One mile	=1760 yards	=1.609 kilometres
One sq. yard	=0.83613 sq. metres	
One sq. metre	=1.196 sq. yards	
One Acre	=4840 sq. yards	=0.4049 hectare
One Hectare	=2.47 Acres	

VOLUME

One cubic metre =35.315 cubic feet

LIQUID MEASURE

One barrel =36 gallons (imperial) =163.656 litres

YEAR

Fiscal/Trade/Agriculture Year in Pakistan starts from 1st July and ends on 30th June every year

CROPPING SEASONS

Kharif – Crop sowing from April to June and harvested during October-December

Rabi – Crops sowing from October to December and harvested during April-May

ABBREVIATIONS

A & P	Assessment & Processing
ACD	Additional Custom Duty
ADB	Asian Development Bank
ADP	Annual Development Programmes
ADS	Assets Declaration Scheme
AECHs	Atomic Energy Cancer Hospitals
AEDB	Alternative Energy Development Board
AEPAM	Academy of Educational Planning & Management
AGHA	Agha Steel Industries
AIDS	Acquired Immunodeficiency Syndrome
AIIB	Asian Infrastructure Investment Bank
AJK	Azad Jammu & Kashmir
AMA	Asaan Mobile Account
APCMA	All Pakistan Cement Manufacturer Association
APTTCA	Afghanistan-Pakistan Transit Trade Coordination Authority
ARE	Alternative Renewable Energy
ASER	Annual Status of Education Report
ATL	Active Taxpayer List
AUM	Assets Under Management
B2C	Business-to-Consumer
BB	Branchless Banking
BHUs	Basic Health Units
BINO	Bahawalpur Institute of Nuclear Oncology
BISP	Benazir Income Support Program
BMEC	Baluchistan Mineral Exploration Company Limited
BMR	Balancing, Modernization and Replacement
BMRL	Baluchistan Minerals Resource Company Limited
BOT	Built-Operate-Transfer
CAD	Current Account Deficit
CAGR	Compound Annual Growth Rate
CAN	Calcium Ammonium Nitrate
CAR	Capital Adequacy Ratio
CBU	Completely Built Up
CCI	Council of Common Interests
CCOE	Cabinet Committee on Energy
CCTs	Conditional Cash Transfers
CDNS	Central Directorate of National Savings
CFAO	Chief Finance and Accounts Officer
CFIs	Commercial Financial Institutions
CGPM	Clean Green Pakistan Movement
CIA	Chief Internal Auditor
CiC	Currency in Circulation
CIIE	China International Import Expo
CKD	Completely Knocked Down
CKO	Centralized Know Your Customer Organization
CM & TSA	Cash Management and Treasury Single Account
CMI	Census of Manufacturing Industries
CMS	Complaint Management System

COPHCL	China Overseas Ports Holding Company Limited
CPEC	China Pakistan Economic Corridor
CPFTA	China-Pakistan Free Trade Agreement
CPI	Consumer Price Index
CPPA	Central Power Purchasing Agency
CRC	Corporate Restructuring Company
CRMs	Complaint Resolution Mechanisms
CRVS	Civil Registration and Vital Statistics
CSC	Consumer Support Center
CSR	Corporate Social Responsibility
DAP	Diammonium phosphate
DCCI	Dhaka Chamber of Commerce and Industry
DPB	Domestic Private Bank
DR	Disaster Recovery
DSSI	Debt Services Suspension Initiative
ECC	Economic Coordination Committee
ECE	Early Childhood Education
EDCF	Economic Development Cooperation Fund
EDI	Electronic Data Interchange
EFS	Export Finance Scheme
EFS	Exports Finance Scheme
EMDEs	Emerging Markets and Developing Economies
EOBI	Employees Old-Age Benefits Institution
EPI	Expanded Programme for Immunization
ERC	Ehsaas Registration Centers
ESWs	Ehsaas Saving Wallets
EU	Europe Union
EV	Electric Vehicle
FAO	Food and Agriculture Organization
FASTER	Fully Automated Sales Tax e-Refund
FATF	Financial Action Task Force
FBR	Federal Board of Revenue
FCA	Federal Committee on Agriculture
FCVA	Foreign Currency Value Account
FDI	Foreign Direct Investment
FED	Federal Excise Duty
FRSU	Floating Re-gasification Storage Units
FX	Foreign Exchange
FXs	Foreign Exchange
GCF	Green Climate Fund
GCISC	Global Change Impact Studies Centre
GDP	Gross Domestic Product
GEM	Growth Enterprise Market
GER	Gross Enrolment Rate
GI	Geographical Indication
GIDC	Gas Infrastructure Development Cess
GIS	Geographical Information System
GLOFs	Glacial Lake Outburst Floods
G-MSS	Government's Mark-Up Subsidy Scheme
GMTN	Global Medium-Term Note

GNI	Gross National Income
GSP	Geological Survey of Pakistan
GST	General Sales Tax
HCV	Heavy Commercial Vehicle
HDI	Human Development Index
HEC	Higher Education Commission
HEDP	Higher Education Development Programme
HEIs:	Higher Education Institutes
HIV	Human Immunodeficiency Virus
I & P	Investigation & Prosecution Unit
IBB	Islamic Banking Branches
IBI	Islamic Banking Industry
ICAC	International Cotton Advisory Committee
ICTs	Information and Communication Technologies
IFA	Individual Financial Assistance
IFIs	International Financial Institutions
IFL	Interest Free Loan
IGCEP	Indicative Generation Capacity Expansion Plan
IMR	Infant mortality rate
INMOL	Institute of Nuclear Medicine & Oncology Lahore
IPOs	Initial Public Offerings
IREN	Inland Revenue Enforcement Network
ITeS	Information Technology enabled Services
ITU	International Telecommunications Union
JHPIEGO	Johns Hopkins Program for International Education in Gynecology and Obstetrics
JP&VCCs	Job Placement and Vocational Counseling Centres
JPCs	Job Placement Centres
JPHLEPD	Japan-Pakistan High Level Economic Policy Dialogue
KANUPP	Karachi Nuclear Power Plant
KPEC	Khyber Pass Economic Corridor
LCV	Light Commercial Vehicles
LEAs	Law Enforcement Agencies
LEG	Labour Expert Group
LHW	Lady Health Workers
LLITN	Long Lasting Insecticide Treated Nets
LMA	Limited Mandate Accounts
LMC	Lubricant Marketing Company
LPG	Liquefied Petroleum Gas
LSM	Large Scale Manufacturing
LTFF	Long Term Finance Facility
LTFF	Long Term Financing Facility
MDAS	Ministries, Divisions, Attached Departments, Sub-Ordinate Offices
MDM	Mobile Device Manufacturing
MFBS	Micro-Finance Banks
MFIs	Microfinance Institutions
MMCFD	Million Cubic Feet per day
MMF	Man Made Fiber
MNFS&R	Ministry of National Food Security and Research
MOU	Memorandum Of Understanding
MSCI	Morgan Stanley Capital International

NAP	National Adaptation Plan
NAVTTTC	National Vocational and Technical Training Commission
NBFCs	Non-Bank Finance Companies
NCC	National Coordination Committee
NCDs	Non-Communicable Diseases
NCSP	National Cyber Security Policy
NDA	Net Domestic Assets
NDC	National Data Center
NDCs	Nationally Determined Contributions
NER	Net Enrolment Rate
NFA	Net Foreign Assets
NFC	National Finance Commission
NFIS	National Financial Inclusion Strategy
NFNE	Non Food and No Energy
NHA	National Highway Authority
NID	National Immunization Day
NM&O	Nuclear Medicine & Oncology
NMDC	National Minerals Data Center
NNS	National Nutrition Survey
NOU	National Ozone Unit
NP	Nitrophosphate
NPA	Non-Performing Assets
NPGI	National Poverty Graduation Initiative
NPK	Nitrogen, Phosphorus, And Potassium
NPLs	Non-Performing Loans
NPMC	National Price Monitoring Committee
NPPs	Nuclear Power Plants
NRPs	Non-Resident Pakistanis
NRV Account	Non-Resident Pakistani Rupee Value Account
NRVA	NRP Rupee Value Account
NSER	National Socio-Economic Registry
NSS	National Savings Schemes
NSS	National Skill Strategy
NVQF	National Vocational Qualification Framework
NYDF	National Youth Development Framework
OECD	Organization for Economic Cooperation and Development
OFC	Optic Fiber Cable
PAEC	Pakistan Atomic Energy Commission
Pak-EPA	Pakistan Environmental Protection Agency
PAMA	Pakistan Automotive Manufacturer Association
PARC	Pakistan Agriculture Research Council
PASSCO	Pakistan Agriculture Storage & Services Corporation Ltd
PASSD	Poverty Alleviation and Social Safety Division
PCM	Professional Clearing Member
PCMS	Payment Complaint Management System
PCRCL	Pakistan Corporate Restructuring Company Limited
PF	Proliferation Financing
PFL	Floating rate PIBS
PFM	Public Finance Management
PHEIC	Public Health Emergency of International Concern

PIBs	Pakistan Investment Bonds
PITE	Provincial Institutes of Teacher Education
PMDC	Pakistan Mineral Development Corporation
PMEX	Pakistan Mercantile Exchange Limited
PMKJ-YES	Prime Minister’s Kamyab Jawan Youth Entrepreneurships Scheme
PMN	Pakistan Microfinance Network
PNSC	Pakistan National Shipping Corporation
POC	Pakistan Origin Card
PODB	Pakistan Oilseed Development Board
POs	Partner Organizations
POS	Point of Sales
PPCBL	Punjab Provincial Cooperative Bank Limited
PPIB	Private Power and Infrastructure Board
PPP	Public-Private Partnership
PPR	Programme for Poverty Reduction
PR	Pakistan Railways
PSDP	Public Sector Development program
PSEs	Public Sector Enterprises
PSIC	Pakistan Standard Industrial Classification
PSLM	Pakistan Social and Living Standards Measurement
PSX	Pakistan Stock Exchange
PTL	Panther Tyres Limited
QEC	Quality Enhancement Cell
QIM	Quantum Index of Manufacturing
RAMS	Risk based Audit Management System
RAS	Regulatory Approval System
RBOD	Right Bank Outfall Drain
RBS	Risk Based Supervision
RD	Regulatory Duty
RDA	Roshan Digital Accounts
REER	Real Effective Exchange Rate
REITs	Real Estate Investment Trusts
RFCC	Refinance Facility for Combating COVID-19
RFCD	Resident Foreign Currency Deposits
RFI	Rapid Financing Instrument
RHCs	Rural Health Clinics
RLNG	Re-gasified Liquefied Natural Gas
RSPs	Rural Support Programmes
RYE	Revitalizing Youth Enterprise
SBP	State Bank of Pakistan
SBTS	Safe Blood Transfusion Services
SDGs	Sustainable Development Goals
SECP	Security and Exchange Commission of Pakistan
SKD	Semi Knocked Down
SMEDA	Small and Medium Enterprises Development Authority
SNC	Single National Curriculum
SOP	Sulphate of Potash
SOPs	Standard Operating Procedures
SPI	Sensitive Price Indicator
SRCLs	Schools for Rehabilitation of Child Labour

SSM	Small Scale Manufacturing
SSP	Single Super Phosphate
STPs	Software Technology Parks
STSC	Short-Term Savings Certificates
SWIT	Saylani Welfare International Trust
TBTTP	Ten Billion Tree Tsunami Programme
TCO	Textiles Commissioner's Organization
TDAP	Trade Development Authority of Pakistan
TERF	Temporary Economic Refinance Facility
THQs	Tehsil Headquarters
TOMCL	The Organic Meat Company
TPLT	TPL Trakker
TPSP	Third Party Service Provider
TSA	Treasury Single Account
TVET	Technical & Vocational Education and Training
TY	Tax year
UAN	Universal Account Number
UIN	Unique Identification Number
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNHCR	United Nation High Commission for Refugees
US	United States
USF	Universal Service Fund
USSD	Unstructured Supplementary Service Data
VPS	Voluntary Pension System
WADR	Weighted Average Deposit Rate
WALR	Weighted Average Lending Rate
WASH	Water, Sanitation and Hygiene
WDI	World Development Indicators
WeBOC	Web Based One Customs
WECs	Women Empowerment Centres
WHO	World Health Organization
WPI	Wholesale Price Index
WWF	Workers Welfare Fund
YoY	Year on Year
ZTBL	Zarai Taraqiati Bank Limited

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