Overview of the Economy

Despite myriad of challenges, Pakistan's economy is moving progressively on higher inclusive and sustainable growth path on the back of various measures and achievements during the year. Major achievements highlighting the economic performance during FY2021 are mentioned below:

- Pakistan was implementing stabilization policy post crisis of 2017-18 and the economy was recovering from macroeconomic imbalances but COVID-19 slowed down the pace which was recovered initially but the advent of 2nd and 3rd wave brought significant challenges which were met by the timely prudent policies.
- Pandemics like COVID-19 are once-in-a-century event that devastate global economies. Pakistan did much better in coping up with the pandemic compared to many countries.
- Government took several important policy decisions: monetary and fiscal measures, smart lockdowns, rapid vaccination etc. National Command and Operating Centre (NCOC) as a single organization was made responsible to take key decisions in collaboration with the provinces. Situation was put under control due to government's timely decision making, numbers of daily COVID-19 cases are presently on declining trend.
- Prior to COVID-19, the working population was 55.74 million. This number declined to 35.04 million which indicates people either lost their jobs or were not able to work. Due to prudent decisions by the government, working population reached 52.56 million till October, 2020.
- Economy has witnessed a V – shaped recovery. The current economic recovery has been achieved without compromising internal and external stability.
- Manufacturing has witnessed broad-based growth as major sectors of LSM have shown significant improvement i.e., Textile, Food Beverages & Tobacco, Non-Metallic Mineral Products and Automobile. First nine months of FY2021 recorded highest period wise growth of 8.99 percent since FY2007.
- Current account posted a surplus of $ 0.8 billion, during July-April, FY2021 for the first time in 17 years.
- Inflows of foreign exchange through the Roshan Digital Account (RDA) crossed the $1 billion mark. During July-April FY2021, workers' remittances posted historically high growth of 29 percent and reached to $ 24.2 billion.

- SBP's foreign exchange reserves rose to $16 billion, four-years high.
- Keeping in view the significant performance pertaining to FATF conditions, potential of exports and e-commerce, Pakistan has been added into the Amazon's seller list.
- FBR tax collection has witnessed a significant growth of around 18 percent during July-May FY2021 owing to the revival of domestic economic activity and ongoing comprehensive tax policy and administrative reforms.
- Primary balance remained in surplus at 1.0 percent of GDP, highest level through the first three quarters in 12 years.
- On 27th May 2021, PSX witnessed an all-time high daily trading volume with 2.21 billion shares traded in a single session.
- Due to its impressive growth, Pakistan Stock Exchange earned the title of being the best Asian stock market and fourth best-performing market across the world in 2020. (marketcurrentswealthnet.com).
- Profile of domestic debt has improved significantly during the tenure of the present government as short-term debt as percentage of total domestic debt has decreased to 23 percent at end March, 2021 compared with 54 percent at end June, 2018.
- Over 80 percent of the net borrowing from domestic sources was through medium-to-long term domestic debt instruments (Pakistan Investment Bonds & Government Ijara Sukuk) during first nine months of FY2021.
- Pakistan has entered the international capital market after a gap of over three years by successfully raising $ 2.5 billion through Euro bonds.
- The policy rate remained unchanged at 7.0 percent which improved business sentiments and thus stimulating economic activities enabling employment to recover.
- During July-February FY2021, the two gas utility companies (SNGPL & SSGCL) have laid 143 Km gas transmission network, 2,616 Km distribution and 886 Km services lines and connected 70 villages/towns to the gas network. During the same period 304,573 additional gas connections including 303,243 domestic, 1,020 commercial and 310 industrial connections were provided across the country.
- Installed capacity of electricity increased to 37,261 MW during July-April FY2021 compared to same period last year, showing an addition of 1,289 MW. Likewise, its generation increased to 102,742 GWh showing an additional generation of 6,360 GWh during the period under discussion. The share of Industry in electricity consumption has increased to 26.3 percent in July-March FY2021 as compared to 25.5 percent in the same period last year.
- Cellular mobile subscribers (number of active SIMs) in Pakistan have reached 182 million at the end of March, 2021 compared to 167.3 million by the end of June, 2020 showing an increase of 8.6 percent in nine months of FY2021.
- At end March, 2021 broadband (BB) subscribers reached to 100 million. The total BB penetration in Pakistan stood at 47.6 percent in March, 2021 registering an increase

of about 19.7 percent as compared to end March, 2020.

- Under Ehsaas Emergency Cash Programme, Rs 179.3 billion has been disbursed. Approximately 14.8 million families have been benefited from the programme. World Bank recognizes Ehsaas Emergency Cash among top 4 social protection interventions globally in terms of number of people covered.
- Under Kamyab Jawan Youth Entrepreneurship Scheme, Rs 8,566 million has been disbursed till April, 2021 to the youth for various businesses.
- The 10 billion Tree Tsunami programme has achieved plantation of approximately 350 million plants during July-March FY2021 and about 100,000 daily wagers have been employed till March, 2021. Cumulatively, over 800 million plants have been regenerated /planted in last two years.
- IMF has acknowledged that the government policies have been critical in supporting the economy and saving lives and livelihoods. The IMF and Pakistan have announced the resumption of stalled $ 6 billion loan programme.
- During the year, all three major credit rating agencies, Moody's, Fitch and Standard & Poor's, reaffirmed their sovereign credit Ratings for Pakistan. This reaffirmation is reflective of the sound policies of the Government and of the confidence reposed by these leading international institutions in the country's economic outlook.

The overview of Pakistan Economic Survey 2020-21 contains three sub-sections i.e., Global Economic Review, Pakistan Economic Review and Executive Summary.

The Global Economic Review briefly examines the state of the global economy and its prospects. This sub-section emphasizes notable economic successes and events at global level. It also discusses the challenges that may have an impact on the global growth projection. The second sub-section, Pakistan Economic Review, presents a comprehensive analysis of current fiscal year’s economic performance and major achievements across different sectors. While, the last sub-section, concisely presents a summary of all sixteen chapters included in the Economic Survey. Thus, it provides readers with a bird's eye view of the domestic economic situation, prospects, achievements and challenges across different sectors of the economy during the current fiscal year.

I. Global Economic Review

The COVID-19 outbreak that began in early 2020 has had a profound impact on the world economy. The pandemic engulfed the whole world and ravaged the health care system of many developed nations. Initially, the supply shock caused by the abrupt closing of businesses across the world transformed into an unprecedented demand shock, which had socio-economic consequences. COVID-19 pandemic triggered unprecedented restrictions not only on the movement of people but also on a range of economic and financial activities. Supply chains and industries like tourism, travelling, hotels and hospitality, transportation and education were severely impacted.

The human cost has been substantial, especially in developed countries despite being advanced in medical and health systems. It had exposed the lack of capacity and strained healthcare systems around the world. The health crisis has been accompanied by the deepest economic downturn since the Great Depression, which has resulted in the loss of millions of jobs, closure of businesses and tipping millions into extreme poverty. It has been a crisis like no other. The Great Lockdown decimated livelihoods world-wide and pushed low-income households into abject poverty.

However, to address the dual crisis i.e. health and economic, countries all over the world responded swiftly with a variety of policy measures; mostly in the form of monetary and fiscal interventions for the economy and health measures for the pandemic. The objective was to salvage the economies from potential welfare loss by compensating unemployed masses as well as businesses with the provision of necessary assistance. Since the economic activity was at a standstill, these interventions helped economies in managing the supply lines intact. On the monetary side, the central banks adopted expansionary policy stances, quickly provided liquidity support and supported credit extension to a wide array of borrowers. Simultaneously, on the fiscal side, governments helped households and businesses in the form of transfers, furlough payments, wage subsidies and liquidity support. These measures were supplemented with other aspects of social safety nets like unemployment insurance and nutrition assistance. All these actions contributed significantly to lessen the economic impact of COVID-19.

Policy actions such as automatic stabilizers, discretionary measures and financial sector measures, helped the global economy from further deterioration. In absence of these measures, the global growth recession last year could have been three times worse. The global growth was estimated to contract by 3.3 percent in 2020 with the worst affected economies being the USA (-3.5 percent), UK (-9.9 percent), Japan (-4.8 percent), Germany (-4.9 percent), France (-8.9 percent) and India (-8.0 percent), etc. While China experienced a positive but slowed growth rate of 2.3 percent in 2020, which was below the level seen in 2019. The global economy is expected to rebound in 2021 and 2022, with an expected growth of 6 percent in 2021 and moderate growth of 4.4 percent in 2022. The rebound in 2021 and 2022 is expected, owing primarily to advanced economies, including a notable improvement in the USA, which is expected to grow at 6.4 percent this year. Other advanced economies, such as the Euro Zone, will rebound as well, but at a slower rate. China is expected to grow at 8.4 percent in 2021 which has already started to return to pre-pandemic levels in 2020, which many other countries are not expected to do until 2023.

The global outlook faces significant challenges due to divergences in the speed of recovery within and across countries, reflecting variation in pandemic-induced disruptions and the extent of policy support. The global community continued to face challenges for mitigation both on the social and economic front even after one and a half years of the COVID-19 pandemic setting in. Even after extensive assistance and a recovery that has been underway since mid-2020, unemployment and underemployment remained high. The vaccination has begun in most countries, holding the promise of eventual reductions in the severity and frequency of infections. Coverage varies considerably so far and countries are expected to achieve widespread inoculation at different times. However, new virus mutations and the accumulating human toll posed significant concerns for the global economic outlook. The global outlook is dependent on the severity of the health crisis, the efficacy of the vaccine against new COVID-19 strains, successful implementation of well-coordinated economic policies and the development of financial conditions. The speed of recovery and the extent of medium-term damage will be determined by the variation of these drivers and their relationship with country-specific characteristics.

II. Pakistan Economic Review

Pakistan's economy already had volatile growth pattern over the years, with regular boom and bust cycles facing challenges in achieving long-term and inclusive growth. Unsustainable economic growth was caused by unaddressed long-standing structural issues for example, loss-making State-Owned Enterprises (SOEs), weak external position due to insufficient export capacity and low FDI, under-reformed energy sector, low savings and investment. In the backdrop of these challenges, the present government focused on an economic vision of getting sustainable economic growth through improving efficiency, reducing cost of doing business, improving regulatory environment, enhancing productivity and increasing investment.

Even before the COVID-19 pandemic hit Pakistan’s economy, the government started implementing decisive and far-reaching reforms in every sector of the economy. The reforms started to address the economic imbalances and laid the foundation for improved economic performance in terms of strengthened fiscal and external accounts, exchange rate stability and improved investor’s confidence. Moreover, inflation started to stabilize and market confidence gradually recovered. These reforms paved the way for long-term growth and to end the unsustainable growth pattern that has plagued the economy in the past.

The FY2021 began in the midst of the most severe global health crisis experienced in modern history. Pakistan's economy, like rest of the world, has struggled to combat the economic consequences of COVID-19 shock through prompt measures for supporting the economy and saving the lives and livelihoods. Besides, virus containment measures, the government has implemented a comprehensive set of measures including the largest ever economic stimulus package of Rs 1,240 billion, a construction package, an expansion of the social safety net to protect the vulnerable segments of the society and supportive monetary policy stance along with targeted financial initiatives. These measures helped the economy in lessening the negative impact of the pandemic. In contrast to other world economies, Pakistan started witnessing recovery during the first half of FY2021 on the back of continued domestic economic activity due to the above stated measures along with a smart lockdown policy.

As Pakistan successfully subsided the first wave of COVID-19 during the summer of 2020 through effective containment measures, the country was hit by the second wave in the fall of 2020. However, smart lockdowns and improved containment strategies aided in managing the reported cases and the resumption of economic activities. However, Pakistan is currently experiencing the third and most virulent wave of pandemic. Smart lockdowns and drastic measures on pandemic response front allowed the continuity of economic activities and supported the ongoing recovery. Amid the second and third waves of COVID-19, continuing accommodative fiscal and monetary policies helped the economy to move on faster recovery.

The impact of the government's timely and appropriate measures is visible in the form of a V-shaped economic recovery on the back of broad-based growth across all sectors. The provisional GDP growth rate for FY2021 is estimated at 3.94 percent, higher than the targeted growth of 2.1 percent, for the outgoing fiscal year. The government is monitoring the country's situation actively and is taking necessary measures to facilitate agriculture and industry sectors to avoid the downside risk and to further accelerate the economic recovery.

The GDP growth is based on 2.77, 3.57 and 4.43 percent growth in agriculture, industrial and services sector, respectively. In order to uplift the agriculture sector, the National Agriculture Emergency Programme with a cost of Rs 277 billion is already underway. Under this programme, 13 mega projects are under execution. During FY2021, the government also announced the "Rabi Package" of Rs 5.4 billion to reduce the input cost for the farmers with the special intent to increase the production of wheat in the country. In addition, the Minimum Support Price of wheat has been further enhanced from Rs 1,400 to Rs 1,800 per 40 kg to encourage wheat cultivation. Similarly, the agriculture credit disbursement target for the current fiscal year has been set at Rs 1,500 billion. These measures have borne the fruit in terms of significant growth in major and minor crops.

On the industrial front, there was a significant rebound in economic activity, as Large-Scale Manufacturing (LSM) gained traction. The industrial sector has witnessed a remarkable turnaround largely because of accommodative policies by the government in the form of industrial support packages; relief to export-oriented industries, duty exemption under China-Pak Free Trade Agreement-II, electricity and gas subsidy for the export-oriented industries and tax exemptions for electric vehicles manufacturers. The government's incentives for the construction sector provided the impetus for its allied manufacturing segments. The cement industry has been given special attention by reduction of Federal Excise Duty to Rs 1.5/kg from Rs 2/kg. A National SME Policy Action Plan 2020 has been approved to provide much-needed support to SMEs. These measures enabled the resumption of business activities. The strong growth in the construction and LSM sector is likely to further broaden the recovery through the spillover effect.

On the external front, the current account balance remained in surplus during the first ten months of FY2021 due to strong growth in remittances and an ongoing pickup in exports. Remittances witnessed a remarkable growth as more formal channels were opted due to restrictions imposed on informal means in the wake of COVID-19. Most importantly, measures undertaken as part of anti-money laundering regulations in accordance with FATF recommendations have also facilitated a shift from informal to formal channels of sending remittances. Similarly, efforts under the Pakistan Remittances Initiative (PRI) and the gradual re-opening of businesses in major host countries such as the Middle East, UK and the USA also played their part in giving a boost to the remittances. Added with this, timely resumption of economic activities helped the export sector performed relatively better than other emerging economies; both of which led to an improvement in the external sector. It is worth mentioning here that under the IMF programme there are better prospects for the external sector which ensures that the external financing needs will be comfortably met.

On fiscal side, a substantial increase in tax collection and effective management of expenditures helped in containing the fiscal deficit as a percentage of GDP, while the primary balance continues to remain in surplus. The fiscal performance during (July-March) FY2021 shows that the fiscal consolidation policy helped in achieving fiscal discipline, increasing revenues and controlling expenditures. Especially, FBR tax collection has witnessed a double-digit growth during (July-April) FY2021 reflecting growth in economic activities despite the challenge of the third wave of COVID-19.

During FY2021, SBP maintained the policy rate at 7.0 percent. The existing stance of monetary policy remained appropriate to support the economic recovery with inflation expectations well-anchored and maintaining financial stability. It is pertinent to mention that inflation all over the world remained volatile mainly due to supply-side disruptions in commodities due to the COVID-19 pandemic. Rising international prices are putting pressure on domestic prices. Global food prices are at their highest in a decade (FAO). The government is closely monitoring the supply and demand for essential food commodities to mitigate the impact of international inflationary pressures and ensure a smooth supply of commodities. Similarly, the government is making all possible efforts to combat profiteering and hoarding, as well as providing essential commodities at affordable prices through establishing Sasta Bazaars and providing subsidies on essential food items at the Utility Stores.

Pakistan is blessed with natural as well as human resources. Investing in human capital through skill development programme will ensure long term inclusive growth and decrease the unemployment rate. Cognizant of this fact, the government is focused to facilitate and produce opportunities for employment and financial inclusion of young people so they can play a constructive role in enhancing Pakistan's position in the global markets. In order to bridge the gap between educated and active labour market participation, the government has introduced Prime Minister’s “Kamyab Jawan Youth Entrepreneurship Scheme” and “Prime Minister's Hunarmand Programme-Skills for All" programmes. Similarly, many other short and long-term initiatives, are underway such as National Agriculture Emergency Programme, Naya Pakistan Housing Programme and Ten Billion Tree Tsunami Programme to accommodate the youth bulge. These Programmes will not only boost economic activities in the country but will also be helpful for the socio-economic betterment of youth and deprived segments of society.

Pakistan has launched the largest-ever social protection and poverty eradication programme i.e., Ehsaas. This programme is unique in terms of coverage, policy formulation, multi-sectoral nature, monitoring framework and increased funding to deliver the programme across the country. It consists of over 140 sub programmes, policies and initiatives centered on a holistic approach to poverty alleviation. Over the course of two years, Ehsaas has received widespread global acclaim at numerous international events hosted by the UN, ADB, World Bank, UNDP and others. The Ehsaas programme has recently reached a new milestone when the World Bank included the Ehsaas Emergency Cash Programme in a list of the top four global social protection interventions in terms of number of people covered.

In addition to the above, Pakistan has entered the international capital market after a gap of over three years by successfully raising $ 2.5 billion through a multi-tranche transaction of 5, 10 and 30 year Eurobonds under its first-ever Global Medium Term Note Programme. The IMF and Pakistan have announced the resumption of a stalled $ 6 billion loan programme as the IMF Board's decision allowed for an immediate disbursement of SDR 350 million (about $ 500 million). IMF has acknowledged that while the COVID-19 pandemic continues to pose challenges, the government policies have been critical in supporting the economy and saving lives and livelihoods.

Today, the economy is steadily progressing towards more sustainable and inclusive growth path. The performance in agriculture, LSM, construction and exports sectors are amongst the key success stories. The current account balance is in surplus, fiscal deficit is manageable with the primary balance in surplus, the rupee is stable and foreign exchange reserves (SBP and commercial) have reached $ 23.2 billion (as of 3rd June 2021). Most importantly, the government has effectively managed the pandemic through swift policy measures. With current year performance, it is expected that the economy will grow by 5 percent in FY2022 and will accelerate further over the medium term.

The performance clearly shows that the economy is improving in the post-COVID-19 era. The start of vaccination has raised hopes of a turnaround in the pandemic later this year, however, the third wave with new variants of the virus has posed concerns for the outlook. Nevertheless, the government is vigilant and responding efficiently to restrain the surge of the COVID-19 virus. Social protection systems are also evolving especially to cover all vulnerable segments. The government's prompt response eased the miseries of the most vulnerable segments of society. The business confidence has returned and economic activity is slowly getting back to normal. It is expected that macroeconomic stabilization measures and structural reforms supported by international development partners will help the economy to move on a higher and sustainable growth trajectory.

III. EXECUTIVE SUMMARY

1. Growth and Investment

The economy of Pakistan rebounded strongly in FY2021 and posted growth of 3.94 percent which is not only substantially higher than the previous two years (-0.47 and 2.08 percent in FY2020 and FY2019 respectively) but also surpassed the target (2.1 percent for FY2021). Despite strict fiscal constraints, timely and appropriate policy measures taken by the government resulted in a V-Shaped economic recovery.

The beginning of FY2021 was better in terms of containment of pandemic and economic recovery, however the second wave in late October 2020 and the third wave in March 2021 made government efforts more challenging for containing the pandemic and keeping the economic activities to continue. Regardless of fiscal constraints, relief provision to vulnerable segments and growth support was the government's utmost priority. According to the World Bank report on “Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures” published on May 14, 2021, Pakistan was ranked Fourth in terms of a number of people covered while Third in terms of the percentage of population covered.

Pakistan’s economy is now on course towards strong and sustained recovery. The pandemic resulted in lockdown and depressed demand. Adequate government policies were implemented to keep economy moving. Utilization of unused industrial capacities during the pandemic also helped in economic recovery. On the basis of a rebound in almost all sectors, for FY2021, the provisional GDP growth rate is estimated at 3.9 percent on account of 2.8 percent growth in Agriculture, 3.6 percent in the Industrial sector and 4.4 percent growth in the Services sector. Moreover, GDP at current market prices stood at Rs 47,709 billion, showing a growth of 14.8 percent during FY2021 over last year (Rs 41,556 billion). While in the dollar term, it remained $ 299 billion which is higher than its value recorded last year ($ 263 billion).

Private Consumption has a significantly large share in GDP. This large share implies that Pakistan’s economy is a consumption-driven economy. Better consumer confidence can influence domestic production by increasing demand for durable. Growth in private consumption remained 17 percent in FY2021 as compared to 4 percent last year. On the other hand, growth in Public Consumption remained 11.4 percent, lower than 19.3 percent recorded last year, mainly due to lower growth in interest payments and squeezing of unnecessary expenditures.

Gross Fixed Capital Formation (GFCF) posted a growth of 13.8 percent in FY2021 and remained 13.6 percent of GDP. Private and public including the General Government being two major components of GFCF posted a growth of 6.6 percent and 38.1 percent, respectively.

In aggregate demand, historically contribution of Net Exports usually remained negative. For FY2021, in National Accounts, Exports of Goods and Services posted a growth of 13.6 percent while Imports of Goods and Services posted growth of 20.1 percent. However, for current year, capital goods and raw materials were the main imports which in turn helped in the growth of exports as well as domestic economic recovery.

FY2019 was an era of stabilization, while FY2020 was not only humanitarian crisis but economy also suffered contraction. Economic growth remained 3.94 percent in FY2021 posting quicker significant economic recovery which can be attributed to three factors. (i) The government made better management in controlling the pandemic which kept businesses going on and confidence high in FY2021. (ii) Fiscal Stimulus of Rs 1.24 trillion along with monetary support given in the pandemic. (iii) Due to quicker vaccination which supported economic recovery earlier than expected.

2. Agriculture

The agriculture sector’s performance during 2020-21 broadly stands encouraging as it grows by 2.77 percent against the target of 2.8 percent. The growth of important crops (wheat, rice, sugarcane, maize and cotton) during the year is 4.65 percent. The production of major Kharif crops 2020, such as sugarcane, maize and rice indicated considerable improvement compared to last year and surpassed the production targets. The production of sugarcane increased by 22.0 percent to 81.009 million tonnes from 66.380 million tonnes, rice by 13.6 percent to 8.419 million tonnes from 7.414 million tonnes and maize by 7.4 percent to 8.465 million tonnes from 7.883 million tonnes. However, the cotton crop suffered mainly due to decline in area sown, heavy monsoon rains and pest attacks. The cotton production reduced by 22.8 percent to 7.064 million bales from 9.148 million bales last year.

Wheat is the most important crop of "Rabi", which showed growth of 8.1 percent and reached record high production level of 27.293 million tonnes compared to 25.248 million tonnes last year. For the Rabi crops 2020-21, the government provided a comprehensive "Rabi Package" comprising of subsidies on fertilizer, fungicides and weedicides, together with an increase in the Minimum Support Price (MSP) of wheat to Rs 1,800 per 40 Kg.

Other crops having a share of 11.69 percent in agriculture value addition and 2.24 percent in GDP, showed growth of 1.41 percent because of increase in production of fodder, vegetables and fruits. Cotton ginning declined by 15.58 percent due to fall in the production of cotton crop. The overall crops sector, having a share of 35.81 percent in agriculture value addition and 6.87 percent in GDP, witnessed a growth of 2.47 percent.

Water availability during Kharif 2020 remained at 65.1 million acre feet (MAF) showing a slight decrease of 0.2 percent compared to 65.2 MAF of Kharif 2019. Rabi season 2020-21 received 31.2 MAF, showing an increase of 6.9 percent over Rabi 2019-20.

Domestic production of fertilizer during FY2021 (July-March) increased by 5.9 percent over the same period of the previous year mainly due to increase in supply of additional gas. There was an upsurge in total off-take of fertilizer nutrients by 15.2 percent largely due to upward revision in support price of wheat and decrease in the price of urea by 12 percent.

During FY2021 (July-March), total tractor production was 36,653 compared to 23,266 produced last year, an increase of 57.5 percent. The production increase was largely due to an improved liquidity position of farmers. The agriculture lending institutions have disbursed Rs 953.7 billion during July-March, FY2021 which is 63.6 percent of the overall annual target of Rs 1,500 billion and 4.6 percent higher than the disbursement of Rs 912.2 billion made during the same period last year.

Livestock having a share of 60.07 percent in agriculture and 11.53 percent in GDP, achieved a growth of 3.06 percent. The fishing sector, with a share of 2.01 percent in agriculture value addition and 0.39 percent in GDP, grew by 0.73 percent, while forestry sector having share of 2.10 percent in agriculture and 0.40 percent in GDP, grew by 1.42 percent.

3. Manufacturing and Mining

The Large-Scale Manufacturing (LSM) performance has been much favorable during July-March FY2021 and witnessed 8.99 percent growth as compared to 5.1 percent decline during the same period last year. The government's thoughtful decision to resume the business activities and adoption of smart lockdown boosted the business sentiments and the economy gained traction after witnessing a hefty decline in FY2020. Targeted fiscal and monetary incentives accompanied by related support packages helped speed up the economic recovery.

Out of 15 subsectors, nine posted growth during July-March FY2021. Textile and Food Beverages & Tobacco, the top two sectors of LSM, grew by 5.9 and 11.7 percent, respectively. Coke & Petroleum Products, Non-metallic Mineral Products, Automobile and Pharmaceuticals also grew by 12.71, 24.31, 23.38 and 12.57 percent, respectively.

The Mining and Quarrying sector declined by 6.49 percent during FY2021, against 8.28 percent contraction last year. This sector is lagging behind despite huge potential due to interconnected and cross-cutting issues like poor regulatory framework, insufficient infrastructure at mines sites, outdated technology installed, semi-skilled labor, low financial support and lack of marketing. During July-March FY2021, production of major minerals plunged such as Coal, Natural Gas and Crude Oil declined by 5.97, 4.70 and 6.72 percent, respectively. However, some minerals witnessed positive growth during the period under review such as Chromite 28.28 percent, Magnesite 6.17 percent, Rock Salt 5.44 percent and Iron Ore 26.23 percent.

4. Fiscal Development

The fiscal sector has witnessed significant challenges due to additional expenditures made to lessen the negative impact of COVID-19. However, the government's fiscal consolidation efforts provided significant support in maintaining fiscal discipline, increasing revenues and controlling expenditures, thus the fiscal sector continued to perform better. The fiscal deficit was contained at 3.5 percent of GDP during July-March FY2021 against 4.1 percent of GDP in the same period of last year. The primary balance posted a surplus of Rs 451.8 billion during July-March, FY2021 against the surplus of Rs 193.5 billion in same period last year.

The FBR tax collection witnessed a significant rise in ten months. During July-April, FY2021 the total collection grew by 14.4 percent to stand at Rs 3,780.3 billion against Rs 3,303.4 billion in the same period of FY2020. Encouragingly, the tax collection surpassed the target by more than Rs 100 billion during the period under review. The revenue performance is not only a reflection of growing economic activities without any disruption even in the wake of the third wave of COVID-19, but it also suggests that the efforts to improve the tax collection through various policy and administrative reforms are bearing the fruits.

The non-tax revenues stood at Rs 1,227.6 billion during July-March FY2021 against Rs 1,324.4 billion in the same period of last year, showing a decline of 7.3 percent. The decline is mainly attributed to the absence of a one-off renewal fee for GSM licenses from telecommunication companies.

The efficient expenditure management effectively curtailed the overall expenditures during the current fiscal year. Total expenditures grew by 4.2 percent during July-March FY2021 as compared with the growth of 15.8 percent observed in the same period of FY2020.

Presently, the fiscal policy measures are mainly focused on relief measures to support businesses and to protect vulnerable segments of society. Simultaneously, the government is focused on containing the fiscal deficit at a manageable level and keeping the primary balance at a sustainable level. The fiscal performance during the first three quarters of FY2021 is satisfactory. However, challenges to fiscal performance still persist which largely depend on the domestic and international evolution of COVID-19 and its perils for the economy. Nevertheless, effective revenue mobilization and prudent expenditure management strategy would be supportive in coping with these challenges.

5. Money and Credit

After the COVID-19 outbreak, the State Bank of Pakistan proactively reduced the policy rate by a cumulative 625 bps from 13.25 percent to 7.0 percent, within almost 3 months between March and June 2020. The target of monetary policy was shifted towards supporting growth and employment during the pandemic. During FY2021, SBP has continued with an accommodative monetary policy stance with 7.0 percent policy rate which has supported the economic recovery while keeping inflation expectations under control and safeguarding financial stability.

Besides sharply lowering the borrowing cost, SBP introduced a host of measures aimed at supporting the businesses and households during the challenging time. These measures, along with a fiscal stimulus package especially for revival of construction, led to a quick turnaround in economic activity in the country during FY2021.

During the period 1st July-30th April, FY2021 Broad money witnessed an expansion of Rs 1,664.8 billion (growth of 8.0 percent) against Rs 1,698.1 billion (growth of 9.5 percent) during the same period last year. Growth in money supply mainly contributed by Net Foreign Assets (NFA) of the banking system, which increased by Rs 950.2 billion against an expansion of Rs 931.1 billion last year, reflecting an improved balance of payment position. Whereas, Net Domestic Assets (NDA) of the banking system observed an expansion of Rs 714.6 billion during the period under review compared to an expansion of Rs 767.0 billion during same period last year.

During the period 1st July-30th April, FY2021, overall private sector credit witnessed an expansion of Rs 454.5 billion against Rs 318.5 billion last year. On a positive note, fixed investment loans increased significantly by Rs 140.4 billion during July-April, FY2021 against the borrowing of Rs 0.4 billion same period last year, which augurs well for the industrial sector and overall economic growth in the coming years.

The government has borrowed Rs 675.9 billion for budgetary support during 1st July-30th April, FY2021 compared to Rs 1,171.3 billion in the same period last year. Within budgetary support, the government has borrowed Rs 1,840.6 billion from scheduled banks as compared to the borrowing of Rs 1,813.4 billion in a comparable period last year. On the other hand, the government has retired Rs 1,164.7 billion to SBP as compared to the retirement of Rs 642.2 billion during the same period last year. This shows a continuation of government adherence to zero borrowing from the central bank.

6. Capital Markets & Corporate Sector

During FY2021, Global equity markets, which plummeted in March 2020, rebounded when governments around the globe injected big stimulus money into their economies. Pakistan Stock Exchange (PSX) also successfully powered through the initial COVID-19 induced economic downturn and earned the title of being the 'best Asian stock market and fourth best-performing market across the world in 2020.'

During July-May FY2021, the benchmark KSE-100 index improved from 34,889 points to 47,896 points, gaining 13,006 points in the said period. As of May 31, 2021, the total market capitalization of the Pakistan Stock Exchange was Rs 8,267 billion. An increase of 26.6 percent was witnessed in market capitalization, compared with the June 30, 2020 market capitalization of Rs 6,529 billion. Though the third wave of COVID-19 dragged the KSE-100 index down in March and April of FY2021, reforms introduced by the SECP and the government's pro-growth policies are helping the capital market to withstand the pressure.

The distinguishing feature of this year is the significant number of IPOs that took place. Despite the COVID-19 outbreak, Pakistan Stock Exchange witnessed five IPOs between July 2020 and March 2021. These five are: The Organic Meat Company, TPL Trakker, Agha Steel Industries, Engro Polymer & Chemicals Limited and Panther Tyres Limited.

During July-March FY2021, corporations raised Rs 96.9 billion by issuing seventeen debt securities. While 93 previous corporate debt securities worth Rs 782.875 billion remain outstanding.

7. Inflation

The Consumer Price Index (CPI) inflation for the period July-May FY2021 was recorded at 8.8 percent against 10.9 percent during the same period last year. The other inflationary indicators like the Sensitive Price Indicator (SPI) was recorded at 13.5 percent against 14.0 percent last year. Wholesale Price Index (WPI) was recorded at 8.4 percent in July-May FY2021 compared to 11.1 percent last year.

During July-May FY2021, National CPI inflation for FY2021 remained lower than same period last year. Administrative measures including a crackdown on speculative elements and resumption of seasonal supplies of perishables helped to minimize the inflationary pressures. Furthermore, tax relief measures in Budget FY2021 in response to COVID-19 also provided relief in terms of stable prices of various goods.

At the beginning of FY2021, a major contribution to increase in inflation in both urban and rural baskets came from food groups mainly due to the extended monsoon season. The government realizing the significance of supply disruption started establishing Sahulat/Bachat Bazar in all parts of the country. The rise in the prices of global agrarian products and other commodities especially oil contributed to domestic inflation as well. As far as oil prices are concerned, the government did not pass on the burden of price increase to the general public proportionately in order to maintain price stability.

8. Trade and Payments

Amidst the uncertain and precarious global economic environment, where the global economy was lurching under the impact of the unprecedented COVID-19 shock, Pakistan's external sector has appeared as a key buffer for resilience. The comfortable external balance position of Pakistan has been supported by surplus current account balance on the back of robust flow of remittances and a sustained recovery in exports. Furthermore, improvements in the services and primary income account also provided a cushion to turn the current account deficit of $ 4.7 billion in FY2020 into a surplus of $ 773 million during July-April FY2021.

The inflow of workers' remittances in Pakistan has been rising consistently since FY2018 and the trend continued in FY2021 with a meritorious growth of 29.0 percent and reached $ 24.2 billion during July-April FY2021.

Export of goods grew by 6.5 percent during July-April FY2021 and stood at $ 21 billion as compared to $ 19.7 billion in the same period last year. Import of goods grew by 13.5 percent to $ 42.3 billion as compared to $ 37.3 billion last year. Consequently, the trade deficit increased by 21.3 percent to $ 21.3 billion as compared to $ 17.6 billion last year.

Pakistan's total liquid foreign exchange reserves increased to $ 22.7 billion by the end of April 2021, up by $ 3.8 billion, indicating a growth of 20.1 percent over the end-June 2020. On account of increased foreign exchange reserves, supported by remittances, exports and financial support from International Financial Institutions, the Pakistani Rupee started to appreciate. The introduction of a market-based exchange rate regime also helped to stabilize the Rupee and the exchange rate reached Rs 153.5 per $ by the end of April 2021, effectively appreciating by 9.5 percent over end-June 2020.

9. Public Debt

Total public debt was recorded at Rs 38,006 billion at end March 2021. Domestic debt was recorded at Rs 25,552 billion while external public debt was recorded at Rs 12,454 billion or $ 81.6 billion at end March 2021.

Pakistan has been able to contain the growth in its public debt portfolio despite a very challenging macroeconomic situation around the globe due to the pandemic. In fact, Pakistan witnessed one of the smallest increases in its public debt. Global public debt to GDP Ratio increased by 13 percentage points, from 84 percent in 2019 to 97 percent in 2020, whereas, Pakistan's Debt-to-GDP ratio witnessed minimal increase of 1.7 percentage points and stood at 87.6 percent at end June 2020 compared with 85.9 percent at end June 2019. The Debt-to-GDP ratio of Pakistan is expected to reduce and will remain below 84 percent at the end of current fiscal year.

Public debt portfolio witnessed various positive developments during ongoing fiscal year, some of them are highlighted as follows:

- Over 80 percent of the net borrowing from domestic sources was through medium-to-long-term domestic debt instruments;
- In-line with the government's commitment, no new borrowing was made from State Bank of Pakistan (SBP). In fact, government repaid Rs 569 billion during the ongoing fiscal year against its debt owed to SBP. The cumulative debt retirement against SBP debt stood over Rs 1.1 trillion during last two fiscal years;
- Refinancing risk of debt portfolio reduced significantly during the tenure of the present government. Short-term debt as percentage of total domestic debt has decreased to around 23 percent at end March 2021 compared with 54 percent at end June 2018;
- The Rs 25,000, Rs 15,000 and Rs 7,500 denominations prize bonds were withdrawn from circulation in order to improve the documentation of the economy. The holders have been given options to (i) convert to premium prize bonds; or (ii) replace them with eligible National Savings Certificates; or (iii) encash at face value into their bank accounts;
- Pakistan entered the international capital market after a gap of over three years by successfully raising $ 2.5 billion through a multi-tranche transaction of 5-, 10- and 30-year Eurobonds under its first-ever Global Medium Term Note Programme;
- Pakistan is availing the G-20 Debt Service Suspension Initiative (DSSI) for a period of 20-months (May 2020 - December 2021) which will help to defer the debt servicing impact to the tune of around $ 3.7 billion during this period.

Total interest servicing was recorded at Rs 2,104 billion during first nine months of current fiscal year against its annual budgeted estimate of Rs 2,946 billion. Out of this total, domestic interest payments were Rs 1,934 billion and constituted around 92 percent of total interest servicing during first nine months of current fiscal year which is mainly attributable to higher volume of domestic debt in total public debt portfolio.

Pakistan's strategy to reduce its debt burden to a sustainable level includes commitment to run primary surpluses, maintain low and stable inflation, promote measures that support higher long-term economic growth and follow an exchange rate regime based on economic fundamentals. With narrower fiscal deficit, public debt is projected to enter a firm downward path while government's efforts to improve maturity structure will enhance public debt sustainability.

10. Education

Present government is committed to achieve Goal 4 of SDGs i.e., "Quality 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 professional capacity of teachers.

A Single National Curriculum (SNC) has been designed with the vision of one system of education for all, in terms of curriculum, medium of instruction and a common platform of assessment, so that all children have a fair and equal opportunity to receive high quality education.

The total number of enrolment during 2018-19 was recorded at 52.5 million as compared to 51.0 million during 2017-18, which shows an increase of 2.9 percent. The enrolment is estimated to increase to 55.0 million during 2019-20. The number of institutes (both public and private) reached to 273.4 thousand during 2018-19 as compared to 262.0 thousand during 2017-18. However, the number of institutes is estimated to increase to 279.4 thousand in 2019-20. The number of teachers during 2018-19 were 1.76 million as compared to 1.77 million during the last year. The number of teachers is estimated to increase to 1.80 million during 2019-20.

According to the PSLM, District Level Survey 2019-20, the literacy rate of population (10 years and above) is stagnant at 60 percent in 2019-20 as compared to 2014-15. Province wise analysis suggests that Punjab has the highest literacy rate, with 64 percent followed by Sindh with 58 percent, Khyber Pakhtunkhwa (Excluding Merged Areas) with 55 percent, Khyber Pakhtunkhwa (Including Merged Areas) with 53 percent and Balochistan with 46 percent.

Public expenditures (federal & provincial governments) on education were estimated at 1.5 percent of GDP in 2019-20, as compared to 2.3 percent in 2018-19. The education-related expenditures decreased by 29.6 percent i.e., from Rs 868.0 billion to Rs 611.0 billion due to closure of educational institutes, amid country-wide lockdown and decrease in current expenditures (other than salaries) due to COVID-19 pandemic.

The COVID-19 pandemic has not only created a health crisis in the country but also adversely affected other sectors including education sector. In order to mitigate the learning losses of students during the closure of educational institutes, the government has launched initiatives like Tele School and Radio School to provide distance learning and addressed provision of education to the children of far flung and remote areas during the pandemic.

11. Health and Nutrition

The COVID-19 pandemic has tested the country's health infrastructure and identified the need for more investment in the health sector especially for diagnostic facilities, disease surveillance, disease prevention and spread, training of health personnel and their protection from the pandemic, vaccine development, up-grading health care infrastructure, emergency rooms, intensive care units, isolation wards and public awareness.

In order to make substantial progress on Goal 3 of SDGs (Good Health and Wellbeing), the Government of Pakistan has given priority to strengthen the health sector to further resolve and address the outbreak of the COVID-19 pandemic. The health-related expenditure increased by 14.3 percent from Rs 421.8 billion (1.1 percent of GDP) in 2018-19 to Rs 482.3 billion (1.2 percent of GDP) in 2019-20.

In Pakistan, the first case of COVID-19 was confirmed on 26 February 2020, when the first patient in Karachi tested positive. The first wave of COVID-19 claimed 6,795 lives, infected 332,186 and left behind 632 on ventilators. The government announced the second wave of COVID-19 on 28 October 2020, when there was a sudden increase in active cases from 6,000 to 11,000 and 93 hospitalized patients were put on ventilators. The third wave of COVID-19 in Pakistan started on 17 March 2021, when daily cases reached 3,000 with a positivity rate of 10 percent.

Pakistan formally launched the coronavirus vaccination drive on 03 February 2021. China has donated 1.5 million doses of the Sinopharm vaccine, which has an efficacy of 79 percent. Till 2nd June, 2021, a total of 13.0 million doses of vaccine have been received by the Government of Pakistan and 8.3 million doses have been administered as on 5th June, 2021.

The government is fully committed to increase the health coverage and provision of good nutrition to meet the emerging demand and to develop the effective human capital.

12. Population, Labour Force and Employment

According to the National Institute of Population Studies (NIPS) estimated population of Pakistan is 215.25 million with a population growth rate of 1.80 percent in 2020[1] and population density of 270 per Km^2. Pakistan has an extraordinary asset in the shape of youth bulge, which means that the largest segment of our population consists of young people. The population falling in the age group of 15-59 years is 59 percent, whereas 27 percent is between 15-29 years. This youth bulge can translate into economic gains only if the youth have skills consistent with the requirements of a modern economy. The government has started different programmes for improving employment opportunities for youth such as "Prime Minister's Youth Entrepreneurship Scheme" and "Prime Minister's Hunarmand Programme-Skills for All" etc.

According to the "Special Survey for Evaluating Socio-Economic Impact of COVID-19 on Wellbeing of People" conducted by the Pakistan Bureau of Statistics, population working were 55.74 million, prior to COVID-19. This number declined to 35.04 million which indicates people either lost their jobs or were not able to work. The government announced package for construction sector and provided industrial relief, etc. Thus opening of these sectors, in which daily wagers were working along with fiscal stimulus and monetary measures, helped economy to recover. Thus according to the survey in August-October FY2021, 52.56 million resumed jobs.

13. Transport and Communication

Due to COVID-19, the scheduled flight operations to most parts of the country and the globe remained suspended. However, Pakistan International Airline Corporation (PIAC) operated special flights to facilitate stranded Pakistanis abroad.

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[1]Population data reported in the chapter is based on Census 1998. Census Results 2017 have been released by PBS. NIPS will provide projected data accordingly, with the consultation of PBS and M/o Planning, Development &Special Initiatives. The revised Population data will be published in Statistical Supplement PES 2020-21.

Pakistan Railways is a major mode of transport in the public sector, contributing to the country's economic growth and providing national integration. Pakistan Railways comprises a total of 466 locomotives (461 Diesel Engine and 05 Steam Engines) for the 7,791 km route length. During July-February FY2021, gross earnings have been recorded at Rs 30,966.11 million against Rs 36,916.85 million.

Pakistan National Shipping Cooperation Group has made significant progress in bulk and liquid cargo segments. Despite the pandemic, the Group has managed to achieve a profit of Rs 1,235 million as against Rs 1,411 million in the corresponding period last year. The turnover stands at Rs 9,633 million compared to Rs 9,621 million for the previous year's corresponding period. Revenue of the tanker segment, including foreign charters, grew by 7.12 percent from Rs 6,195 million to Rs 6,635 million. The increase in revenues reflects the growth in the operational activity of the Group.

There has been a consistent growth in IT & IT-enabled services (ITeS) remittances over the last 5 years, with a compound annual growth rate (CAGR) of 18.85 percent, the highest growth rate in comparison with all other industries and the highest in the region. Micro enterprises, independent consultants and freelancers have contributed an estimated $ 500 million in IT & ITeS exports. The annual domestic revenue exceeds $ 1 billion. IT export remittances, including telecommunication, computer and information services have surged to $ 1.298 billion at a growth rate of 41.39 percent during July-February FY2021, in comparison to $ 918 million during the corresponding period of FY2020. ITeS export remittances comprising of computer services and call center services have surged to $ 1.113 billion at a growth of 41.65 percent during July-February FY2021 as compared to $ 785.686 million during same period last year. The number of Pakistan Software Export Board (PSEB) registered IT & ITeS companies as of 30th March 2021, is 3,013 compared to 2,484 as of March 2020, showing a growth of 21 percent.

FDI in telecom during July-February FY2021 was $ 101.1 million. Telecom operators have invested an amount of $ 363.9 million during July-February FY2021. The main driver behind this investment is the cellular mobile sector which has invested $ 253.5 million during the period. The overall investment in the telecom sector during the two quarters of FY2021 crossed $ 465.0 million. Cellular mobile subscribers (number of active Sims) in Pakistan reached 182 million at the end of March 2021 compared to 167.3 million at the end of June 2020, showing a growth of 8.6 percent in nine months. Broadband connections as of end March 2021, increased to 100 million registering 19.7 percent increase as compared to FY2020.

PEMRA has issued 258 Licenses for FM Radio and 4,173 Cable TV Licenses. PEMRA has deposited over Rs 105.0 billion in national exchequer.

14. Energy

Pakistan's reliance on thermal which includes imported coal, local coal, RLNG and natural gas has been decreasing over the last few years. Pakistan's dependence on natural gas in the overall energy mix is on the decline and the reduction of its share in the energy mix may be attributed to declining natural gas reserves as well as to the introduction of LNG since 2015.

Regarding consumption pattern, there is no considerable change in the consumption pattern of electricity. During July-April FY2021, the share of agriculture in electricity consumption is consistent at 8.9 percent. However, the share of Industry in electricity consumption has increased to 26.3 percent in July-March FY2021 as compared to 25.5 percent in the same period last year.

NEPRA has extended advice to the concerned entities, including Federal/ Provincial Governments, on various power sector issues. A landmark decision was taken by the Detailed Design and Implementation Plan of Competitive Trading Bilateral Contract Market (CTBCM) to make the competitive wholesale electricity market operational by April 2022 and ushering a new era of transparency, predictability and credibility whereby electricity shall be traded like any other commodity. NEPRA also established Occupational Health, Safety & Environment (HSE) Department to enhance the safe and smooth operations and well-being of licensee employees, contractors and community as a whole.

Crude oil's local extraction and imports reached to 68.9 million barrels in July-March FY2021 from 58.6 million barrel in corresponding period last year, while share of import in July-March FY2021 remained 48.2 million barrel as compared to 38.8 million barrel in last year same period. Similarly, in July-March FY2021, consumption of petroleum products increased to 14.7 million tonnes from 12.5 million tonnes.

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 not available. The total supply of LPG during July–March, FY2021 was 927,683 metric tonnes. Currently, there are 11 LPG producers and 216 LPG marketing companies operating in the country having more than 7,000 authorized distributors.

During July-February FY2021, the average natural gas consumption was about 3,723 Million Cubic Feet per day (MMCFD) including 950 MMCFD volume of RLNG. During July-February FY2021, the two gas utility companies (SNGPL & SSGCL) have laid a 143 Km gas transmission network, 2,616 Km distribution and 886 Km services lines and connected 70 villages/towns to the gas network. Moreover, 304,573 additional gas connections including 303,243 Domestic, 1,020 Commercial and 310 Industrial were provided across the country.

15. Social Protection

Social protection has a central role to play in addressing the social, economic and health dimensions of the COVID-19 crisis. The Ehsaas Emergency Cash programme has proven to be effective in mitigating the socio-economic consequences of COVID-19 pandemic. The Government has disbursed Rs 179.8 billion as one-time emergency cash assistance to 14.8 million families at risk of extreme poverty. Since the launch of Ehsaas, many transformative initiatives and policy reforms have effectively been implemented nationwide. Some of the Ehsaas' early wins across various sectors include Ehsaas Kafaalat, Ehsaas Emergency Cash, Ehsaas Undergraduate Scholarship, Ehsaas Nashonuma, Ehsaas Langars, Ehsaas Interest-Free Loans, Ehsaas Amdan and several others.

Under Ehsaas Kafaalat Programme, the government is providing cash stipends of Rs 2,000 monthly. Number of Kafaalat beneficiaries has been increased from 4.6 million to 7 million. All payments are being made through the new biometric Ehsaas Digital Payment System ensuring transparency.

Under Ehsaas strategy, interest free loans are a major component of the National Poverty Graduation Initiative. Since July 2019 to March 2021, a total of 1.2 million loans (46 percent loans to women) have been disbursed amounting Rs 44.42 billion. Overall, 1,100 loan centers/branches have been established in about 110 districts by 24 partner organizations across the country. During July-March FY2021, a total of 490,368 interest free loans (47 percent loans to women) amounting to Rs 17.50 billion have been disbursed to the borrowers.

Pakistan Poverty Alleviation Fund (PPAF) also helps in micro-credit, water, health, education and livelihood. Since its inception in April 2000 till March 2021, PPAF has disbursed an amount of approximately Rs 228 billion to its Partner Organizations (POs) in 144 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. The overall disbursements for core operations during July-March FY2021 amounted to Rs 2.64 billion.

Pakistan Baitul Mal (PBM) is providing financial assistance to the destitute, widows, orphans and other needy persons at the district level. During July-March FY2021, PBM has disbursed an amount of Rs 3.0 billion through its core projects.

Workers Welfare Fund during July-March, FY2021 disbursed Rs 2.47 billion on 33,679 scholarship cases, while Rs 573.44 million have been utilized as marriage grants @Rs 100,000 per worker benefitting 5,736 workers' families. The WWF has also disbursed Rs 496.55 million as a death grant @Rs 500,000 per worker, covering 994 cases of mishaps all over the country.

EOBI provides monetary benefits to old age workers through various programmes such as Old Age Pension, Invalidity Pension, Survivors Pension and Old Age Grant. During July-March FY2021, an amount of Rs 34.06 billion has been utilized for 399,574 beneficiaries.

16. Climate Change

The changes in climate had started around fifty years back due to rapid industrialization with substantial geopolitical consequences. As things stand, we are at a crossroads for a much warmer world. According to German Watch, Pakistan is among the top ten countries most affected by climate change in the past 20 years. The reasons behind this include the impact of back-to-back floods since 2010, the worst drought episode (1998-2002) as well as more recent droughts in Tharparkar and Cholistan, the intense heat wave in Karachi (and Southern Pakistan generally) in July 2015, severe windstorms in Islamabad in June 2016, increased cyclonic activity and increased incidences of landslides and Glacial Lake Outburst Floods (GLOFs) in the northern parts of the country.

To revive the forest cover and wildlife resources in Pakistan the government has launched the Ten Billion Tree Tsunami Programme. The programme has achieved a plantation of 350 million plants in the first three quarters of FY2021 and about 100,000 daily wagers have been employed till March 2021. Cumulatively, more than 800 million plants have been regenerated / planted in the last two years with a target to reach one billion by June 2021.

To mitigate the negative impacts of the automobile sector emissions on the environment and giving a boost to the economy, the Government has approved its National Electric Vehicle Policy targeting a 30 percent shift to electric by 2030.