

Monthly ECONOMIC UPDATE & OUTLOOK April 2023



Government of Pakistan
Finance Division
Economic Adviser's Wing

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Executive Summary

The IMF had to revise global growth forecast downward due to weak performance in advanced economies. The tightening monetary policy stance at global level to address the problem of inflation deteriorated global growth prospects further. The latest World Economic Outlook released by the IMF reveals that global growth is expected to decelerate to 2.8 percent in 2023.

Estimates of Federal Committee on Agriculture show that wheat production for 2022-23 increased by 1.6 percent to 26.81 million tonnes, higher than last year. LSM sector is hardly hit by the consolidation efforts, surge in the policy rate, measures to address macroeconomic imbalances and significant downward trend in the global growth. LSM sector registered a contraction of 5.56 percent during the period of Jul-Feb FY2023.

CPI inflation in March, 2023 stood at 35.4 percent (YoY) compared to 31.5 percent in the previous month. The average CPI in the first nine months of the current fiscal year remained 27.3 percent compared to 10.8 percent during the same period last year.

The considerable rise in revenues relative to expenditure allowed the government to contain fiscal deficit. The fiscal deficit has been reduced to 2.8 percent of GDP during Jul-Feb FY2023 from 3.4 percent of GDP recorded in the same period of last year. The net federal revenues increased by 32 percent to Rs. 3133 billion during Jul-Feb FY2023 against Rs. 2374 billion in the same period of last year. The increase in the non-tax collection is primarily due to the higher revenues from the petroleum levy. Total expenditure grew by 11.5 percent to Rs. 5815 billion during Jul-Feb FY2023 as compared to Rs. 5214 billion in the

same period last year.

In order to contain persistently rising inflationary pressures, SBP had to increase the policy rate by 100 basis points to 21 percent in its last monetary policy committee meeting.

The current account posted a surplus of \$ 654 million in March 2023 as against deficit of \$ 981 million in same period last year, largely reflecting an improvement in trade balance. During Jul-Mar FY2023, the current account posted a deficit of \$ 3.4 billion against a deficit of \$ 13.0 billion last year. Similarly, trade deficit during Jul-Mar FY2023 has contained to \$ 20.4 billion as against \$ 29.0 billion last year.

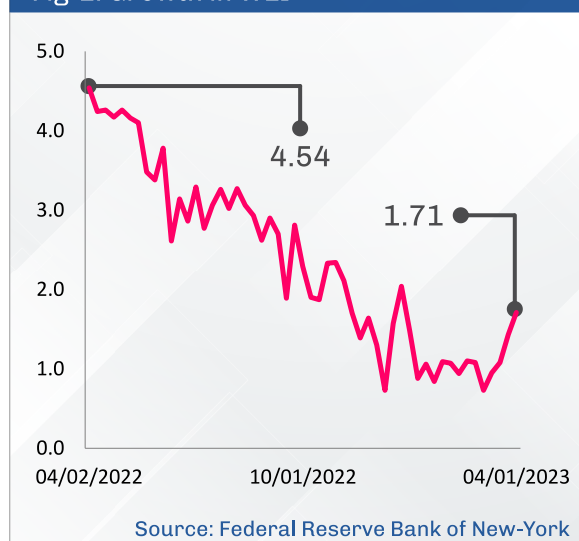
International Performance and Outlook

Global growth is projected to decelerate to 2.8 percent in 2023 and 3.0 percent in 2024, observing drastic slowdown from 3.4 percent growth in 2022, according to IMF, WEO April 2023. The projection for 2023 and 2024 are revised downward from earlier estimates of January 2023 by 0.1 percent due to weak performance in advanced economies in addition to further tightening of policy rate to combat rising inflation. The downside risk to the global growth includes high inflation, Russia-Ukraine conflict and setbacks in China recovery from Covid-19, including 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.

US economy is forecasted to grow by 1.6 percent in 2023, 0.2 percent higher than previous forecast, as labour market remained strong, with historically low unemployment rate. The CPI increased to 0.1 percent in March 2023 as compared to February 2023 by 0.4 percent, however, on YOY basis it increased by 5

percent on account of decline in energy cost, this was the smallest increase since May 2021. Although inflation is declining but still well above the level, Federal reserves is targeting inflation at around 2 percent for healthy and sustainable growth level. Developments on growth, employment and inflation front also support and evident through WEI movement, which is moving upward after 02 quarters (Fig-1).

Fig-1: Growth in WEI



China is growing robustly after its reopening, which will have positive spill overs on its trading partner. China is projected to grow by 5.2 percent in 2023, as the economic reopening creates robust revival in private consumption. Increase in Chinese demand would have multiplier effect on the regional growth.

The FAO Food Prices Index (FFPI) averaged 126.9 points in March 2023, marginally down 2.8 points from February, marking the twelve consecutive monthly declines. The decrease in the index in March was mainly due to sharp decline in international prices of vegetable oils, dairy and cereals offsetting a steep rise in the sugar and meat price index.

The J.P. Morgan Global Composite Output Index increased to 53.4 in March 2023, from 52.1 in February 2023, on account of increase in global output and improvement on supply chain. This

expansion has been observed for the second successive month and it was led by the services sector, with growth strengthening across the business, consumer and financial services categories. Output growth stayed lackluster in the manufacturing industry, however production volumes were scaled up mildly for the second month in a row. According to Institute for Supply Management (ISM) manufacturing PMI decreased to 46.3 in March 2023 from 47.7 in February 2023. Although global demand for manufactured goods decreases continuously, international trade in goods remained a net drag on the global economy.

Fig-2: Composite Leading Indicator

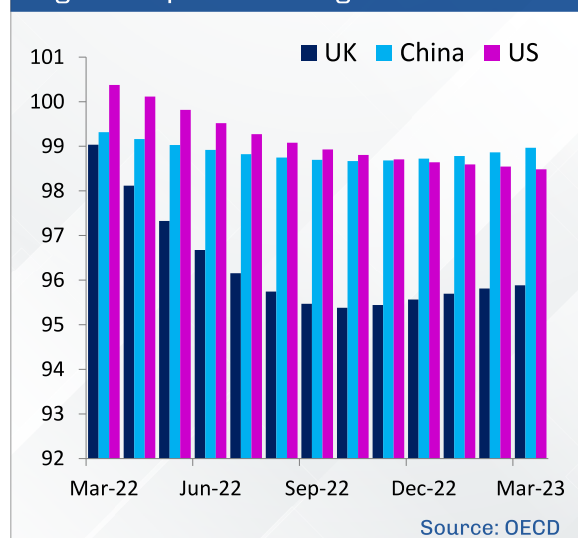
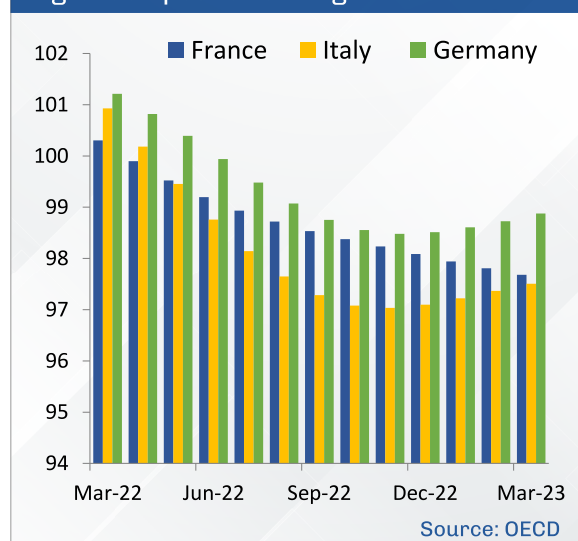


Fig-3: Composite Leading Indicator



The CLIs continued slowing growth in March 2023 in OECD and major economies, 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 stabilisation driven by production of motor vehicles and share prices.

Global commodity prices declined in March 2023. Energy prices fell by 6.3 percent, led by natural gas in Europe (16.5 percent) and coal (9.8 percent). Non-energy prices eased by 2.2 percent. Food prices declined by 2.0 percent. Beverages prices changed little while raw materials eased 1.0 percent. Fertilizers declined 3.6 percent, Metals prices dropped by 3.2 percent. while precious metals gained 2.7 percent.

Monthly Performance of Pakistan's Economy

2.1 Real Sector

2.1-a Agriculture

The latest agriculture performance for Rabi 2022-23 was reviewed during 20th meeting of FCA held on 12th April 2023. The committee observed estimated Wheat production for 2022-23 increased by 1.6 percent to 26.81 million tonnes from an area of 9.0 million hectares(ha) compared to last year. The increase in production for 2022-23 witnessed in: potato by 1.9 percent to 7.9 million tonnes, tomatoes 1.2 percent to 563.6 thousand tonnes over last year while production of gram declined by 1.0 percent to 313 thousand tonnes. The FCA held detailed deliberations over the production & area targets for essential upcoming Kharif crops 2023 and decided to fix for: Rice 9 million tonnes over 3.1 million ha, Maize 7.6 million tonnes over

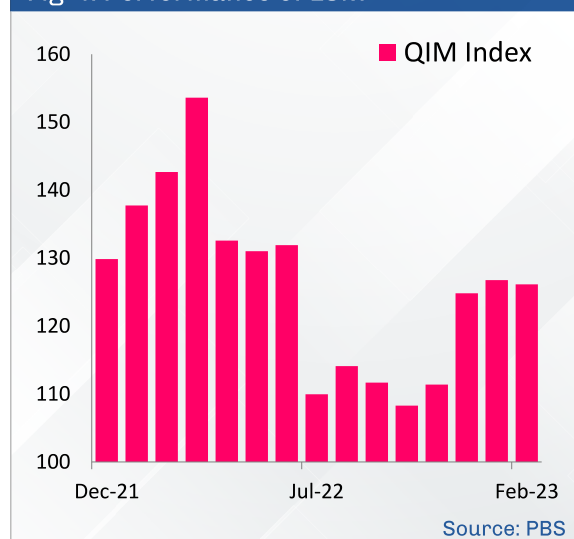
1.3 million ha and Sugarcane 78.6 million tonnes over 1.2 million ha of land. The targets for other crops such as Mung, Mash and chillies were also fixed. The input situation will remain satisfactory during Kharif 2023.

During Jul-Mar FY2023, the agriculture credit disbursement increased to Rs 1,221.9 billion from Rs 958.3 billion showing an increase of 27.5 percent over the same period last year. During Rabi 2022-23, urea and DAP off-take recorded at 3,469 thousand tonnes (4.5 percent higher than Rabi 2021-22) and 710 thousand tonnes, respectively (23.4 percent less than Rabi 2021-22).

2.1-b Manufacturing

The performance of Large Scale Manufacturing (LSM) sector struggled with a contraction of 5.56 percent during the period of Jul-Feb FY2023. This decline was attributed to various factors, including synchronized policy measures to address imbalances, disruptions in the supply chain, and global recessionary pressures. On a YoY basis, LSM declined by 11.6 percent in February 2023 and -0.5 percent compared to the previous month. During the period, 4 sectors witnessed positive growth which includes, Wearing apparel, Leather Products, Furniture, and others (Football).

Fig-4: Performance of LSM



The performance of auto-industry also remains subdued due to massive increases in inputs prices, tightening auto finance, and import restrictions. During Jul-Mar FY2023, car production and sale decreased by 43.3 percent and 50.3 percent, respectively, Trucks & Buses production and sale decreased by 33.1 percent and 31.7 percent. The sale of petroleum products declined by 21 percent in Jul-Mar FY2023 to 12.8 mn tons from 16.2 mn tons in the same period last year.

Total cement dispatches declined by 17.6 percent to 33.6 mn tons during Jul-Mar FY2023 (40.8 mn tons last year). In March 2023, cement dispatches decreased by 24.2 percent to 3.8 mn tons (5.0 mn tons in Mar 2022). The decline in local cement dispatches was even more significant, with a drop of 28.7 percent from 4.7mn tons in March 2022 to 3.4mn tons in March 2023. Despite the challenges, there was a positive aspect with an uptick in export shipments, which surged by 48.5 percent from 0.3 mn tons to 0.4 mn tons over the same timeframe.

2.2 Inflation

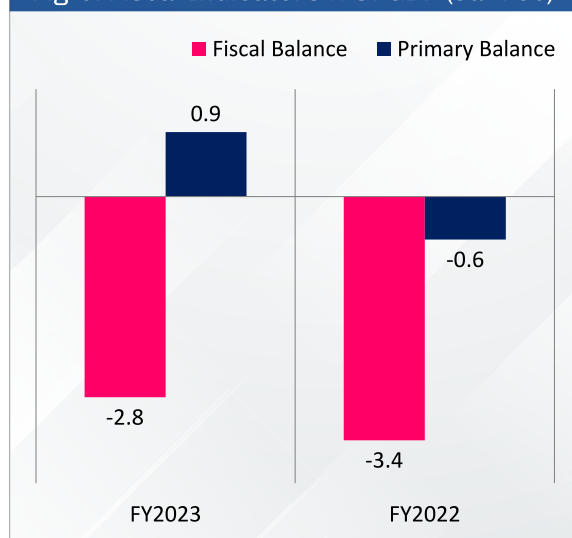
CPI inflation in March, 2023 recorded at 35.4 percent (YoY) compared to 31.5 percent in the previous month. On MoM basis, it has increased to 3.7 percent in March as compared to an increase of 4.3 percent in the previous month. The major increase witnessed in the Transport 54.9 percent, Alcoholic beverages and tobacco 140.0 percent, Recreation and culture 50.6 percent, Perishable food items 51.8 percent, Non-perishable food items 46.4 percent, Restaurants and hotels 38.5 percent, Furnishing and household equipment maintenance 39.0 percent, Miscellaneous goods and services 34.4 percent, Health 18.5 percent, Clothing and footwear 21.9 percent, Housing and utilities 17.5 percent, Education 7.2 percent and Communication 6.6 percent. The average CPI in the first nine months of the current fiscal year remained 27.3

percent compared to 10.8 percent during the same period of last year. The SPI for the week ended on 27th April 2023, recorded an increase of 0.15 percent as compared to previous week. Prices of 7 items declined, 23 items remained stable and 21 items increased.

2.3 Fiscal

The net federal revenues increased by 32 percent to Rs. 3133 billion during Jul-Feb FY2023 against Rs.2374 billion in the same period of last year. A significant increase in revenues has been achieved on account of 18 percent growth in tax and a 35 percent growth in non-tax revenues. The increase in the non-tax collection is primarily due to higher revenues from the petroleum levy. Furthermore, higher receipts from markup payments, dividend, PTA profit, passport fees, royalties on oil/gas, etc have also contributed to a substantial increase in non-tax revenues during the first eight months of the current fiscal year.

Fig-5: Fiscal Indicators % Of GDP (Jul-Feb)



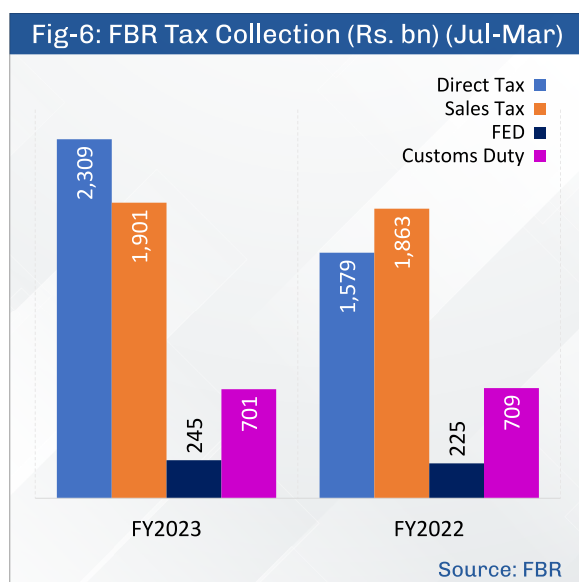
On the other hand, total expenditure grew by 11.5 percent to Rs.5815 billion during Jul-Feb FY2023 as compared to Rs.5214 billion in the same period last year. Current expenditures grew by 15.3 percent to Rs.5529 billion during Jul-Feb FY2023 against Rs.4794 billion in the comparable period of last year. Within the current, expenditure on markup

payments grew by 69 percent. While non-markup current spending reduced by 19 percent due to a significant decline in expenditures on subsidies and grants.

With the sharp rise in revenues relative to expenditure, the fiscal deficit has been reduced to 2.8 percent of GDP during Jul-Feb FY2023 from 3.4 percent of GDP recorded in the same period of last year. Similarly, the primary balance posted a surplus of Rs.781 billion (0.9 percent of GDP) during Jul-Feb FY2023 against a deficit of Rs.399 billion (-0.6 percent of GDP) last year owing to a decline in non-mark-up expenditures.

FBR Tax Collection

During the first nine months of the current fiscal year, FBR net provisional tax collection increased by 18 percent to stand at Rs.5156 billion against Rs.4376 billion in the same period of last year. The net provisional tax collection for the month of March grew by 15 percent to Rs.662 billion as compared to Rs.574 billion in the comparable period of last year.



The tax collection remained below the target during Jul-Mar FY2023 due to import compression, and a slowdown in domestic and global economic activities, however, overall tax performance demonstrates the government's strenuous efforts to meet the full-year

tax collection target.

Component-wise performance shows that direct tax remained the major revenue head by posting a growth of 46 percent as a result of administrative and enforcement measures to make taxation progressive and equitable. Whereas indirect tax grew by 1.8 percent to Rs. 2847 billion during Jul-Mar FY2023 against Rs. 2797 billion last year. Within indirect tax, sales tax grew by 2.1 percent, FED by 8.8 percent, and customs duty reduced by 1.1 percent during the period under review.

2.4 Monetary

Monetary Policy Committee (MPC) increased the policy rate by 100 basis points to 21 percent in last Monetary Policy decision held on 04th April, 2023. The decision based on account of higher inflation number of 35.4 percent for the month of March, and is expected to remain high in the near term.

During 1st July – 31st March, FY23 money supply (M_2) shows growth of 4.3 percent (Rs. 1193.7 billion) compared growth of 2.9 percent (Rs. 698.4 billion) in last year. Within M_2 , NFA of the banking system decreased by Rs 2060.6 billion as compared decrease of Rs 1197.7 billion in last year. Whereas, NDA of the banking sector increased by Rs. 3254.2 billion as compared an increase of Rs. 1896.2 billion last year.

2.5 External Sector

The Current Account posted a deficit of \$ 3.4 billion for Jul-Mar FY2023 as against a deficit of \$ 13.0 billion last year, mainly due to contraction in imports. However, the current account posted a surplus of \$ 654 million in March 2023 as against deficit of \$ 981million in same period last year, largely reflecting an improvement in trade balance. Exports on fob declined by 11.0 percent during Jul-Mar FY2023 and reached \$ 21.1 billion (\$ 23.7 billion last year). Imports on fob declined by 21.3 percent during Jul-Mar FY2023 and reached \$ 41.5 billion (\$ 52.7 billion last year). Resultantly the trade deficit (Jul-

Mar FY2023) reached \$ 20.4 billion as against \$29.0 billion last year.

Exports in Services during Jul-Mar FY2023 increased by 4.7 percent to \$5.5 billion as against \$ 5.3 billion. The imports in services decreased by 39.7 percent to \$ 5.8 billion as compared to \$ 9.5 billion same period last year. The Trade deficit contained by 94.6 percent to \$0.2 billion as against \$ 4.3 billion same period last year.

As per PBS, during Jul-Mar FY2023, exports stood at \$ 21.0 billion (\$ 23.3 billion last year), declined by 9.8 percent. The major export commodities which have shown tremendous performance during the review period include Raw Cotton (280.7 percent in quantity & 97.5 percent in value), Fish & Fish Preparation (29.8 percent in quantity & 14.8 percent in value), Foot Balls (36.5 percent in quantity & 33.7 percent in value), Foot wear (47.9 percent in quantity & 18.7 percent in value), Surgical goods & Medical Instruments (9.1 percent in value) and pharmaceutical products (115.1 percent in quantity & 28.6 percent in value).

The total imports in Jul-Mar FY2023 decreased to \$ 43.9 billion (\$ 58.8 billion last year), thus declined by 25.4 percent. Main commodities imported were Petroleum products (\$5836.5 million), Medicinal products (\$1078.5 million), Petroleum crude (\$3860.7 million), Liquefied Natural gas (\$2852.2 million), Palm Oil (\$2917.2 million), Plastic materials (\$1765.9 million) and Iron & Steel (\$1492.8 million).

2.5.1 Foreign Investment

FDI reached \$ 1.04 billion during Jul-Mar FY2023 (\$1.35 billion last year) decreased by 22.5 percent. FDI received from China \$319.2 million (30.4 percent), Japan \$ 157.3 million (15.0 percent), Switzerland \$123.1 million (11.7 percent), and U.A.E \$ 102.6 million (9.8 percent of total FDI). Power sector attracted highest FDI of \$ 460.1 million (43.9 percent of total FDI), Financial

Business \$ 248.2 million (23.7 percent), and Transport Equipment (Automobiles) \$ 96.3 million (9.2 percent).

Foreign Private Portfolio Investment has registered a net outflow of \$ 7.0 million during Jul-Mar FY2023. Foreign Public Portfolio Investment recorded a net outflow of \$ 1010.7 million, on account of Sukuk repayment in December 2022. The total foreign portfolio investment recorded an outflow of \$ 1017.7 million during Jul-Mar FY2023 as against inflow of \$ 161.6 million last year. Total foreign investment during Jul-Mar FY2023 recorded an inflow of \$30.7 million against an inflow of \$ 1514.7 million last year.

2.5.2 Worker's Remittances

In Jul-Mar FY2023, workers' remittances recorded at \$ 20.5 billion (\$ 23.0 billion last year), decreased by 10.8 %. MoM, remittances increased by 27.4% in March 2023 (\$ 2.5 billion) as compared to February 2023 (\$ 1.98 billion) mainly due to Ramadan, Eid-ul-Fitr, and exchange rate adjustment. Share of remittances (Jul-Mar FY2023) from Saudi Arabia remained 23.9 percent (\$ 4910.6 million), U.A.E 17.5 percent (\$ 3604.3 million), U.K 14.9 percent (\$ 3053.2 million), USA 11.1 percent (\$ 2288.6 million), other GCC countries 11.8 percent (\$ 2417.1 million), EU 11.4 percent (\$ 2334.4 million), Malaysia 0.4 percent (\$ 81.9 million), and other countries 8.9 percent (\$ 1836.8 million).

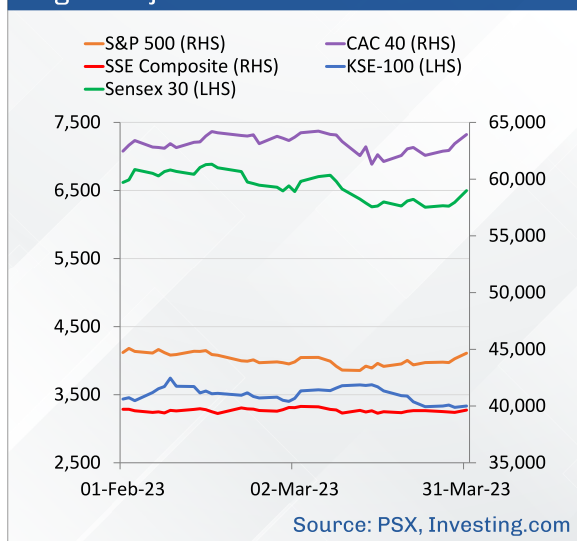
2.5.3 Foreign Exchange Reserves

Pakistan's total liquid foreign exchange reserves increased to \$ 10.0 billion on April 26, 2023, with the SBP's reserves now stood at \$4.4 billion. Commercial banks' reserves remained at \$5.6 billion.

2.6 Performance of KSE Index

The KSE-100 index closed at 40,001 points as on 31st March 2023, while market capitalization settled at Rs 6,108 billion. The performance of major world indices is depicted in Fig-7:

Fig-7: Major World Indices



2.7 Social Sector

- The government has increased the stipend under the Benazir Kafalat initiative from Rs 7,000 to Rs 8,500 after a recent increase of 25% in the BISP fund.
- Till March, BISP has reached over 247,000 children affected by malnutrition and 231,000 pregnant and lactating women (PLW) under the Benazir Nashonuma initiative served through the network of over 400 Nashonuma Centers across the country.
- Under the Conditional Cash Transfer intervention of Benazir Nashonuma, Rs 2,000 per woman with a boy child and Rs 2,500 per woman with a girl child are provided to BISP beneficiary families per quarter.
- PAF through its 24 Partner Organizations has disbursed 36,113 interest free loans amounting to Rs 1.55 billion during the month of March, 2023. Since inception of interest free loan component, a total of 2,300,125 interest free loans amounting to Rs 85.10 billion have been disbursed to the borrowers.
- Bureau of Emigration & Overseas Employment has registered 68828 emigrants during March, 2023 for

overseas employment in different countries.

- Under Prime Minister Youth Business & Agriculture Loan Scheme, the government has disbursed Rs 2848 million till February, 2023 to 8667 beneficiaries for business and for the first time for Agriculture purposes.

Economic Outlook

3.1 Inflation

Headline inflation (CPI) is expected to remain at elevated level in the months to come. Its key drivers are food and energy price hikes. Further, currency depreciation and rising administered prices have contributed to jack up overall price level. Although global commodity prices are showing downward trend, however, are still on higher side compared to the pre-pandemic level. A slow recovery from flood led damages have caused supply of essential crops to remain short of domestic requirements consequently intensified the inflation. Although, SBP is enacting contractionary monetary policy but inflationary expectations are not settling down. The inflation is expected to remain in the range of 36-38 percent for April, 2023. The federal government, in liaison with provincial governments, is closely monitoring the demand supply gap of essential items and taking necessary measures to ease out inflationary pressures.

3.2 Agriculture

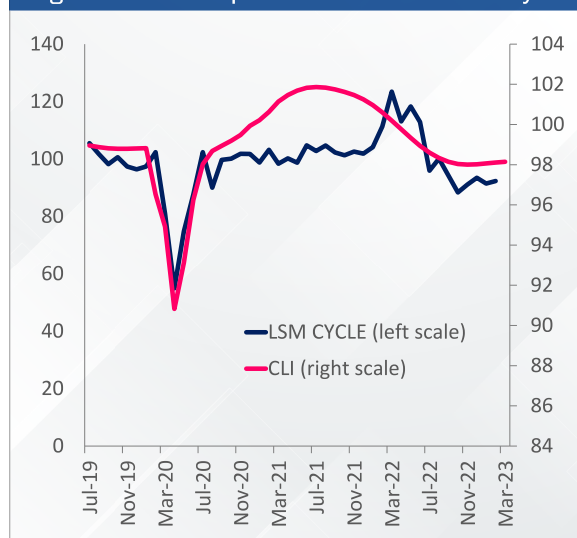
During Kharif 2023, availability of inputs regarding seeds, agriculture credit and fertilizers will remain satisfactory. While PMD informed regarding weather conditions that slightly above-normal rains are expected in the next three months (April-June, 2023), particularly over the upper half of the country. Lesser rains are expected during the month of June. The temperature may

remain slightly above normal in most parts of the country. A gradual rise in temperature will accelerate the snow melt in the Northern Areas. The seasonal rainfall may provide water for crops in the main rainfed areas while lower parts of the country will remain slightly deficient during the season of Kharif.

3.3 Industrial activity

Industrial activity, measured by the LSM index is the sector that is most exposed to external conditions. Its cyclical pattern is well positively correlated with the cyclical position of Pakistan's main trading partners. Since the beginning of the current FY, LSM activity is recorded below its natural capacity level. The same observation applies to the cyclical position in Pakistan's main export markets. The cyclical recession in Pakistan's manufacturing output was also exacerbated by the necessary policy measures to offset the macroeconomic imbalances.

Fig-8: Relationship between CLI and LSM cycle



Source: PBS, OECD and EAW Calculations

In recent months, LSM output remains considerably below its potential, but some bottoming-out seems to take place. This is also apparent from the seasonally adjusted LSM activity, which shows stabilization in recent months. In March, LSM output is expected to have increased as compared to February due to positive seasonal effects. But due to

high base effect, the YoY LSM may still be marginally negative.

3.4 Overall economic activity

The Monthly Economic Indicator (MEI) is developed as a tool to distribute the past annual GDP numbers, as reported by the PBS, on a monthly/quarterly basis, and to nowcast on that same frequency GDP growth for the FY in which the National Accounts are not yet available. Fig-9 presents the MEI on monthly basis since January 2019. It should be noted that some of the data underlying the March MEI is still provisional and may be revised next month.

Fig-9: Monthly Economic Indicator (MEI)



Source: EA Wing's Calculation

The trend in MEI during the first 9 months of the CFY, remained volatile on account of high inflation, high-interest rates, fiscal consolidation, and lack of confidence in economic agents. However, slight improvement has been observed in the month of March due to some growth in exports on MoM basis and uptick in CLI of Pakistan's main export markets.

3.5 External

For the month of March BoP data reveals that, the trade deficit in goods and services declined by 9.1 percent on MoM basis and 54 percent on YoY basis. Some positive developments have been observed in the month of March as exports of goods and services increased

by 9.5 percent and imports of goods and services increased by 2.3 percent. High growth in exports has offset the impact of increase in imports as trade deficit remain contained.

Remittances increased by 27 percent on MoM basis to \$2.5 billion in March 2023 as compared to \$1.99 billion in February 2023, due to improved situation after exchange rate adjustments, Ramzan and Eid factor played an instrumental role to attract higher proceeds. All above favourable factors have been translated in current account which turned to surplus of \$654 million in the month of March, this is the level observed after November 2020.

For the month of April, it is expected that imports will increase somewhat at higher level as compared to March due to government decision for some relaxation in pro-growth imports, to stimulate domestic economic activities. However, remittances will remain at same level as observed in March. Accordingly, all these factors will contribute in curtailing the overall current account deficit.

3.6 Fiscal

Amidst unprecedented challenges due to domestic and global economic situation, fiscal consolidation efforts are on track. The objective is not only to create much-needed fiscal buffers but also to restore macroeconomic stability. The effective implementation of consolidation measures contributed to a sharp increase in revenues from both tax and

non-tax collection while containing overall spending growth due to a large drop in non-markup expenditures.

Despite improvement, risks to the fiscal sector still persist. Such as the FBR tax collection although growing at 18 percent, however, it remained below the target set for the first nine months of the current fiscal year owing to a slowdown in domestic economic activity and import compression. On the expenditure side, in spite of reducing non-markup spending, higher policy rates both at the domestic and global levels have attributed to higher markup payment. Under these circumstances, the government has a daunting task to follow effective revenue mobilization and cautious expenditure management strategy to end the current fiscal year with a substantial decline in fiscal deficit as compared to last year.

3.7 Final Remarks

Pakistan's economy is still facing significant challenges characterized by high inflation and a slowdown in economic activity. Nonetheless, some positive signals appear as a result of the government's stabilization policies. For instance, the current account of the BOP turned into a surplus. This might improve the external financing constraint, contribute to more exchange rate stability, and promote confidence in the economy. Further, successful completion of IMF program will pave the way to attract more capital inflows, further stabilization in exchange rate and alleviating the inflationary pressures.



ECONOMIC INDICATORS

28 April, 2023

External Sector		2021-22 Jul-Mar	2022-23 Jul-Mar	% Change
Remittances (\$ Billion)		23.0	20.5	▼ 10.8%
Exports FOB (\$ billion)		23.7	21.1	▼ 11.0%
Imports FOB (\$ billion)		52.7	41.5	▼ 21.3%
Current Account Deficit (\$ billion)		13.0	3.4	▼ 74.1%
FDI (\$ million)		1,353.1	1,048.4	▼ 22.5%
Portfolio Investment (\$ million)		161.6	-1,017.7	▼
Total Foreign Investment (\$ million)		1,514.7	30.7	▼ 98.0%
Forex Reserves (\$ Billion)	Total	16.572	10.005	-
	SBP	10.542	4.443	-
	Banks	6.030	5.562	-
		26-Apr-22	26-Apr-23	
Exchange Rate (PKR/US\$)		185.63	283.40	-
		26-Apr-22	26-Apr-23	

Source: SBP

Fiscal Sector (Rs. Billion)	2021-22 Jul-Feb	2022-23 Jul-Feb	% Change
FBR Revenue (Jul-Mar)	4376	5156	▲ 17.8%
Non-Tax Revenue	836	1130	▲ 35.2%
PSDP (Including grants to Provinces)	420	287	▼ 31.7%
Fiscal Deficit	2273	2392	▲ 5.2%
Primary Balance	-399	781	▲

Source: FBR & Budget Wing

Monetary Sector	2021-22	2022-23	Change
Agriculture Credit (Provisional) Jul-Mar	958.3	1,221.9	▲ 27.5%
Credit to Private Sector (Flows)	1199.3	302.3	▼ 74.8%
	1-Jul to 01-Apr	1-Jul to 31-Mar	
Growth in M2 (percent)	2.9	4.3	-
	1-Jul to 01-Apr	1-Jul to 31-Mar	
Policy Rate (percent)	12.25	21.00	-
	07-Apr-22	04-Apr-23	

Source: SBP

Inflation	2021-22	2022-23	% Change
	12.7	35.4	-
	(Mar)	(Mar)	
CPI (National) %	10.8	27.3	-
	(Jul-Mar)	(Jul-Mar)	

Real Sector			% Change
Large Scale Manufacturing (LSM) %	12.2	-11.6	-
	(Feb)	(Feb)	
	8.5	-5.6	-
	(Jul-Feb)	(Jul-Feb)	
PSX Index *	41630	41100	▼ 1.3%
	01-Jul-22	26-Apr-23	
Market Capitalization (Rs trillion)	6.96	6.21	▼ 10.8%
	01-Jul-22	26-Apr-23	
Market Capitalization (\$ billion)	33.99	21.92	▼ 35.5%
	01-Jul-22	26-Apr-23	
Incorporation of Companies (Jul-Mar)	19,936	21,113	▲ 5.9%

* : Formerly Karachi Stock Exchange (KSE)

Source: PBS, PSX & SECP

