MONTHLY

ECONOMIC UPDATE & OUTLOOK

JUNE 2024

GOVERNMENT OF PAKISTAN - FINANCE DIVISION - ECONOMIC ADVISER'S WING

finance.gov.pk

Contents

Executive Summary

The outgoing fiscal year witnessed moderate economic recovery. Government's prudent policy management and administrative measures have restored market confidence which led to a pick-up in economic activity. GDP growth accelerated to 2.4% in FY2024. This growth was broad-based, with the agriculture sector expanded by 6.3%, while industry and services each grew by 1.2%. The markets have rallied due to improvements in economic conditions. The PSX has surged by 79.5% since July 2023, with the KSE 100 index rising to 78,810 points by June 21, 2024. The government has initiated discussions with the IMF for a new three-year program to further support the external sector and encourage investment flows to steer the economy toward its potential growth.

In real sector, the agriculture demonstrated robust growth in FY2024, backed by strong quarterly growth rates of 8.6% in Q1, 5.8% in Q2, and 3.9% in Q3. This recovery is attributed to government initiatives, improved input supply, and increased credit disbursement to farmers. Important crops including cotton, rice, and wheat showed healthy growth, while sugarcane and maize experienced slight declines. During Jul-May FY2024, the farm tractors production increased by 44.5% and sales by 48.0%. Agricultural credit disbursement also increased by 34.5% during this time period.

The large scale manufacturing (LSM) sector experienced moderate growth of 0.45% during Jul-Apr FY2024. This marks a notable improvement compared to the 8.8% contraction during the same period last year. After consecutive negative growth in Q1 and Q2, the LSM sector is now showing a recovery in Q3 of FY2024. Nearly 50% of sub-sectors have recovered and posted positive growth. Factors such as high inflation, prolonged tight monetary policy, and the slow recovery process in major trading partners contributed to the contraction of the LSM sector. The impact of these factors is fading, as reflected in the positive growth of the LSM sector.

CPI inflation reached its lowest level in 30 months as YoY inflation recorded at 11.8 percent in May 2024, a significant decrease from 38.0 percent in May 2023. This decline can be attributed to several factors, such as monetary tightening, fiscal consolidation, smooth supplies of food items, favorable global commodity prices, and exchange rate stability. The government's efforts have played a significant role in containing inflation, demonstrating its commitment to price stability.

The fiscal accounts have improved during Jul-Apr FY2024 led by various revenue enhancing and expenditure control measures. As a result, the fiscal deficit has reduced to 4.5% of GDP from 4.7% of GDP last year. Moreover, effective management of non-interest spending has improved the primary balance to a surplus of 1.5 % of GDP, keeping it well on track to meet the full-year target of 0.4 % of GDP.

On the external front, a sustained improvement was observed in the current account balance. The current account posted a deficit of $0.5 billion for Jul-May FY2024, compared to a deficit of $3.9 billion last year, largely reflecting improvements in the trade balance and remittances. YoY, exports increased by 17.3 % to $3.0 billion in May 2024 from $2.6 billion in May 2023, due to smooth supply of raw materials for export-oriented industries. Imports also increased by 34.5 % YoY to $5.0 billion in May 2024 from $3.8 billion last year. The trade deficit reached $2.0 billion in May 2024 against $1.2 billion last year. The impact of the increased trade deficit was mitigated by a 54.2 % increase in remittances on YoY basis in May 2024, reaching $3.2 billion compared to $2.1 billion in May 2023. In May 2024, FDI inflows were also encouraging, recorded at $270.9 million compared to an inflow of $155.7 million last year.

The Monetary Policy Committee (MPC) in its 10th June 2024 meeting has reduced the policy rate by 150 bps to 20.5%. The decision was based on moderate GDP growth in FY2024, receding inflationary pressures. This downward revision has enhanced the positive business sentiments. During 1st July – 31st May, FY24 money supply (M2) shows growth of 9.6 % (Rs. 3029.6 billion) compared 8.8 % growth (Rs. 2429.9 billion) in last year.

The government is committed to create an investment-friendly environment to encourage long-term commitments from potential investors which is imperative for maintaining economic stability.

International Performance and Outlook

According to Global Economic Prospects (GEP) June 2024 – World Bank, global growth is projected to stabilize at 2.6 percent in 2024, holding steady for the first time in three years despite flaring geopolitical tensions and high interest rates. It is expected to slightly increase to 2.7 percent in both 2025 and 2026, amid modest growth in trade and investment. Global inflation is projected to moderate - but at a slower pace than previously expected, averaging 3.5 percent this year and 2.9 percent in 2025. Given continued inflationary pressures, central banks in both advanced economies and emerging market & developing economies (EMDEs) will likely remain cautious in easing monetary policy. Despite an improvement in near-term growth prospects, the outlook remains subdued by historical standards for both advanced economies and EMDEs.

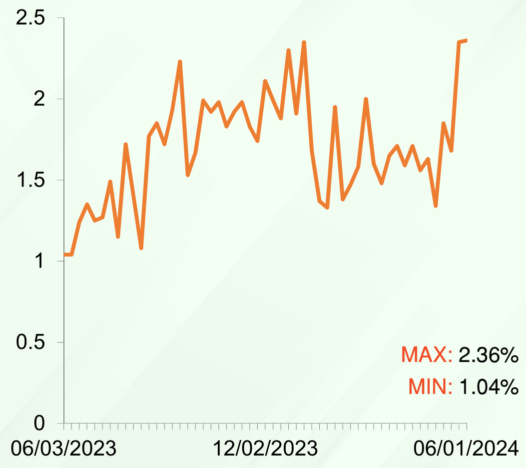
The report highlighted that global risks remain on the downside despite the possibility of some upside surprises. Escalating geopolitical tensions could lead to volatile commodity prices, while further trade fragmentation risks may increase disruptions in trade networks. The persistence of inflation could lead to delays in monetary easing. A higher-for-longer path for interest rates would dampen global activity. Further, natural disasters and climate change could also hinder activity. On the upside, global inflation could moderate more quickly than assumed in the baseline, enabling faster monetary policy easing. In addition, growth in the United States could be stronger than expected.

The Federal Reserve in June 2024 open Market Committee decision - held interest rate steady in 5.2-5.5% range giving signal for only one rate cut in 2024 as late as December. Policy easing hinges on clear signals from economy and more progress on reducing inflation. However, growth and unemployment lodged at level better than the Fed considers sustainable in the long run. US economic situation also evident through growth in WEI which is moving around 2-2.5% in recent months (Fig-1).

Growth is projected to soften in most EMDEs in 2024. However, China's economic outlook seems brighter after a strong first-quarter performance of 5.3% and recent policy stimulus. IMF now projects 2024 GDP growth at 5.0%, in line with the official China revised GDP growth target. The outlook has been revised by 0.4% for both 2024 and 2025.

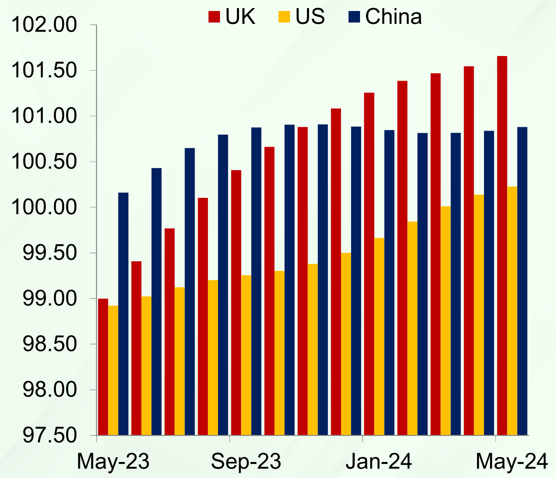
Growth in the euro area is projected to recover from its low rate of an estimated 0.4 percent in 2023, to 0.8 percent in 2024 and 1.5 percent in 2025.

Fig-1: Growth in WEI (percent)



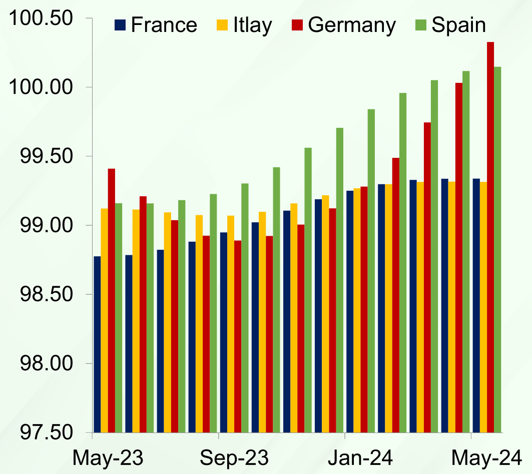
Source: Federal Reserve Bank of New York

Fig-2 (a): Composite Leading Indicator



Source: OECD

Fig-2 (b): Composite Leading Indicator



Source: OECD

The J. P. Morgan Global Composite Output Index slightly increased to 53.7 in May 2024 as against 52.4 in April 2024. The acceleration in global growth was driven by improvements in both the manufacturing and service sectors. Furthermore, improvements were broad based by region, as both developed and emerging market activity increased at rates that were solid and faster than April.

Revived global economic situation is also evident through CLI position of Pakistan's main exports market included US, UK, Euro Area and China - showing continuous improvement in 2024 (Fig-2).

The FAO food prices index (FFPI) stood at 120.4 points in May 2024, up by 1.1 points from its revised April level, as increase in the price indices of cereals and dairy products is slightly more than decline in price indices of sugar, vegetable oils, while meat price index was almost unchanged.

Global commodity prices witnessed a decline in May 2024. Energy prices decreased by 6.4%, led by crude oil (-7.5%). Non-energy prices changed little, as a group. Food prices soared by 1.3%. Raw materials inched up by 0.2%, while beverages contracted by 13.8%. Fertilizer prices eased by 4.7%. Metal price soared by 5.5% led by zinc (8.3%), nickel (7.8%) and copper (7.1%). Precious metal increased by 1.8%.

Performance of Pakistan's Economy

2.1 Real Sector

2.1-a Agriculture

During 2023-24, the agriculture sector has shown promising performance as it grew by 6.3 percent driven by favourable weather conditions, increased crop yields, and government initiatives aimed at boosting agricultural productivity.

During Jul-May FY2024, the input situation remained favourable as production and sales of farm tractors increased by 44.5% to 42,345 and 48.0% to 41,360, respectively. Agricultural credit disbursement increased by 34.5% to Rs 1,785.8 billion during Jul-Apr FY2024, compared to the same period last year. During Kharif 2024 (April-May), urea offtake was at 728 thousand tonnes, 16.1% less than during Kharif 2023, whereas DAP offtake was 133 thousand tonnes, 14.1% higher than Kharif 2023.

2.1-b Manufacturing

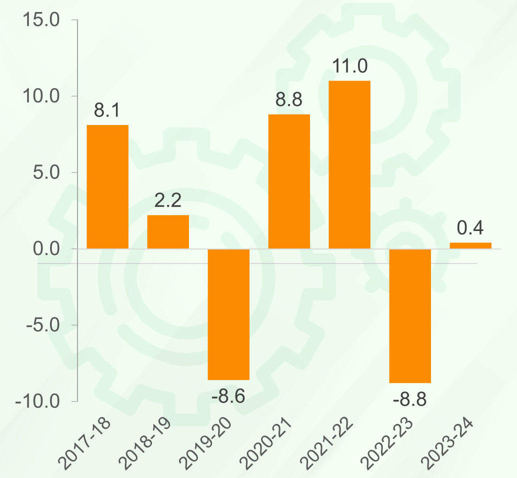
The Large-Scale Manufacturing sector exhibited a marginal growth of 0.4 percent during Jul-Apr FY2024. This is a notable improvement compared to the contraction of 8.8 percent last year. The performance in April 2024 showed YoY increase of 5.8 percent, although there was MoM decrease of 8.1 percent. 11 out of 22 sectors witnessed positive growth which includes, Food, Wearing apparel, Leather, Wood products, Coke & Petroleum Products, Chemicals, Pharmaceuticals, Rubber Products, Machinery & Equipment, Furniture and other manufacturing (football).

The auto industry faced significant challenges during Jul-May FY2024. Car production and sales decreased by 26.6 percent and 22.8 percent, respectively. Similarly, trucks and buses production and sales decreased by 35.7 percent and 35.9 percent. However, the production and sale of tractors showed a positive trend, increasing by 44.5 percent and 48.0 percent respectively.

The sales of total petroleum products dropped by 9 percent to 13.8 million tons during Jul-May FY2024. However, there was YoY increase of 7.0 percent in May 2024, reaching 1.39 million tons.

Cement dispatches during Jul-May FY2024 totaled 41.7 million tons, marking a 3.0 percent increase from the same period last year. Domestic dispatches during this period were 35.097 million tons, a decrease of 3.9 percent from the previous year. In contrast, exports grew significantly by 66.3 percent to 6.633 million tons. In May 2024, local dispatches were 3.357 million tons, down by 2.17 percent from May 2023. However, exports surged by 72.2 percent, rising from 533,215 tons in May 2023 to 917,962 tons in May 2024.

Fig-3: LSM Growth (Jul-Apr) (Percent)



Source: PBS

2.2 Inflation

CPI inflation recorded at 11.8 percent on a YoY basis in May 2024 as compared to 17.3 percent in previous month while 38.0 percent in May 2023. During Jul-May FY 2024, CPI stood at 24.5 percent against 29.2 percent last year. On MoM basis, it declined by 3.2 percent in May 2024 compared to decrease of 0.4 percent in the previous month.

Major drivers contributing to the YoY increase in CPI include Housing, Water, Electricity, gas & Fuel (33.0 percent), Health (19.4 percent), Clothing & Footwear (18.0 percent), Furnishing & Household equipment maintenance (13.8 percent), Restaurants & Hotel (13.7 percent), Perishable food items (11.2 percent), Transport (10.4 percent) and Alcoholic Beverages & Tobacco (2.9 percent) while non-perishable food items decline by 1.8 percent.

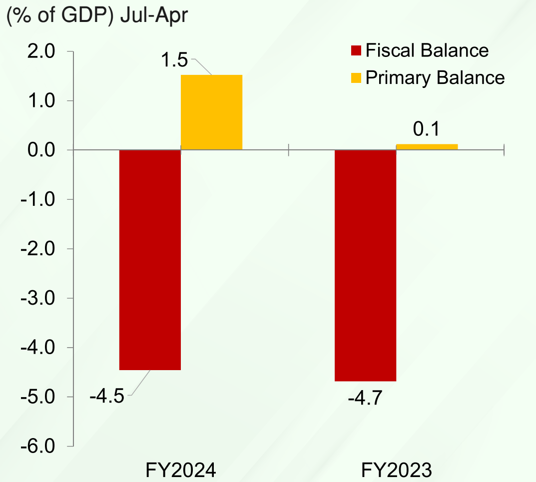
SPI for the week ended on 20th June 2024, recorded an increase of 0.9 percent as compared to previous week. This week, prices of 5 items declined, 21 items remained stable and 25 items increased.

2.3 Fiscal

During Jul-Apr FY2024, net federal revenues grew by 51 percent to reach Rs.5627.5 billion against Rs.3715.3 billion last year. The substantial rise in revenues was primarily driven by a 96 percent growth in non-tax collection and a 31 percent rise in tax receipts. Non-tax revenues witnessed a broad-based growth, however, higher receipts from petroleum levy, markup (PSEs and others), SBP profit, and natural gas development surcharge remained the main drivers to trigger a substantial growth in non-tax collection.

FBR net provisional tax collection grew by 30.8 percent to Rs. 8125.7 billion in Jul-May FY2024 against Rs. 6210.1 billion last year. Within total, direct tax grew by 40.5 percent, sales tax by 19.7 percent, FED by 55.4 percent, and customs by 20.2 percent.

Fig-4: Fiscal Indicators



On the expenditure side, total expenditures increased by 38 percent to Rs.10,922.5 billion during Jul-Apr FY2024 as compared to Rs.7,891.9 billion last year. The increase is largely attributed to a 41 percent rise in current expenditures due to 57 percent higher markup payments. However, the government was able to contain the growth in non-mark-up spending to 22 percent. Consequently, the primary balance posted a surplus of Rs. 1611.5 billion (1.5 percent of GDP) during Jul-Apr FY2024 against a surplus of Rs.99.1 billion (0.1 percent of GDP) last year. Similarly, the fiscal deficit has been reduced to 4.5 percent of GDP (Rs.4726.0 billion) from 4.7 percent of GDP (Rs.3929.3 billion) last year.

2.4 Monetary Sector

The MPC in its 10th June 2024 meeting has reduced the policy rate by 150 bps to 20.5 percent. The decision was based on moderate GDP growth in FY2024, receding inflationary pressures and Fiscal consolidation. During 1st July – 31st May, FY2024 money supply (M2) shows growth of 9.6 percent (Rs. 3029.6 billion) compared 8.8 percent growth (Rs. 2429.9 billion) last year. Within M2, Net Foreign Assets (NFA) increased by Rs 340.3 billion against a decline of Rs 2204.3 billion last year. On the other hand, NDA of the banking sector increased by Rs. 2689.3 billion as compared an increase of Rs. 4634.2 billion last year.

2.5 External Sector

The current account posted a deficit of $ 0.5 billion during Jul-May FY2024 as against a deficit of $ 3.8 billion last year, largely reflecting an improvement in trade balance. Exports (fob) increased by 11.3 percent to $ 28.7 billion ($ 25.8 billion last year). Imports (fob) declined by 2.3 percent reaching $ 48.4 billion ($ 49.5 billion last year). Resultantly, the trade deficit recorded at $ 19.7 billion as against $ 23.7 billion last year.

During the period, exports in services increased by 1.8 percent to $ 7.1 billion as against $ 7.0 billion same period last year. The imports in services increased by 16.9 percent to $ 9.2 billion as compared to $ 7.9 billion same period last year. The trade deficit in services increased to $ 2.1 billion as against $ 0.9 billion last year.

As per PBS, the export commodities that registered positive growth include Rice (59.0% in quantity & and 81.2% in value), Fruits (47.7% in quantity &18.9% in value), Cotton Yarn (37.9% in quantity & 23.5% in value), Bed wear (16.5% in quantity & 4.8% in value), Towel (15.4% in quantity & 6.1% in value), Rubber Tyres & Tubes (3.1% in quantity & 65.7 % in value), and Plastic Materials (84.3% in quantity & 49.6 % in value).Whereas, main imported commodities were Petroleum products ($ 5.9 billion), Petroleum crude ($ 5.1 billion), LNG ($ 3.6 billion), Palm Oil ($ 2.5 billion), Plastic materials ($ 2.1 million), Iron & Steel ($ 1.9 billion) and Medicinal products ($ 1.0 billion).

2.5.1 Foreign Investment

Total foreign investment during Jul-May FY2024 recorded an inflow of $ 1.2 billion as against an inflow of $ 0.5 billion last year. FDI stood at $ 1.7 billion ($ 1.5 billion last year) increasing by 14.9 percent. In May 2024, FDI witnessed an increase of 73.9 percent of $ 270.9 million as against an inflow of $ 155.7 million last year. FDI received from China $ 521.2 million (30.1% share), Hong Kong $ 322.0 million (18.6 %), UK $ 243.6 million (14.1%), US $ 127.8 million (7.4%), and Saudi Arabia $ 75.4 million (4.4%). Power sector attracted the highest FDI of $ 742.5 million (42.9% of total FDI), Oil & Gas exploration $ 277.3 million (16.0%), and Financial Business $ 187.6 million (10.9%).

Foreign Private Portfolio Investment has registered a net inflow of $ 116.1 million during the period under review. Foreign Public Portfolio Investment recorded a net outflow of $ 674.2 million. The total FPI recorded an outflow of $ 558.1 million as against outflow of $ 1022.6 million last year.

2.5.2 Worker's Remittances

In Jul-May FY2024, workers' remittances recorded at $ 27.1 billion ($ 25.1 billion last year), increased by 7.7 percent. YoY remittances increased by 54.2 percent in May 2024 ($ 3.2 billion) as compared to May 2023 ($ 2.1 billion) while MoM remittances rose by 15.3 percent as compared to April 2024 ($ 2.8 billion) mainly owing to Eid factor. During Jan-May 2024, BE & OE and OEC have registered 281,367 workers for overseas employment in different countries

Share of remittances (Jul-May FY2024) from Saudi Arabia remained highest 24.4 percent ($ 6.6 billion), followed by U.A.E 18.0 percent ($ 4.9 billion), U.K 14.9 percent ($ 4.0 billion), USA 11.8 percent ($ 3.2 billion), other GCC countries 10.6 percent ($ 2.9 billion), EU 11.8 percent ($ 3.2 billion), Australia 2.2 percent ($ 0.6 billion), and other countries 6.2 percent ($ 1.7 billion).

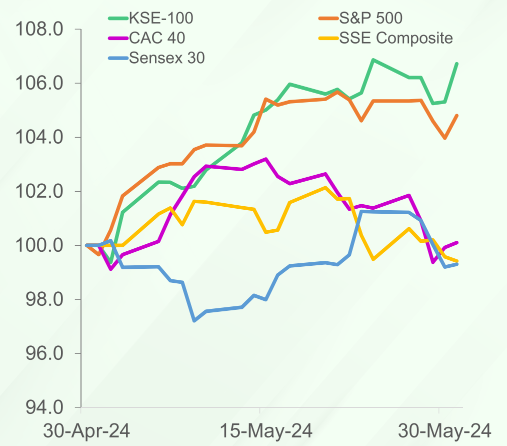
2.5.3 Foreign Exchange Reserves

Pakistan's total liquid foreign exchange reserves increased to $ 13.1 billion on June 26, 2024, with SBP's reserves stood at $ 7.9 billion whereas Commercial banks' reserves remained at $ 5.2 billion.

2.6 Performance of KSE Index

The performance of Pakistan Stock Exchange (PSX) remained upbeat in May 2024. The benchmark of PSX, KSE-100 index continued its bullish trend, gained 4,776 points in May and closed at 75,878 points as of 31st May 2024. Similarly, the market capitalization of PSX increased by Rs 423 billion and settled at Rs 10,170 billion. The performance of major world stock market indices remained volatile in May 2024. KSE-100 index increased by 6.7 percent, S&P 500 of US grew by 4.8 percent and CAC 40 of France posted a marginal increase of 0.1 percent. On the other hand, BSE Sensex 30 of India declined by 0.7 percent and SSE Composite of China declined by 0.6 percent. The performance of major world stock market indices indexed at 100 is depicted in figure below.

Fig-5: Trend of Major World Standardized Indices



Source: PSX, Investing.com

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

2.7 Social Sector

- Some of the important schemes under BISP programmes are BISP Kafalat Program and Benazir Education Scholarship Program
- PPAF through its 24 Partner Organizations has disbursed 28,913 interest-free loans amounting to Rs 1.38 billion during May 2024.
- Pakistan is one of the largest labour exporting countries in the region. During May, 2024 Bureau of Emigration & Overseas Employment and Overseas Employment Corporation has registered 66288 for overseas employment in different countries.
- Under Prime Minister Youth Business & Agriculture Loan Scheme the government has disbursed Rs 83,683 million to 140,702 beneficiaries for business from Feb 2023 to March 2024.

Economic Outlook

3.1 Inflation

The inflation outlook for June 2024 has slightly increased compared to the previous month but remains well below the levels of the same month last year. This rise is primarily due to higher prices of perishable items driven by Eid ul Adha. In response, the government is implementing various administrative, policy, and relief measures to control inflationary pressures. Notably, the government reduced petrol prices by Rs4.74 per litre and diesel by Rs3.86 per litre on June 1, with further reductions of Rs10.20 per litre for petrol and Rs2.33 per litre for diesel effective from June 15. These actions, coupled with efforts to boost the availability of food items, reflect the government's commitment to curbing inflation. By managing supply and demand, the government aims to stabilize prices and mitigate market volatility, presenting a more optimistic inflation outlook.

The Food and Agriculture Organization's food price index, a key indicator tracking the prices of globally traded food commodities, registered an increase of 0.9 percent in May 2024 over the revised April level. This is the third consecutive monthly increase after a seven-month decline. However, it remained down 3.4 percent compared to its value from one year ago.

Despite higher prices of perishable items during the month, government measures to reduce transport charges are expected to keep June 2024 inflation within the range of 12.5-13.5 percent.

3.2 Agriculture

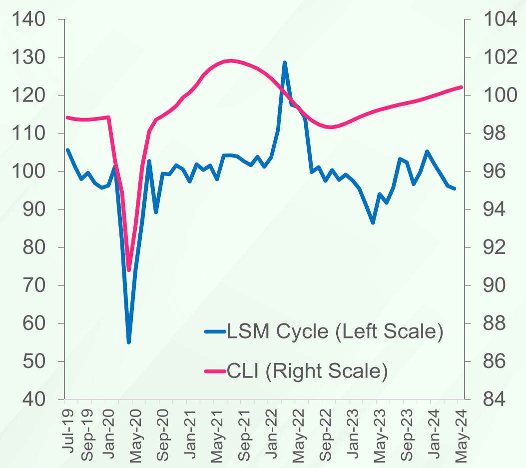
According to PMD's 'Seasonal Agro-Climate Outlook for June – August 2024', farmers are advised to take measures based on recent extreme heat wave events, the amount of soil moisture available is currently under stress in most parts of the country. Accordingly, seasonal crops like cotton, peanut, sugarcane, seasonal vegetables and orchards are under water stress and require additional irrigation in most parts of the country.

3.3 Industrial activity

The LSM cycle usually follows the cyclical movements in the main trading partners, but since it is focused on the main industrial sectors and not on total GDP, it is somewhat more volatile than the cyclical component of GDP in Pakistan's main export markets. The aggregate CLI in the main export markets has been improving and is above the neutral 100 benchmark since February 2024.

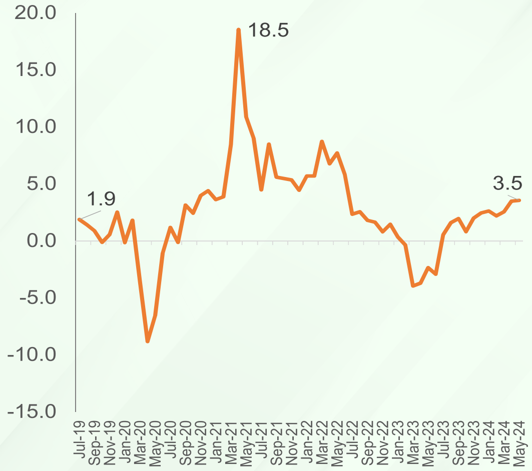
As anticipated, LSM witnessed a moderate growth of 0.45 percent during Jul-Apr FY2024. This turnaround is likely to continue in upcoming months on the back of stimulated external demand, improved business confidence, and removal of import restrictions. Moreover, the subsiding inflationary pressures and the shift in monetary policy will likely boost the business confidence thus expecting LSM to be on the upward growth trajectory in the remaining months of FY2024 as well as the next fiscal year.

Fig-6: Relationship between CLI and LSM cycle



Source: EA Wing's Calculations

Fig-7: Monthly Economic Indicator (MEI)



Source: EA Wing's Calculations

3.4 Overall Economic Activity

The Monthly Economic Indicator (MEI) is developed as a tool to distribute the past annual GDP numbers, reported by the PBS, on a monthly/quarterly basis, and to nowcast GDP growth for the FY in which the National Accounts are not yet available on the same frequency. The figure presents the MEI every month since July 2019. It should be noted that some of the data underlying the May 2024 MEI is still provisional and may be revised next month.

The economic activities have gained traction during the second half of FY2024 as indicated by a consistent upward trend in MEI. The declining trend in inflationary pressures, stability in external accounts, and gradual recovery in industrial activities due to the government's various policy and administrative measures together with improvement in foreign demand have collectively provided significant impetus to domestic economic activities.

Furthermore, exchange rate stability, bolstered by improvements in the external account and external inflows, combined with an anticipated decline in global oil and commodity prices, is restoring the confidence of economic agents thus facilitating economic growth.

3.5 External

In May 2024, the current account showed deviation from its trend observed in previous months – deficit of $ 270 million. Imports of goods and services increased significantly by 25.3 and 12.2 percent on YoY and MoM basis, respectively. Similarly, exports of goods and services posted an expansion of 15.4 and 12.7 percent on YoY and MoM basis, respectively. Resultantly, strong expansion in imports has diluted the export growth – the trade deficit increased by 45.9 and 11.4 percent on YoY and MoM basis, respectively. Another factor that causes the current account deficit is primary income debit of $ 1.5 billion ($ 646 million in April 2024). On the other hand, workers remittances increased by 15.3 percent on MoM basis - contributed significantly and saving the current account from a large deficit. It is expected that current account will end within sustainable limits.

3.6 Fiscal

During Jul-Apr FY2024, the fiscal accounts improved on the back of consolidation efforts that helped in increasing the revenues from both tax and non-tax collection. In contrast, higher interest payments exerted significant pressure on expenditure management. To cope with the challenge of rising expenditures, the government adopted a cautious expenditure management strategy to release both current and development spending. These measures helped in improving the primary balance surplus to 1.5 percent of GDP which is well above the target of 0.4 percent of GDP. Similarly, the fiscal deficit has also been contained to 4.5 percent of GDP. Going forward, on the revenue side, FBR is putting all its efforts into meeting its full-year tax revenue target, while on the expenditure side, the government continues to adhere to a cautious approach to keep the fiscal deficit within manageable limits.

3.7 Final Remarks

FY2024 is going to end with an economic stabilization path accompanied by improved macroeconomic indicators. The subsiding inflationary pressures, stability in external accounts and exchange rate, fiscal consolidation and gradual recovery in industrial activities are restoring the confidence of economic agents thus facilitating economic growth.

Going forward, Pakistan's growth prospects are expected to remain encouraging. Budget FY2025 is gearing towards a shift to an era of sustainable and inclusive growth. Aiming to this, the government is focusing on high potential sectors like IT, SMEs, mines and minerals, tourism, exports and agriculture. These sectors can pay rich dividends and lend support to the country's balance of payments position. Complementing this, fiscal discipline, effective implementation of home-grown growth program along with bilateral and multilateral cooperation will necessitate the sustainable potential growth path in coming years.

ECONOMIC INDICATORS

External Sector		2022-23 Jul-May	2023-24 Jul-May	% Change
Remittances ($ Billion)		25.1	27.1	▲ 7.7%
Exports FOB ($ billion)		25.8	28.7	▲ 11.3%
Imports FOB ($ billion)		49.5	48.4	▼ 2.3%
Current Account Deficit ($ billion)		3.8	0.5	▼ 87.7%
FDI ($ million)		1,504.6	1,728.8	▲ 14.9%
Portfolion Investment ($ million)		-1,022.6	-558.1	▲
Total Foreign Investment ($ million)		482.0	1170.7	▲ 142.9%
Forex Reserves ($ Billion)	Total	9.572	13.115	-
	SBP	4.301	7.890	-
	Banks	5.271	5.225	-
		26-Jun-23	26-Jun-24	
Exchange Rate (PKR/US$)		286.71	278.40	-
		26-Jun-23	26-Jun-24	

Source: SBP

Fiscal Sector (Rs. Billion)	2022-23 (Jul-Apr)	2023-24 (Jul-Apr)	% Change
FBR Revenue (Jul-May)	6,210	8,126	▲ 30.8%
Non-Tax Revenue (Federal)	1,323	2,591	▲ 95.8%
PSDP (Federal)	404	359	▼ 11.2%
Fiscal Deficit	3,929	4,726	▲ 20.3%
Primary Balance	99.1	1,612	▲

Source: FBR & Budget Wing

Monetary Sector	2022-23	2023-24	% Change
Agriculture Credit (Provisional) Jul-Apr	1,327.8	1,785.8	▲ 34.5%
Credit to Private Sector (Flows)	79.9	111.9	▲ 40.1%
	1-Jul to 9-Jun	1-Jul to 7-Jun	
Growth in M2 (percent)	9.8	9.6	-
	1-Jul to 9-Jun	1-Jul to 7-Jun	
Policy Rate (percent)	21.0	20.5	-
	12-Jun-23	10-Jun-24	

Source: SBP

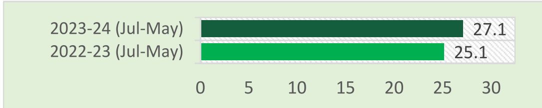
Inflation	2022-23	2023-24	% Change
CPI (National) %	38.0	11.8	-
	(May)	(May)	
	29.2	24.5	-
	(Jul-May)	(Jul-May)	

Real Sector	2022-23	2023-24	% Change
Large Scale Manufacturing (LSM) %	-24.16	5.76	-
	(Apr)	(Apr)	
	-8.77	0.45	-
	(Jul-Apr)	(Jul-Apr)	
PSX Index *	43899	78276	▲ 78.3%
	3-Jul-23	26-Jun-24	
Market Capitalization (Rs trillion)	6.69	10.30	▲ 54.0%
	3-Jul-23	26-Jun-24	
Market Capitalization ($ billion)	23.39	36.99	▲ 58.1%
	3-Jul-23	26-Jun-24	
Incorporation of Companies (Jul-May)	25,421	25,630	▲ 0.8%

* : Formerly Karachi Stock Exchange (KSE)

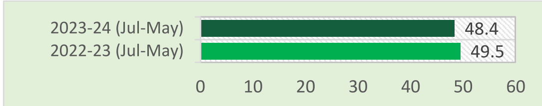
Source: PBS, PSX & SECP

Remittances ($ bn) ▲ 7.7%

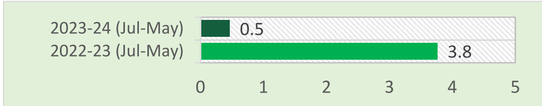


Exports FOB ($ bn) ▲ 11.3%

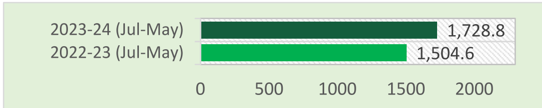
Imports FOB ($ bn) ▼ 2.3%



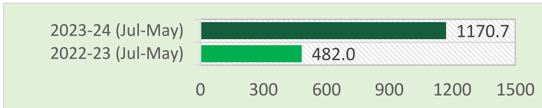
Current Account Deficit ($ bn) ▼ 87.7%



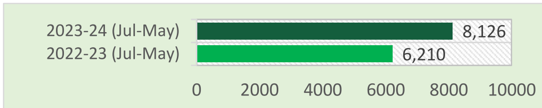
FDI ($ mn) ▲ 14.9%



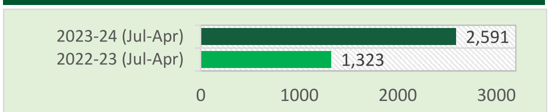
Total Foreign Investment ($ mn) ▲ 142.9%



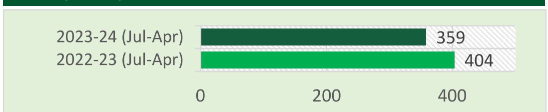
FBR Revenue (Rs.bn) ▲ 30.8%



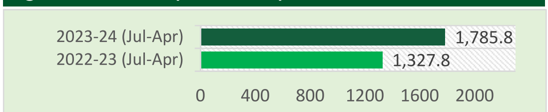
Non-Tax Revenue (Rs.bn) ▲ 95.8%



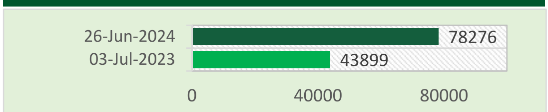
PSDP (Rs.bn) ▼ 11.2%



Agriculture Credit (Provisional) ▲ 34.5%



PSX Index ▲ 78.3%



Market Capitalization (Rs. tr) ▲ 54.0%

Market Capitalization ($ bn) ▲ 58.1%