Monthly Economic Update & Outlook

July 2021

Government of Pakistan
Finance Division
Economic Adviser's Wing

Contents

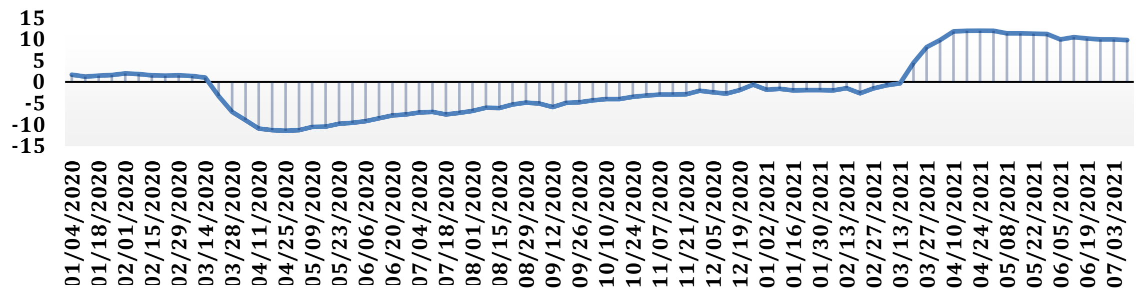
1. International Performance and Outlook

The past few months have brought a string of upbeat news on the global economy, suggesting a vigorous recovery from the COVID-19 crisis. World merchandise trade has soared and is already well above the pre-pandemic level. Similarly, global industrial production has seen a V-shaped recovery since the middle of last year. Moreover, capital flows to developing countries have rebounded since late 2020, driven by accommodative monetary conditions, abundant global liquidity, and favourable risk appetite among investors.

In July, market sentiments for a structural upward adjustment of inflation receded. As a consequence, long term interest rates declined significantly. The recently published minutes of the US Federal Open Market Committee meeting revealed that the FED has not yet any scheme to start tapering bond purchases. Financial conditions, such as the cost of capital and credit remained very accommodative and are not expected to reverse any time soon.

The Weekly Economic Index (WEI) of the federal Reserve Bank of New York is an index of 10 daily and weekly indicators of real economic activity, scaled to align with the four-quarter GDP growth rate in the US (Fig-1). Since end March of the current year, this index surged strongly upwards, indicating a strong recovery of the US economy. The index remained at a high level, indicating continuing robust economic growth in the US.

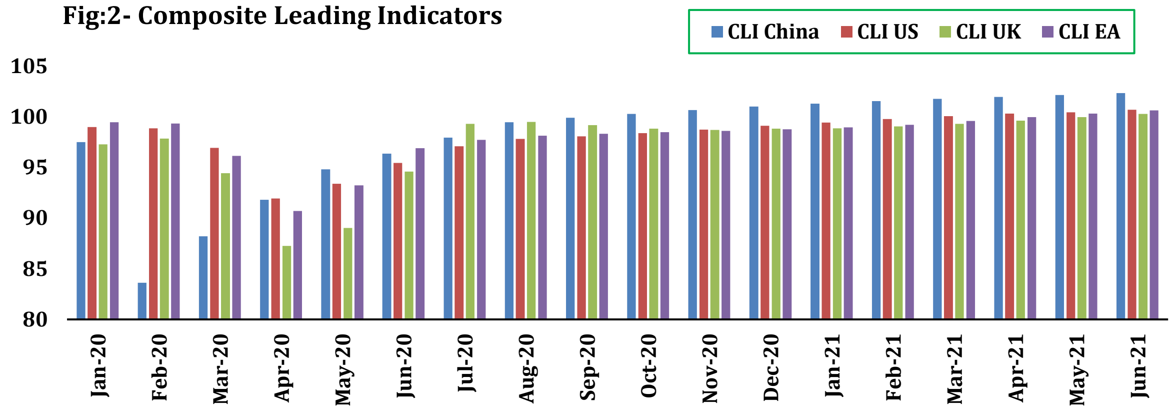
Fig - 1: Growth in WEI (percent)



Source: Federal Reserve Bank of New York

This is confirmed by the US Composite leading Indicator (CLI) compiled by the OECD, available up to June 2021 (Fig-2), which continued to improve. The CLI index exceeds 100 in all the main export markets of Pakistan. This implies that the negative output gaps, caused by the pandemic, are now closed and hence production is back to potential. The index for China is now recorded even well above 102, indicating that the Chinese economy is already producing above its potential output.

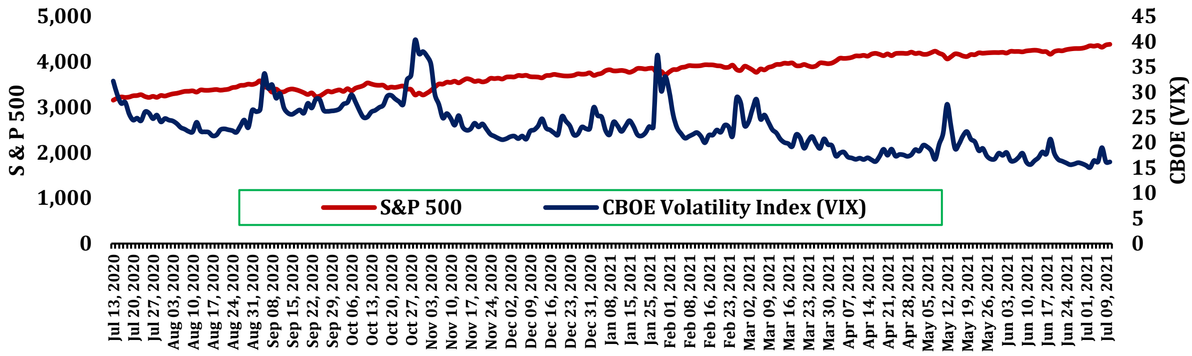
Fig:2- Composite Leading Indicators



Source: OECD

The low cost of capital and the high pace of the recovery pushed the S&P500 index to consecutive new highs in July. This was briefly interrupted by a turn to more cautious expectations on the economic recovery, amid increased COVID-19 concerns in many countries. This is also illustrated by uptick in the VIX index, which is commonly used as a measure of investors' uncertainty. But in the most recent days, this fear disappeared and the stock market resumed its upward trend (Fig-3).

Fig-3: S&P 500 and the VIX index



Source: Investing.com

The global economy expanded at a solid rate again in June, according to the JP Morgan Global Purchasing Manager Index, PMI compiled by IHS Markit. Although the rate of growth slightly slowed, the improvement was still among the strongest recorded over the past 15 years. The latest expansion took the recent run of growth into its twelfth consecutive month. Coming off a record high in May, the PMI Composite Output Index fell 1.8 bps to 56.6 in June. Though the rate of expansion softened slightly, the index remains expansionary. The overall decline in the PMI index was marked by regional grades. Most influential were the dips in the US and China PMIs, whereas the Eurozone PMI continued on its upward trajectory. In the US, the Markit Composite PMI subsided from its record high of 68.7 in May to its second best high of 63.9 in June. Both manufacturing and services components slipped in June as U.S. goods producers were hampered by significant supply delays and labor market tightness.

The global expansion was again led by the services sector, which outperformed manufacturing for a third successive month despite the rate of increase easing compared to May's 15-year peak. Services in particular have benefitted from the further opening up of economies in the US and Europe as high vaccination rates have allowed the removal of many restrictions. Manufacturing also continued to expand at a strong rate (enjoying one of the best performances for over a decade), though likewise witnessed a modest cooling in the rate of growth.

The outperformance of the service sector throughout the second quarter has coincided with COVID-related restrictions easing globally on average to the lowest since the pandemic began, albeit with marked variations by region.

The emerging markets as a whole observed a sluggish growth in June, registering the weakest expansion since July of last year. Barring the shutdowns in mainland China in February 2020, the resulting underperformance of the emerging markets relative to the developed world was the widest in the history of the global PMI surveys. The renewed COVID-19 restrictions and lockdowns to fight new waves of the virus have slowed down growth of manufacturing and services sectors in emerging markets.

Of the 26 sub-sectors covered by the global PMI, the fastest expansion was observed in tourism & recreation, reflecting the opening up of these activities which had suffered the biggest output loss in 2020 due to the pandemic. The upturn helped drive a 12-year survey recorded expansion of overall consumer services output. Strong growth was also recorded in commercial & professional, telecom and other industrial services. The fastest manufacturing expansion was witnessed in machinery & equipment, followed by tech equipment, is an encouraging sign of rising global business investment.

Supply delays worsened in June, 2021. Average suppliers' delivery times lengthened globally to the greatest degree in over 23 years, surpassing even the prior peak seen in the early stage of the pandemic. Supply delays were most common in Europe and the US. Supply chain delays may be linked to higher prices, with material costs rising globally at one of the fastest rates seen over the past decade in June. However, the rate of inflation slightly eased, adding hopes to views that the recent surge in prices will prove transitory and moderate once transport and logistics restrictions linked to the pandemic are relaxed.

Global energy prices continued their upward surge in June, 2021, increased by 9.4 percent compared to an increase of 7.2 percent in May. Non-energy prices eased 1.4 percent in June, after rising 6.5 percent in May. Results were mixed for key subgroups, with agriculture commodities down 2.3 percent, fertilizers up 12.9 percent and metals and minerals down 1.2 percent.

2. Monthly Performance of Pakistan's Economy

The economic recovery remained intact in June, 2021 keeping the economic growth on upward trajectory not only for FY2021 but also setting optimistic baseline scenario for FY2022 as well.

2.1 Real Sector

2.1-a Agriculture

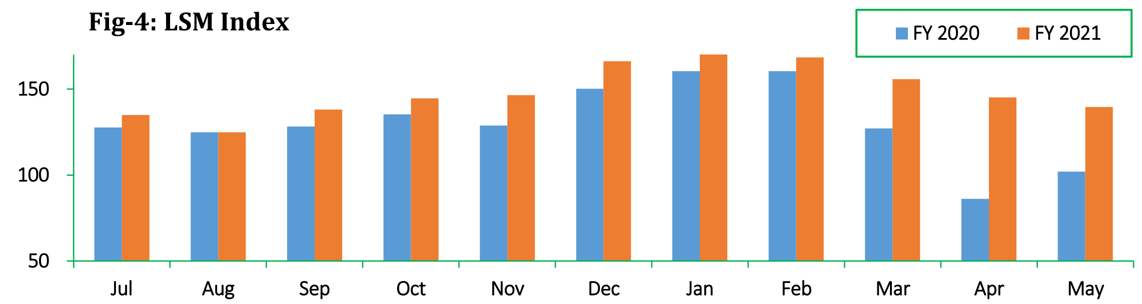
The sowing of cotton crop in Punjab is in progress, whereas in Sindh it has almost been completed. According to the initial estimates reported by Crop Reporting Service Department Punjab, the cultivated area of cotton crop is recorded at 1.279 million hectares which is around 80 percent of the target, whereas cotton cultivation area in Sindh has been registered more than 90 percent of the target (0.592 million hectares). Further, improved quality cotton seed has been used both in Punjab and Sindh this year raising the hope of higher yield.

The agriculture inputs situation remained favorable. According to Pakistan Automotive and Manufacturing Association (PAMA), farm tractors production significantly jumped to 50,486 during FY2021, witnessing an increase of 54.8 percent while its sales also increased to 54.9 percent compared to FY2020.

2.1-b Manufacturing

LSM production has surpassed its pre-COVID level during Jul-May FY2021 and clocked its fifteen-year high growth rate of 14.6 percent as compared to 10.2 percent slump last year. In May FY 2021, LSM witnessed 36.8 percent growth on YoY basis (-25.5 percent in May FY 2020).

Fig-4: LSM Index



Source: Pakistan Bureau of Statistics

During Jul-May FY 2021, 10 out of 15 subsectors of LSM have witnessed growth. The textile sector, having the highest weight, grew by 15.6 percent thus lifting up the whole LSM. Other major sectors like Food, Beverages & Tobacco (11.7 percent), Coke & Petroleum Products (16.2 percent), Iron & steel Products (14.1 percent), Automobile (47.8 percent) and Non-metallic Mineral Products (26.1 percent) have also performed well. Picking up of these major sectors bodes well due to inbuilt externalities.

Car production and sale increased by 60.9 and 56.7 percent respectively during FY2021 while 54.8 percent increase has been observed in tractor production and sale both. During FY 2021, total cement dispatches increased by 20.1 percent to 57.433 million tonnes (47.812 million tonnes last year).

Recent Economic Measures for Industry

- Major relief has been given to Automobile industry in Budget 2021-22 by reducing sales tax on 850cc cars from 17 percent to 12.5 percent along with exemption from value-added tax (VAT).
- The minimum annual threshold level of turnover for sales tax imposition on cottage industry is proposed to be increased from Rs. 3 million to Rs. 10 million.
- Under SME Support Program for risk sharing and collateral free lending to SMEs, Rs 12 billion has been allocated.
- Moreover, Rs 900 billion has been allocated to Federal PSDP 2021-22 which is 38.5 percent higher as compared to previous year (Rs 650 billion last year).
- An Industrial Support Package for additional electricity consumption of DISCOs and K-Electric.
- The export-oriented industry has been granted special priority by fixing power price at US$ 0.07/unit for Jul-Aug FY 2021 and US$ 0.09/unit for Sep-Jun FY2021.
- Gas tariff has been fixed at US$ 0.065/mmbtu for the whole FY2021.
- Subsidy under Naya Pakistan Housing Scheme has been increased to Rs. 36 billion (Rs.33 billion earlier).
- For construction sector, government has extended tax amnesty till Jun 2021 and fixed tax regime till Dec 2021. Banks have also been directed by SBP to increase their construction sector loans to 5 percent of their total portfolio by Dec 2021.

These measures will boost the industry in general and construction activities in specific by creating jobs and spillover effects to other sectors.

2.2 Inflation

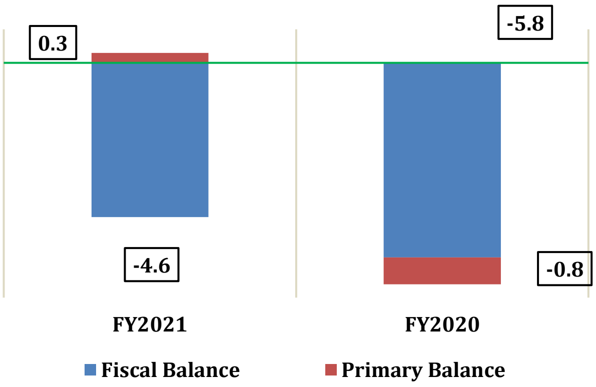
The Consumer Price Index (CPI)-based inflation decelerated to 9.7 percent on YoY basis in June 2021 as compared to 10.9 percent in the previous month. The average inflation for the entire fiscal year stood at 8.9 percent. On MoM basis, it decreased by 0.2 percent in June 2021 as compared to an increase of 0.1 percent in the previous month and an increase of 0.8 percent in June 2020. Prices of non-perishable food items increased by 12.9 percent on YoY basis while recorded a decline of 1.7 percent on MoM basis. The perishable food items came down both YoY and MoM basis by 3.9 percent and 2.3 percent respectively.

Urban CPI based inflation increased by 9.7 percent on YoY basis in June 2021 as compared to an increase of 10.8 percent in the previous month and 7.6 percent in June 2020. On MoM basis, it decreased by 0.4 percent in June 2021 as compared to an increase of 0.2 percent in the previous month and an increase of 0.7 percent in June 2020. Rural CPI recorded at 9.7 percent on YoY basis in June 2021 as compared to 10.9 percent in the previous month and 10.0 percent in June 2020. On MoM basis, it decreased by 0.1 percent in June 2021 as compared to a decrease of 0.03 percent in the previous month and an increase of 1.0 percent in June 2020.

2.3. Fiscal

The fiscal performance during Jul-May FY2021 shows that the consolidation efforts are on track, with significant gains in terms of improved fiscal accounts. During the period under review, net federal revenues grew by 13.3 percent to Rs 3003 billion against Rs 2650 billion last year. In contrast, total expenditures grew by 5.1 percent to stand at Rs 5625 billion during Jul-May, FY2021 as compared to Rs 5353 billion in the same period of FY2020. Consequently, the fiscal deficit reduced to 4.6 percent of GDP (Rs 2197 billion) during Jul-May, FY2021, down from 5.8 percent of GDP (Rs 2418 billion) last year. The primary balance, on the other hand, recorded a surplus of Rs 139 billion (0.3 percent of GDP) against the deficit of Rs 339 billion (-0.8 percent of GDP) last year.

Fig-5: Fiscal Indicators (% of GDP) July-May



FBR Tax Collection

The FBR tax collection has witnessed remarkable performance in FY2021 which is a reflection of growing economic activities. The provisional tax collection grew by 18.4 percent to Rs 4732 billion during FY2021 against the collection of Rs 3997 billion in the comparable period of last year. Total collection has surpassed the target of Rs 4691 billion by Rs 41 billion. The domestic tax collection increased by 18.2 percent. Within domestic, direct tax grew by 13.3 percent, sales tax 23.9 percent and FED 11.6 percent.

Fig-6A: FBR Tax Collection (Rs Billion) July-June

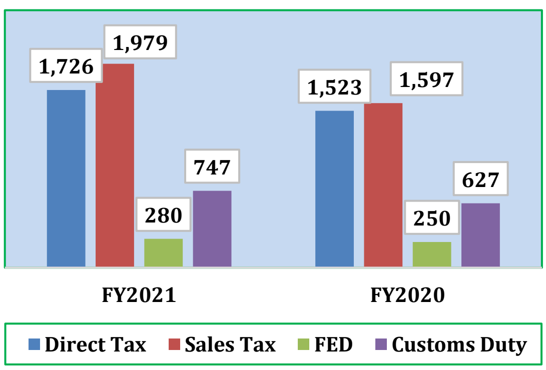
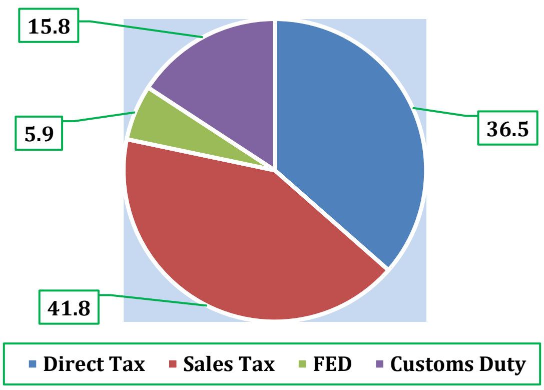


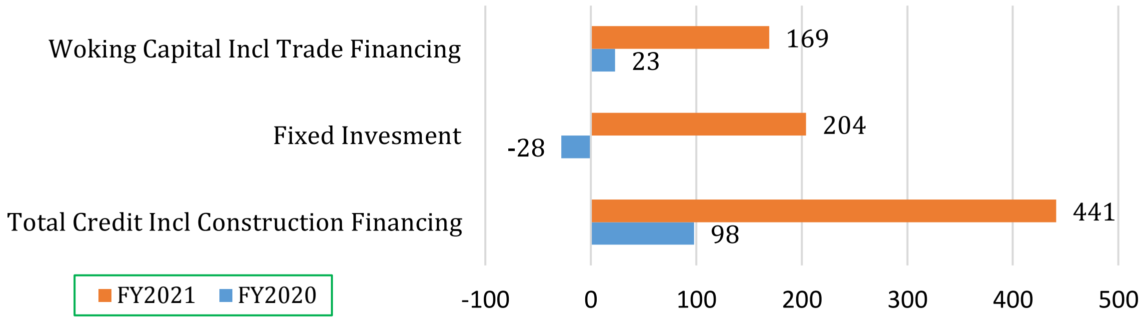
Fig-6B: Contribution in Total FBR Tax Collection (%) FY2021



2.4. Monetary

During the period 01st July-25th June, FY2021 Broad Money (M2) increased by Rs 2,859.2 billion (growth of 13.7 percent) as compared to Rs 2,800.8 billion (growth of 15.7 percent last year). Net Foreign Assets' point contribution in broad money growth remained 4.8 percent, witnessed expansion of Rs 1,008.1 billion (Rs 858.6 billion last year). Whereas, Net Domestic Assets point contribution stood at 8.9 percent and increased by Rs 1,851.1 billion (Rs 1,942.2 billion last year). Within NDA, net government budgetary borrowing has been contained to Rs 1,687.0 billion as compared to Rs 2,382.8 billion last year. This allowed sufficient liquidity in the market to facilitate private sector lending, which increased upto Rs 594.6 billion against Rs 186.5 billion last year (219 percent growth).

Fig-7: Loans to Private Sector Businesses (Rs Billion)



2.5 External Sector

The current account deficit declined significantly by 58.4 percent and reached $ 1.9 billion (-0.6 percent of GDP) during FY2021, as against a deficit of $ 4.5 billion (-1.7 percent of GDP) mainly due to higher inflows of Remittances by 27 percent and increase in exports by 13.7 percent. It is worth mentioning that exports on freight on board (FOB) were recorded $ 2.5 billion in June 2021 ($ 1.6 billion last year), thus posting a growth of 58.7 percent YoY basis.

As per PBS, during FY 2021, exports increased by 18.3 percent to $ 25.3 billion ($ 21.4 billion last year). The major exported commodities which performed well include Knitwear posting growth of 36.6 percent, Readymade garments; 18.8 percent, Bed wear; 28.9 percent, Towel; 31.8 percent, carpet, rugs & mats; 36.9 percent, leather manufactured; 18.7 percent, while Fish and fish preparations posted 1.9 percent growth. The increase in overall exports is contributed by the growth in exports of value-added sectors. The increase in exports of value added is due to low-base of last year as export-oriented industries remained closed due to the COVID lockdown. The total imports in FY2021 increased to $ 56.4 billion ($ 44.6 billion last year), thus posted 26.6 percent growth. Main commodities imported were Petroleum products, Palm Oil, Petroleum crude, Iron & Steel, Liquefied Natural gas, Plastic Materials, Mobile phone, Electrical machinery & apparatus, Power generating machinery and Raw cotton. Higher imports of these commodities indicate improvement of related sectors as well.

2.5.1 Foreign Investment

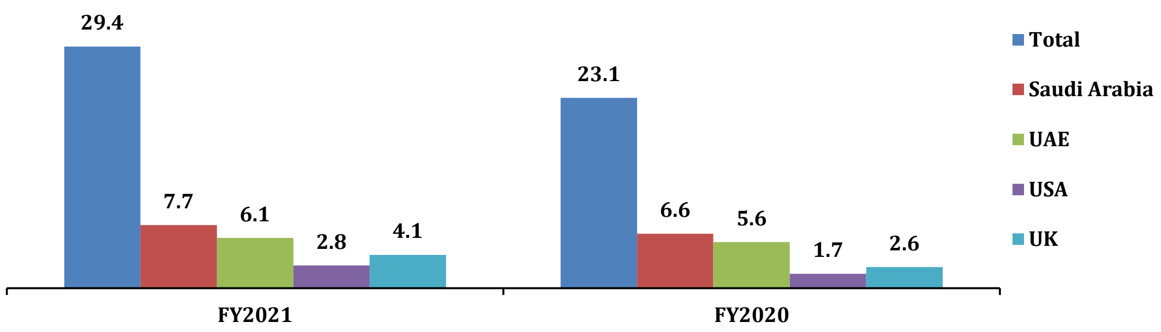
In FY2021, FDI recorded at $ 1,847.4 million ($ 2,597.5 million last year) while total foreign portfolio investment registered an inflow of $ 2,766.8 million during FY2021. FDI received from China $ 757.9 million (41.0 percent of total FDI), Hong Kong $ 157.2 million (8.5 percent) and UK $ 143.5 million (7.8 percent). Power sector attracted highest FDI of $ 906.1 million (49.0 percent of total FDI), Oil & Gas exploration $ 242.8 million (13.1 percent), financial business FDI $ 235.5 million (12.7 percent) & Electrical Machinery $ 114.3 million (6.2 percent). The FDI had been hit hard globally by the pandemic. The advanced economies are largely affected as compared to developing countries. In Pakistan, pandemic as well as the challenging foreign investment environment caused difficulties in attracting FDI flows. To make more conducive business environment, the present government has provided relief to manufacturing and taken many measures on ease of doing business like reduce withholding tax and rationalized import duties.

2.5.2 Worker's Remittances

In FY2021, workers' remittances rose to $ 29.4 billion ($ 23.1 billion last year), registered a substantial growth of 27.0 percent, fastest rate of expansion since FY2003. On YoY basis, remittances increased by 8.7 percent in June 2021, recorded $ 2.7 billion ($ 2.5 billion in June 2020). On MoM basis, remittances reached to $ 2.7 billion in June 2021 ($ 2.5 billion in May 2021). Workers' remittances continued their unprecedented streak of above $ 2.0

billion for the 13th consecutive month in June 2021. The historical high inflows of workers' remittances during FY2021 have been driven by proactive policy measures by the Government and SBP to incentivize the use of formal channels, restricted cross border travel in the wake of COVID-19 and orderly foreign exchange market conditions. The major inflows of remittance were from Saudi Arabia, U.A.E, USA and U.K. (Fig-8).

Fig-8: Worker's Remittances ($ billion)



Source: SBP

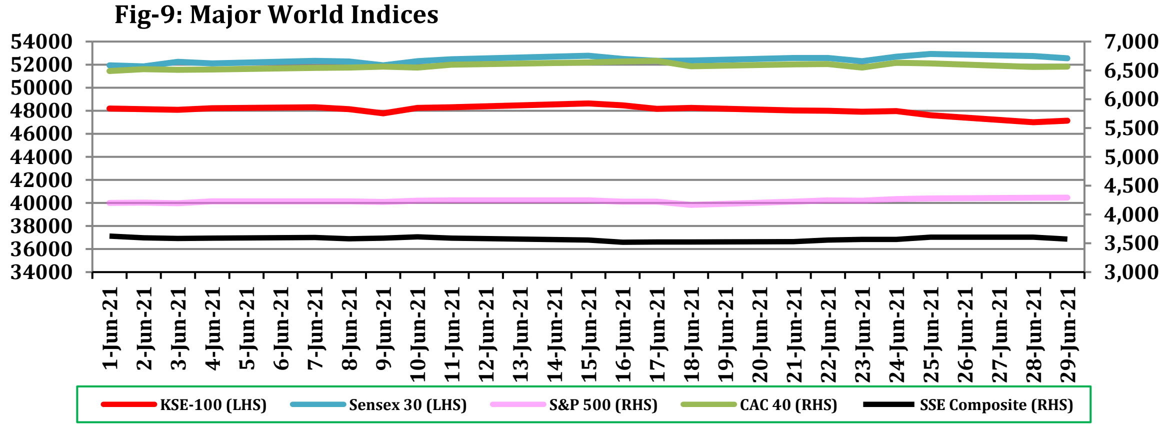
2.5.3 Foreign Exchange Reserves

Pakistan's total liquid foreign exchange reserves increased to $24.3 billion on July 09, 2021. After July 05, 2017, the State Bank of Pakistan's reserves now stood at $17.2 billion while commercial banks' reserves remained $ 7.1 billion.

2.6 Performance of KSE Index

The KSE-100 index lost 540 points in June 2021 and closed at 47,356 on 30-06-2021. On the other hand, market capitalization of the PSX gained Rs 30 billion and closed at Rs 8,297 billion in end June. Trend in major world indices is given below in the figure-9:

Fig-9: Major World Indices



Source: PSX, Investing.com

2.7 Social Sector

- Under Ehsaas Programme, the government has spent Rs 206.76 billion in FY2021.
- During FY2021, 69,130 need-cum-merit based Ehsaas undergraduate scholarship of Rs 6.53 billion were awarded that covers 100 percent tuition fee and a living stipend which includes 51 percent scholarships for girls and 4 percent for minorities.
- Overall, 142,765 needs cum merit-based scholarships worth 13.2 billion in last two academic years have been awarded to promote higher education.
- Under National Poverty Graduation Program, 61,066 livelihood productive assets have been transferred to the poor households till 30th June, 2021 while during the month of

June, 1,101 livelihood assets were distributed out of which over 93 percent assets have been transferred to the woman.

- PPAF through its 24 Partner Organizations has disbursed Rs 2.68 billion interest free loans to 57,993 deserving individuals during the month of June, 2021. Since July, 2019 Rs 50.46 billion have been disbursed to 1,416,059 deserving individuals till 30th June, 2021.
- Till 23rd July 2021, 1,000,034 confirmed COVID-19 cases with 923,472 recoveries and 22,939 deaths recorded in the country.
- Sindh has recorded 362,182 cases, Punjab 351,707, Khyber Pakhtunkhwa 141,359 and Balochistan 29,357.
- Based on reported cases the mortality rate is approximately 2.3 percent.
- A total of 24.1 million doses have been administered till 23rd July, 2021, while 6.9 million fully and 19.2 million individuals partially vaccinated against the COVID-19.
- Under Kamyab Jawan Youth Entrepreneurship Scheme (PMKJ-YES) the government has disbursed Rs 10,487 million till May, 2021 to the youth for businesses.
- "Kamyab Pakistan" program will be launched on July 29, 2021 this program includes small loans for businesses, farmers, households, and technical training.
- Inter Board Committee of Chairman has launched mobile application equivalence certificates which will enable the candidates to apply online for equivalence certificates and allow them to deposit their fee online from any financial institution through credit & debit cards (local & international).
- Bureau of Emigration and Overseas Employment ensured payment of more than Rs 63 million as death/disability compensation during the month of June, 2021.
- Bureau of Emigration and Overseas Employment has registered 6,933 emigrants in June, 2021 for overseas employment in different countries.

3. Economic Outlook

The surge in economic growth is expected to continue in FY2022 on account of reopening of economic activities and acceleration in vaccination process. The risk of pandemic still exists, however the Government may not follow complete lockdown given the public behaves responsibly by following the COVID related SoPs.

3.1 Inflation

In recent months, the YoY inflation rate is on a declining trend. It is expected that this declining trend will countinue in the absence of any major shock.

MoM inflationary impulses in July can be considered as 2nd round effect of previous increase in international commodity prices, from recent increase in gasoline prices, currency depreciation and monetary expansion. Furthermore, the month of July tends to show a positive seasonal inflation effect. On the other hand, international food prices declined in June and Government efforts to increase the efficiency of domestic food markets are still in place and are continuously being monitored and strengthened. The dividends of positive market intervention may eased the pressure on prices and as a result YoY inflation in July, 2021 is expected to decelerate keeping it in the range of 7.5 – 9.0 percent.

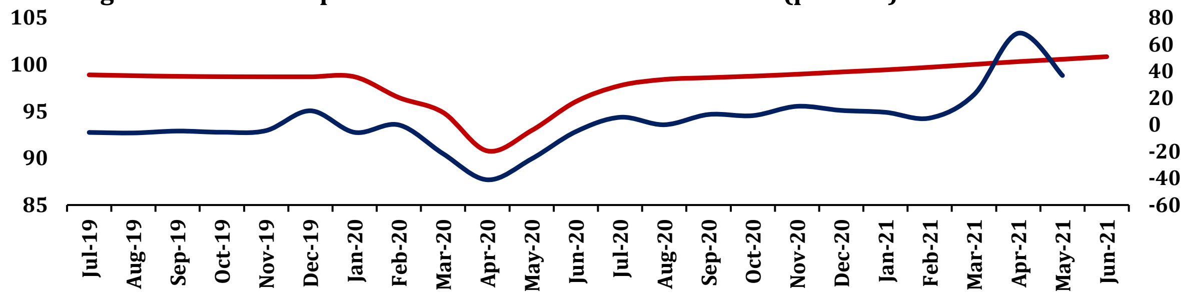
3.2 Agriculture

The inputs availability is sufficient and it is expected that the agriculture sector will continue to perform well on account of continuing support of the government to the sector. The government has launched "Prime Minister's Fiscal Package" for Kharif crops, which will provide subsidy through provinces using their existing mechanisms on sharing basis (75:25) for fertilizers use in cotton and rice (DAP @Rs. 1500/acre) to cover 70 percent of targeted cultivated areas and 100 percent share of Federal Government for Cotton seed (@Rs. 1200/acre) to cover 66 percent of targeted cultivated area and for white fly (@Rs. 1200/acre) to cover 70 percent of targeted cultivated areas. Federal share (@75 percent) for subsidy on fertilizers would be Rs 10.216 billion and for subsidy on cotton seed and whitefly would be Rs 8.942 billion.

3.3 Industrial activity

Activities in the industrial sector measured by LSM index are highly exposed to external shocks. Fig-10 compares the YoY growth rate of LSM with the weighted average Composite Leading Indicators in Pakistan's main export markets (CLI). LSM index is published with a time lag of two months, whereas CLI is published with a one-month lag. LSM growth follows the same upward trend observed in CLI of the main trading partners. There is some volatility experienced in the manufacturing sector caused by market conditions. In recent months, MoM growth of LSM has been negative, but seasonally adjusted MoM growth rates remained positive. It is expected that in June, LSM will return to positive MoM growth. Usually, last quarter of the fiscal year is marked with negative growth of LSM (MoM) due to seasonal effect. On YoY basis, recent months have shown significant LSM growth rates, which is expected to continue in July. This reflects low base effects, but also the strong momentum of the current economic expansion.

Fig - 10: Relationship between CLI and LSMI Growth rates (percent)



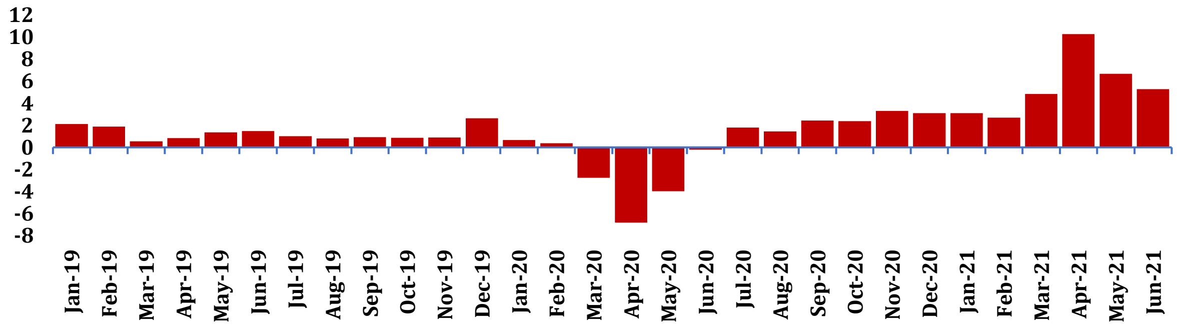
Source: PBS and OECD

3.4 Overall economic activity

The Monthly Economic Indicator (MEI) is based on combining monthly data of indicators that are proven to be correlated with GDP at constant prices.

Fig-11 presents the MEI on monthly basis since January 2019. The MEI observed for April and May 2021 shows strong growth, mainly on the back of the expansion in industrial activity.

Fig -11: Monthly Economic Indicator (MEI) Growth (percent)



Source: EAW Calculation

This tendency is expected to continue in June 2021. The strong acceleration of the MEI observed in recent months strengthens the possibility that the annual GDP growth in FY 2021 may exceed the provisional figure released by PBS in May 2021.

This growth momentum is expected to continue amid effective response by the government to control Delta variant including mass vaccination and following of SoPs by the public. This would put the economy on the path towards the targeted growth of near 5 percent in FY 2022.

3.5. External

As indicated by the MEI, economic growth momentum has strengthened considerably since March and has remained robust during the last quarter of FY2021. BOP data revealed strong expansion of imports of goods and services, especially in June. Imports in June, 2021 increased by 1.6 billion USD as compared to May due to seasonal factors. It is expected that in coming months, imports of goods and services may settle below the level observed in June.

The observed growth momentum is driven by production side of the economy. This is also reflected in the exports of goods and services, which according to BOP data increased by about $ 0.5 billion in June as compared to May. It is expected that exports will remain at the same level and consequently trade balance in goods and services will improve in coming months. These expectations depend on the absence of unexpected shocks for example those that may be generated by the recently observed surge in domestic and foreign COVID-19 infections.

The remittances flows are expected to continue their momentum in coming months. Taking these into account, as well as the other secondary income flows and the primary income flows, the current account is expected to remain in deficit slightly. These developments require further monitoring for smooth continuation of economic activities.

3.6. Fiscal

Despite significant challenges, the current fiscal performance is largely in line with government's strategy to ensure fiscal discipline, increasing revenues and controlling expenditures. The government is highly committed to strike a balance between fiscal deficit and economic stimulus package due to COVID-19 without hurting the economic growth. It is evident by the fact that fiscal deficit is contained at 4.6 percent of GDP during Jul-May FY2021 while the primary balance remained in surplus throughout this time. Government's continuous efforts for resource mobilization are bearing fruits. FBR tax collection exceeded the target by Rs 41 billion during FY2021 owing to effective enforcement measures. Keeping in view the post COVID economic recovery it is expected that the revenue performance shall improve further in the new fiscal year.

The continuation of current fiscal strategy would ensure long term fiscal discipline and sustainability.

4. Way Forward

The objective of recent accommodative monetary and fiscal policies is to put Pakistan's economy on higher growth trajectory. The economic recovery in Pakistan's main exporting partners is making the external environment favorable. However, recent deadly floods in Germany, China, India, and North America may raise direct and indirect economic losses along the global supply and trade chains. Further, in the transition towards a higher potential growth level, pressure can be built on external accounts. Thus, it is important to closely monitor it in order to ensure that the new growth strategy is sustainable without any macroeconomic imbalances as observed in the past.

Economic Indicators
(28-07-2021)

	2019-20 (Jul-Jun)	2020-21 (Jul-Jun)	percent Change
External Sector			
Remittances ($ billion)	23.1	29.4	↑27.0
Exports FOB ($ billion)	22.5	25.6	↑13.7
Imports FOB ($ billion)	43.6	53.8	↑23.2
Current Account Deficit ($ billion)	4.4	1.9	↓58.4
Current Account Deficit (percent of GDP)	1.7	0.6	↓
FDI ($ million)	2,597.5	1,847.4	↓28.9
Portfolio Investment-Public ($ million)	-241.3	2,555.3	↑
Total Foreign Investment ($ million) (FDI &Portfolio Investment)	2,074.5	4,614.2	↑122.4
Forex Reserves ($ billion)	**18.913 (SBP: 11.976) (Banks: 6.937)** (On 24th July 2020)	**24.858 (SBP: 17.812) (Banks: 7.046)** (On 26th July 2021)	
Exchange rate (PKR/US$)	**167.26** (On 24th July 2020)	**161.23** (On 26th July 2021)	

Source: SBP

	2019-20 (Jul-May)	2020-21 (Jul-May)	percent Change
Fiscal			(Rs Billion)
FBR Revenue (Jul-Jun)	3,997	4,732	↑18.4
Non-Tax Revenue (Federal)	1,365	1,281	↓6.2
PSDP (Authorization)	644.3 (1st Jul to 26th Jun)	658.5 (1st Jul to 26th Jun)	↑2.2
Fiscal Deficit	2,418	2,197	↓
Primary Balance	-339	139	↑

Source: FBR & Budget Wing

	2019-20 (Jul-May)	2020-21 (Jul-May)	percent Change
Monetary Sector			
Agriculture Credit (provisional)	**1,080.0**	**1,191.6**	**↑10.3**
Credit to private sector (Flows)	**186.5** (1st Jul to 26th June)	**594.6** (1st Jul to 25th June)	**↑218**
Growth in M2 (percent)	**15.7** (1st Jul to 25th June)	**13.7** (1st Jul to 25th June)	
Policy Rate (percent)	**7.0** (25-June-2020)	**7.0** (27-July-2021)	

Source: SBP

	2019-20	2020-21	percent Change
Inflation			
CPI (National) (percent)	**8.6** (Jun)	**9.7** (Jun)	
	10.7 (Jul-Jun)	**8.9** (Jul-Jun)	
Real Sector			
Large Scale Manufacturing (LSM) (percent)	**-25.5** (May)	**36.8** (May)	↑
	-10.2 (Jul-May)	**14.6** (Jul-May)	↑
Miscellaneous			
PSX Index*	**47801** (On 1st Jul 2021)	**47673** (On 26th Jul 2021)	**↓0.27**
Market Capitalization (Rs trillion)	**8.38** (On 1st Jul 2021)	**8.35** (On 26th Jul 2021)	**↓0.36**
Market Capitalization ($ billion)	**53.22** (On 1st Jul 2021)	**51.78** (On 26th Jul 2021)	**↓2.71**
Incorporation of Companies	**16,948** (Jul-Jun)	**25,533** (Jul-Jun)	**↑50.65**

*: Formerly Karachi Stock Exchange (KSE)

Source: PBS, PSX & SECP