



# **Monthly Economic Update & Outlook May 2021**

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Government of Pakistan  
Finance Division  
Economic Adviser's Wing

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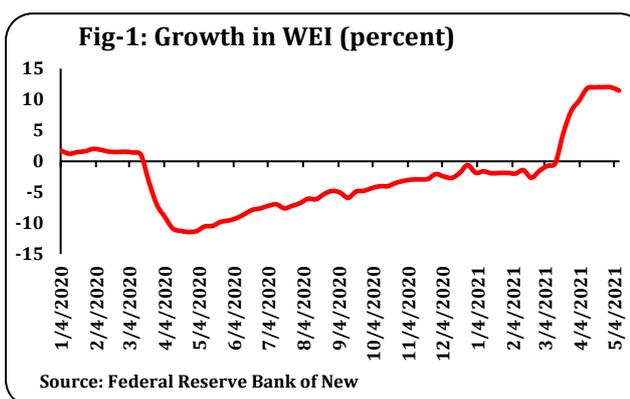
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## 1. International Performance and Outlook

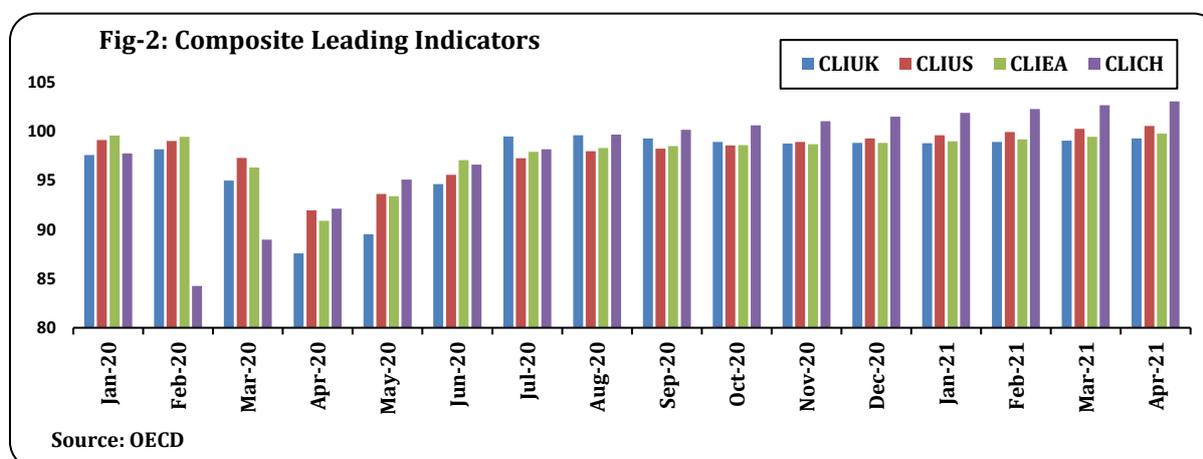
Global economic outlook is showing signs of recovery from the economic slowdown triggered by the perils of COVID-19. In case of Pakistan, it is worth mentioning that timely and appropriately formulated policy measures taken by the government ended up in achieving 3.94 percent growth in FY2021, higher than the target after more than 15 years. This growth indicates that economic recovery has not only started but based on the major macroeconomic indicators, Pakistan is on the path of sustainable growth. The confidence of investors has been restored due to pro-business policies and major structural imbalances are in check.

The global economic outlook has strengthened due to the faster than expected economic recovery of advanced economies. Though economic and financial developments in Pakistan's major export markets are encouraging, this will benefit the domestic economic performance.

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 the end of March of the current year, this index surged strongly upwards, indicating a strong recovery of the US economy.

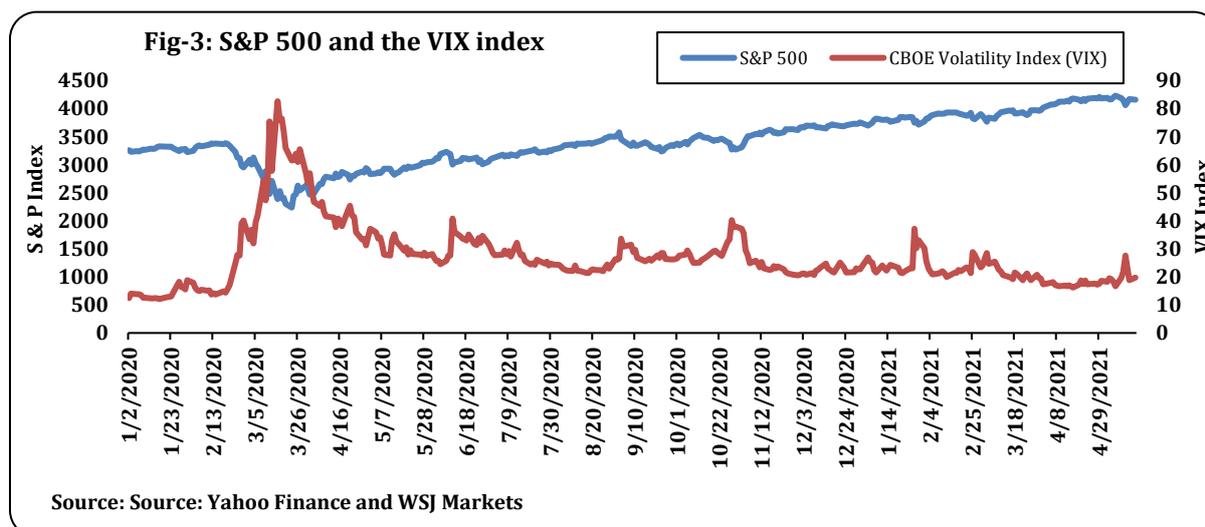


The US Composite leading Indicator (CLI) compiled by the OECD, available up to April 2021 (Fig - 2), which continued to improve. The same improvement was observed in the CLI of the Euro Area countries, China and the UK. In most of these countries, the number of COVID cases and related death tolls were on a declining trend, whereas the speed of vaccinations was increasing exponentially. As a consequence, restrictions on human interactions started to be gradually lifted.



The recently released data containing some surprises on job growth and inflation have been the major concern of market participants. The market sentiment seems to be uncertain about the surge in inflation whether to consider it temporary or a permanent phenomenon. These expectations can force FED to reverse its accommodative monetary policy to correct the expectations.

The VIX index, which is commonly used as a measure of investors' uncertainty, although ended its downward trend since mid-April even then stock markets remained stagnant especially technology stocks which proved vulnerable to interest rate increase. (Fig – 3)



Global economic growth accelerated sharply in April to reach an 11-year high, according to the latest PMI surveys, and further robust growth seems likely in the coming months as more economies are opening up from COVID lockdowns. At 56.3, up from 54.8 in March, the JPMorgan Global PMI™ (compiled by IHS Markit) struck its highest since April 2010, and not far off the highest for 14 years. The latest expansion took the recent run of growth into its tenth month as many economies around the world continued to recover from COVID-19 downturns. The US continued to drive the global economic rebound in May, according to flash PMI data from IHS Markit. Europe witnessed accelerated growth, while Japan experienced contraction amid emergency measures to curb a new wave of COVID-19 infections. However, while the US had strongest growth during the period, the steepest rise in the prices of goods & services was also observed.

The recovery in the commodity prices continued during the first quarter of FY2021 which is expected to remain close to current levels throughout the year, lifted by the global economic rebound and improved growth prospects (World Bank's semi-annual Commodity Markets Outlook). Energy prices are expected to average more than one-third higher this year than in FY2020, with oil averaging \$56 a barrel. Metal prices are expected to rise 30 percent; and agricultural prices are projected to rise almost 14 percent. Commodity prices generally are now above pre-pandemic levels, driven by the upsurge in economic activity, as well as some specific supply factors, particularly for oil, copper, and some food commodities.

In Pakistan, the government is taking all possible measures to bring price stability hence the pace of inflation has been slowed down. The Weekly SPI which monitors the price movement of 51 essential items showing an increase of 0.82 percent for the week ended on 20-05-2021. Out of 51 items, prices of 07 essential items decreased and 19 items remained stable which means that 50 percent items are easing out inflationary pressure while the other items reflect either minor increase or the post-Eid impact.

## 2. Monthly Performance of Pakistan's Economy

There was a high risk related to the third wave of the pandemic, however, the government has taken appropriate measures to mitigate it. The V-shaped economic recovery after a pandemic is visible due to appropriate & timely interventions by the government. After

more than 15 years, the government has surpassed its economic growth target and recorded 3.94 percent growth in FY2021, detail is as under:

Growth	FY2021		FY2020		FY2019	
	Target	Provisional	Provisional	Revised	Revised	Final
Agriculture	2.8	2.8	2.7	3.3	0.6	0.6
Industry	0.1	3.6	-2.6	-3.8	-2.3	-1.6
Services	2.6	4.4	-0.6	-0.6	3.8	3.8
<b>Real GDP</b>	<b>2.1</b>	<b>3.9</b>	<b>-0.4</b>	<b>-0.5</b>	<b>1.9</b>	<b>2.1</b>

## 2.1 Real Sector

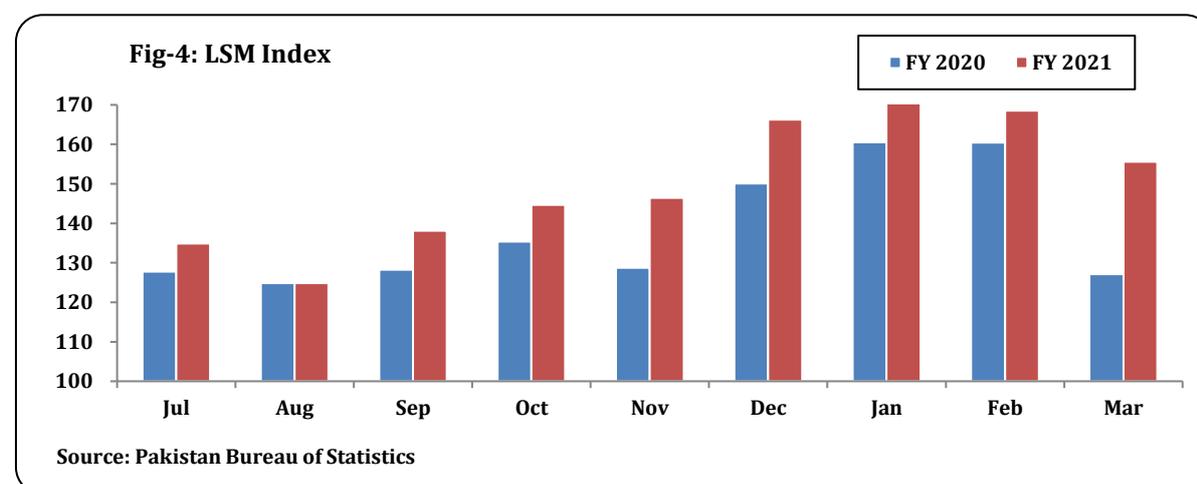
### 2.1-a Agriculture

The agriculture sector grew by 2.8 percent during FY2021. Crops have witnessed a growth of 2.5 percent during FY2021 because of significant growth of 4.7 percent in important crops on the basis of 27.3 million tons production of wheat, 8.5 million tons of maize, 8.4 million tons of rice, and 81.0 million tons of sugarcane showing growth of 8.1, 7.4, 13.6 and 22.0 percent respectively. However, cotton production dropped by 22.8 percent (7.1 million bales) as compared to last year. Other crops recorded growth of 1.4 percent mainly because of an increase in production of oil seeds and green fodder while the Livestock sector has shown a growth of 3.1 percent.

The outlook of agriculture sector is encouraging on the basis of an uptick in inputs utilization. According to Pakistan Automotive and Manufacturing Association (PAMA), during Jul – Apr FY2021, farm tractors production significantly increased to 41,327 showing an increase of 65.2 percent while its sales also witnessed an increase of 62.2 percent compared to the corresponding period last year. The fertilizers data reveals that during Oct-Mar 2020-21, urea off-take was 3,225 thousand tonnes showing an increase of 12.3 percent while DAP off-take stood 1105 thousand tonnes marked an increase of 2.4 percent over the same time frame of previous year. All these facts indicate the positive performance of agriculture sector which accounts for almost 19.2 percent of overall economy.

### 2.1-b Manufacturing

LSM production has bounced back in Mar FY 2021, witnessing 22.4 percent growth on aYoY basis (-21.7 percent in Mar FY 2020). During Jul-Mar FY 2021, LSM grew by 8.9 percent (-5.1 percent last year).



March FY2021 has witnessed tremendous growth on a YoY basis on the back of significant performance of Textile, highly weighted sector, which grew by 40.4 percent. Irrespective

of the base effect, the textile index has started picking up the pace. Coke & Petroleum Products, Non-metallic Mineral Products, Automobile, and Iron & Steel also grew by 76.8, 52.1, 86.8, and 28.5 percent, respectively.

Car production and sales increased by 36.4 and 48.5 percent respectively during Jul-Apr FY2021 while trucks and buses production and sales increased by 2.8 and 7.3 percent respectively. The production and sales of 2/3-wheeler have also increased by 33.5 and 34.0 percent respectively during the period under review. During Jul-Apr FY2021, the total cement dispatches increased by 19 percent to 48.274 mn tons (40.555 mn tons last year).

### **Recent Economic Measures for Industry**

Government has approved a Support Package pertaining to additional electricity consumption for industrial consumers of DISCOs and K-Electric. Ministry of Energy (Power Division) has been provided Rs 10 billion for this purpose. Incentive has been given to export-oriented industries by fixing power price at \$ 0.07/unit and gas tariff at \$ 0.065/mmbtu. The subsidy under Naya Pakistan Housing Scheme has been increased to Rs 36 billion (Rs33 billion earlier). The government has extended tax amnesty till Jun 2021 and fixed tax regime till Dec 2021. The SBP has directed the banks to increase their construction sector loans to 5 percent of their total portfolio by Dec 2021. The response by the investors stands encouraging as shown by the impressive growth by LSM.

## **2.2 Inflation**

The Consumer Price Index (CPI)-based inflation increased by 11.1 percent on a YoY basis in April 2021 as compared to an increase of 8.5 percent in April 2020, mainly due to an increase in prices of food items and clothing and footwear. On average it was recorded at 8.6 percent in the first ten months of the current fiscal year as against 11.2 percent during Jul-Apr FY 2020.

In the international market prices of Palm oil and Soybean oil prices have increased during last year in the international market. Palm oil prices have increased from \$ 609/MT to \$1075/MT in April 2021 (showing an increase of 76.5 percent). Similarly, Soyabean oil prices have increased from \$680/MT to \$1202/MT (showing an increase of 76.8 percent). Crude Oil prices have increased from \$23.3/bbl to \$ 64.8 /bbl (showing an increase of 168 percent). Prices of Tea in the international market have increased from \$2350/MT to \$2640/MT (showing an increase of 12.3 percent). The aforementioned items are imported items and any untoward movement is ultimately passed through impacts in the domestic inflation. Inflationary pressures are observed in Ramadan due to seasonally higher demand of essential commodities. However, it is expected that government measures will contain inflation in the coming months.

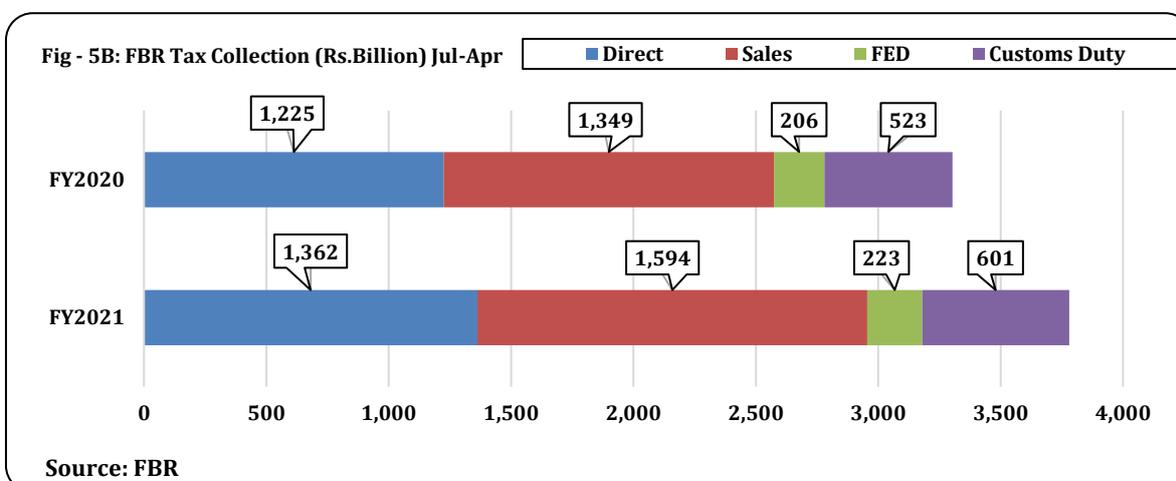
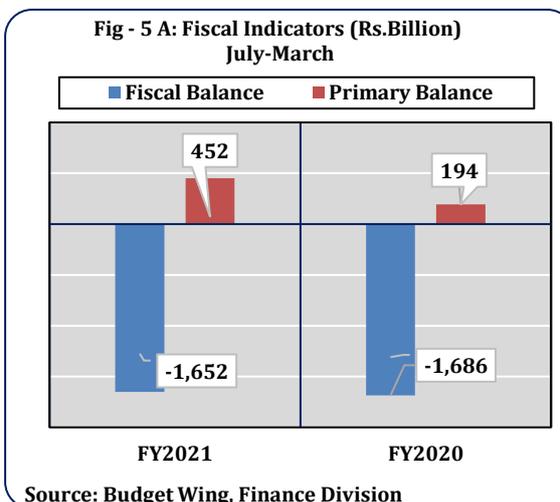
## **2.3. Fiscal**

The fiscal deficit during Jul-Mar, FY2021 contained at 3.5percent of GDP against 4.1 percent of GDP (revised) in the comparable period of FY2020. Similarly, the primary balance posted a surplus of Rs451.8 billion (0.9 percent of GDP) during July-March, FY2021 against the surplus of Rs193.5 billion (0.5 percent of GDP) in the same period of FY2020.

Total revenues grew by 6.5 percent to Rs4,992.6 billion in Jul-Mar, FY2021 against Rs4,689.9 billion in the comparable period of last year. Within revenues, tax collection increased by 11.9 percent to Rs 3,765.0 billion during Jul-Mar, FY2021 against Rs 3,365.5 billion in the same period of FY2020. Total expenditures grew by 4.2 percent during Jul-Mar, FY2021 to Rs 6,644.6 billion against Rs 6,376.1 billion in the comparable period of last year. (Fig - 5A).

### FBR Tax Collection

The provisional net revenue collection by FBR grew by 14.4 percent to Rs 3780 billion during Jul-Apr, FY2021 (Rs 3,303 billion last year). The provisional net collection surpassed the target of Rs 3,637 billion. Within total collection, direct tax grew by 11.2 percent, sales tax 18.1 percent and FED 8.4 percent. While revenues under customs duty grew by 14.9 percent during the period under review. (Fig -5B).

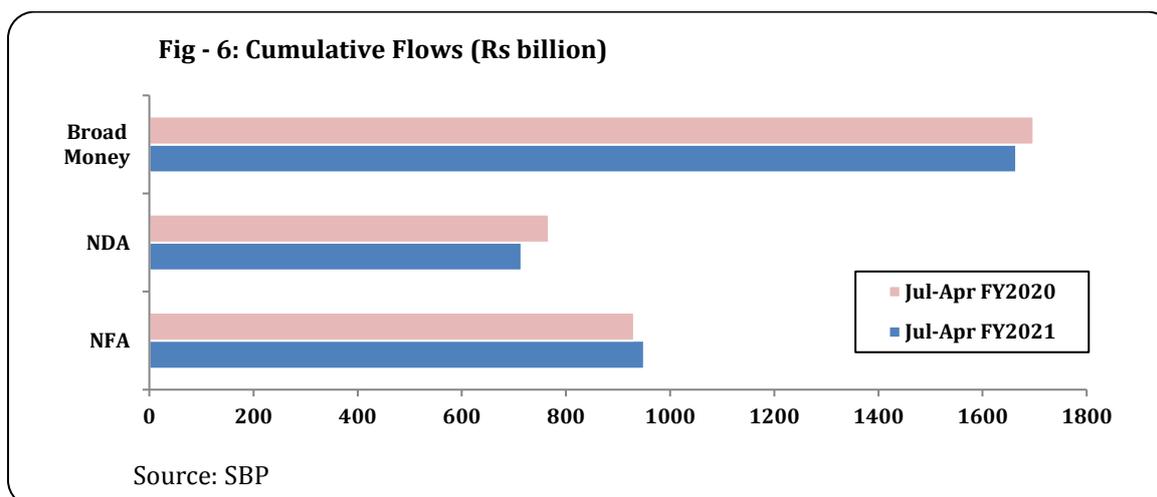


## 2.4. Monetary

During 01st July - 30th April, FY2021 Money Supply (M2) increased by Rs 1,664.8 billion (growth of 8.0 percent) as compared to an expansion of Rs 1,698.1 billion (growth of 9.5 percent) last year. On Assets side, Net Foreign Assets (NFA) of the banking system observed expansion of Rs 950.2 billion (Rs 931.1 billion last year), on account of improved external sector position. Whereas, Net Domestic Assets (NDA) increased by Rs 714.6 billion (Rs 767.0 billion last year). Within NDA, Private sector credit observed significant expansion of Rs 454.5 billion as compared to Rs 318.5 billion last year.

On liability side, Currency in Circulation (CiC) increased by Rs 672.6 billion as compared to expansion of Rs 996.4 billion last year. Total deposits with banks observed expansion of Rs 972.0 billion as compared to Rs 700.4 billion last year. The major thrust came from demand deposits, which increased by Rs 1,158.3 billion against expansion of Rs 338.8 billion last year. As a result of SBP's endeavors for digital transactions, growth in CiC remain contained and expansion in deposits growth reflects, enhanced use of digital mode of payments. On the other hand, Residents Foreign Currency Deposits (RFCDs) decline by Rs 68.5 billion as compared to Rs -86.4 billion last year, due to PKR

appreciation of 9.0 percent against US\$ during Jul-Apr, FY2021, which lowered incentive for savings of foreign currency. Therefore, strong growth in total deposits combined with substantial lower CiC has led to reduction in currency-to-deposits ratio to 42.9 percent as of 30th April, 2021 compared 45.2 percent during same period last year.



## 2.5 External Sector

On account of 29.0 percent growth in Workers' Remittances and 6.5 percent growth in Exports, the Current Account posted a surplus of \$ 773 million (0.3 percent of GDP) for Jul-Apr FY2021. It is worth mentioning that exports on fob were recorded \$ 2.3 billion in Apr 2021 (\$ 1.4 billion last year) thus posting a growth of 61.3 percent YoY basis.

As per PBS, during Jul – Apr, FY 2021, exports increased by 13.6 percent to \$ 20.9 billion (\$ 18.4 billion last year). The major exported commodities which has grown well during the review period are as under: Knitwear posting growth of 30.7 percent, Readymade garments; 12.6 percent, Bed wear; 24.7 percent, Towel; 27.2 percent, carpet, rugs & mats; 22.1 percent, leather manufactured; 13.3 percent, while Fish and fish preparations posted 10.3 percent growth. The total imports in Jul-Apr FY2021 increased to \$ 44.7 billion (\$ 38.0 billion last year), thus posted 17.8 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.

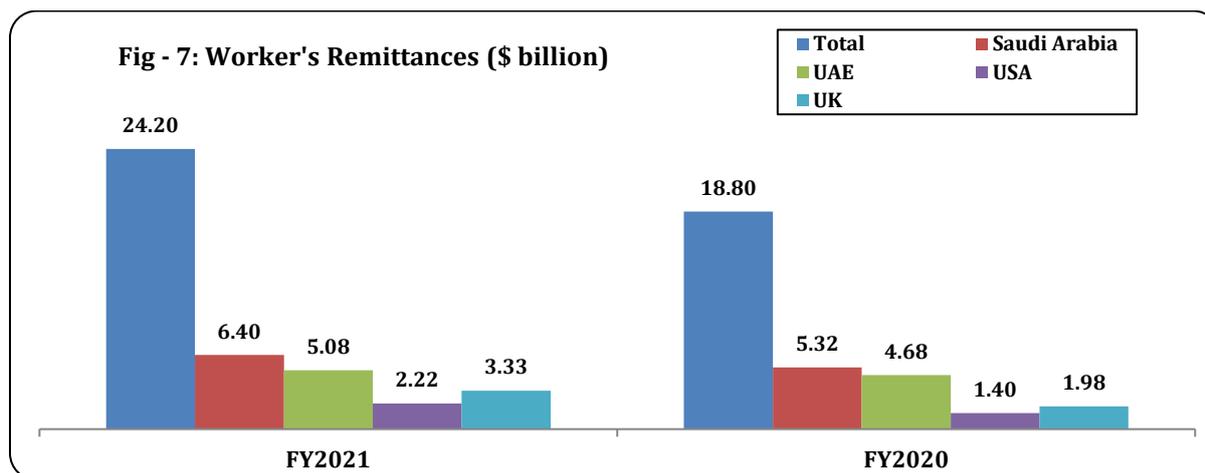
### 2.5.1 Foreign Investment

In Jul-Apr FY2021, FDI recorded at \$ 1,553.4 million (\$ 2,301.3 million last year) while total foreign portfolio investment registered an inflow of \$ 2182.9 million during Jul-Apr FY2021. FDI received from China \$ 708.3 million (46.2 percent of total FDI), Hong Kong \$127.6 million (8.3 percent), United Kingdom \$ 118.7 million (7.7 percent), US \$ 95.9 million (6.3 percent) and UAE \$ 86.6 million (5.6 percent). Power sector attracted highest FDI of \$ 812.8 million (52.3 percent of total FDI), Financial Business FDI \$213 million (13.7 percent) Oil & Gas exploration \$ 189.3 million (12.1 percent), Electrical Machinery \$ 109.9 million (7 percent) and Trade \$ 105.1 million (6.8 percent).

### 2.5.2 Worker's Remittances

In Jul-Apr FY2021, remittances rose to \$ 24.2 billion (\$ 18.8 billion last year), with a growth of 29.0 percent. Remittances recorded \$2.8 billion in Apr 2021, (\$ 1.8 billion in Apr 2020) showing an increase of 55.6 percent on a YoY basis. Workers' remittances

remained above \$ 2.0 billion for eleven consecutive months. The major inflows of remittance were from Saudi Arabia, U.A.E, USA and U.K.(Fig-7).

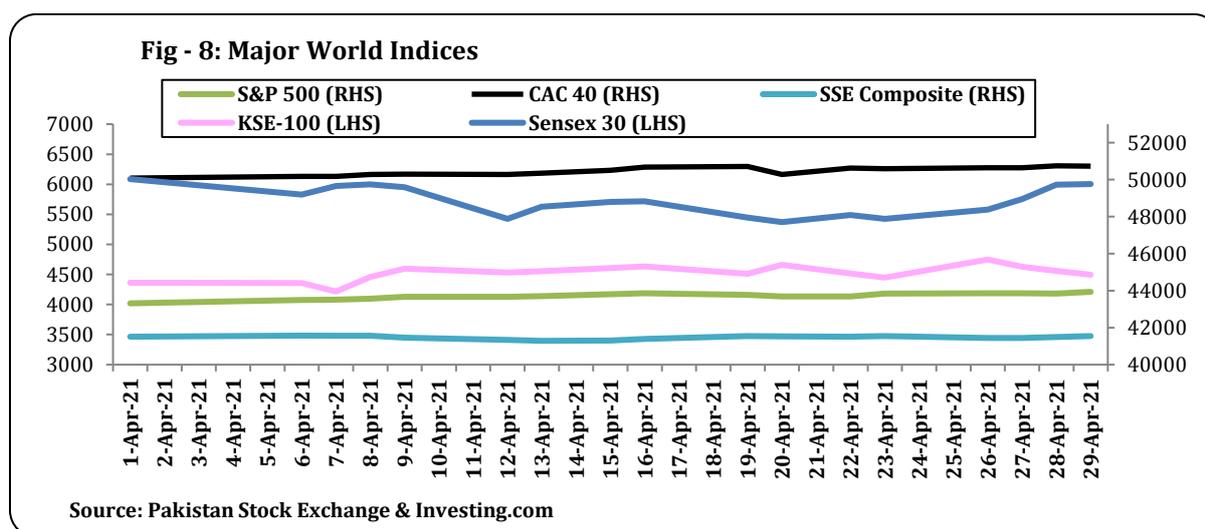


### 2.5.3 Foreign Exchange Reserves

Pakistan's total liquid foreign exchange reserves increased to \$22.9 billion on May 07, 2021. After July 5, 2017, the State Bank of Pakistan's reserves now stood at \$15.8 billion while commercial banks' reserves remained \$ 7.1 billion.

### 2.6 Performance of KSE Index

In Apr 2021, the KSE-100 index shed 324 points as the country has been battling a third wave of the coronavirus. The index closed at 44,262 points on 30th Apr 2021. Market capitalization lost Rs 173 billion in the month and closed at Rs 7,718 billion on 30th Apr 2021. The trend of major world indices is depicted in (Fig - 8).



As the economy opens up after eid, the index will regain its lost points in the months ahead.

### 2.7 Social Sector

- According to World Bank report on 'global social protection responses to Covid-19', Pakistan ranks 4th globally in terms of the number of people covered and 3rd globally in terms of the percentage of population covered amongst those that covered over 100 million people; the World Bank has stated that only "select countries have attained impressive six-digit levels" in this regard. Pakistan's Ehsaas

Emergency Cash is one of them.

- 'Ehsaas payment system' to be fully digitalized till the month of September 2021. Opening biometric ATMs and bank branches for the Ehsaas beneficiaries would be a major feature of the new Ehsaas digital payment system.
- The federal government has also planned to introduce targeted subsidies for Ehsaas beneficiaries in Utility Stores Corporation of Pakistan (USC) and karyana stores from next month under the Ehsaas program.
- The government is currently taking all practical measures to narrow the gap between the rich and the poor to develop social harmony in the country.
- Under the National Poverty Graduation Program, 55,938 livelihood productive assets have been transferred to the ultra-poor households till 30th April, 2021 while during the month of April, 7,497 livelihood assets were distributed out of which over 94 percent assets have been transferred to the woman.
- PPAF through its 24 Partner Organizations has disbursed 38,119 interest-free loans amounting to Rs 1.28 billion during the month of April, 2021. From July, 2019 to 30th April, 2021, a total of 1,311,848 interest free loans amounting to Rs 45.85 billion have been disbursed to the borrowers.
- Under Kamyab Jawan Youth Entrepreneurship Scheme, Rs 5,347 million has been disbursed till January, 2021 to the youth for various businesses.
- During the month of April, 2021 Bureau of Emigration and Overseas Employment has registered 10,691 emigrants for overseas employment in different countries.
- Bureau of Emigration and Overseas Employment ensured payment of more than Rs 38 million as death / disability compensation to the overseas Pakistanis/their dependents during the month of April, 2021.
- 1,193 Foreign Exchange Remittances Cards (FERC) of five categories (Silver, Silver Plus, Gold, Gold Plus, Platinum) against foreign remittances of US\$ 29,056,132/- have been issued to overseas Pakistanis.
- The Mo FE&PT is taking several initiatives to ensure online, distance, and even radio-based educational activities to support students all over the country.
- Till 19th May 2021, 886,184 confirmed cases with 799,951 recoveries and 19,856 deaths recorded in the country.
- Punjab has recorded the most 329,913 cases, Sindh 301,247 Khyber Pakhtunkhwa 127,609 and Balochistan 24,064.
- Based on reported cases the mortality rate is approximately 2.2 percent.
- Government intends to vaccinate 70 percent of its population from COVID-19. Four companies have been approved by the Government of Pakistan and Drug Regulatory Authority for procurement of vaccines from the International market. To date, a total of 8,675,000 doses of vaccine have been received and orders are placed till June. The plan of procurement from July to December is also in pipeline.
- The local manufacturing of vaccine has also been started at the National Institute of Health with the transfer of technology from an International manufacturer and soon the vaccine will be available at the vaccination centers through local production.

### 3. Economic Outlook

The rebound in economic activity is a sign of recovery from sharp output contractions, and is on display around the world. For Pakistan's economy, growth of 3.94 percent for

FY2021 will bring sustainably in both the short as well as long-run thus bringing better prospects of economic growth outlook.

### 3.1 Inflation

Inflation accelerated from 9.1 percent in March 2021 to 11.1 percent in April 2021. Nearly half of this increase in inflation was due to base effects and the remaining part to new price impulses. The positive contribution of the base effect to inflation acceleration is observed in many countries like Turkey (17.1 percent), Iran (49.5 percent) etc. It stems from relatively low CPI levels in Feb 2020 when pandemic-induced measures halted the world economy and caused declines in international oil and food prices. New price impulses mainly came from recent strong increases in international food and oil prices, following the observed strong recovery of the world economy. In May 2021, it is expected that the base effect will be partly reversed. In recent months, international oil price and food price dynamics have decelerated somewhat and the Rupee has strengthened against the US dollar. Furthermore, following recent Government interventions to improve the functioning of domestic food markets and the assuring of sufficient supply to some of these markets, no significant new price impulses are expected to happen. Therefore, YoY inflation in May is expected to settle between 9.0 – 9.8 percent.

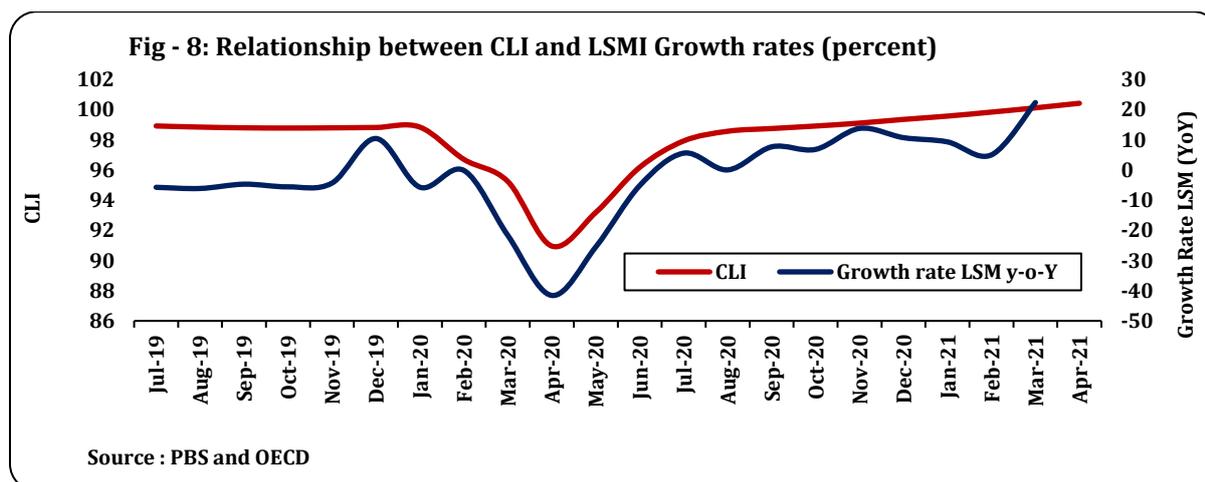
Assuming the absence of any new supply shocks and continued Government monitoring of smooth functioning of markets in essential products, inflation is expected to continue to decelerate in the coming months as well.

### 3.2 Agriculture

The recent estimates of crops provided by the Pakistan Bureau of Statistics (PBS), that all major crops surpassed their respective set targets. Further bumper production of wheat (27.3 million tons) is an indication that the government agriculture emergency program has brought fruits not only to agriculture but to the whole economy. It is expected that the agriculture sector will continue to perform well on account of continuing support of the government to the sector.

### 3.3 Industrial activity

Industrial activity, measured by the LSM index is the sector that is most exposed to external conditions. Its exposure to developments in international markets, is illustrated in Fig-8, which 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.

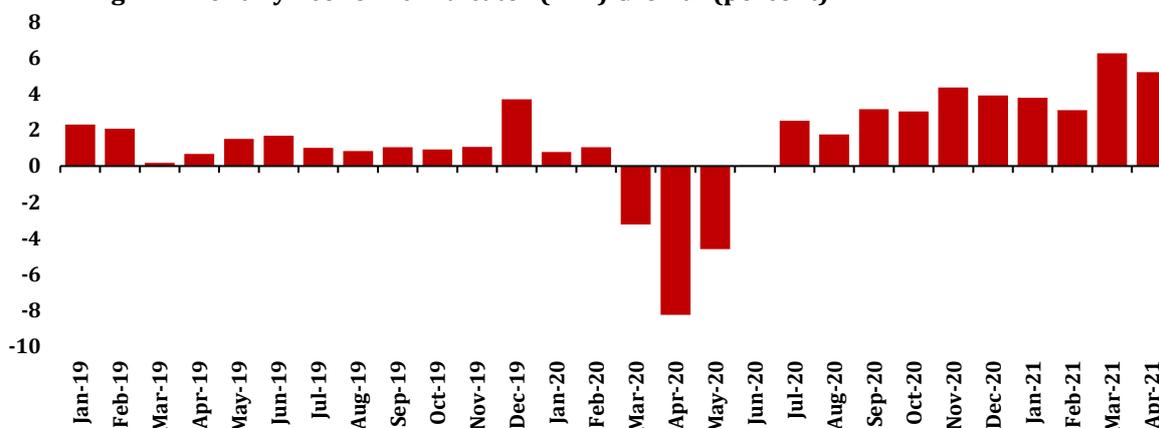


In March 2021, the LSM index increased by 22.4 percent YoY but declined by 7.7 percent compared to February 2021. This MoM decline was expected on the basis of cyclical and seasonal patterns observed in the past due to crushing activity which has completed. A continued strong positive YoY growth in LSM is expected in the month of April. In the same period last year, the international and domestic spread of the COVID-19 virus had depressed industrial activity: LSM declined MoM by 32.7 percent in April 2020. Although Pakistan currently experiences a third wave of virus infections, it is not expected that it depresses industrial activity as much as it did during the same period last year.

### 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 – 9 presents the MEI on monthly basis since January 2019. It should be noted that some of the data underlying the April MEI are still provisional and may be revised next month. The April MEI continues to point to positive significant economic growth, despite some sectors in the economy are still suffering from the current wave of COVID-19 infections and the related measures to safeguard people’s health.

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



Source: EAW Calculation

### 3.5 External

According to BOP data, both exports and imports of goods and services are currently significantly higher than their respective values at the beginning of the current fiscal year. These trends reflect the foreign and domestic rebounds in economic activities. Also, domestic Government policies to facilitate exports and policies to stabilize domestic food markets played a role. Another important development is that since the start of the current FY, remittances settled at historically high levels. Taking into account the primary income balance and other secondary income transactions (other than remittances), the current account balance recorded a surplus during the first ten months of the current FY.

In coming months, exports of goods and services are expected to settle above the 3 billion dollars mark showing a positive trend. Depending on the trend in remittances, the current account balance may remain in surplus or approximate balance.

### 3.6 Fiscal

The fiscal sector is currently performing better. The consolidated fiscal operations for the

first nine months of the current fiscal year show that efficient expenditure management and an effective resource mobilization strategy helped in containing the fiscal deficit at 3.5 percent of GDP, which is lower than the level recorded in the same period last year. Risks still persist amid the third wave of corona, especially, on the revenue side. To combat the increase in COVID 19 cases during Eid ul Fitr, the government took swift action, including restricting business activities except for essential services. This have impacted tax collection but FBR is confident to perform better in the remaining two months of current fiscal year.

#### **4. Way Forward**

In Pakistan, higher economic growth had recorded along with stabilization due to the government's focus on certain targeted sectors such as housing, agriculture, industry, construction and exports. It is expected that in coming years the economy will have sustainable and inclusive growth for everyone through government initiatives for utilizing bottom-up approach.

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## Economic Indicators

(25-05-2021)

	2019-20 (Jul-Apr)	2020-21 (Jul-Apr)	percent Change
<b>External Sector</b>			
Remittances (\$ billion)	18.8	24.2	↑29.0
Exports FOB(\$ billion)	19.7	21.0	↑6.5
Imports FOB (\$ billion)	37.3	42.3	↑13.5
Current Account Balance (\$ billion)	-4.7	0.8	↑
Current Account Balance (percent of GDP)	-2.1	0.3	↑
FDI (\$ million)	2,301.3	1,553.4	↓32.5
Portfolio Investment-Public (\$ million)	-234.5	2,463.1	↑
Total Foreign Investment (\$ million) (FDI & Portfolio Investment)	1,884.1	3,736.4	↑98.3
	18.598	23.016	
Forex Reserves (\$ billion)	(SBP: 12.129) (Banks: 6.469) (On 20 <sup>th</sup> May 2020)	(SBP: 15.846) (Banks: 7.170) (On 20 <sup>th</sup> May 2021)	
Exchange rate (PKR/US\$)	160.77 (On 20 <sup>th</sup> May 2020)	153.46 (On 20 <sup>th</sup> May 2021)	

Source: SBP

	2019-20 (Jul-Mar)	2020-21 (Jul-Mar)	percent Change
<b>Fiscal</b>			
			(Rs Billion)
FBR Revenue (Jul-Apr)	3,303	3,780	↑14.4
Non-Tax Revenue (Consolidated)	1,324.4	1,227.6	↓7.3
PSDP (Authorization)	582.1 (1 <sup>st</sup> Jul to 21 <sup>st</sup> May)	565.7 (1 <sup>st</sup> Jul to 21 <sup>st</sup> May)	↓2.8
Fiscal Deficit	1,686	1,652	↓
Primary Balance	194	452	↑

Source: FBR & Budget Wing

	2019-20 (Jul-Apr)	2020-21 (Jul-Apr)	percent Change
<b>Monetary Sector</b>			
Agriculture Credit (provisional)	912.2	953.7	↑4.6
Credit to private sector (Flows)	318.5 (1 <sup>st</sup> Jul to 01 <sup>st</sup> May)	454.5 (1 <sup>st</sup> Jul to 30 <sup>th</sup> Apr)	↑42.7
Growth in M2 (percent)	9.5 (1 <sup>st</sup> Jul to 01 <sup>st</sup> May)	8.0 (1 <sup>st</sup> Jul to 30 <sup>th</sup> Apr)	
Policy Rate (percent)	8.0 (15-May-2020)	7.0 (19-Mar-2021)	
Source: SBP			

	2019-20	2020-21	percent Change
<b>Inflation</b>			
CPI (National) (percent)	8.5 (Apr)	11.1 (Apr)	
	11.2 (Jul-Apr)	8.6 (Jul-Apr)	
<b>Real Sector</b>			
Large Scale Manufacturing (LSM) (percent)	-21.7 (Mar)	22.4 (Mar)	↑
	-5.1 (Jul-Mar)	9.0 (Jul-Mar)	↑
<b>Miscellaneous</b>			
PSX Index*	34889 (On 1 <sup>st</sup> Jul 2020)	45574 (On 20 <sup>th</sup> May 2020)	↑ 30.63
Market Capitalization (Rs trillion)	6.61 (On 1 <sup>st</sup> Jul 2020)	7.89 (On 20 <sup>th</sup> May 2020)	↑ 19.36
Market Capitalization (\$ billion)	39.33 (On 1 <sup>st</sup> Jul 2020)	51.41 (On 20 <sup>th</sup> May 2020)	↑ 30.71
Incorporation of Companies	14,647 (Jul-Apr)	21,433 (Jul-Apr)	↑ 46.33
*: Formerly Karachi Stock Exchange (KSE)			
Source: PBS, PSX & SECP			