

# TRADE AND PAYMENTS

## Introduction

Domestic and external environment play an important role in shaping the country's trade with rest of the world. The outgoing fiscal year 2007-08 witnessed a series of developments, both on domestic and external front, which adversely affected the country's overall balance of payments, including the trade balance. Unsettling political landscape on domestic side and unprecedented surge in oil and commodity prices, along with slower growth in world economy in general and the US economy in particular on external front played an important role in shaping the outcomes of Pakistan's trade sector in 2007-08.

Pakistan's export performance has been impressive in recent years (2002-03 to 2005-06) with exports registering an average growth of 16 percent per annum on the back of strong macroeconomic policies pursued at home and international trading environment remaining hospitable. Pakistan's export performance was dismal in 2006-07 as it witnessed abrupt and sharp deceleration to less than 4 percent. As will be discussed later, exports, when viewed in the back of last year's performance, did manage to recover somewhat this year but its performance has remained far short of the average growth of 16 percent achieved during 2002-03 to 2005-06.

Pakistan's exports suffer from serious structural issues which need to be addressed primarily by the industry itself, with government playing its role of a facilitator. Textile is the backbone of Pakistan's exports but bears various tribulations. These include: (i) low value added and poor quality products fetching low international prices; (ii) the machinery installed in recent years has depreciated considerably relative to Pakistan's competitors; (iii) these machines are power-intensive, less productive and carry high maintenance cost; (iv)

augmented wastage of inputs adding to the cost of production; (v) little or no efforts on the part of industry to improve their workers' skills; (vi) industry spending less money on research and development; and (vii) export houses lacking capacity to meet bulk orders as well as meeting requirements of consumers in terms of fashion, design and delivery schedule.

Pakistan's import grew at an average rate of 29 percent per annum during 2002-03 to 2005-06 on the back of strong economic growth which triggered a consequential growth in investment. The surge in investment led to a substantial increase in imports. However, import growth slowed to a normal level in the fiscal year 2006-07 but registered a sharp pick up once again in the current fiscal year 2007-08 on account of unprecedented rise in oil import bills and some one off elements in the shape of imports of wheat and fertilizer. As a result, Pakistan's trade and current account deficits have widened substantially in this year contributing to serious macro economic imbalances. Correction of imbalances through shaving off aggregate demand by appropriate policies should be the top most priority of the government.

## EXPORTS<sup>1</sup>:

Overall exports recorded a growth of 10.2 percent during the first ten months (July- April) of the current fiscal year against a growth of 3.6 percent in the same period last year. In absolute terms, exports have increased from \$ 13847.3 million to \$ 15255.5 million. (See Table 8.1) However,

<sup>1</sup> The analysis of exports and imports and trade balance is based on trade data released by Federal Bureau of Statistics (FBS) on custom basis. The State Bank of Pakistan (SBP) prepares balance of payments for the country and uses exports, imports and trade gap numbers on actual payment basis. Therefore, the trade numbers will differ with each other.

exports of \$15255.5 million in ten months imply that the target of \$19 billion exports is likely to be achieved. Broad categories of exports suggest that with the exception of textile manufactures, all other categories of exports registered stellar growth. For example, exports of food group were up by 22.4 percent; petroleum group exports registered an increase of 38 percent; exports of other manufactures and other items posted handsome growth of 33.2 percent and 59.5 percent, respectively. Textile manufactures, accounted for almost 57 percent of total exports, performed poorly as it registered a decline of 2.5 percent. Textile exports are suffering from structural issues which need to be addressed by the industry itself. The government has provided financial support to textile sector through R & D during the current fiscal year. Even this financial support could not help improve the performance of textile exports. It is therefore, clear that the problems are structural in nature and cannot be resolved through financial support of the government.

Exports of food group accounting for 13.2 percent in total exports grew by 22.4 percent and contributed 26.1 percent in overall exports growth. Within food group, rice accounting for 60 percent, registered an impressive growth of 28.5 percent. Pakistan clearly benefited from the unprecedented rise in international price of rice. Since Pakistan is a net exporter of rice, it is likely to benefit from the elevated international price of rice in coming years. This will also encourage farmers in Pakistan to grow more rice and benefit from the current hike in international price of rice. The other important component of food group which registered impressive growth includes fruits; oil seeds, nuts and kernels; meat and meat preparations; fish and fish preparations. (see Table 8.1).

Export of textile manufactures, accounting for 57 percent of total exports not only registered a negative growth of 2.5 percent but also was a drag on the overall performance of exports. With the exception of raw cotton and other textile materials, all other major components of textile manufactures registered negative growth in the current fiscal year. It is important to note that the unit value of

all the major components of textile manufactures were up substantially but exports in quantum term registered a sharp decline across the board with exception of raw cotton. In other words Pakistan's textile exports could not benefit from higher international prices and as such the exports performance of this sector has been dismal in 2007-08 (see Table 8.1). The dismal performance of textile exports can be attributed, beside their structural issues, to rising cost of production owing to increase in domestic cotton prices and stifling power shortages. In addition, the deteriorating law and order situation in the country also resulted in reported diversion of export orders to other countries. Poor quality of cotton on account of contaminated cotton issue has also adversely affected the export of spinning industry. Furthermore, textile exports appear to have also suffered from the slow down in the US economy which has been the largest destination for Pakistani exports during the last few years. In addition, Pakistan also faced tough competition from China, India, Bangladesh and Turkey in the EU market for textile apparel. In the case of bed wear exports, its exports to EU market are rising after the reduction of anti-dumping duty on this category from the previous level of 13.1 percent to 5.8 percent. However, in the US market, this category of export faces tough competition in terms of prices, especially from China.

Export of petroleum group accounting for 6 percent of total exports contributed 18.2 percent in the overall exports growth for the year. Export of petroleum product and Naphtha registered an impressive growth of 83 percent and 16 percent respectively. (see Table 8.1).

Unlike textile manufactures, exports of other manufactures accounting for 19 percent of total exports posted a stellar growth of 33.2 percent in the current fiscal year. Accordingly, it contributed over 50 percent to this year overall exports growth. The major performers under this category of exports include leather tanned; leather manufacturer; surgical goods; chemical and pharmaceutical products. The performance of carpets & rugs and engineering goods has been lackluster as they registered negative growth. All other manufactures under this category of exports

registered impressive growth of over 100 percent during the current fiscal year (see Table 8.1). Performance of this category of exports is indeed encouraging when viewed at back of power and skilled labor shortages and political disturbances in the country.

Export of all other items accounting for over 5 percent of total exports grew by almost 60 percent and accordingly, contributed 20.6 percent to this year's overall exports growth. (see Table 8.1).

**Table 8.1: Structure of Exports**

(\$ Millions)

| Particulars               | July-April |         | % Change | Absolute Increase/Decrease | Percentage Contribution to Increase in Exports |
|---------------------------|------------|---------|----------|----------------------------|--|
|                           | 2007-08*   | 2006-07 |          |                            |  |
| A. Food Group             | 2007.3     | 1640.3  | 22.4     | 367.0                      | 26.1   |
| Rice                      | 1210.9     | 942.0   | 28.5     |                            |  |
| Fish & Fish Preparation   | 165.9      | 158.2   | 4.9      |                            |  |
| Fruits                    | 127.3      | 95.2    | 33.7     |                            |  |
| Spices                    | 21.5       | 20.2    | 6.6      |                            |  |
| Oil Seeds, Nuts & Kernels | 35.3       | 13.8    | 155.1    |                            |  |
| Meat & Meat Preparation   | 41.2       | 33.7    | 22.3     |                            |  |
| All other Food Items      | 405.3      | 377.2   | 7.4      |                            |  |
| B. Textile Manufactures   | 8649.6     | 8875.0  | -2.5     | -225.5                     | -16.0  |
| Raw Cotton                | 58.1       | 45.3    | 28.5     |                            |  |
| Cotton Yarn               | 1070.6     | 1176.5  | -9.0     |                            |  |
| Cotton Cloth              | 1572.5     | 1717.5  | -8.4     |                            |  |
| Knitwear                  | 1504.3     | 1479.9  | 1.7      |                            |  |
| Bed Wear                  | 1565.0     | 1634.7  | -4.3     |                            |  |
| Towels                    | 497.6      | 506.0   | -1.7     |                            |  |
| Readymade Garments        | 1200.2     | 1250.8  | -4.0     |                            |  |
| Made-up Articles          | 428.6      | 419.4   | 2.2      |                            |  |
| Other Textile Materials   | 752.7      | 645.0   | 16.7     |                            |  |
| C. Petroleum Group        | 930.9      | 674.1   | 38.1     | 256.9                      | 18.2   |
| Petroleum Crude           | 0.0        | 0.0     | 0.0      |                            |  |
| Petroleum Products        | 407.7      | 222.8   | 83.0     |                            |  |
| Petroleum Top Naptha      | 523.2      | 450.9   | 16.0     |                            |  |
| Solid Fuel (Coal)         | 0.1        | 0.4     | -84.9    |                            |  |
| D. Other Manufactures     | 2890.7     | 2170.8  | 33.2     | 719.9                      | 51.1   |
| Carpets, Rugs & mats      | 182.3      | 193.3   | -5.7     |                            |  |
| Sports Goods              | 244.5      | 234.0   | 4.5      |                            |  |
| Leather Tanned            | 338.6      | 279.8   | 21.0     |                            |  |
| Leather Manufactures      | 570.7      | 461.2   | 23.7     |                            |  |
| Surgical G. & Med.Inst.   | 202.6      | 152.1   | 33.2     |                            |  |
| Chemicals & Pharma. Pro.  | 498.4      | 315.9   | 57.8     |                            |  |
| Engineering Goods         | 163.7      | 191.7   | -14.6    |                            |  |
| All other manufactures    | 690        | 342.8   | 101.3    |                            |  |
| E. All Other Items        | 777.0      | 487.1   | 59.5     | 289.9                      | 20.6   |
| Total                     | 15255.5    | 13847.3 | 10.2     | 1408.2                     | 100.0  |

\* Provisional

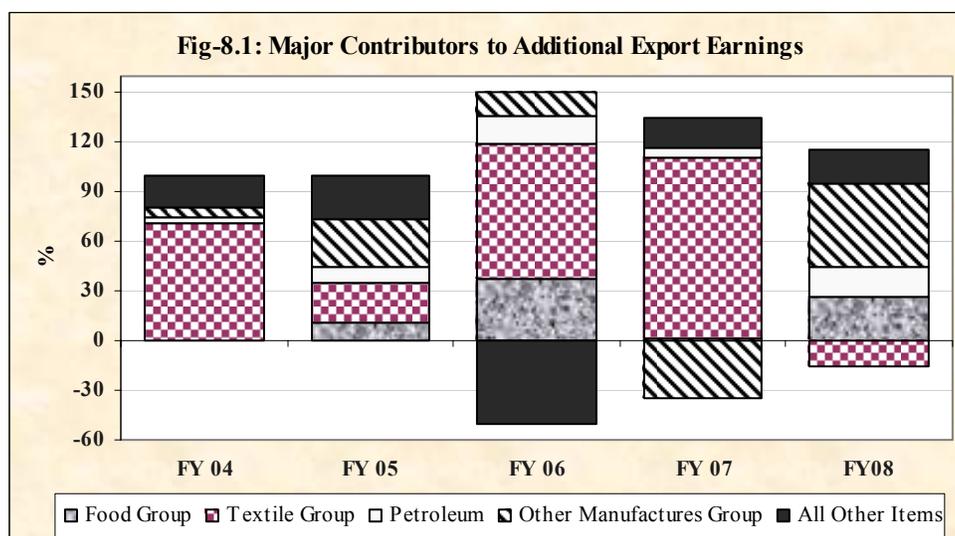
Source: Federal Bureau of Statistics

As shown in Figure 8.1, the contribution of textile manufactures in overall exports has been fluctuating, at best, over the last five years. The performance of textile manufacturers has been far from satisfactory during the fiscal year 2007-08. This points to the fact that a natural diversification of exports is underway and Pakistan appears to be

moving away from conventional textile products to new non-conventional items such as other manufactures, petroleum product and food group (see figure 8.1). However, the pace of diversification is painfully slow. The current food price hike at the global and national level provides window of opportunity for Pakistani farmers to

bring more area under cultivation for rice and wheat crop as they have been receiving higher prices for their crops. Pakistan can emerge as one

of the major exporters of rice and wheat, therefore, contributing substantially to overall export growth.



### Trends in Monthly Exports

The monthly exports for the period July-April, 2007-08 remained above the corresponding months of the last year, averaging \$ 1495 million per month as against an average of \$ 1419 million last year. (See Table 8.2)

### Concentration of Exports

Pakistan's exports are highly concentrated in a few items namely, cotton, leather, rice, synthetic textiles and sports goods. These five categories of exports account for 72.4 percent of total exports during the first nine months of 2007-08 with cotton manufacturers alone contributing 54.7 percent, followed by rice (7.1%), leather (6.1%), synthetic textiles (2.9%) and sports goods (1.6%). The degree of concentration has changed little from the last fiscal year. The annual percentage shares of

the major export commodities are given in Table 8.3 as well as in Figs-8.2 & 8.3.

**Table 8.2: Monthly Exports**

| Month                  | (\$ Million)  |               |
|------------------------|---------------|---------------|
|                        | 2006-07       | 2007-08       |
| July                   | 1342.0        | 1471.6        |
| August                 | 1498.5        | 1464.6        |
| September              | 1412.8        | 1484.5        |
| October                | 1262.6        | 1378.2        |
| November               | 1374.9        | 1539.2        |
| December               | 1516.6        | 1320.2        |
| January                | 1175.6        | 1476.5        |
| February               | 1271.9        | 1554.9        |
| March *                | 1523.1        | 1786.4        |
| April                  | 1808.5        | 1469.3        |
| <b>Monthly Average</b> | <b>1418.7</b> | <b>1494.5</b> |

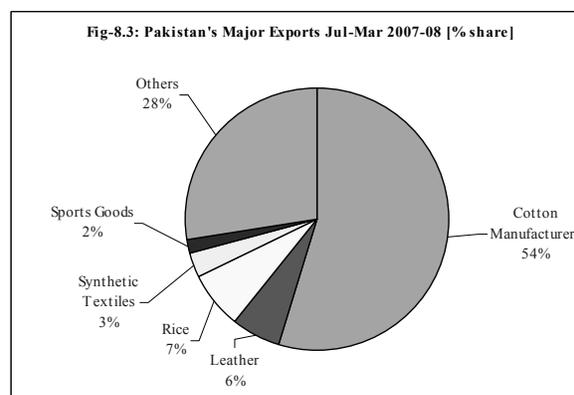
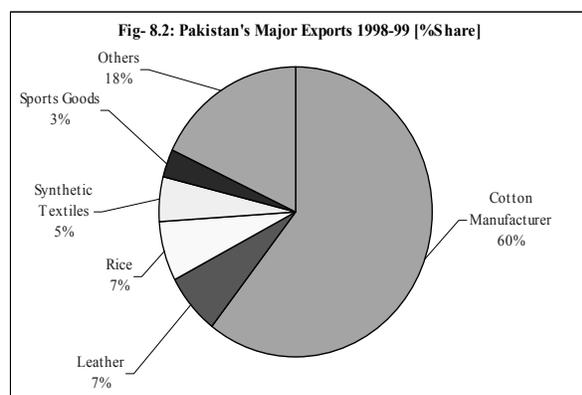
Source: Federal Bureau of Statistics.

**Table 8.3: Pakistan's Major Exports**

| Commodity          | (Percentage Share) |             |             |             |             |             |             |             |             |             |
|--------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                    | 98-99              | 99-00       | 00-01       | 01-02       | 02-03       | 03-04       | 04-05       | 05-06       | 06-07       | 07-08*      |
| Cotton             |                    |             |             |             |             |             |             |             |             |             |
| Manufacturers      | 59.1               | 61.0        | 58.9        | 59.4        | 63.3        | 62.3        | 57.4        | 59.4        | 59.7        | 54.7        |
| Leather            | 6.9                | 6.3         | 7.5         | 6.8         | 6.2         | 5.4         | 5.8         | 6.9         | 5.2         | 6.1         |
| Rice               | 6.9                | 6.3         | 5.7         | 4.9         | 5.0         | 5.2         | 6.5         | 7.0         | 6.6         | 7.1         |
| Synthetic Textiles | 5.1                | 5.3         | 5.9         | 4.5         | 5.1         | 3.8         | 2.1         | 1.2         | 2.5         | 2.9         |
| Sports Goods       | 3.3                | 3.3         | 2.9         | 3.3         | 3.0         | 2.6         | 2.1         | 2.1         | 1.7         | 1.6         |
| <b>Sub-Total</b>   | <b>81.3</b>        | <b>82.2</b> | <b>80.9</b> | <b>78.9</b> | <b>82.6</b> | <b>79.3</b> | <b>73.9</b> | <b>76.6</b> | <b>75.7</b> | <b>72.4</b> |
| Others             | 18.7               | 17.8        | 19.1        | 21.1        | 17.4        | 20.7        | 26.1        | 23.4        | 24.3        | 27.6        |
| Total              | 100.0              | 100.0       | 100.0       | 100.0       | 100.0       | 100.0       | 100.0       | 100.0       | 100.0       | 100.0       |

\*July-March (Provisional)

Source: Ministry of Commerce & FBS.



Pakistan's exports were slowly moving toward higher value added in textile as shares of bedwear, towels, and knitwear have increased over the last seven years. But the performance during the current fiscal year shows a decline in the share of these high value added exports. Beside this, the

share of cotton yarn and cotton cloth has also witnessed a decline. However, the shares of other categories of textile exports such as ready made garments, synthetic textile and made up articles have shown a marginal increase during the first nine months of current fiscal year. (See Table 8. 4)

**Table 8.4: Export of Textile Manufactures**

| Item                      | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08* |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|----------|
| Cotton Yarn               | 18.7    | 16.1    | 12.9    | 14.0    | 12.7    | 13.7    | 13.6    | 12.4     |
| Cotton Cloth              | 17.9    | 19.6    | 18.6    | 21.3    | 23.3    | 21.6    | 19.3    | 17.7     |
| Knitwear                  | 15.8    | 14.6    | 15.9    | 18.1    | 18.9    | 17.6    | 18.7    | 17.3     |
| Bed wear                  | 12.9    | 15.9    | 18.4    | 17.2    | 16.4    | 20.8    | 19.0    | 18.1     |
| Towels                    | 4.2     | 4.6     | 5.2     | 5.0     | 5.9     | 5.8     | 5.7     | 5.6      |
| Tents, Canvas & Tarpaulin | 0.9     | 0.9     | 1.0     | 0.9     | 0.8     | 0.3     | 0.7     | 0.7      |
| Readymade Garments        | 14.4    | 15.1    | 15.1    | 12.4    | 12.9    | 13.8    | 13.2    | 14.1     |
| Synthetic Textiles        | 9.5     | 7.1     | 7.9     | 5.9     | 3.5     | 2.0     | 4.0     | 5.1      |
| Made up Articles          | 5.7     | 6.1     | 5.0     | 5.2     | 5.5     | 4.3     | 4.5     | 5.0      |
| Others                    | -       | -       | -       | -       | 0.1     | 0.1     | 1.3     | 4.0      |
|                           | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0    |

\*July-March (Provisional)

Source: FBS & Finance Division.

### Composition of Exports

Pakistan's export composition has changed significantly since early 1990s as it moved from primary and semi manufactured exports to manufactured exports (See Table 8.5). However, during the last three years the export composition has observed no change with both primary and semi manufactured exports contributing 11 percent, while a major bulk of contribution coming from manufactured goods, that is, 78 percent. The composition of Pakistan's export reflects that it doesn't rely heavily on primary commodities for foreign exchange earnings. What

Pakistan's economy lacks is the export of high technological products and software

### Direction of Exports

Like the concentration of Pakistan's export in few items, the country's exports are also highly concentrated in only few countries. USA, Germany, Japan, UK, Hong Kong, Dubai and Saudi Arabia alone account for almost one-half of Pakistan's export. Continuing the past trend, these seven markets remained the major destinations for Pakistani export during the current fiscal year with a marginal diversification. US remained by far the major destination for Pakistan's exports accounting

for 26.4 percent, followed by U.K, Germany and Saudi Arabia.(See Table 8.6)

| Year                  | Primary Commodities | Semi-Manufactures | Manufactured Goods | Total |
|-----------------------|---------------------|-------------------|--------------------|-------|
| 1992-93               | 15                  | 21                | 64                 | 100.0 |
| 1994-95               | 11                  | 25                | 64                 | 100.0 |
| 1996-97               | 11                  | 21                | 68                 | 100.0 |
| 1998-99               | 12                  | 18                | 70                 | 100.0 |
| 99-2000               | 12                  | 15                | 73                 | 100.0 |
| 2000-01               | 13                  | 15                | 72                 | 100.0 |
| 2001-02               | 11                  | 14                | 75                 | 100.0 |
| 2002-03               | 11                  | 11                | 78                 | 100.0 |
| 2003-04               | 10                  | 12                | 78                 | 100.0 |
| 2004-05               | 11                  | 10                | 79                 | 100.0 |
| 2005-06               | 11                  | 11                | 78                 | 100.0 |
| 2006-07               | 11                  | 11                | 78                 | 100.0 |
| July-March<br>2006-07 | 11                  | 11                | 78                 | 100.0 |
| 2007-08 *             | 11                  | 11                | 78                 | 100.0 |

\* Provisional *Source: Federal Bureau of Statistics*

Since Pakistan's exports are highly concentrated in few items and few countries, a more diversified export mix both in terms of commodities and markets is necessary. Heavy concentration of exports in few commodities and few markets can lead to export instability. Besides the issue of export diversification, other broad-based measures need to be undertaken to address the constraints faced by the export sector. In this regard, private sector should increase its competitiveness by employing state of the art machinery, better management, and cost effectiveness. Other major problems such as low value addition and poor quality; obsolete use of machinery and technology;

higher wastage of inputs adding to the cost of production; low labor productivity; little spending on research and development; export houses lacking capacity to meet bulk orders; inability to meet requirements of consumers in terms of fashion and design; non-adherence to contracted quality and delivery schedule, lack of marketing techniques also needs to be addressed. Government should play its role as a facilitator in achieving the objective of raising exports by providing a strong macro economic environment with a stable exchange rate, low cost of capital and strong infrastructure.

| Country            | 98-99 | 99-00 | 00-01 | 01-02 | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 | 07-08* |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| USA                | 21.8  | 24.8  | 24.4  | 24.7  | 23.5  | 23.9  | 23.9  | 25.5  | 24.6  | 26.4   |
| Germany            | 6.6   | 6.0   | 5.3   | 4.9   | 5.2   | 4.9   | 4.8   | 4.2   | 4.1   | 4.3    |
| Japan              | 3.5   | 3.1   | 2.1   | 1.8   | 1.3   | 1.1   | 1.1   | 0.8   | 0.7   | 0.8    |
| UK                 | 6.6   | 6.8   | 6.3   | 7.2   | 7.1   | 7.6   | 6.2   | 5.4   | 5.6   | 5.6    |
| Hong Kong          | 7.1   | 6.1   | 5.5   | 4.8   | 4.6   | 4.7   | 3.9   | 4.1   | 3.9   | 4.0    |
| Dubai              | 5.4   | 5.7   | 5.3   | 7.9   | 9.0   | 7.3   | 3.3   | 5.6   | 7.5   | 1.6    |
| Saudi Arabia       | 2.4   | 2.5   | 2.9   | 3.6   | 4.3   | 2.8   | 2.5   | 2.0   | 1.7   | 1.7    |
| Sub-Total          | 53.4  | 55.0  | 51.8  | 54.9  | 55.0  | 52.3  | 45.7  | 47.6  | 48.1  | 44.4   |
| Other<br>Countries | 46.6  | 45.0  | 48.2  | 45.1  | 45.0  | 47.7  | 54.3  | 52.4  | 51.9  | 55.6   |
| Total              | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0  |

\*July - November *Source: Ministry of Commerce.*

## Imports

Imports during the first ten months (July-April) of the current fiscal year (2007-08) grew by 28.3 percent compared with the same period of last year, reaching to \$ 32.06 billion (See Table 8.7). After growing at an average rate of 29 percent per annum during 2003-04, Pakistan's import growth slowed to a moderate level of 6.9 percent in the last fiscal year (2006-07). Import's growth exhibited a sharp pick up in 2007-08 in the back of extra ordinary surge in the imports of petroleum products as well as imports of food group and raw material. Non-oil imports were up by 22.5 percent and non-oil and non food imports surged by 18.8 percent during the first ten months (July-April) of the current fiscal year (See Table 8.7).

Imports of food group were up by 48.6 percent in the current fiscal year mainly on account of unanticipated imports of wheat amounting \$ 819 million and extra ordinary surge (70.4%) on the imports of edible oil due to sky-rocketing price of palm oil in international market. Within food group, more than 67 percent increase is attributed to imports of wheat alone, followed by 47 percent from edible oil imports. Despite having a bumper wheat crop of 23.3 million tons, Pakistan had to import 1.7 million tons of wheat at a time when the prices in international market were all time high. The prices of palm oil in international market surged mainly on account of convergence of palm oil from consumption to bio-diesel, there by creating shortages in international market.

In other words, more than the entire increase in the import of food group can be attributed to these two items-wheat and edible oil. Sugar, pulses, tea and milk and milk food registered a combined decline of \$330 million leaving the absolute increase of \$1152 million in the imports of food group. Imports of food group accounted for 11 percent of total imports but contributed 16.3 percent in the overall growth of imports in the current fiscal year (See Table 8.7 & 8.8).

Imports of machinery posted a modest increase of 6.9 percent in the first ten months (July-April) of current fiscal year reaching to \$4224.5 million. Within machinery group, imports of power generating machines; construction and mining

machines and other machinery showed a substantial increase of 38.2 percent, 33.1 percent and 9.9 percent, respectively. The rise in the import of these different categories of machines is attributed to ongoing work on various power and construction projects in the country. A large part of the growth in power generating machinery imports was on account of needs of IPPs that achieved financial closure during the first seven months (July-Jan) of current fiscal year. The absolute increase in imports of these three categories of machines amounted to \$432 million, 59 percent more than the total import of the machinery group. Within the machinery group, the combined decline in the imports of textile machinery, office machines, air crafts, ships and boats, and agriculture machinery amounted to \$161 million, thus arriving at an absolute increase of \$271 million in the imports of machinery group. Machinery group accounts for 13.2 percent of total imports but contributed only 3.8 percent in the overall imports of this year. (See Tables 8.7 & 8.8).

Imports of petroleum group witnessed an extra ordinary surge at 47 percent, amounting to \$8670 million. Within petroleum group, both product and crude posted an increase of 53.6 percent and 40.1 percent, respectively in first ten months (July-April) of current fiscal year. Petroleum group accounts for 27 percent of total imports but contributed 39 percent in the overall import growth for the year. (See Table 8.7 & 8.8) The surge in imports of petroleum group has been the result of an extra ordinary increase in the prices of POL products as well as substantial increase in its quantity. The oil prices in international market are currently hovering around \$130 per barrel. If the prices stayed at this level during the remaining months of the current fiscal year, oil import bill will likely to touch \$11 billion. Apart from price factor, the quantity of oil imports has also contributed in the extra-ordinary surge in imports. The rise in the quantity of petroleum products was on account of higher demand of furnace oil for power generation as the supply of gas to power sector has been relatively less this fiscal year.

Unlike in the previous years, the imports of consumer durable registered a decline of 1.6

percent in the first ten months (July-April) of the current fiscal year. Within consumer durables, imports of electrical machinery and appliances grew by 14.3 percent while imports of road motor vehicles registered a decline of 8.6 percent. The share of consumer durables in total imports stood at 5.3 percent in 2007-08 while its contribution to this year's import growth has been nil at best. (See Tables 8.7 & 8.8)

Imports of raw material, accounting for 16.6 percent of total imports, grew by 38.6 percent in the first ten months (July-April) of current fiscal year. With exception of insecticides, which grew only by 1 percent, all other categories of raw material registered substantial increases. Fertilizers, plastic material and iron and steel and scrap, amounting for 45 percent of total raw material imports, grew respectively by 193.1 percent, 12.3 percent and 74 percent. The extraordinary increase in the import of fertilizer was surprising at a time when the price of fertilizer in the international market was up by almost 50 percent. As against 1 million tons of last year, Pakistan imported almost 2 million tons in the first ten months of current fiscal year, registering a growth of 97 percent. Why such a large quantity of fertilizer were imported when its off-take within the country did not grow compared to last year is not clear? Nevertheless, the country had to pay additional \$542 million in import on account of extra-ordinary increase in the import of fertilizer which cannot be explained by looking at the performance of this year's agricultural crops.

Imports of raw material contributed 21 percent to the overall growth of imports this year. Imports of iron and steel and scrap grew by 74 percent on account of elevated level of construction activity in the country. (see Tables 8.7 & 8.8). Local production from Pakistan Steel Mills and other industries could not meet the growing demand for these products in construction sector, hence import were up.

Unlike in the recent past, imports of telecom remained more or less at last year's level of \$1.9 billion, suggesting that the expansion phase of various cellular companies appears to have saturated for the time being. Imports of telecom accounts for 5.9 percent of total imports but contributed only marginally (0.3%) to this year's overall imports growth (See Tables 8.7 & 8.8)

It is important to note that the surge in imports during 2003-06 was on the back of strong economic growth which strengthened the domestic demand and consequently a pick up in investment. In contrast, the surge in this year's import is not because of any structural shift in demand but because of the rising international commodity prices such as oil and palm oil and one-off increase in the import of wheat and fertilizer. Imports of petroleum products and edible oil alone contributed 47 percent to the rise of this year's import. Additional 18.7 percent contribution came from one of the element that is import of wheat and fertilizer. Together these four items accounted for two third growth in this year's import (see Table 8.8).

**Table 8.7: Structure of Imports**

(\$ Million)

| Particulars                      | July-April    |               | Absolute Increase | % Change    | Contribution to import growth (%) |
|----------------------------------|---------------|---------------|-------------------|-------------|-----------------------------------|
|                                  | 2007-08*      | 2006-07       |                   |             |                                   |
| <b>A. Food Group</b>             | <b>3523.7</b> | <b>2371.8</b> | <b>1151.9</b>     | <b>48.6</b> | <b>16.3</b>                       |
| Milk & milk food                 | 63.6          | 66.1          | -2.5              | -3.8        | 0.0                               |
| Wheat Unmilled                   | 818.6         | 41.6          | 777.0             | 1869.7      | 11.0                              |
| Dry fruits                       | 67.6          | 56.6          | 10.9              | 19.3        | 0.2                               |
| Tea                              | 167.4         | 184.3         | -16.9             | -9.1        | -0.2                              |
| Spices                           | 63.7          | 45.2          | 18.5              | 40.9        | 0.3                               |
| Edible Oil (Soyabean & Palm Oil) | 1309.2        | 768.4         | 540.8             | 70.4        | 7.7                               |
| Sugar                            | 13.3          | 256.1         | -242.8            | -94.8       | -3.4                              |
| Pulses                           | 151.8         | 218.5         | -66.7             | -30.5       | -0.9                              |
| <b>B. Machinery Group</b>        | <b>4224.5</b> | <b>3953.6</b> | <b>270.9</b>      | <b>6.9</b>  | <b>3.8</b>                        |
| Power Gen. Machines              | 851.8         | 616.5         | 235.4             | 38.2        | 3.3                               |

| Particulars                       | July-April     |                | Absolute Increase | % Change    | Contribution to import growth (%) |
|-----------------------------------|----------------|----------------|-------------------|-------------|-----------------------------------|
|                                   | 2007-08*       | 2006-07        |                   |             |                                   |
| Office Machines                   | 248.3          | 268.0          | -19.7             | -7.4        | -0.3                              |
| Textile Machinery                 | 359.8          | 428.4          | -68.6             | -16.0       | -1.0                              |
| Const. & Mining Mach.             | 206.1          | 154.9          | 51.2              | 33.1        | 0.7                               |
| Aircraft Ships and Boats          | 823.7          | 876.1          | -52.4             | -6.0        | -0.7                              |
| Agri. Machinery                   | 122.7          | 143.2          | -20.6             | -14.4       | -0.3                              |
| Other Machinery                   | 1612.1         | 1466.5         | 145.6             | 9.9         | 2.1                               |
| <b>C. Petroleum Group</b>         | <b>8670.4</b>  | <b>5896.6</b>  | <b>2773.8</b>     | <b>47.0</b> | <b>39.2</b>                       |
| Petroleum Products                | 4650.8         | 3027.7         | 1623.0            | 53.6        | 23.0                              |
| Petroleum Crude                   | 4019.6         | 2868.9         | 1150.8            | 40.1        | 16.3                              |
| <b>D. Consumer Durables</b>       | <b>1703.9</b>  | <b>1731.3</b>  | <b>-27.3</b>      | <b>-1.6</b> | <b>-0.4</b>                       |
| Elect. Mach. & App.               | 607.7          | 531.6          | 76.1              | 14.3        | 1.1                               |
| Road Motor Veh.                   | 1096.3         | 1199.7         | -103.4            | -8.6        | -1.5                              |
| <b>E. Raw Materials</b>           | <b>5325.8</b>  | <b>3841.5</b>  | <b>1484.3</b>     | <b>38.6</b> | <b>21.0</b>                       |
| Synthetic fibre                   | 240.3          | 193.6          | 46.7              | 24.1        | 0.7                               |
| Silk yarn (Synth & Arti)          | 240.0          | 193.7          | 46.3              | 23.9        | 0.7                               |
| Fertilizer                        | 823.3          | 280.9          | 542.4             | 193.1       | 7.7                               |
| Insecticides                      | 80.3           | 79.5           | 0.8               | 1.0         | 0.0                               |
| Plastic material                  | 1068.3         | 951.2          | 117.0             | 12.3        | 1.7                               |
| Iron & steel and Scrap            | 511.6          | 294.0          | 217.7             | 74.0        | 3.1                               |
| Other Chemical Products           | 2362.0         | 1848.5         | 513.5             | 27.8        | 7.3                               |
| <b>F. Telecom</b>                 | <b>1890.1</b>  | <b>1868.6</b>  | <b>21.5</b>       | <b>1.2</b>  | <b>0.3</b>                        |
| <b>G. Others</b>                  | <b>6722.6</b>  | <b>5329.6</b>  | <b>1393.0</b>     | <b>26.1</b> | <b>19.7</b>                       |
| <b>Total</b>                      | <b>32061.1</b> | <b>24993.0</b> | <b>7068.1</b>     | <b>28.3</b> | <b>100.0</b>                      |
| Excluding Petroleum Group         | 23390.7        | 19096.4        | 4294.3            | 22.5        | 60.8                              |
| Excluding Petroleum & Food Groups | 19867          | 16724.6        | 3142.4            | 18.8        | 55.5                              |

\* Provisional

Source: Federal Bureau of Statistics.

|                      | July-April |         | Absolute Increase | % Change | Percentage Contribution |
|----------------------|------------|---------|-------------------|----------|-------------------------|
|                      | 2006-07    | 2007-08 |                   |          |                         |
| Total Imports        | 24993.0    | 32061.1 | 7068.1            | 28.3     | 100.0                   |
| A. Food Group        | 2371.8     | 3523.7  | 1151.9            | 48.6     | 16.3                    |
| B. Machinery Group   | 3953.6     | 4224.5  | 270.9             | 6.9      | 3.8                     |
| C. Petroleum Group   | 5896.6     | 8670.4  | 2773.8            | 47.0     | 39.2                    |
| D. Consumer Durables | 1731.3     | 1703.9  | -27.3             | -1.6     | -0.4                    |
| Elect. Mach. & App.  | 531.6      | 607.7   | 76.1              | 14.3     | -1.1                    |
| Road Motor Vehicles  | 1199.7     | 1096.3  | -103.4            | -8.6     | -1.5                    |
| E. Raw Materials     | 3841.5     | 5325.8  | 1484.3            | 38.6     | 21.0                    |
| F. Telecom           | 1868.6     | 1890.1  | 21.5              | 1.2      | 0.3                     |
| G. Others            | 5329.6     | 6722.6  | 1393.0            | 26.1     | 19.7                    |

Source: Federal Bureau of statistics.

The surge in international commodity and oil prices is reflected in Pakistan's import bill. Pakistan import was inflated by \$ 4099 million in the first ten (July-April) months of the current fiscal year mainly on account of higher international prices of commodities, including oil.

Pakistan's trade balance would not have worsened so much if the unit value of few items listed in Table 8.9 remained at last year's level. Pakistan's import would have been lowered by \$ 4099 million and import growth would have been 12 percent and not 28.3 percent as reported in Table 8.9

**Table 8.9: Additional Import Bill as a Result of the Rise in Import Prices (July- April 2007-08\*)** (\$ Million)

| Commodity          | Actual Imports | Imports at Last Year's Prices | Additional Bill (Gains/Losses) |
|--------------------|----------------|-------------------------------|--------------------------------|
| Soya bean Oil      | 92.1           | 32.2                          | 59.9                           |
| Palm Oil           | 1217.0         | 736.2                         | 480.8                          |
| Petroleum Products | 4650.8         | 3027.7                        | 1623.1                         |
| Petroleum Crude    | 4019.6         | 2868.9                        | 1150.7                         |
| Fertilizer         | 823.3          | 280.9                         | 542.4                          |
| Plastic Material   | 1068.3         | 951.2                         | 117.1                          |
| Medicinal Products | 427.7          | 351.7                         | 76.0                           |
| Iron & Steel       | 1039.6         | 990.1                         | 49.5                           |
| <b>Total</b>       | <b>13338.4</b> | <b>9238.9</b>                 | <b>4099.5</b>                  |

\*Provisional

Source: FBS &amp; E.A. Wing, Finance Division.

### Trends in Monthly Imports

Trend in the monthly import shows that except for the month of December and April, the imports during July-April, 2007-08 remained consistently higher compared to the same months of last year. Imports averaged \$ 3.1 billion per month during this period as against \$ 2.7 billion for the comparable period last year. Trends in monthly imports are documented in Table 8.10.

### Concentration of Imports

Like exports, Pakistan's imports are also highly concentrated in few items namely, machinery, petroleum & petroleum products, chemicals, transport equipments, edible oil, iron & steel, fertilizer and tea. These eight categories of imports accounted for 75.5 percent of total imports during the first nine months (July-March) of current fiscal year. Among these categories machinery, petroleum & petroleum products and chemicals

accounted for 57.3 percent of total imports. The annual percentage share of major imports is given in Table 8.11 which further strengthens the fact that concentration of imports has remained, by and large, unchanged over the last one decade.

**Table 8.10 Monthly Imports**

| Month                  | (\$ Million)  |               |
|------------------------|---------------|---------------|
|                        | 2006-07       | 2007-08       |
| July                   | 2459.9        | 2573.8        |
| August                 | 2523.6        | 2747.4        |
| September              | 2442.3        | 2734.9        |
| October                | 2131.1        | 3384.7        |
| November               | 2773.6        | 3161.2        |
| December               | 2564.2        | 2348.8        |
| January                | 2329.9        | 3529.5        |
| February               | 2572.3        | 3659.2        |
| March *                | 2622.6        | 3823.3        |
| April                  | 4100.0        | 2573.5        |
| <b>Monthly Average</b> | <b>2652.0</b> | <b>3053.6</b> |

\*Provisional Source: Federal Bureau of Statistics.

**Table 8.11: Pakistan's Major Imports** (Percentage Share)

| Commodities          | 96-97 | 98-99 | 99-00 | 00-01 | 01-02 | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 | 07-08* |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Machinery **         | 23.1  | 17.9  | 13.9  | 19.3  | 17.1  | 18.5  | 17.8  | 22.5  | 18.0  | 21.9  | 18.4   |
| Petroleum & Products | 19.0  | 15.5  | 27.2  | 31.3  | 27.1  | 25.1  | 20.3  | 19.4  | 22.3  | 24.0  | 26.5   |
| Chemicals @          | 13.4  | 16.6  | 17.5  | 20.0  | 15.9  | 15.1  | 16.1  | 15.5  | 13.4  | 13.0  | 12.4   |
| Transport Equipments | 4.7   | 5.7   | 5.5   | 4.0   | 4.8   | 5.6   | 5.6   | 6.2   | 7.7   | 7.6   | 5.7    |
| Edible Oil           | 5.1   | 8.7   | 4.0   | 3.1   | 3.8   | 4.8   | 4.2   | 3.7   | 2.7   | 3.1   | 4.2    |
| Iron & Steel         | 3.9   | 3.1   | 3.0   | 2.6   | 3.3   | 3.3   | 3.3   | 4.3   | 5.1   | 4.9   | 3.3    |
| Fertilizer           | 3.2   | 2.8   | 1.9   | 1.6   | 1.7   | 2.1   | 1.8   | 2.0   | 2.4   | 1.5   | 2.7    |
| Tea                  | 1.1   | 2.4   | 2.0   | 1.9   | 1.5   | 1.4   | 1.2   | 1.1   | 0.9   | 0.7   | 0.5    |
| Sub-Total            | 73.5  | 72.7  | 75.0  | 83.8  | 75.2  | 75.9  | 70.3  | 74.7  | 72.5  | 76.7  | 73.7   |
| Others               | 26.5  | 27.3  | 25.0  | 16.2  | 24.8  | 24.1  | 29.7  | 25.3  | 27.5  | 23.3  | 26.3   |
| Total                | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0  |

\* July-March (Provisional)

Source: Ministry of Commerce &amp; FBS

\*\* Excluding Transport Equipments, @ Excluding Fertilizer

**Composition of Imports**

The composition of Pakistan's import shows that they had not witnessed any significant change over the last ten –fifteen years. The share of raw material for consumer goods had been on a rise while that for capital goods had almost remained stagnant. The upward movement observed by the share of capital goods owes to higher level of investment in the country. However, the declining share of consumer goods is on account of higher domestic production. Composition of imports

during the first nine months of the current fiscal year (July-March, 2007-08) shows that share of consumer goods stood at 10 percent and capital goods declined to 31 percent from 37 percent, while that of raw material for consumer goods increased by five percentage point from 46 to 51, due to higher domestic production. The share of raw material for capital goods also increased by 1 percentage point during this period owing to higher level of investment. The details are given in Table 8.12.

**Table 8.12: Composition of Imports** (% Share)

| Year       | Capital Goods | Raw Material for |                | Consumer Goods | Total  |
|------------|---------------|------------------|----------------|----------------|--------|
|            |               | Capital Goods    | Consumer Goods |                |        |
| 1990-91    | 33            | 7                | 45             | 16             | 100.0  |
| 1992-93    | 42            | 6                | 38             | 14             | 100.0  |
| 1994-95    | 35            | 5                | 46             | 14             | 100.0  |
| 1996-97    | 37            | 5                | 44             | 15             | 100.0  |
| 1998-99    | 31            | 6                | 47             | 16             | 100.0  |
| 99-2000    | 26            | 6                | 54             | 14             | 100.0  |
| 2000-01    | 25            | 6                | 55             | 14             | 100.0  |
| 2001-02    | 28            | 6                | 55             | 11             | 100.0  |
| 2002-03    | 31            | 6                | 53             | 10             | 100.0  |
| 2003-04    | 35            | 6                | 49             | 9              | 100.0  |
| 2004-05    | 36            | 8                | 46             | 10             | 100.0  |
| 2005-06    | 37            | 7                | 45             | 11             | 100.0  |
| 2006-07    | 36            | 7                | 47             | 10             | 100.00 |
| July-March |               |                  |                |                |        |
| 2006-07    | 37            | 7                | 46             | 10             | 100.0  |
| 2007-08 *  | 31            | 8                | 51             | 10             | 100.0  |

\* Provisional

Source: Federal Bureau of Statistics

**Direction of Imports**

Like exports, Pakistan's imports are also highly concentrated in few countries. USA, Japan, Kuwait, Saudi Arabia, Germany, the UK and Malaysia have been the major sources of Pakistan's imports since last ten years. Over 40

percent of Pakistan's imports continue to originate from these seven countries. During first nine months (July-March) of the current fiscal year, Saudi Arabia, followed by USA and Japan had been the major supplier of our imports. [See Table 8.13].

**Table 8.13: Major Sources of Imports** (Percentage Share)

| Country         | 98-99 | 99-00 | 00-01 | 01-02 | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 | 07-08* |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| U.S.A.          | 7.7   | 6.3   | 5.3   | 6.7   | 6.0   | 8.5   | 7.6   | 5.8   | 7.5   | 7.2    |
| Japan           | 8.3   | 6.3   | 5.3   | 5.0   | 6.6   | 6.0   | 7.0   | 5.4   | 5.7   | 4.6    |
| Kuwait          | 5.9   | 12.0  | 8.9   | 7.1   | 6.6   | 6.4   | 4.6   | 6.2   | 5.7   | 6.6    |
| Saudi Arabia    | 6.8   | 9.0   | 11.7  | 11.6  | 10.7  | 11.4  | 12.0  | 11.2  | 11.4  | 11.7   |
| Germany         | 4.1   | 4.1   | 3.5   | 4.3   | 4.6   | 3.9   | 4.4   | 4.7   | 3.9   | 3.2    |
| U.K.            | 4.3   | 3.4   | 3.2   | 3.4   | 2.9   | 2.8   | 2.6   | 2.8   | 2.3   | 2.0    |
| Malaysia        | 6.7   | 4.3   | 3.9   | 4.4   | 4.6   | 3.9   | 2.6   | 3.0   | 3.1   | 3.9    |
| Sub-Total       | 43.8  | 45.4  | 41.8  | 42.5  | 42.0  | 42.9  | 40.8  | 39.3  | 39.6  | 38.5   |
| Other Countries | 56.2  | 54.6  | 58.2  | 57.5  | 58.0  | 57.1  | 59.2  | 60.7  | 60.4  | 61.5   |
| Total           | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0  |

\*July-March

Source: Ministry of Commerce

The international surge in oil and commodity prices have led to an increase in the import bill of petroleum and some essential food items, thus causing deterioration in terms of trade. The terms of trade with base year 1990-91 (equal to 100) aggregated to 58.35 during 2007-08 as compared to 64.1 of 2006-07, showing a deterioration of 9

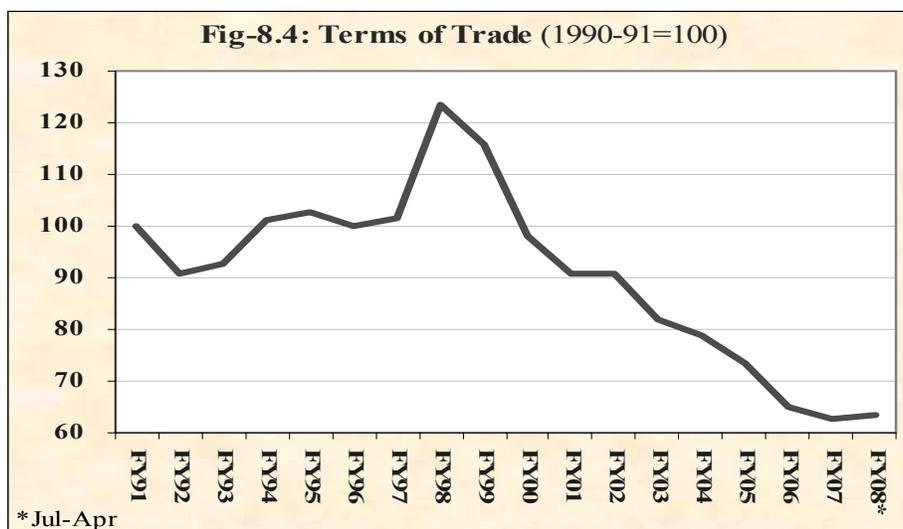
percent. The deterioration in the terms of trade has also contributed to deterioration of the current account deficit. The reason for deterioration of terms of trade index is the unit value index of imports is rising at a faster pace than unit value of exports. This sharp decline in terms of trade is also depicted in fig 8.4.

**Table 8.14: Unit Value Indices and Terms of Trade (Base year 1990-91 = 100)**

| Year       | Unit Value Indices |         | Terms of Trade |
|------------|--------------------|---------|----------------|
|            | Exports            | Imports |                |
| 1995-96    | 185.4              | 185.5   | 99.9           |
| 1997-98    | 245.6              | 198.9   | 123.5          |
| 1998-99    | 258.4              | 223.3   | 115.7          |
| 99-2000    | 253.8              | 259.0   | 98.0           |
| 2000-01    | 271.5              | 298.4   | 91.0           |
| 2001-02    | 271.2              | 298.6   | 90.8           |
| 2002-03    | 254.0              | 309.5   | 82.1           |
| 2003-04    | 279.6              | 355.4   | 78.7           |
| 2004-05    | 288.8              | 392.5   | 73.6           |
| 2005-06    | 299.3              | 460.4   | 65.0           |
| 2006-07    | 310.03             | 495.33  | 62.59          |
| July-March |                    |         |                |
| 2006-07    | 308.62             | 481.47  | 64.10          |
| 2007-08 *  | 334.83             | 573.82  | 58.35          |

\* Provisional.

Source: Federal Bureau of Statistics

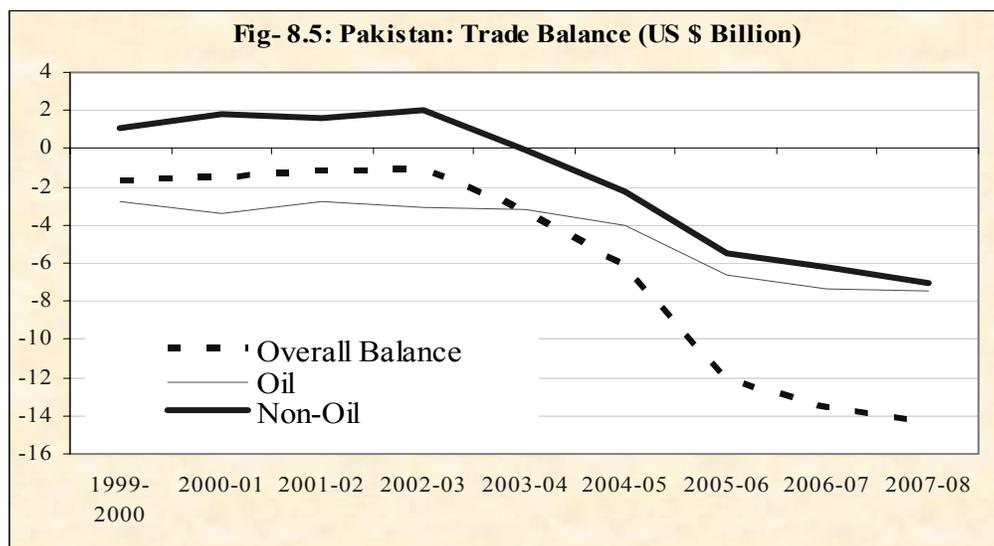


### Trade Balance:

Pakistan's merchandise trade deficit has been in the range of \$ 2 billion during 2000-2003 but started deteriorating thereafter at the back of surging oil import bill; continued strength in domestic demand, triggering consequential pick up in investment; continuous occurring of one-off

imports (sugar, wheat, oil rigs, commercial aircraft etc.) and abrupt and sharp deceleration in export growth, particularly in 2006-07 (see Fig 8.5). Merchandise trade deficit jumped from \$ 2 billion in 2002-03 to \$12 billion by 2005-06—several fold increase in just three years. The recent deterioration in merchandise trade deficit over the last two years owes mainly to the continued robust

domestic demand in the back of strong economic growth and an extraordinary rise in the international oil and food prices causing import bills to surge at new highs.



During the first ten months of the current fiscal year (July- April), the merchandise trade deficit worsened sharply to \$ 11 billion as compared to \$ 11 billion in the same period last year. The surge in merchandise trade deficit owes to an outsized increase of 28.3 percent in imports that more than offset a modest export growth 10.2 percent. On the basis of existing trend, the trade deficit is likely to touch \$ 20.5 billion or 12.3 percent of GDP during 2007-08.

### Current Account Balance

Pakistan's current account deficit (CAD) further widened to US\$ 11.6 billion during Jul-Apr FY08 against US\$ 6.6 billion in the comparable period of last year, showing an increase of 75.6 percent. Even when compared to the size of the economy, CAD was substantially high at 6.9 percent of GDP during Jul-April FY08 as against 4.6 percent for the same period last year [See Table 8.15]. The deterioration in current account deficit mainly emanated from the sharply rising trade deficit along with increase in net outflows from services and income account. Services account deficit widened by 44.2 percent during Jul-April FY08 to reach \$ 5.6 billion. This deterioration was contributed by relatively high import growth and decline in export of services. However, the strong growth in current transfers on the back of impressive growth in remittances almost entirely

offset the deficit in services and income account thereby leaving trade deficit as the fundamental source of expansion in current account deficit. The current transfers witnessed an impressive increase of 16.4 percent during Jul- April FY08 on the back of strong growth in both private and official transfers. [See Table 8.15]

Month-wise trend in current account deficit can be categorized into two distinguished periods. In the initial four month (Jul-Oct) of FY08, the current account deficit depicted some improvement on the back of small recovery in exports (non-textile) and slowdown in import growth. However, this improvement could not be sustained in the subsequent months. As a result, during Nov-Apr FY08, the trade deficit widened sharply, resulting in higher current account deficit.

Financing of current account deficit witnessed some compositional shift during Jul-Apr FY08 compared to previous years. Specifically, unlike Jul-Apr FY07, when current account deficit was comfortably financed from surplus in the financial account, during Jul-Apr FY08 the deficit was financed through a mix of surplus in financial account and drawdown of foreign exchange reserves. Surplus in financial account declined sizeably during Jul-April FY08 as compared to last two years. A large part of this decline was a result

of lower inflows in both foreign portfolio investment and foreign direct investment, resulting in overall decline of 39.2 percent in net foreign investment during Jul-April FY08 (as compared to substantial inflows in the same period last year). Other investment however, recorded considerable

inflows during Jul-April FY08 which mainly reflects higher inflows in earthquake loans (US\$516 million) and receipt of short term loans (net US \$ 561 million from Islamic Development Bank (IDB)).

**Table 8.15: Balance of Payments**

(\$ Million)

| Components                            | 2005-06 | 2006-07 | July-April |            |
|---------------------------------------|---------|---------|------------|------------|
|                                       |         |         | 2006-07    | 2007-08(P) |
| Trade balance                         | -8236   | -9495   | -8117      | -12595     |
| Exports (fob)                         | 16388   | 17119   | 13903      | 15991      |
| Imports (fob)                         | 24624   | 26614   | 22020      | 28586      |
| Services (net)                        | -7302   | -7968   | -6957      | -8777      |
| Private transfers (net)               | 9914    | 10102   | 8222       | 9299       |
| Workers remittances                   | 4600    | 5494    | 4450       | 5319       |
| Current account balance               |         |         |            |            |
| Excluding official transfers          | -5624   | -7361   | -6852      | -12073     |
| Current account balance               |         |         |            |            |
| Including official transfers          | -4990   | -6878   | -6628      | -11586     |
| Long term capital (net)               | 4642    | 9856    | 7056       | 5325       |
| Changes in reserves (- ve = Increase) | -675    | -4183   | -764       | 6225       |

P: Provisional

Source: State Bank of Pakistan

**Worker's Remittances**

As in the previous year, worker's remittances registered commendable growth during Jul-Apr FY08, growing by 19.5 percent on top of 22.7 percent growth in the corresponding period of last year. Remittances routed through exchange companies contributed 60.2 percent in the overall remittances growth. As a result, foreign exchange companies share in overall remittances increased to 23.8 percent during Jul-April FY08 from 16.7 percent for same period last year [See Table 8.16]. Part of strong growth in remittances is probably a consequence of rising costs of living at home which is eroding purchasing power of remittances.

A greater share in remittances growth was that of oil rich gulf-region Kuwait, Bahrain, Qatar, Oman, Saudi Arabia and United Arab Emirates and from the United State of America.(See Table 8.17). Increase in remittance to Pakistan in recent years is in line with the international trends. The world top fifteen remittances recipient countries have experienced increase in remittances in the last two years. Pakistan registered third highest growth (19.6 percent) in remittances during 2006 and highest growth (19.1 percent) in 2007 among the top fifteen countries. As a result, Pakistan has become world's 12<sup>th</sup> largest remittances recipient country during 2007 from 17<sup>th</sup> in 2005.

**Table-8.16: Workers' Remittances**

(\$ Million)

| Monthly Cash Inflow * | 2006-07 | 2007-08* | % Change |
|-----------------------|---------|----------|----------|
| July                  | 377     | 495.4    | 31.4     |
| August                | 434.8   | 489.4    | 12.5     |
| September             | 421.7   | 516.1    | 22.4     |
| October               | 410.6   | 580.2    | 41.3     |
| November              | 448.6   | 505.3    | 12.6     |
| December              | 475.2   | 479.1    | 0.8      |
| January               | 391.3   | 557.1    | 42.4     |
| February              | 457.2   | 502.8    | 10       |
| March                 | 520.2   | 602.2    | 15.8     |
| April                 | 513.4   | 590.7    | 15.1     |
| July-April            | 4450.1  | 5318.2   | 19.5     |
| Monthly average       | 445.0   | 531.8    | 19.5     |

\* Including FEBCs and FCBCs

Source: State Bank of Pakistan

**Table-8.17: Country/Region Wise Cash Workers' Remittances**

(\$ Million)

| Country / Region    | July-April<br>2006-07 | July-April*<br>2007-08 | % Change | % Share |
|---------------------|-----------------------|------------------------|----------|---------|
| USA                 | 1176.1                | 1463.7                 | 24.5     | 27.5    |
| UK                  | 354.6                 | 379.0                  | 6.9      | 7.1     |
| Saudi Arabia        | 827.6                 | 1001.7                 | 21.0     | 18.8    |
| UAE                 | 673.5                 | 907.5                  | 34.7     | 17.1    |
| Other GCC Countries | 609.9                 | 795.2                  | 30.4     | 15.0    |
| EU Countries        | 123.1                 | 147.7                  | 20.0     | 2.8     |
| Others Countries    | 683.1                 | 622.1                  | -8.9     | 11.7    |
| Total               | 4447.9                | 5316.9                 | 19.5     | 100.00  |

\* Provisional

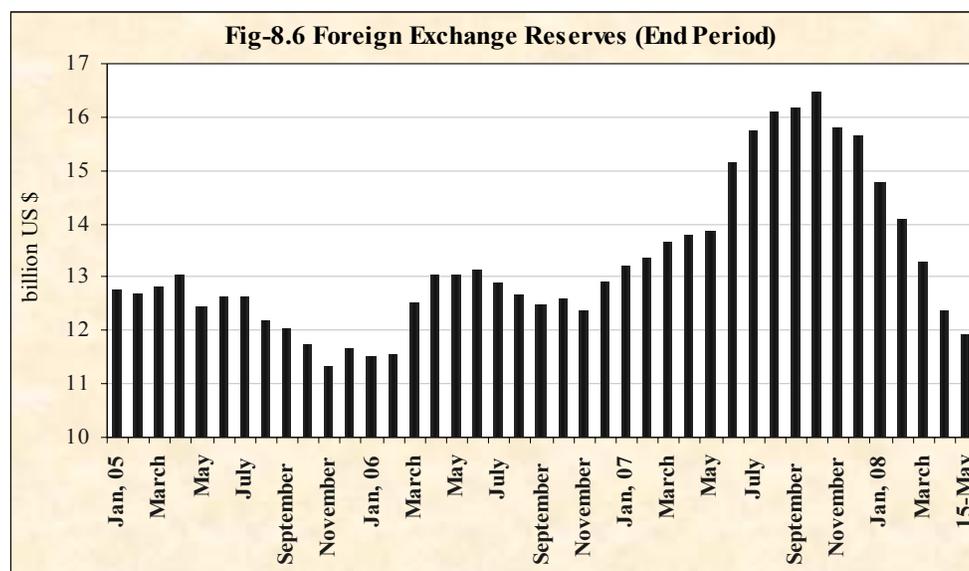
Source: State Bank of Pakistan

### Foreign Exchange Reserves

Pakistan's total foreign exchange reserves stood at \$ 12,344 million as of end April 2008, significantly lower than end June 2007 level of \$15,646 million (see Figure 8.6). During the current year, movement in foreign exchange reserves can be divided into two distinct periods. In the first period, reserves peaked to \$ 16,443 million at end Oct-2007 while the second period showed significant depletion of \$ 4.1 billion during Nov-Apr FY08. During Jul-Oct 2007, reserves improved by 5.1 percent due to relatively lower

current account deficit and substantial inflows in the financial account. However, October onwards, net outflows from portfolio investment, and steep rise in the current account deficit led to a sharp decline in the foreign exchange reserves of the country.

Reserve adequacy in terms of weeks of import eroded during Jul-Apr FY08, to 19.4 weeks of imports down from 30.6 weeks in June 2007, mainly due to combined impact of surge in imports and drawdown of reserves.



### Exchange Rate

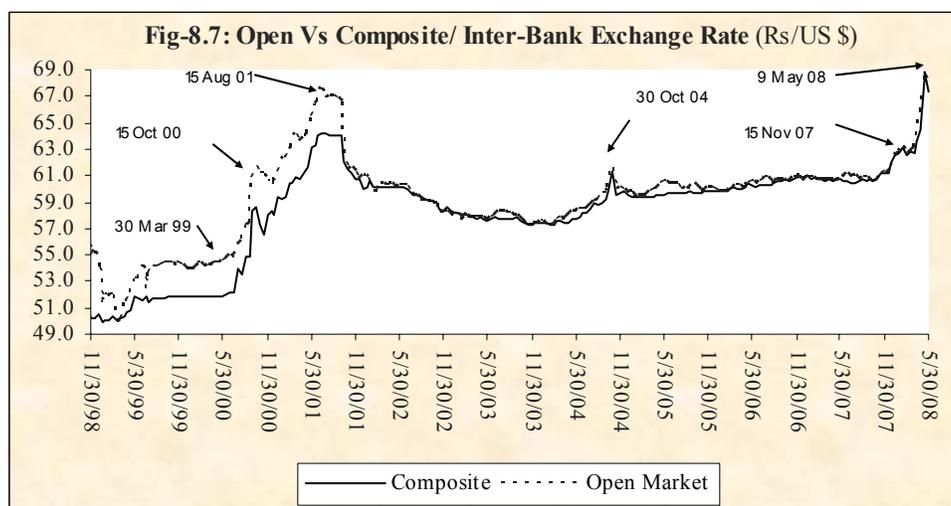
Effective from May 19, 1999 the exchange rate in Pakistan has been unified with the introduction of market-based floating exchange rate system, under which the exchange rate is determined by the demand and supply position in the foreign exchange market. The current exchange rate is

working under this floating exchange rate regime; however, the SBP do intervenes in market to smooth out volatility in exchange rate at times if it is required. Pak rupee after remaining stable for more than four years, lost significant value against the US dollar ,depreciating by 6.4 percent during July-April 2008.

The movements in the rupee/US\$ exchange rate largely followed the same pattern as witnessed in case of reserves. During the first four months of the current fiscal year Pak rupee remained more or less stable and depreciation in the value of rupee against the US dollar was only marginal. In sheer contrast, Nov-April FY08 period saw steep decline in the value of rupee, mirroring pressures in the foreign exchange market which arose after October, 2007 onwards. Beside the steep depreciation during July- April FY08, the exchange rate also remained much more volatile, particularly in mid-December 2007 onward. (See Fig 8.7) This prompted SBP to intervene in the market aggressively, helping reduce the day-to-day volatility in the exchange rate. However, these interventions were not aimed at arresting the fall in the value of Rupee against the US dollar. While deteriorating economic and political environment may have been responsible in large part for the steep fall in the value of rupee, a portion of the decline seems to be driven by speculative activity in the forex market. This is evident from the rising FC deposits and export bills outstanding in the second quarter of FY08.

Other than sharp depreciation, rupee dollar exchange rate also remained quite volatile during the last five months (Dec-April), with monthly standard deviation of exchange rate reaching 36.2 percent in February 2008 and touching as high as 64.5 percent in April 2008. Particularly during the month of February, the gap between minimum and maximum rupee exchange rate was very high, reflecting uncertainty in the market followed by optimism in pre- and post-election periods. During a very short period of 5 days before and after the elections, US \$/ rupee exchange rate went as high as Rs.63.1/US \$ and fell immediately after elections to Rs. 61.88 /US \$.

Further more, strengthening of Pak- Rupee following peaceful elections lends credence to the argument that speculators were attacking the currency to make quick gains. In fact, the SBP had to intervene in the market to arrest steep appreciation immediately following the election on 19 February 2008. Apparently strong reserves coupled with SBP's prompt actions to maintain calm in the forex market has been successful in arresting even steeper fall in the value of rupee.



The month of April and especially May has witnessed even a steeper decline and exchange rate remains more or less volatile. Pakistani rupee is continuously losing ground viz US and European currencies in the local currency market due to rising oil prices in the international market, widening of current account deficit and uncertain political situation in the country. These factors

coupled with the rising demand for dollar by the importers to cover their payment needs has led the rupee to breach Rs. 64 mark in the month of April, for the first time during last six years. With the rupee crossing \$ 64 Mark in the month of April, the cumulative depreciation of Rupee against Dollar during the first ten months (July- April) of current fiscal year turn out to be 6.4 percent. In

addition to this, the speculative dollar buying is also responsible for the rupee to reach historic lows. (See Fig 8.7)

### Rupee's Sharp Plunge and SBP Crackdown

A further deceleration of rupee value in month of May prompted SBP to take severe actions against the money exchangers to resist the sharp fall in the value of rupee. The rupee had reached to an all time low of Rs. 68 to one dollar on May 9, 2008 (See Fig 8.7). The recent sharp slide in the value of rupee against US dollar was driven by slow inflows and higher demand (organic and speculative) for dollar. To cool-off the foreign exchange market and curb speculations, the SBP has issued a circular to foreign exchange companies to remain vigilant. The SBP has taken following measures to stabilize exchange market

- i) Export companies are required to bring 25% of foreign currency exports by them in FCY accounts and maintained with Pakistani banks. It has been decided that a minimum of 15 % instead of 10 % of inward remittances must be sold in inter-bank market.
- ii) Advance payment against import is reduced from 100 % to 50 % of FOB and CFR.
- iii) All permissible inflows/outflows of exchange companies are to be routed only through FCY accounts maintained in Pakistan. All exchange companies are therefore required to close their existing Nostro Accounts abroad.

- iv) Beside the existing facility of accepting US \$ , the SBP will henceforth accept cash in Pound sterling, Euro, Dirham from the authorized dealers against credit in their Nostro accounts.

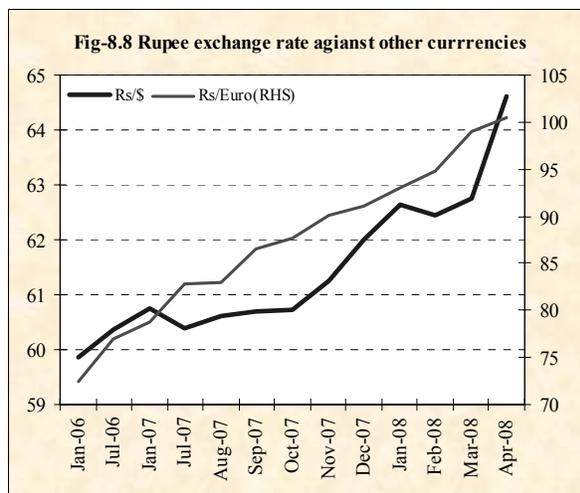
It is important to note that the SBP's recent move is against the speculators and not against investors and this should not be viewed as capital control. The SBP has halted the exports of non-dollar cash exports through exchange companies. This is a positive move as it would reduce the capital flight and restrict non-dollar outward remittances. But investors are free to send and receive profits and investment through the official channel (Special Convertible Rupee Account). Still Pakistan remains the best choice for investors as it allows 100% foreign ownership and does not discriminate foreign investors from domestic investors. The recent \$ 680 million Maybank strategic investment in MCB and Barclays bank investment of \$100 million reflect continued investor's confidence.

Rupee exchange rate against Euro also rose significantly during Jul-Apr 2008, from Rs. 81.775 per Euro at end June FY07 to Rs. 100.47 per Euro registering a depreciation of 18.6 percent. This steep depreciation in rupee value vis-à-vis Euro is a reflection of weakness of US dollar against Euro, coupled with rupee depreciation against US dollar. The movement of the Pak rupee exchange rate versus US dollar and Euro is given Fig.8.8

**Table 8.18: Average Exchange Rates and Premium**

|               | Inter Bank Rate (Rs / \$) | Open Market Rate (Rs/\$) | Premium (%) | Rs/ Euro |
|---------------|---------------------------|--------------------------|-------------|----------|
| January, 2006 | 59.857                    | 59.805                   | -0.09       | 72.42    |
| July, 2006    | 60.352                    | 60.825                   | 0.78        | 77.02    |
| January, 2007 | 60.737                    | 60.895                   | 0.26        | 78.71    |
| July, 2007    | 60.39                     | 60.97                    | 0.96        | 82.86    |
| August        | 60.61                     | 60.92                    | 0.51        | 82.92    |
| September     | 60.70                     | 60.72                    | 0.03        | 86.60    |
| October       | 60.72                     | 60.74                    | 0.03        | 87.65    |
| November      | 61.24                     | 61.33                    | 0.15        | 90.17    |
| December      | 62.00                     | 61.60                    | -0.65       | 91.05    |
| January, 2008 | 62.64                     | 62.65                    | 0.02        | 92.99    |
| February      | 62.45                     | 62.55                    | 0.16        | 94.86    |
| March         | 62.75                     | 63.20                    | 0.72        | 99.05    |
| April         | 64.60                     | 65.80                    | 1.86        | 100.47   |

Source: State Bank of Pakistan



by 10.76 percent rise in relative prices index, partly offset the depreciation in real terms to a large extent.[See Fig 8.9]

**Table 8.19: Real Effective Exchange Rate**

(Rupee Price of a Basket of 15 Currencies)

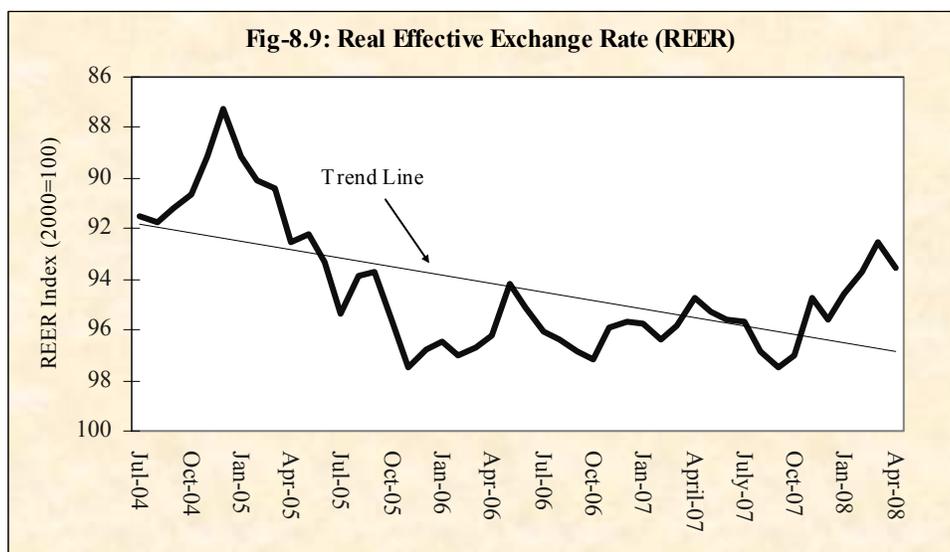
(2000=100)

End Month Position

|        |        |
|--------|--------|
| Jul-05 | 95.377 |
| Jan-06 | 96.460 |
| Jul-06 | 96.088 |
| Jan-07 | 95.746 |
| Jul-07 | 95.673 |
| Aug-07 | 96.824 |
| Sep-07 | 97.484 |
| Oct-07 | 96.991 |
| Nov-07 | 94.739 |
| Dec-07 | 95.57  |
| Jan-08 | 94.56  |
| Feb-08 | 93.67  |
| Mar-08 | 92.47  |
| Apr-08 | 93.44  |

### Real Effective Exchange Rate

During July-Apr FY08, real effective exchange rate of Pak rupee vis-à-vis a basket of currencies depreciated by 2.23 percent. In nominal terms, Pak rupee depreciated considerably (11.73 percent) against the trading partners currencies. However, inflationary pressures in the economy, as depicted



### SALIENT FEATURES OF TRADE POLICY 2007-08

Policies toward foreign trade are among the most important factors promoting economic growth and convergence in developing countries. More open and outward oriented economies consistently outperform countries with restrictive trade and

foreign investment regimes. The government of Pakistan is also fully aware of the importance of trade policies in economic growth of its nation. The government has a firm stance on the view that in the current era of globalization, free trade and intense competition, there are no short cuts to achieve export growth and economic development without perusing sound trade policies which should

promote export led growth and increase our share in international market. Since 1999, Pakistan has embarked on an export-led growth strategy which is being managed through successive trade policies. The trade policy 2007-08 is a continuation of the trade related initiatives which emphasize on export led growth strategy based on

- Improved market access
- Strengthening of trade promotion infrastructure
- Improving skill development and productivity
- Provision of state of the art physical infrastructure

Beside that, liberalization of import regime, to facilitate stakeholders (businessman and exporter) so that cost of doing business for them is reduced and they should create exportable surplus also reflect consistency and continuity in policies. The trade policy for FY 2007-08 encompasses certain export and import initiatives, the salient feature of which are explained as:

## **EXPORT INITIATIVES**

### **1. Financial and Commercial Support**

- Long term, Fixed Rate, Export Oriented Projects Financing Scheme- to enhance production capacity.
- Financial Support for compliance certifications for international quality, environment and social standards.
- Research and Development Support for the textile sector, leather garments & footwear, and to motorcycle industry on export of their products.
- Assistance for opening exporters offices abroad.
- Support for marketing of branded products.
- To encourage investment and facilities exports, scheme of export-oriented units has been introduced.

- Zero rating of sales tax for entire textile chain, leather products, surgical goods, carpets and sports goods.
- Zero rating of certain duty on priority export machinery sector such as Agriculture, Horticulture, Marble/granite, and Gem & Jewellery etc.
- Import of PSF under Duty Tax Remission for Export scheme (DTRE) for manufacture-cum-re-export.

### **2. Skill Development and Capacity Building**

- Establishment of Export Skills Development Council and Conversion of existing training institutes into Technological & Skill Development Resource Centres.
- Assistance for registration of pharmaceutical products in foreign countries.
- Enterprise capacity building of manufacturing units.
- Strengthening of industrial clusters in collaboration with UNIDO.

### **3. Marketing and Promotional Activities.**

- Permission to import semi-finished carpets on temporary basis for processing for exports given.
- The EPB has been replaced with the Trade Development Authority of Pakistan (TDAP), which will now focus on export marketing.
- Participation in international trade fairs and exhibitions.
- Holding annual Expo Pakistan International Exhibition at Karachi Expo Centre from 2005.
- Sending out trade delegations to foreign countries.

## IMPORTS MEASURES

- To enable the construction, mining and petroleum sector companies to meet their requirements of machinery and equipment, commercial importers have been allowed to import machinery/equipments/specialized machinery.
- To ensure that only genuine construction companies can avail the above facility, only those construction companies, which are registered with Pakistan Engineering Council, will be allowed to import secondhand plant machinery and equipment.
- The import of used heavy duty prime movers i.e. 380 HP and above, not more than four years old which are EURO-III complaint has been allowed.
- Pakistan based Associations and individual companies have also been allowed to import products for display and exhibitions subject to endorsement by TDAP.
- Mountaineering expeditions have also been allowed to import their requirements on import-cum-export basis without recourse to Ministry of Commerce.
- In respect of goods sent by overseas Pakistani, the authority to grant exemption from sales tax registration has been delegated to the Collector of Customs concerned instead of FBR.
- In order to prevent misuse of imported narcotic drugs and psychotropic substances, pharmaceutical units having valid drugs manufacturing licenses will be allowed to import these substances on the authorization of Ministry of Health. Import of formaldehyde has been allowed only to industrial consumers who have valid licences issued by the environmental agency/deptt. Concerned under Pakistan Environmental Protection Act, 1979.
- To prevent the import of raw materials used in the manufacture of bullet proof jackets by anti-

state elements, it has been decided that such material may be allowed for import only on the recommendation of Ministry of Interior.

- To discourage import stolen and chassis tampered vehicles under the Personal Baggage, Gift and Transfer of Residence schemes, it has been decided that in addition to confiscation of the said vehicles, the importers will also be liable to such penalty as may be imposed by any other law for the time being in force. Re-export facility will also not be available for such vehicles.
- The input of waste, parings and scrap of polyethylene (PE) and polypropylene (PP) has been allowed with mandatory certification by the Government of the exporting country or certification by a pre-shipment inspection company in the exporting country specialized in this field.

## Bilateral and Regional Trade Agreements

Bilateral and Regional Trade Agreements commonly referred to as FTAs, PTAs or RTAs have emerged as salient feature of the contemporary trading scene. Such agreements contribute to the development of global trade and take members of PTAs/FTAs one step nearer to the multilateral trading regime. In addition, member countries to a FTA/PTA gain from economies of scale, competition and increased FDI. The Ministry of Commerce has initiated market access negotiations with various trading partners for two fundamental reasons (i) Seeking maximum market share for Pakistani export in foreign markets (ii) Ensuring level playing fields for Pakistani exporters vis-à-vis other competing exporters who have bilateral or regional arrangements of free trade or preferential trade rights in these markets. The detail about Free Trade Agreements (FTAs) or Preferential Trade Agreement (PTAs) concluded/operational from various dates is given in box-item 1.

**Box-Item 8.1 : Pakistan's FTAs/PTAs with trading Partners**

- Pakistan has signed a Free Trade Agreement (FTA) with Sri Lanka and it has been operationalized since 12<sup>th</sup> June, 2005.
- Pakistan has entered into a Preferential Trade Agreement (PTA) with Iran, which is operational since September 1, 2006.
- Pakistan is also a signatory of the South Asian Free Trade Agreement (SAFTA), which has become operational from July 1, 2006.
- Pakistan and China also initiated and concluded an Early Harvest Programme (EHP), which is in operation since January 1, 2007.
- The Pakistan Malaysia Agreement on the Early Harvest Programme was signed in October 1, 2005, which is operational from January 1, 2006.
- Pakistan and China has signed FTA with Malaysia including bilateral trade, investment and economic cooperation. This agreement has become operational on January 1, 2008.
- Pakistan has also signed a Preferential Trade Agree (PTA) with Mauritius on July 30, 2007.
- Pakistan is a signatory of the Preferential Trade Agreement among the OIC Member Countries (PRETAS) which was signed a February 17, 2007.
- Pakistan has also signed a Trade and Investment Framework Agreement with USA on June 25, 2003.
- In order to expand and promote trade relations, Pakistan started Free Trade Negotiations with the MERCOSUR countries, which concluded on a Framework Agreement on Trade, which was signed on July 21, 2006.
- Pakistan and Indonesia has also signed a comprehensive Economic Partnership Agreement in November 2005 to promote trade ties between the two countries.
- Five out of ten Member State signed the ECO Trade Agreement (ECOTA) in July 2003. The signatory members are Pakistan, Iran, Turkey, Afghanistan and Tajikistan.
- A Frame Agreement on Preferential Trade Agreement between Pakistan and Turkey was signed during the President of Pakistan's visit to Turkey in January 2004.
- Pakistan signed Preferential Trade Agreement among OIC Member Countries (PRETAS) on 17.02.2007.
- Pakistan-Mauritius Preferential Trade Agreement signed on 30.07.2007.
- Pakistan-Mauritius Preferential Trade Agreement signed on 30.7.2007.

**EFFORTS FOR MARKET ACCESS IN THE EU**

The following initiatives have been taken for increased market access in the European Union, which is Pakistan's single largest export market.

**i) PAK-EU FTA**

The European Community (EC) is embarking on initiating Free Trade Agreements (FTAs) with a few Asian economies including ASEAN, South Korea, China and India as WTO plus arrangements. The key economic criteria for new FTA partners are market potential (economy size and growth) and the level of protection against EU exports. The scope of upcoming EU FTAs will cover both goods and services. The upcoming FTAs will also cover both traditional and non-traditional trade barriers. Pakistan has approached the EU to persuade them to enter into FTA negotiations with Pakistan as well. A strategy has been launched with the approval of the Prime

Minister to convince EC that given the size of its market and huge market potential, Pakistan can be a credible FTA partner of EU.

**ii) MARKET ACCESS INITIATIVE IN NON-EU COUNTRIES**

Within Europe, Non-EU member countries are also targeted to sign preferential trade agreements (PTAs) leading to free trade agreements (FTAs). The countries targeted in this regard are Switzerland, Norway, Serbia, Montenegro, Bosnia, Croatia, Belarus, Ukraine EFTA (Europe Free Trade Agreement) as both Switzerland and Norway are the members of EFTA. Serbia and Bosnia have agreed to initiate negotiations with Pakistan for a PTA leading to FTA.

**iii) Russia:**

A draft text of PTA was sent to Russian for their consideration on May 12, 2006. Later on, their queries on the draft were clarified and their

response is now awaited. Lately, the issue has been discussed between the Prime Ministers of the two countries during the visit of the Russian Prime Minister on 12-13 April 2007.

### **WTO RELATED ISSUES**

Pakistan is a member of the World Trade Organization (WTO) since its inception in 1995. Currently there are 150 member countries of the WTO. Pakistan is actively participating in all current round of negotiation call Doha Development Agenda (DDA) negotiations, but its key interests lie in seeking market access and important in the Rules areas. Its foremost objective in these negotiations is to ensure removal of tariff peaks and high tariffs on products of export interest of Pakistan.

Pakistan believes that development concerns are spread all over the DDA. If an ambitious result is achieved in the DDA through removal of trade

distorting agricultural subsidies and reduction of tariff peaks in Agriculture and NAMA, liberalization of Services in modes and sectors of interest to developing countries and formulation of more transparent Rules on anti-dumping and trade facilitation, an overall development package will emerge.

Pakistan's Third Trade Policy review was held January, 2008 at the WTO Secretariat Geneva. It was noted during the review that Pakistan's economic growth had been impressive since its previous Trade Policy Review in 2002, mainly as a result of its relatively open trade and investment regimes. Generally accommodative macro-economic policies and structural reforms. Moreover, Pakistan's ranking on the UN human development index had risen from "low" to "medium". Poverty had fallen in line with the Government's 2003 poverty reduction strategy, although income inequality had widened slightly and rural poverty remained high.



TABLE 8.1

## BALANCE OF PAYMENTS

| Items  | (US \$ Million) |         |         |         |         |         |         |         |         |         |            |         |
|--|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------|---------|
|  |                 |         |         |         |         |         |         |         |         |         | July-April |         |
|  | 1997-98         | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2006-07    | 2007-08 |
|  |                 |         |         |         |         |         |         |         |         |         | (P)        |         |
| 1. Trade Balance                               | -1867           | -2085   | -1412   | -1269   | -294    | -444    | -1208   | -4352   | -8259   | -9495   | -8117      | -12595  |
| Exports (f.o.b)                                | 8434            | 7528    | 8190    | 8933    | 9140    | 10889   | 12396   | 14401   | 16388   | 17119   | 13903      | 15991   |
| Imports (f.o.b)                                | -10301          | -9613   | -9602   | -10202  | -9434   | -11333  | -13604  | -18753  | -24647  | -26614  | -22020     | -28586  |
| 2. Services (Net)                              | -3264           | -2618   | -2794   | -3142   | -2617   | -2128   | -3594   | -5841   | -7304   | -7968   | -6957      | -8776   |
| Receipts                                       | 1708            | 1409    | 1501    | 1464    | 2027    | 2967    | 2894    | 3837    | 4718    | 5239    | 3921       | 4229    |
| Payments                                       | -4972           | -4027   | -4295   | -4606   | -4644   | -5095   | -6488   | -9678   | -12022  | -13207  | -10878     | -13005  |
| Shipment                                       | -921            | -844    | -802    | -877    | -809    | -951    | -1253   | -1713   | -2203   | -2337   | -1939      | -2463   |
| Investment Income                              | -2454           | -1903   | -2135   | -2274   | -2430   | -2381   | -2394   | -2823   | -3451   | -4521   | -3632      | -4442   |
| Others   | -1597           | -1280   | -1358   | -1455   | -1405   | -1763   | -2841   | -5142   | -6368   | -6349   | -5307      | -6100   |
| 3. Private Unrequited Transfers (net)          | 3210            | 2274    | 3063    | 3898    | 4249    | 5737    | 6116    | 8440    | 9914    | 10102   | 8222       | 9299    |
| (Workers Remittances)                          | -1490           | -1060   | -983    | -1087   | -2389   | -4237   | 3871    | 4168    | 4600    | 5494    | 4450       | 5,319   |
| 4. Current Account Balance                     | -1921           | -2429   | -1143   | -513    | 1338    | 3165    | 1314    | -1753   | -5649   | -7361   | -6852      | -12072  |
| 5. Long-term Capital (net)                     | 1707            | 1836    | 525     | 171     | 1280    | 1035    | -201    | 2562    | 6016    | 10006   | 6485       | 5237    |
| Private Capital (net)                          | 617             | 466     | 277     | -68     | -177    | 225     | 691     | 1221    | 4153    | 7826    | 5414       | 3926    |
| Official Capital (net)@                        | 1090            | 1370    | 248     | 239     | 1457    | 810     | -892    | 1341    | 1863    | 2180    | 1071       | 1311    |
| 6. Basic Balance                               | -214            | -593    | -618    | -342    | 2618    | 4200    | 1113    | 809     | 367     | 2645    | -367       | -6835   |
| 7. Errors and Omissions (net)                  | -514            | -1375   | -2282   | 313     | 961     | 909     | -137    | -854    | 36      | 507     | 140        | -247    |
| 8. Balance Requiring Official Financing        | -728            | -1968   | -2900   | -29     | 3579    | 5109    | 976     | -45     | 403     | 3152    | -227       | -7082   |
| 9. Official Assistance & Debt Relief           | 422             | -1174   | -996    | 338     | -925    | -520    | -95     | 472     | 470     | 1051    | 976        | 692     |
| Medium and Short-Term Capital                  | 390             | -863    | -221    | 431     | -334    | -180    | -317    | 147     | -193    | -83     | -58        | 561     |
| Other Short-Term Assets/ Liabilities FEBC, DBC |                 |         |         |         |         |         |         |         |         |         |            |         |
| FEBC, Euro & Special US \$ Bonds (Net)         | 32              | -311    | -775    | -93     | -591    | -340    | 222     | 335     | 663     | 1134    | 1034       | 131     |
| 10. Exceptional Financing                      | 0               | 3966    | 3966    | 692     | 138     | 620     | -55     | -55     | -55     | 100     | 100        | 0       |
| 11. Change in Reserves (- ve = increase)       | 306             | -824    | -71     | -1001   | -2792   | -5209   | -826    | -372    | -818    | -4303   | -849       | 6390    |

@ Includes Official Unrequited Transfers

Source : State Bank of Pakistan

\* Includes Private Short-term Capital

(P) Provisional

TABLE 8.2

## COMPONENTS OF BALANCE OF PAYMENTS (AS PERCENT OF GDP)

| Year             | Exports ^ | Imports ^ | Trade Deficit ^ | Worker's Remittances # | Current Account Deficit # |
|------------------|-----------|-----------|-----------------|------------------------|---------------------------|
| 1980-81          | 10.5      | 19.3      | 8.7             | 7.5                    | 3.7                       |
| 1981-82          | 8.0       | 18.3      | 10.3            | 7.2                    | 5.0                       |
| 1982-83          | 9.4       | 18.7      | 9.3             | 10.1                   | 1.8                       |
| 1983-84          | 8.9       | 18.3      | 9.4             | 8.8                    | 3.2                       |
| 1984-85          | 8.0       | 19.0      | 11.0            | 7.9                    | 5.4                       |
| 1985-86          | 9.6       | 17.7      | 8.0             | 8.1                    | 3.9                       |
| 1986-87          | 11.1      | 16.1      | 5.1             | 6.8                    | 2.2                       |
| 1987-88          | 11.6      | 16.7      | 5.0             | 5.2                    | 4.4                       |
| 1988-89          | 11.7      | 17.6      | 5.9             | 4.7                    | 4.8                       |
| 1989-90          | 12.4      | 17.4      | 4.9             | 4.9                    | 4.7                       |
| 1990-91          | 13.5      | 16.7      | 3.3             | 4.1                    | 4.8                       |
| 1991-92          | 14.2      | 19.1      | 4.8             | 3.0                    | 2.8                       |
| 1992-93          | 13.3      | 19.4      | 6.1             | 3.0                    | 7.2                       |
| 1993-94          | 13.1      | 16.6      | 3.4             | 2.8                    | 3.8                       |
| 1994-95          | 13.5      | 17.2      | 3.7             | 3.1                    | 4.1                       |
| 1995-96          | 13.8      | 18.7      | 4.9             | 2.3                    | 7.2                       |
| 1996-97          | 13.4      | 19.1      | 5.7             | 2.3                    | 6.2                       |
| 1997-98          | 13.9      | 16.3      | 2.4             | 2.4                    | 3.1                       |
| 1998-99          | 13.3      | 16.1      | 2.8             | 1.8                    | 4.1                       |
| 1999-00          | 11.7      | 14.1      | 2.4             | 1.3                    | 1.6                       |
| 2000-01          | 12.9      | 15.1      | 2.1             | 1.5                    | 0.7                       |
| 2001-02          | 12.8      | 14.4      | 1.7             | 3.3                    | +1.9                      |
| 2002-03          | 13.5      | 14.8      | 1.3             | 5.1                    | +3.8                      |
| 2003-04          | 12.5      | 15.9      | 3.3             | 3.9                    | +1.3                      |
| 2004-05          | 13.0      | 18.5      | 5.5             | 3.7                    | 1.6                       |
| 2005-06          | 13.0      | 22.5      | 9.5             | 2.9                    | 4.5                       |
| 2006-07          | 11.8      | 21.2      | 9.4             | 3.8                    | 5.1                       |
| <u>Jul-April</u> |           |           |                 |                        |                           |
| 2006-07 *        | 9.6       | 17.3      | 7.5             | 3.09                   | 4.76                      |
| 2007-08 *        | 8.9       | 18.7      | 9.8             | 3.1                    | 7.06                      |

^ Based on the data compiled by FBS.

Source: FBS, SBP &amp; E.A.Wing, Finance Division.

# Based on the data compiled by SBP.

\*: Provisional

TABLE 8.3

## EXPORTS, IMPORTS AND TRADE BALANCE

| Year              | (Rs million)   |           |            |                 |         |         | (US \$ million) |         |         |                 |         |         |
|-------------------|----------------|-----------|------------|-----------------|---------|---------|-----------------|---------|---------|-----------------|---------|---------|
|                   | Current Prices |           |            | Growth Rate (%) |         |         | Current Prices  |         |         | Growth Rate (%) |         |         |
|                   | Exports        | Imports   | Balance    | Exports         | Imports | Balance | Exports         | Imports | Balance | Exports         | Imports | Balance |
| 1980-81           | 29,280         | 53,544    | -24264     | 25.07           | 14.10   | 3.17    | 2,958           | 5,409   | -2451   | 25.07           | 14.11   | 3.20    |
| 1981-82           | 26,270         | 59,482    | -33212     | -10.28          | 11.09   | 36.88   | 2,464           | 5,622   | -3158   | -16.70          | 3.94    | 28.85   |
| 1982-83           | 34,442         | 68,151    | -33709     | 31.11           | 14.57   | 1.50    | 2,694           | 5,357   | -2663   | 9.33            | -4.71   | -15.67  |
| 1983-84           | 37,339         | 76,707    | -39368     | 8.41            | 12.55   | 16.79   | 2,768           | 5,685   | -2917   | 2.75            | 6.12    | 9.54    |
| 1984-85           | 37,979         | 89,778    | -51799     | 1.71            | 17.04   | 31.58   | 2,491           | 5,906   | -3415   | -10.01          | 3.89    | 17.07   |
| 1985-86           | 49,592         | 90,946    | -41354     | 30.58           | 1.30    | -20.16  | 3,070           | 5,634   | -2564   | 23.24           | -4.61   | -24.92  |
| 1986-87           | 63,355         | 92,431    | -29076     | 27.75           | 1.63    | -29.69  | 3,686           | 5,380   | -1694   | 20.07           | -4.51   | -33.93  |
| 1987-88           | 78,445         | 112,551   | -34106     | 23.82           | 21.77   | 17.30   | 4,455           | 6,391   | -1936   | 20.86           | 18.79   | 14.29   |
| 1988-89           | 90,183         | 135,841   | -45658     | 14.96           | 20.69   | 33.87   | 4,661           | 7,034   | -2373   | 4.62            | 10.06   | 22.57   |
| 1989-90           | 106,469        | 148,853   | -42384     | 18.06           | 9.58    | -7.17   | 4,954           | 6,935   | -1981   | 6.29            | -1.41   | -16.52  |
| 1990-91           | 138,282        | 171,114   | -32832     | 29.88           | 14.96   | -22.54  | 6,131           | 7,619   | -1488   | 23.76           | 9.86    | -24.89  |
| 1991-92           | 171,728        | 229,889   | -58161     | 24.19           | 34.35   | 77.15   | 6,904           | 9,252   | -2348   | 12.61           | 21.43   | 57.80   |
| 1992-93           | 177,028        | 258,643   | -81615     | 3.09            | 12.51   | 40.33   | 6,813           | 9,941   | -3128   | -1.32           | 7.45    | 33.22   |
| 1993-94           | 205,499        | 258,250   | -52751     | 16.08           | -0.15   | -35.37  | 6,803           | 8,564   | -1761   | -0.15           | -13.85  | -43.70  |
| 1994-95           | 251,173        | 320,892   | -69719     | 22.23           | 24.26   | 32.17   | 8,137           | 10,394  | -2257   | 19.61           | 21.37   | 28.17   |
| 1995-96           | 294,741        | 397,575   | -102834    | 17.35           | 23.90   | 47.50   | 8,707           | 11,805  | -3098   | 7.01            | 13.58   | 37.26   |
| 1996-97           | 325,313        | 465,001   | -139688    | 10.37           | 16.96   | 35.84   | 8,320           | 11,894  | -3574   | -4.44           | 0.75    | 15.36   |
| 1997-98           | 373,160        | 436,338   | -63178     | 14.71           | -6.16   | -54.77  | 8,628           | 10,118  | -1490   | 3.70            | -14.93  | -58.31  |
| 1998-99           | 390,342        | 465,964   | -75622     | 4.60            | 6.79    | 19.70   | 7,779           | 9,432   | -1653   | -9.84           | -6.78   | 10.94   |
| 1999-00           | 443,678        | 533,792   | -90114     | 13.66           | 14.56   | 19.16   | 8,569           | 10,309  | -1740   | 10.15           | 9.30    | 5.26    |
| 2000-01           | 539,070        | 627,000   | -87930     | 21.50           | 17.46   | -2.42   | 9,202           | 10,729  | -1527   | 7.39            | 4.07    | -12.24  |
| 2001-02           | 560,947        | 634,630   | -73683     | 4.06            | 1.22    | -16.20  | 9,135           | 10,340  | -1205   | -0.73           | -3.63   | -21.09  |
| 2002-03           | 652,294        | 714,372   | -62078     | 16.28           | 12.57   | -15.75  | 11,160          | 12,220  | -1060   | 22.17           | 18.18   | -12.03  |
| 2003-04           | 709,036        | 897,825   | -188789    | 8.70            | 25.68   | 204.12  | 12,313          | 15,592  | -3279   | 10.33           | 27.59   | 209.34  |
| 2004-05           | 854,088        | 1,223,079 | -368991    | 20.46           | 36.23   | 95.45   | 14,391          | 20,598  | -6207   | 16.88           | 32.11   | 89.30   |
| 2005-06           | 984,841        | 1,711,158 | -726317    | 15.31           | 39.91   | 96.84   | 16,451          | 28,581  | -12130  | 14.31           | 38.76   | 95.42   |
| 2006-07           | 1,029,312      | 1,851,806 | -822494    | 4.52            | 8.22    | 13.24   | 16,976          | 30,540  | -13564  | 3.19            | 6.85    | 11.82   |
| <u>July-April</u> |                |           |            |                 |         |         |                 |         |         |                 |         |         |
| 2006-07           | 839,545        | 1,515,408 | -675863    | 4.31            | 10.42   | 19.08   | 13,847          | 24,993  | -11146  | 2.90            | 8.92    | 17.40   |
| 2007-08           | 940,484        | 1,979,103 | -1,038,619 | 12.02           | 30.60   | 53.67   | 15,255          | 32,061  | -16,806 | 10.17           | 28.28   | 50.70   |

P: Provisional

Source: FBS &amp; E. A. Wing, Finance Division.

TABLE 8.4

## UNIT VALUE INDICES AND TERMS OF TRADE (T.O.T) (1990-91 = 100)

| Groups                                     | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | (Indices)  |         |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------|---------|
|  |         |         |         |         |         |         |         |         |         | July-March |         |
|  |         |         |         |         |         |         |         |         |         | 2006-07    | 2007-08 |
| All Groups                                 |         |         |         |         |         |         |         |         |         |            |         |
| Exports                                    | 258.40  | 253.77  | 271.47  | 271.18  | 254.02  | 279.65  | 288.84  | 299.31  | 310.03  | 308.62     | 334.83  |
| Imports                                    | 223.32  | 259.03  | 298.44  | 298.56  | 309.52  | 355.43  | 392.45  | 460.38  | 495.33  | 481.47     | 573.82  |
| T.O.T.                                     | 115.71  | 97.97   | 90.96   | 90.83   | 82.07   | 78.68   | 73.60   | 65.01   | 62.59   | 64.10      | 58.35   |
| Food & Live Animals                        |         |         |         |         |         |         |         |         |         |            |         |
| Exports                                    | 221.84  | 234.95  | 249.32  | 260.55  | 258.11  | 267.55  | 303.93  | 327.47  | 350.75  | 346.47     | 419.74  |
| Imports                                    | 225.64  | 248.38  | 278.82  | 277.41  | 259.76  | 282.18  | 314.36  | 323.95  | 431.20  | 397.08     | 524.68  |
| T.O.T.                                     | 98.32   | 94.59   | 89.42   | 93.92   | 99.36   | 94.82   | 96.68   | 101.09  | 81.34   | 87.25      | 80.00   |
| Beverages & Tobacco                        |         |         |         |         |         |         |         |         |         |            |         |
| Exports                                    | 106.30  | 143.34  | 171.44  | 169.82  | 146.52  | 175.33  | 162.96  | 191.13  | 208.44  | 211.45     | 179.11  |
| Imports                                    | 561.35  | 532.21  | 698.92  | 790.14  | 598.00  | 521.88  | 561.23  | 621.67  | 675.14  | 686.41     | 616.86  |
| T.O.T.                                     | 18.94   | 26.93   | 24.53   | 21.49   | 24.50   | 33.60   | 29.04   | 30.74   | 30.87   | 30.81      | 29.04   |
| Crude Materials<br>(inedible except fuels) |         |         |         |         |         |         |         |         |         |            |         |
| Exports                                    | 214.68  | 169.85  | 192.12  | 158.90  | 171.58  | 218.86  | 195.64  | 209.97  | 225.52  | 227.98     | 270.71  |
| Imports                                    | 198.56  | 198.06  | 218.95  | 228.14  | 232.37  | 245.01  | 293.06  | 329.71  | 350.19  | 347.90     | 432.83  |
| T.O.T.                                     | 108.12  | 85.76   | 87.75   | 69.65   | 73.84   | 89.33   | 66.76   | 63.88   | 64.40   | 65.53      | 62.54   |
| Minerals, Fuels & Lubricants               |         |         |         |         |         |         |         |         |         |            |         |
| Exports                                    | 166.47  | 283.63  | 373.65  | 314.40  | 365.14  | 416.09  | 525.75  | 644.33  | 733.54  | 718.90     | 878.40  |
| Imports                                    | 108.55  | 206.30  | 276.87  | 249.66  | 297.20  | 306.38  | 389.16  | 615.00  | 632.08  | 633.89     | 754.57  |
| T.O.T.                                     | 153.36  | 137.48  | 134.96  | 125.93  | 122.86  | 135.81  | 135.10  | 104.77  | 116.05  | 113.41     | 116.41  |
| Chemicals                                  |         |         |         |         |         |         |         |         |         |            |         |
| Exports                                    | 263.37  | 276.51  | 282.36  | 281.54  | 270.05  | 265.61  | 277.23  | 312.89  | 362.50  | 361.87     | 377.24  |
| Imports                                    | 196.20  | 208.54  | 228.06  | 239.29  | 245.60  | 313.15  | 334.10  | 372.17  | 392.87  | 387.55     | 425.49  |
| T.O.T.                                     | 134.23  | 132.59  | 123.81  | 117.66  | 109.96  | 84.82   | 82.98   | 84.07   | 92.27   | 93.37      | 88.66   |
| Animal & Vegetable                         |         |         |         |         |         |         |         |         |         |            |         |
| Oils, Fats & Waxes                         |         |         |         |         |         |         |         |         |         |            |         |
| Exports                                    | -       | -       | -       | -       | -       | -       | -       | -       | -       | -          | -       |
| Imports                                    | 326.86  | 229.68  | 195.10  | 224.82  | 300.36  | 347.94  | 358.48  | 341.40  | 406.00  | 389.19     | 584.33  |
| T.O.T.                                     | -       | -       | -       | -       | -       | -       | -       | -       | -       | -          | -       |
| Manufactured Goods                         |         |         |         |         |         |         |         |         |         |            |         |
| Exports                                    | 275.59  | 266.96  | 279.04  | 281.83  | 248.93  | 274.02  | 284.72  | 289.58  | 300.76  | 298.60     | 313.11  |
| Imports                                    | 226.26  | 224.61  | 251.50  | 244.97  | 240.82  | 287.80  | 301.00  | 340.71  | 375.06  | 374.23     | 406.33  |
| T.O.T.                                     | 121.80  | 118.86  | 110.95  | 115.05  | 103.37  | 95.21   | 94.59   | 84.99   | 80.19   | 79.79      | 77.06   |
| Machinery and Transport                    |         |         |         |         |         |         |         |         |         |            |         |
| Equipment                                  |         |         |         |         |         |         |         |         |         |            |         |
| Exports                                    | 291.07  | 396.34  | 453.20  | 579.13  | 572.31  | 396.09  | 342.97  | 414.01  | 430.91  | 455.40     | 488.82  |
| Imports                                    | 355.79  | 417.87  | 470.20  | 481.18  | 450.67  | 537.55  | 561.15  | 538.14  | 580.85  | 531.68     | 597.69  |
| T.O.T.                                     | 81.81   | 94.85   | 96.38   | 120.36  | 126.99  | 73.68   | 61.12   | 76.93   | 74.19   | 86.65      | 81.78   |
| Miscellaneous Manufactured Articles        |         |         |         |         |         |         |         |         |         |            |         |
| Exports                                    | 259.80  | 263.04  | 292.47  | 298.40  | 294.67  | 318.55  | 324.17  | 342.71  | 340.99  | 341.38     | 351.05  |
| Imports                                    | 240.08  | 278.99  | 323.02  | 320.35  | 299.60  | 333.22  | 343.13  | 404.94  | 418.65  | 385.76     | 629.07  |
| T.O.T.                                     | 108.21  | 94.28   | 90.54   | 93.15   | 98.35   | 95.60   | 94.47   | 82.59   | 81.45   | 88.50      | 55.80   |

- Not applicable

Source: Federal Bureau of Statistics.

\* Provisional

TABLE 8.5

## ECONOMIC CLASSIFICATION OF EXPORTS AND IMPORTS (A. EXPORTS)

| Year        | (Rs million)        |                  |                   |                  |                    |                  |             |
|-------------|---------------------|------------------|-------------------|------------------|--------------------|------------------|-------------|
|             | Primary Commodities |                  | Semi-Manufactures |                  | Manufactured Goods |                  | Total Value |
|             | Value               | Percentage Share | Value             | Percentage Share | Value              | Percentage Share |             |
| 1970-71     | 650                 | 33               | 472               | 24               | 876                | 44               | 1,998       |
| 1971-72     | 1,510               | 45               | 914               | 27               | 947                | 28               | 3,371       |
| 1972-73     | 3,366               | 39               | 2,583             | 30               | 2,602              | 30               | 8,551       |
| 1973-74     | 4,007               | 39               | 2,294             | 23               | 3,860              | 38               | 10,161      |
| 1974-75     | 4,933               | 48               | 1,308             | 13               | 4,047              | 39               | 10,286      |
| 1975-76     | 4,902               | 44               | 2,068             | 18               | 4,283              | 38               | 11,253      |
| 1976-77     | 4,622               | 41               | 1,888             | 17               | 4,783              | 42               | 11,294      |
| 1977-78     | 4,633               | 36               | 1,912             | 15               | 6,435              | 50               | 12,980      |
| 1978-79     | 5,475               | 32               | 3,489             | 21               | 7,963              | 47               | 16,925      |
| 1979-80     | 9,838               | 42               | 3,519             | 15               | 10,053             | 43               | 23,410      |
| 1980-81     | 12,824              | 44               | 3,320             | 11               | 13,136             | 45               | 29,280      |
| 1981-82     | 9,112               | 35               | 3,507             | 13               | 13,651             | 52               | 26,270      |
| 1982-83     | 10,326              | 30               | 4,618             | 13               | 19,498             | 57               | 34,442      |
| 1983-84     | 10,789              | 29               | 5,172             | 14               | 21,378             | 57               | 37,339      |
| 1984-85     | 10,981              | 29               | 6,664             | 17               | 20,334             | 54               | 37,979      |
| 1985-86     | 17,139              | 35               | 7,892             | 16               | 24,561             | 49               | 49,592      |
| 1986-87     | 16,796              | 26               | 13,214            | 21               | 33,345             | 53               | 63,355      |
| 1987-88     | 22,163              | 28               | 15,268            | 20               | 41,012             | 52               | 78,445      |
| 1988-89     | 29,567              | 33               | 16,937            | 19               | 43,679             | 48               | 90,183      |
| 1989-90     | 21,641              | 20               | 25,167            | 24               | 59,661             | 56               | 106,469     |
| 1990-91     | 25,820              | 19               | 33,799            | 24               | 78,663             | 57               | 138,282     |
| 1991-92     | 32,645              | 19               | 36,731            | 21               | 102,352            | 60               | 171,728     |
| 1992-93     | 26,133              | 15               | 36,507            | 21               | 114,388            | 64               | 177,028     |
| 1993-94     | 21,321              | 10               | 48,748            | 24               | 135,430            | 66               | 205,499     |
| 1994-95     | 28,113              | 11               | 62,624            | 25               | 160,436            | 64               | 251,173     |
| 1995-96     | 47,852              | 16               | 63,802            | 22               | 183,087            | 62               | 294,741     |
| 1996-97     | 36,452              | 11               | 66,889            | 21               | 221,972            | 68               | 325,313     |
| 1997-98     | 47,357              | 13               | 64,683            | 17               | 261,120            | 70               | 373,160     |
| 1998-99     | 45,143              | 12               | 70,288            | 18               | 274,911            | 70               | 390,342     |
| 1999-00     | 53,833              | 12               | 68,208            | 15               | 321,637            | 73               | 443,678     |
| 2000-01     | 67,783              | 13               | 81,288            | 15               | 389,999            | 72               | 539,070     |
| 2001-02     | 60,346              | 11               | 80,438            | 14               | 420,163            | 75               | 560,947     |
| 2002-03     | 71,194              | 11               | 71,323            | 11               | 509,777            | 78               | 652,294     |
| 2003-04     | 70,716              | 10               | 83,361            | 12               | 554,959            | 78               | 709,036     |
| 2004-05     | 92,018              | 11               | 86,483            | 10               | 675,586            | 79               | 854,088     |
| 2005-06     | 112,268             | 11               | 106,029           | 11               | 766,543            | 78               | 984,841     |
| 2006-07     | 115,219             | 11               | 110,454           | 11               | 803,639            | 78               | 1,029,312   |
| Jul-Mar     |                     |                  |                   |                  |                    |                  |             |
| 2006-07     | 81,485              | 10               | 80,673            | 12               | 588,192            | 78               | 750,350     |
| 2007-08 (P) | 84,121              | 10               | 96,492            | 12               | 644,102            | 78               | 824,715     |

P : Provisional

(Contd.)

TABLE 8.5

## ECONOMIC CLASSIFICATION OF EXPORTS AND IMPORTS (B. IMPORTS)

| (Rs million)   |               |                  |                             |                  |                |                  |                |                  |             |
|----------------|---------------|------------------|-----------------------------|------------------|----------------|------------------|----------------|------------------|-------------|
| Year           | Capital Goods |                  | Industrial Raw Material For |                  |                |                  | Consumer Goods |                  | Total Value |
|                | Value         | Percentage Share | Capital Goods               |                  | Consumer Goods |                  | Value          | Percentage Share |             |
|                |               |                  | Value                       | Percentage Share | Value          | Percentage Share |                |                  |             |
| 1970-71        | 1,885         | 52               | 382                         | 11               | 950            | 26               | 385            | 11               | 3,602       |
| 1971-72        | 1,482         | 42               | 367                         | 11               | 851            | 24               | 795            | 23               | 3,495       |
| 1972-73        | 2,499         | 30               | 830                         | 10               | 2,584          | 31               | 2,485          | 30               | 8,398       |
| 1973-74        | 3,975         | 30               | 904                         | 7                | 5,386          | 40               | 3,214          | 24               | 13,479      |
| 1974-75        | 6,152         | 29               | 1,802                       | 9                | 8,257          | 40               | 4,714          | 23               | 20,925      |
| 1975-76        | 7,158         | 35               | 1,261                       | 6                | 7,709          | 28               | 4,337          | 21               | 20,465      |
| 1976-77        | 8,750         | 38               | 1,463                       | 6                | 9,148          | 40               | 3,651          | 16               | 23,012      |
| 1977-78        | 9,316         | 34               | 1,921                       | 7                | 11,023         | 40               | 5,555          | 20               | 27,815      |
| 1978-79        | 10,970        | 30               | 2,160                       | 6                | 15,416         | 42               | 7,842          | 22               | 36,388      |
| 1979-80        | 16,679        | 36               | 2,916                       | 6                | 19,834         | 42               | 7,500          | 16               | 46,929      |
| 1980-81        | 14,882        | 28               | 4,055                       | 8                | 26,832         | 50               | 7,775          | 15               | 53,544      |
| 1981-82        | 17,504        | 30               | 4,861                       | 8                | 28,710         | 48               | 8,407          | 14               | 59,482      |
| 1982-83        | 21,135        | 31               | 4,040                       | 6                | 33,383         | 49               | 9,593          | 14               | 68,151      |
| 1983-84        | 24,419        | 32               | 4,525                       | 6                | 37,017         | 48               | 10,746         | 14               | 76,707      |
| 1984-85        | 28,968        | 32               | 4,859                       | 6                | 41,579         | 46               | 14,372         | 16               | 89,778      |
| 1985-86        | 33,195        | 37               | 4,966                       | 5                | 36,353         | 40               | 16,432         | 18               | 90,946      |
| 1986-87        | 33,841        | 37               | 6,150                       | 7                | 36,227         | 39               | 16,213         | 17               | 92,431      |
| 1987-88        | 40,350        | 36               | 8,021                       | 7                | 48,153         | 43               | 16,027         | 14               | 112,551     |
| 1988-89        | 49,498        | 37               | 9,929                       | 7                | 53,055         | 39               | 23,359         | 17               | 135,841     |
| 1989-90        | 48,420        | 33               | 10,439                      | 7                | 61,562         | 41               | 28,432         | 19               | 148,853     |
| 1990-91        | 56,303        | 33               | 11,621                      | 7                | 76,290         | 44               | 26,900         | 16               | 171,114     |
| 1991-92        | 96,453        | 42               | 15,167                      | 7                | 88,791         | 38               | 29,478         | 13               | 229,889     |
| 1992-93        | 108,993       | 42               | 14,304                      | 6                | 99,290         | 38               | 36,056         | 14               | 258,643     |
| 1993-94        | 97,301        | 38               | 15,692                      | 6                | 110,291        | 43               | 34,966         | 13               | 258,250     |
| 1994-95        | 112,305       | 35               | 16,754                      | 5                | 148,419        | 46               | 43,414         | 14               | 320,892     |
| 1995-96        | 140,405       | 35               | 22,541                      | 6                | 180,539        | 45               | 54,090         | 14               | 397,575     |
| 1996-97        | 169,774       | 37               | 22,259                      | 5                | 202,379        | 43               | 70,589         | 15               | 465,001     |
| 1997-98        | 139,618       | 32               | 23,344                      | 5                | 195,528        | 45               | 77,848         | 18               | 436,338     |
| 1998-99        | 146,450       | 31               | 25,646                      | 6                | 220,563        | 47               | 73,305         | 16               | 465,964     |
| 1999-00        | 140,045       | 26               | 30,712                      | 6                | 287,801        | 54               | 75,234         | 14               | 533,792     |
| 2000-01        | 157,091       | 25               | 34,371                      | 6                | 345,770        | 55               | 89,768         | 14               | 627,000     |
| 2001-02        | 176,702       | 28               | 39,038                      | 6                | 346,865        | 55               | 72,025         | 11               | 634,630     |
| 2002-03        | 220,942       | 31               | 41,216                      | 6                | 380,035        | 53               | 72,179         | 10               | 714,372     |
| 2003-04        | 316,082       | 35               | 57,310                      | 7                | 441,586        | 49               | 82,847         | 9                | 897,825     |
| 2004-05        | 441,528       | 36               | 101,719                     | 8                | 557,226        | 46               | 122,607        | 10               | 1,223,079   |
| 2005-06        | 631,644       | 37               | 124,480                     | 7                | 769,336        | 45               | 185,698        | 11               | 1,711,158   |
| 2006-07        | 669,533       | 36               | 134,291                     | 7                | 864,595        | 47               | 183,387        | 10               | 1,851,806   |
| <u>Jul-Mar</u> |               |                  |                             |                  |                |                  |                |                  |             |
| 2006-07        | 500,586       | 37               | 96,387                      | 7                | 620,421        | 46               | 141,792        | 10               | 1,359,186   |
| 2007-08 (P)    | 553,547       | 32               | 132,262                     | 8                | 864,428        | 50               | 168,295        | 10               | 1,718,527   |

P : Provisional

Source: Federal Bureau of Statistics.

TABLE 8.6

## MAJOR IMPORTS

| Items                                  | (Rs. Million)  |                |                |                |                |                  |                  |                  |                  |                  |
|--|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|
|  | 1999-00        | 2000-01        | 2001-02        | 2002-03        | 2003-04        | 2004-05          | 2005-06          | 2006-07          | Jul-Mar          |                  |
|  |                |                |                |                |                |                  |                  |                  | 2006-07          | 2007-08          |
| 1. Chemicals                           | 72,797         | 80,106         | 82,263         | 90,953         | 119,683        | 160,711          | 176,200          | 198,918          | 144,149          | 176,210          |
| 2. Drugs and medicines                 | 13,429         | 13,965         | 13,988         | 12,964         | 15,812         | 17,343           | 20,091           | 26,038           | 18,259           | 23,509           |
| 3. Dyes and colours                    | 6,950          | 7,346          | 7,775          | 8,419          | 9,218          | 11,101           | 13,272           | 14,889           | 10,922           | 12,705           |
| 4. Chemical Fertilizers                | 10,227         | 9,842          | 10,904         | 14,068         | 16,405         | 24,794           | 40,787           | 27,109           | 15,704           | 46,244           |
| 5. Electrical goods                    | 8,026          | 7,695          | 7,835          | 12,661         | 14,862         | 21,121           | 30,463           | 39,534           | 28,788           | 32,670           |
| 6. Machinery (non-electrical)          | 66,206         | 88,551         | 96,832         | 119,256        | 140,907        | 254,452          | 334,445          | 366,141          | 265,982          | 283,341          |
| 7. Transport equipments                | 29,202         | 24,918         | 30,587         | 39,984         | 87,374         | 75,981           | 133,480          | 140,466          | 114,513          | 96,670           |
| 8. Paper, board and stationery         | 6,352          | 7,646          | 8,608          | 10,451         | 12,138         | 14,850           | 19,135           | 23,164           | 14,159           | 14,833           |
| 9. Tea                                 | 10,895         | 12,030         | 9,611          | 10,095         | 11,078         | 13,202           | 13,336           | 12,965           | 10,174           | 9,141            |
| 10. Sugar-refined                      | 769            | 14,488         | 1,485          | 153            | 189            | 5,229            | 37,366           | 15,722           | 15,281           | 779              |
| 11. Art-silk yarn                      | 2,460          | 3,509          | 5,054          | 5,375          | 6,793          | 7,730            | 14,204           | 15,164           | 10,511           | 12,968           |
| 12. Iron, steel & manufactures thereof | 18,864         | 20,267         | 24,633         | 28,813         | 35,942         | 62,444           | 96,043           | 89,959           | 68,147           | 85,608           |
| 13. Non-ferrous metals                 | 5,016          | 5,964          | 6,757          | 8,430          | 10,544         | 15,547           | 20,665           | 27,420           | 19,963           | 18,988           |
| 14. Petroleum & products               | 145,238        | 195,611        | 172,578        | 179,317        | 182,332        | 237,387          | 399,667          | 444,610          | 319,782          | 456,313          |
| 15. Edible oils                        | 21,402         | 19,045         | 24,034         | 34,288         | 37,917         | 44,975           | 44,212           | 57,996           | 41,990           | 71,882           |
| 16. Grains, pulses & flours            | 19,639         | 7,987          | 11,636         | 9,290          | 6,338          | 26,117           | 20,910           | 18,683           | 15,378           | 47,438           |
| 17. Other imports                      | 96,320         | 108,030        | 120,050        | 129,855        | 190,293        | 230,095          | 296,882          | 333,028          | 245,484          | 329,337          |
| <b>Grand Total</b>                     | <b>533,792</b> | <b>627,000</b> | <b>634,630</b> | <b>714,372</b> | <b>897,825</b> | <b>1,223,079</b> | <b>1,711,158</b> | <b>1,851,806</b> | <b>1,359,186</b> | <b>1,718,636</b> |

\*: Provisional

Source: Federal Bureau of Statistics

TABLE 8.7

## DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

|                             | (% Share) |         |         |         |         |         |         |         |         |         |
|-----------------------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| REGION                      | 1990-91   | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-00 |
| 1. Developed Countries      |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 60.8      | 56.7    | 57.1    | 60.3    | 58.9    | 55.6    | 60.0    | 59.4    | 59.9    | 61.0    |
| Imports                     | 58.3      | 62.2    | 58.6    | 52.6    | 49.3    | 49.9    | 48.7    | 46.5    | 42.2    | 36.7    |
| a. OECD                     |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 57.2      | 54.9    | 56.7    | 60.0    | 58.6    | 55.3    | 59.7    | 59.5    | 59.6    | 60.6    |
| Imports                     | 55.7      | 58.7    | 57.0    | 52.1    | 48.5    | 49.0    | 48.1    | 46.1    | 41.6    | 36.1    |
| b. Other European Countries |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 0.6       | 0.3     | 0.4     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     | 0.4     |
| Imports                     | 0.8       | 0.5     | 0.3     | 0.5     | 0.8     | 0.9     | 0.6     | 0.4     | 0.6     | 0.6     |
| 2. CMEA*                    |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 3.0       | 1.5     | 1.0     | 0.5     | 0.4     | 0.5     | 0.7     | 0.6     | 0.4     | 0.4     |
| Imports                     | 1.8       | 3.0     | 1.3     | 1.6     | 2.1     | 1.9     | 1.3     | 0.9     | 1.0     | 1.2     |
| 3. Developing Countries     |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 39.2      | 44.3    | 41.9    | 39.2    | 40.7    | 43.9    | 39.3    | 39.6    | 39.7    | 38.6    |
| Imports                     | 41.7      | 37.8    | 41.4    | 45.8    | 48.6    | 48.2    | 50.0    | 52.6    | 56.8    | 62.1    |
| a. OIC                      |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 12.7      | 14.6    | 16.0    | 13.7    | 12.9    | 12.9    | 11.8    | 12.5    | 12.7    | 14.1    |
| Imports                     | 17.9      | 16.5    | 16.9    | 20.9    | 21.3    | 22.4    | 26.0    | 23.3    | 24.3    | 35.2    |
| b. SAARC                    |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 3.5       | 4.7     | 3.8     | 3.1     | 3.4     | 2.7     | 2.5     | 3.5     | 5.0     | 3.2     |
| Imports                     | 1.5       | 1.5     | 1.5     | 1.6     | 1.4     | 1.5     | 2.4     | 2.3     | 2.2     | 1.9     |
| c. ASEAN                    |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 5.1       | 5.6     | 5.2     | 3.7     | 4.0     | 5.3     | 2.5     | 3.2     | 3.2     | 2.8     |
| Imports                     | 8.9       | 7.3     | 8.5     | 9.5     | 12.6    | 11.2    | 9.0     | 12.6    | 14.1    | 10.2    |
| d. Central America          |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 0.1       | 0.2     | 0.3     | 0.5     | 0.4     | 0.3     | 0.5     | 0.7     | 0.8     | 0.9     |
| Imports                     | 0.2       | 0.1     | 0.1     | 0.1     | 0.1     | 0.2     | 0.2     | 0.1     | 0.3     | 0.2     |
| e. South America            |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 0.2       | 0.5     | 0.5     | 0.9     | 1.0     | 1.4     | 1.2     | 1.6     | 1.2     | 1.1     |
| Imports                     | 1.6       | 1.3     | 1.6     | 1.0     | 1.4     | 1.2     | 1.7     | 1.1     | 2.1     | 1.0     |
| f. Other Asian Countries    |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 14.6      | 14.3    | 13.0    | 14.0    | 14.9    | 17.1    | 15.6    | 12.9    | 12.8    | 12.4    |
| Imports                     | 9.6       | 9.5     | 11.1    | 10.8    | 9.5     | 9.4     | 8.7     | 10.7    | 10.3    | 10.3    |
| g. Other African Countries  |           |         |         |         |         |         |         |         |         |         |
| Exports                     | 3.0       | 4.4     | 3.0     | 2.9     | 3.6     | 3.8     | 4.4     | 4.3     | 3.5     | 3.8     |
| Imports                     | 2.0       | 1.6     | 1.7     | 1.9     | 2.2     | 2.3     | 1.9     | 2.5     | 2.8     | 3.0     |
| h. Central Asian States     |           |         |         |         |         |         |         |         |         |         |
| Exports                     | -         | -       | 0.1     | 0.4     | 0.5     | 0.9     | 0.8     | 0.9     | 0.5     | 0.3     |
| Imports                     | -         | -       | -       | -       | 0.1     | ..      | 0.1     | --      | 0.7     | 0.3     |
| Total                       | 100.0     | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   |

(Contd..)

TABLE 8.7

## DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

| REGION                      | (% Share) |         |         |         |         |         |         |         |         |
|-----------------------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|
|                             | 2000-01   | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | Jul-Mar |         |
|                             |           |         |         |         |         |         |         | 2006-07 | 2007-08 |
| 1. Developed Countries      |           |         |         |         |         |         |         |         |         |
| Exports                     | 56.7      | 58.1    | 56.1    | 58.2    | 55.9    | 54.7    | 54.7    | 56.5    | 52.0    |
| Imports                     | 31.0      | 34.3    | 34.4    | 35.5    | 38.0    | 34.2    | 33.3    | 33.3    | 31.8    |
| a. OECD                     |           |         |         |         |         |         |         |         |         |
| Exports                     | 56.3      | 57.6    | 55.6    | 57.6    | 55.2    | 53.8    | 53.8    | 55.7    | 51.1    |
| Imports                     | 30.5      | 33.7    | 33.5    | 34.7    | 34.7    | 32.4    | 31.5    | 31.5    | 28.5    |
| b. Other European Countries |           |         |         |         |         |         |         |         |         |
| Exports                     | 0.4       | 0.5     | 0.5     | 0.7     | 0.7     | 0.9     | 0.9     | 0.8     | 0.9     |
| Imports                     | 0.5       | 0.6     | 0.9     | 0.8     | 3.3     | 1.8     | 1.8     | 1.8     | 3.3     |
| 2. CMEA*                    |           |         |         |         |         |         |         |         |         |
| Exports                     | 0.4       | 0.5     | 0.6     | 0.7     | 0.9     | 0.9     | 1.1     | 1.2     | 1.2     |
| Imports                     | 0.9       | 1.1     | 0.8     | 1.2     | 2.1     | 2.2     | 1.8     | 2.1     | 1.6     |
| 3. Developing Countries     |           |         |         |         |         |         |         |         |         |
| Exports                     | 42.9      | 41.4    | 43.3    | 41.1    | 43.2    | 44.4    | 44.2    | 42.3    | 46.8    |
| Imports                     | 68.1      | 64.6    | 64.8    | 63.3    | 59.9    | 63.6    | 64.9    | 64.6    | 66.6    |
| a. OIC                      |           |         |         |         |         |         |         |         |         |
| Exports                     | 16.5      | 19.2    | 22.3    | 20.7    | 21.9    | 23.3    | 21.6    | 20.6    | 26.0    |
| Imports                     | 39.3      | 36.0    | 35.2    | 33.7    | 29.2    | 33.7    | 32.0    | 32.6    | 31.4    |
| b. SAARC                    |           |         |         |         |         |         |         |         |         |
| Exports                     | 2.9       | 2.5     | 2.4     | 3.2     | 4.6     | 4.4     | 4.8     | 4.8     | 4.3     |
| Imports                     | 2.9       | 2.4     | 1.9     | 3.1     | 3.2     | 3.3     | 4.5     | 4.4     | 4.7     |
| c. ASEAN                    |           |         |         |         |         |         |         |         |         |
| Exports                     | 3.6       | 2.7     | 2.9     | 2.7     | 2.1     | 1.7     | 1.9     | 1.6     | 1.5     |
| Imports                     | 10.6      | 11.7    | 12.2    | 11.1    | 10.0    | 9.1     | 9.5     | 9.7     | 10.4    |
| d. Central America          |           |         |         |         |         |         |         |         |         |
| Exports                     | 0.8       | 1.0     | 0.9     | 0.9     | 0.9     | 0.9     | 1.1     | 1.1     | 1.0     |
| Imports                     | 0.2       | 0.1     | 0.1     | 0.1     | 0.1     | 0.1     | 0.2     | 0.1     | 0.1     |
| e. South America            |           |         |         |         |         |         |         |         |         |
| Exports                     | 1.2       | 0.9     | 0.7     | 0.8     | 0.9     | 1.0     | 1.4     | 1.4     | 1.6     |
| Imports                     | 1.6       | 0.7     | 0.6     | 0.6     | 1.1     | 1.4     | 0.8     | 0.9     | 1.1     |
| f. Other Asian Countries    |           |         |         |         |         |         |         |         |         |
| Exports                     | 13.0      | 11.4    | 9.9     | 9.4     | 8.7     | 8.9     | 9.2     | 8.9     | 8.4     |
| Imports                     | 10.6      | 10.9    | 12.5    | 12.3    | 13.7    | 13.7    | 15.9    | 14.9    | 16.3    |
| g. Other African Countries  |           |         |         |         |         |         |         |         |         |
| Exports                     | 4.3       | 3.5     | 4.0     | 3.2     | 4.0     | 4.1     | 4.1     | 3.8     | 3.9     |
| Imports                     | 2.8       | 2.7     | 2.3     | 2.3     | 2.4     | 2.2     | 1.9     | 1.9     | 2.4     |
| h. Central Asian States     |           |         |         |         |         |         |         |         |         |
| Exports                     | 0.3       | 0.2     | 0.2     | 0.2     | 0.1     | 0.1     | 0.1     | 0.1     | 0.1     |
| Imports                     | 0.1       | 0.1     | ..      | 0.1     | 0.2     | 0.1     | 0.1     | 0.1     | 0.2     |
| Total                       | 100.0     | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   |

.. not available

Source: Federal Bureau of Statistics

\* Council for Mutual Economic Assistance.

TABLE 8.8

## WORKERS REMITTANCES

(US\$ Million)

| COUNTRY                | 1990-91         | 1991-92         | 1992-93         | 1993-94         | 1994-95         | 1995-96         | 1996-97         | 1997-98         | 1998-99         | 1999-00       |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>I. Cash Flow</b>    | <b>1,626.92</b> | <b>1,252.45</b> | <b>1,238.51</b> | <b>1,093.36</b> | <b>1,317.73</b> | <b>1,227.28</b> | <b>1,078.05</b> | <b>1,237.68</b> | <b>875.55</b>   | <b>913.49</b> |
| Bahrain                | 37.20           | 27.75           | 25.42           | 25.92           | 35.90           | 33.23           | 29.16           | 34.31           | 33.31           | 29.36         |
| Canada                 | 11.26           | 9.86            | 7.54            | 5.65            | 4.91            | 5.67            | 3.59            | 4.14            | 3.46            | 3.86          |
| Germany                | 32.62           | 33.12           | 40.64           | 28.88           | 27.71           | 26.06           | 18.98           | 16.62           | 11.93           | 10.47         |
| Japan                  | 26.84           | 12.96           | 11.62           | 7.13            | 6.90            | 3.65            | 3.05            | 2.65            | 3.09            | 1.58          |
| Kuwait                 | 15.12           | 44.24           | 60.22           | 47.85           | 57.86           | 45.43           | 38.38           | 52.40           | 106.36          | 135.25        |
| Norway                 | 21.28           | 16.25           | 15.18           | 11.85           | 13.40           | 11.72           | 7.97            | 7.16            | 5.26            | 5.60          |
| Qatar                  | 24.27           | 12.87           | 10.91           | 7.57            | 11.52           | 14.08           | 9.68            | 12.17           | 12.94           | 13.29         |
| Saudi Arabia           | 681.97          | 516.16          | 525.94          | 493.65          | 554.08          | 503.22          | 418.44          | 474.86          | 318.49          | 309.85        |
| Sultanat-e-Oman        | 74.98           | 60.35           | 51.67           | 46.07           | 61.49           | 64.44           | 46.11           | 61.97           | 44.67           | 46.42         |
| U.A.E.                 | 172.03          | 105.07          | 97.76           | 99.36           | 178.26          | 161.93          | 164.39          | 207.70          | 125.09          | 147.79        |
| Abu Dhabi              | 75.71           | 38.74           | 32.47           | 29.32           | 51.99           | 48.98           | 44.91           | 75.13           | 38.07           | 47.30         |
| Dubai                  | 68.72           | 49.07           | 47.79           | 51.12           | 90.09           | 81.19           | 93.07           | 101.01          | 70.57           | 87.04         |
| Sharjah                | 27.60           | 17.26           | 17.50           | 16.73           | 28.96           | 28.95           | 22.90           | 28.54           | 14.69           | 12.80         |
| Others                 | -               | -               | -               | 2.19            | 7.22            | 2.81            | 3.51            | 3.02            | 1.76            | 0.65          |
| U.K.                   | 180.05          | 137.02          | 114.02          | 101.19          | 109.96          | 109.74          | 97.94           | 98.83           | 73.59           | 73.27         |
| U.S.A                  | 190.23          | 150.34          | 157.80          | 122.49          | 141.09          | 141.92          | 146.25          | 166.29          | 81.95           | 79.96         |
| Other Countries        | 159.07          | 126.46          | 119.79          | 95.75           | 114.65          | 106.19          | 94.11           | 98.58           | 55.41           | 56.79         |
| <b>II. Encashment*</b> | <b>221.37</b>   | <b>215.03</b>   | <b>323.73</b>   | <b>352.20</b>   | <b>548.37</b>   | <b>233.89</b>   | <b>331.42</b>   | <b>251.87</b>   | <b>184.64</b>   | <b>70.24</b>  |
| <b>Total (I+II)</b>    | <b>1,848.29</b> | <b>1,467.48</b> | <b>1,562.24</b> | <b>1,445.56</b> | <b>1,866.10</b> | <b>1,461.17</b> | <b>1,409.47</b> | <b>1,489.55</b> | <b>1,060.19</b> | <b>983.73</b> |

\* Encashment and Profit in Pak Rs. of Foreign Exchange Bearer

Certificates (FEBCs) &amp; Foreign Currency Bearer Certificates (FCBCs)

(Contd.)

TABLE 8.8

## WORKERS REMITTANCES

(% Share)

| COUNTRY          | 1990-91       | 1991-92       | 1992-93       | 1993-94       | 1994-95       | 1995-96       | 1996-97       | 1997-98       | 1998-99       | 1999-00       |
|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Cash Flow</b> |               |               |               |               |               |               |               |               |               |               |
| Bahrain          | 2.29          | 2.22          | 2.05          | 2.37          | 2.72          | 2.71          | 2.70          | 2.77          | 3.80          | 3.21          |
| Canada           | 0.69          | 0.79          | 0.61          | 0.52          | 0.37          | 0.46          | 0.33          | 0.33          | 0.40          | 0.42          |
| Germany          | 2.01          | 2.64          | 3.28          | 2.64          | 2.10          | 2.12          | 1.76          | 1.34          | 1.36          | 1.15          |
| Japan            | 1.65          | 1.03          | 0.94          | 0.65          | 0.52          | 0.30          | 0.28          | 0.21          | 0.35          | 0.17          |
| Kuwait           | 0.93          | 3.53          | 4.86          | 4.38          | 4.39          | 3.70          | 3.56          | 4.23          | 12.15         | 14.81         |
| Norway           | 1.31          | 1.30          | 1.23          | 1.08          | 1.02          | 0.95          | 0.74          | 0.58          | 0.60          | 0.61          |
| Qatar            | 1.49          | 1.03          | 0.88          | 0.69          | 0.87          | 1.15          | 0.90          | 0.98          | 1.48          | 1.45          |
| Saudi Arabia     | 41.92         | 41.21         | 42.47         | 45.15         | 42.05         | 41.00         | 38.81         | 38.37         | 36.38         | 33.92         |
| Sultanat-e-Oman  | 4.61          | 4.82          | 4.17          | 4.21          | 4.67          | 5.25          | 4.28          | 5.01          | 5.10          | 5.08          |
| U.A.E.           | 10.57         | 8.39          | 7.89          | 9.09          | 13.53         | 13.19         | 15.25         | 16.78         | 14.29         | 16.18         |
| Abu Dhabi        | 4.65          | 3.09          | 2.62          | 2.68          | 3.95          | 3.99          | 4.17          | 6.07          | 4.35          | 5.18          |
| Dubai            | 4.22          | 3.92          | 3.86          | 4.68          | 6.84          | 6.62          | 8.63          | 8.16          | 8.06          | 9.53          |
| Sharjah          | 1.70          | 1.38          | 1.41          | 1.53          | 2.20          | 2.36          | 2.12          | 2.31          | 1.68          | 1.40          |
| Others           | -             | -             | -             | 0.20          | 0.55          | 0.23          | 0.33          | 0.24          | 0.20          | 0.07          |
| U.K.             | 11.07         | 10.94         | 9.21          | 9.25          | 8.34          | 8.94          | 9.08          | 7.99          | 8.41          | 8.02          |
| U.S.A            | 11.69         | 12.00         | 12.74         | 11.20         | 10.71         | 11.56         | 13.57         | 13.44         | 9.36          | 8.75          |
| Other Countries  | 9.78          | 10.10         | 9.67          | 8.76          | 8.70          | 8.65          | 8.73          | 7.96          | 6.33          | 6.22          |
| <b>Total</b>     | <b>100.00</b> |

Contd.

TABLE 8.8

## WORKERS REMITTANCES

| COUNTRY                | 2000-01         | 2001-02         | 2002-03         | 2003-04         | 2004-05         | 2005-06         | 2006-07         | (US \$ Million) |                 |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                        |                 |                 |                 |                 |                 |                 |                 | July-April      |                 |
|                        |                 |                 |                 |                 |                 |                 |                 | 2006-07         | 2007-08         |
| <b>I. Cash Flow</b>    | <b>1,021.59</b> | <b>2,340.79</b> | <b>4,190.73</b> | <b>3,826.16</b> | <b>4,152.29</b> | <b>4,588.03</b> | <b>5,490.97</b> | <b>4,447.88</b> | <b>5,316.88</b> |
| Bahrain                | 23.87           | 39.58           | 71.46           | 80.55           | 91.22           | 100.57          | 136.28          | 108.64          | 116.23          |
| Canada                 | 4.90            | 20.52           | 15.19           | 22.90           | 48.49           | 81.71           | 87.20           | 69.62           | 82.48           |
| Germany                | 9.20            | 13.44           | 26.87           | 46.52           | 53.84           | 59.03           | 76.87           | 64.45           | 62.99           |
| Japan                  | 3.93            | 5.97            | 8.14            | 5.28            | 6.51            | 6.63            | 4.26            | 3.52            | 4.14            |
| Kuwait                 | 123.39          | 89.66           | 221.23          | 177.01          | 214.78          | 246.75          | 288.71          | 231.66          | 309.70          |
| Norway                 | 5.74            | 6.55            | 8.89            | 10.19           | 18.30           | 16.82           | 22.04           | 16.60           | 22.99           |
| Qatar                  | 13.38           | 31.87           | 87.68           | 88.69           | 86.86           | 118.69          | 170.65          | 136.79          | 189.63          |
| Saudi Arabia           | 304.43          | 376.34          | 580.76          | 565.29          | 627.19          | 750.44          | 1,023.56        | 827.60          | 1001.71         |
| Sultanat-e-Oman        | 38.11           | 63.18           | 93.65           | 105.29          | 119.28          | 130.45          | 161.69          | 132.79          | 179.62          |
| U.A.E.                 | 190.04          | 469.49          | 837.87          | 597.48          | 712.61          | 716.30          | 866.49          | 673.51          | 907.52          |
| Abu Dhabi              | 48.11           | 103.72          | 212.37          | 114.92          | 152.51          | 147.89          | 200.40          | 153.52          | 249.54          |
| Dubai                  | 129.69          | 331.47          | 581.09          | 447.49          | 532.93          | 540.24          | 635.60          | 496.09          | 631.32          |
| Sharjah                | 12.21           | 34.05           | 42.60           | 34.61           | 26.17           | 26.87           | 28.86           | 22.90           | 25.00           |
| Others                 | 0.03            | 0.25            | 1.81            | 0.46            | 1.00            | 1.30            | 1.63            | 1.00            | 1.66            |
| U.K.                   | 81.39           | 151.93          | 273.83          | 333.94          | 371.86          | 438.65          | 430.04          | 354.60          | 379.03          |
| U.S.A                  | 134.81          | 778.98          | 1,237.52        | 1,225.09        | 1,294.08        | 1,242.49        | 1,459.64        | 1,176.12        | 1463.73         |
| Other Countries        | 88.40           | 293.28          | 727.64          | 567.93          | 507.27          | 679.50          | 763.54          | 651.98          | 597.11          |
| <b>II. Encashment*</b> | <b>64.98</b>    | <b>48.26</b>    | <b>46.12</b>    | <b>45.42</b>    | <b>16.50</b>    | <b>12.09</b>    | <b>2.68</b>     | <b>2.24</b>     | <b>2.20</b>     |
| <b>Total (I+II)</b>    | <b>1,086.57</b> | <b>2,389.05</b> | <b>4,236.85</b> | <b>3,871.58</b> | <b>4,168.79</b> | <b>4,600.12</b> | <b>5,493.65</b> | <b>4,450.12</b> | <b>5,319.08</b> |

\* Encashment and Profit in Pak Rs. of Foreign Exchange Bearer

Source: State Bank of Pakistan

Certificates (FEBCs) &amp; Foreign Currency Bearer Certificates (FCBCs)

TABLE 8.8

## WORKERS REMITTANCES

| COUNTRY          | 2000-01       | 2001-02       | 2002-03       | 2003-04       | 2004-05       | 2005-06       | 2006-07       | (% Share)     |               |
|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                  |               |               |               |               |               |               |               | July-April    |               |
|                  |               |               |               |               |               |               |               | 2006-07       | 2007-08       |
| <b>Cash Flow</b> |               |               |               |               |               |               |               |               |               |
| Bahrain          | 2.34          | 1.69          | 1.71          | 2.11          | 2.20          | 2.19          | 2.48          | 2.44          | 2.19          |
| Canada           | 0.48          | 0.88          | 0.36          | 0.60          | 1.17          | 1.78          | 1.59          | 1.57          | 1.55          |
| Germany          | 0.90          | 0.57          | 0.64          | 1.22          | 1.30          | 1.29          | 1.40          | 1.45          | 1.18          |
| Japan            | 0.38          | 0.26          | 0.19          | 0.14          | 0.16          | 0.14          | 0.08          | 0.08          | 0.08          |
| Kuwait           | 12.08         | 3.83          | 5.28          | 4.63          | 5.17          | 5.38          | 5.26          | 5.21          | 5.82          |
| Norway           | 0.56          | 0.28          | 0.21          | 0.27          | 0.44          | 0.37          | 0.40          | 0.37          | 0.43          |
| Qatar            | 1.31          | 1.36          | 2.09          | 2.32          | 2.09          | 2.59          | 3.11          | 3.08          | 3.57          |
| Saudi Arabia     | 29.80         | 16.08         | 13.86         | 14.77         | 15.10         | 16.36         | 18.64         | 18.61         | 18.84         |
| Sultanat-e-Oman  | 3.73          | 2.70          | 2.23          | 2.75          | 2.87          | 2.84          | 2.94          | 2.99          | 3.38          |
| U.A.E.           | 18.60         | 20.06         | 19.99         | 15.62         | 17.16         | 15.61         | 15.78         | 15.14         | 17.07         |
| Abu Dhabi        | 4.71          | 4.43          | 5.07          | 3.00          | 3.67          | 3.22          | 3.65          | 3.45          | 4.69          |
| Dubai            | 12.69         | 14.16         | 13.87         | 11.70         | 12.83         | 11.77         | 11.58         | 11.15         | 11.87         |
| Sharjah          | 1.20          | 1.45          | 1.02          | 0.90          | 0.63          | 0.59          | 0.53          | 0.51          | 0.47          |
| Others           | 0.00          | 0.01          | 0.04          | 0.01          | 0.02          | 0.03          | 0.03          | 0.02          | 0.03          |
| U.K.             | 7.97          | 6.49          | 6.53          | 8.73          | 8.96          | 9.56          | 7.83          | 7.97          | 7.13          |
| U.S.A            | 13.20         | 33.28         | 29.53         | 32.02         | 31.17         | 27.08         | 26.58         | 26.44         | 27.53         |
| Other Countries  | 8.65          | 12.53         | 17.36         | 14.84         | 12.22         | 14.81         | 13.91         | 14.66         | 11.23         |
| <b>Total</b>     | <b>100.00</b> |

Source: State Bank of Pakistan

TABLE 8.9

## GOLD AND CASH FOREIGN EXCHANGE RESERVES HELD AND CONTROLLED BY STATE BANK OF PAKISTAN

(US \$ Million)

| Period  | Total |           | Cash  |           | Gold  |           |
|---------|-------|-----------|-------|-----------|-------|-----------|
|         | June* | December* | June* | December* | June* | December* |
| 1960    | 246   | 272       | 194   | 220       | 52    | 52        |
| 1961    | 257   | 238       | 204   | 185       | 53    | 53        |
| 1962    | 237   | 249       | 184   | 196       | 53    | 53        |
| 1963    | 302   | 279       | 249   | 226       | 53    | 53        |
| 1964    | 259   | 219       | 206   | 166       | 53    | 53        |
| 1965    | 200   | 208       | 147   | 155       | 53    | 53        |
| 1966    | 265   | 197       | 212   | 144       | 53    | 53        |
| 1967    | 167   | 159       | 114   | 106       | 53    | 53        |
| 1968    | 182   | 239       | 128   | 185       | 54    | 54        |
| 1969    | 299   | 311       | 245   | 257       | 54    | 54        |
| 1970    | 287   | 184       | 233   | 130       | 54    | 54        |
| 1971    | 199   | 171       | 144   | 116       | 55    | 55        |
| 1972    | 285   | 286       | 225   | 226       | 60    | 60        |
| 1973    | 463   | 489       | 396   | 422       | 67    | 67        |
| 1974    | 403   | 472       | 336   | 405       | 67    | 67        |
| 1975    | 486   | 418       | 419   | 351       | 67    | 67        |
| 1976    | 614   | 539       | 546   | 471       | 68    | 68        |
| 1977    | 431   | 534       | 363   | 466       | 68    | 68        |
| 1978    | 1010  | 832       | 696   | 444       | 314   | 388       |
| 1979    | 904   | 1210      | 414   | 279       | 490   | 931       |
| 1980    | 2019  | 1815      | 831   | 627       | 1188  | 1188      |
| 1981    | 1866  | 1589      | 1080  | 803       | 786   | 786       |
| 1982    | 1460  | 1527      | 862   | 971       | 598   | 598       |
| 1983    | 2758  | 2770      | 1975  | 2010      | 783   | 760       |
| 1984    | 2489  | 1715      | 1788  | 1074      | 701   | 641       |
| 1985    | 1190  | 1452      | 585   | 847       | 605   | 605       |
| 1986    | 1638  | 1446      | 968   | 793       | 670   | 653       |
| 1987    | 1784  | 1405      | 919   | 545       | 865   | 860       |
| 1988    | 1326  | 1258      | 479   | 440       | 847   | 818       |
| 1989    | 1227  | 1419      | 502   | 705       | 725   | 714       |
| 1990    | 1451  | 958       | 766   | 277       | 685   | 681       |
| 1991    | 1390  | 1208      | 674   | 500       | 716   | 708       |
| 1992    | 1761  | 1629      | 1069  | 950       | 692   | 679       |
| 1993    | 1369  | 2061      | 604   | 1371      | 765   | 690       |
| 1994    | 3337  | 3922      | 2545  | 3132      | 792   | 790       |
| 1995    | 3730  | 2758      | 2937  | 2039      | 793   | 719       |
| 1996    | 3251  | 1780      | 2465  | 1092      | 786   | 688       |
| 1997    | 1977  | 2200      | 1287  | 1567      | 690   | 633       |
| 1998    | 1737  | 1737      | 1125  | 1122      | 612   | 615       |
| 1999    | 2371  | 2080      | 1828  | 1536      | 543   | 543       |
| 2000    | 2149  | 1998      | 1547  | 1396      | 602   | 603       |
| 2001    | 2666  | 4161      | 2100  | 3595      | 566   | 566       |
| 2002    | 5439  | 8569      | 4772  | 7902      | 667   | 667       |
| 2003    | 10700 | 11532     | 9975  | 10807     | 725   | 725       |
| 2004    | 11883 | 10756     | 11052 | 9925      | 831   | 831       |
| 2005 ** | 11227 | 10976     | 10310 | 10059     | 917   | 917       |
| 2006    | 12939 | 12888     | 11651 | 11600     | 1288  | 1288      |
| 2007    | 15801 | 15361     | 14435 | 13601     | 1366  | 1760      |

\* Last day of the month.

\*\* December 2005

Source: State Bank of Pakistan

TABLE 8.10

## EXCHANGE RATE POSITION (Pakistan Rupees in Terms of One Unit of Foreign Currency)

| Country     | Currency  | (Average During the Year) |         |         |          |          |          |          |          |             |          |
|-------------|-----------|---------------------------|---------|---------|----------|----------|----------|----------|----------|-------------|----------|
|             |           | 1990-91                   | 1991-92 | 1992-93 | 1993-94  | 1994-95  | 1995-96  | 1996-97  | 1997-98  | 1998-99     | 1999-00  |
| Australia   | Dollar    | 17.6004                   | 19.1123 | 18.2623 | 20.8851  | 22.9083  | 25.4912  | 30.5300  | 29.3472  | 29.3962     | 32.5665  |
| Austria     | Schilling | 2.0077                    | 2.1433  | 3.3550  | 2.5433   | 2.9358   | 3.2639   | 3.4694   | 3.4242   | 3.8557      | 3.7715   |
| Bangladesh  | Taka      | 0.6281                    | 0.6518  | 0.6628  | 0.7536   | 0.7673   | 0.8204   | 0.9128   | 0.9513   | 0.9686      | 1.0285   |
| Belgium     | Franc     | 0.6860                    | 0.7327  | 0.8061  | 0.8559   | 1.0045   | 1.1185   | 1.1854   | 1.1683   | 1.2952      | 1.2866   |
| Canada      | Dollar    | 19.4207                   | 21.3864 | 20.7982 | 22.5554  | 22.3750  | 24.6581  | 28.5449  | 30.4828  | 31.0445     | 35.1611  |
| China       | Yuan      | 4.4467                    | 4.5781  | 4.5996  | 4.3316   | 3.6803   | 4.0354   | 4.6988   | 5.2154   | 5.6548      | 6.2470   |
| Denmark     | Krone     | 3.6852                    | 3.8958  | 4.3059  | 4.5298   | 5.2534   | 5.9354   | 6.3775   | 6.3310   | 7.0348      | 6.9724   |
| France      | Franc     | 4.1819                    | 4.4402  | 4.8939  | 5.2027   | 5.9623   | 6.6921   | 7.2196   | 7.1856   | 7.9685      | 7.9156   |
| Germany     | Mark      | 14.1248                   | 15.0838 | 16.5751 | 17.9039  | 20.6804  | 22.9718  | 24.4163  | 24.0995  | 26.7081     | 26.5372  |
| Holland     | Guilder   | 12.5333                   | 13.3928 | 14.7394 | 15.9401  | 18.4547  | 20.5247  | 21.7451  | 21.3938  | 23.7008     | 23.5571  |
| Hong Kong   | Dollar    | 2.8828                    | 3.2047  | 3.3574  | 3.9011   | 3.9902   | 4.3345   | 5.0391   | 5.5762   | 6.0440      | 6.6573   |
| India       | Rupee     | 1.1980                    | 0.9611  | 0.9405  | 0.9609   | 0.9814   | 0.9783   | 1.0894   | 1.1285   | 1.0935      | 1.1862   |
| Iran        | Rial      | 0.3357                    | 0.3699  | 0.3507  | 0.0179   | 0.0176   | 0.0192   | 0.0225   | 0.0246   | 0.0266      | 0.0295   |
| Italy       | Lira      | 0.0189                    | 0.0201  | 0.0190  | 0.0185   | 0.0198   | 0.0212   | 0.0250   | 0.0246   | 0.0271      | 0.0268   |
| Japan       | Yen       | 0.1639                    | 0.1896  | 0.2177  | 0.2843   | 0.3277   | 0.3281   | 0.3376   | 0.3411   | 0.3797      | 0.4809   |
| Kuwait      | Dinar     | ..                        | 86.4030 | 87.2127 | 101.5740 | 104.3749 | 112.5264 | 129.6859 | 141.7916 | 153.8993    | 169.4791 |
| Malaysia    | Ringgit   | 5.2463                    | 9.3259  | 10.1692 | 11.5288  | 12.1848  | 13.2905  | 15.5861  | 12.5285  | 12.1327     | 13.6289  |
| Nepal       | Rupee     | 0.7143                    | 0.5832  | 0.5741  | 0.6121   | 0.6178   | 0.6102   | 0.6837   | 0.7034   | 0.6858      | 0.7503   |
| Norway      | Krone     | 3.6301                    | 3.8505  | 4.0096  | 4.1305   | 4.6915   | 5.3528   | 6.0509   | 5.8345   | 6.1371      | 6.3421   |
| Singapore   | Dollar    | 12.7847                   | 14.8944 | 15.9865 | 19.0212  | 21.2485  | 23.6411  | 27.4575  | 27.0557  | 27.6043     | 30.5305  |
| Sri Lanka   | Rupee     | 0.5539                    | 0.5831  | 0.5660  | 0.6120   | 0.6201   | 0.6281   | 0.6823   | 0.7038   | 0.6869      | 0.7144   |
| Sweden      | Krona     | 3.8414                    | 4.1506  | 3.9886  | 3.8009   | 4.1543   | 5.0484   | 5.5230   | 5.5260   | 5.8006      | 6.0786   |
| Switzerland | Franc     | 16.6698                   | 16.9154 | 18.3825 | 20.8077  | 24.7362  | 28.0734  | 28.8164  | 29.3698  | 32.5174     | 32.5626  |
| S.Arabia    | Riyal     | 5.9959                    | 6.6442  | 6.9407  | 8.0642   | 8.2475   | 9.0606   | 10.4440  | 11.5178  | 12.4882     | 13.8125  |
| Thailand    | Baht      | 0.8627                    | 0.9626  | 1.0028  | 1.1567   | 1.2174   | 1.2176   | 1.2176   | 1.1562   | 1.2313      | 1.3490   |
| UAE         | Dirham    | 6.1231                    | 6.7874  | 7.0923  | 8.2415   | 8.4214   | 9.2329   | 10.6639  | 11.7623  | 12.7583     | 14.0979  |
| UK          | Pound     | 41.5778                   | 43.7454 | 42.0315 | 45.1600  | 48.6951  | 51.9192  | 63.0683  | 71.1450  | 76.8085     | 82.4937  |
| USA         | Dollar    | 22.4228                   | 24.8441 | 25.9598 | 30.1638  | 30.8517  | 33.5684  | 38.9936  | 43.1958  | 46.7904     | 51.7709  |
| EMU         | Euro      | -                         | -       | -       | -        | -        | -        | -        | -        | (50.0546) * | -        |
| IMF         | SDR       | 31.1323                   | 34.1379 | 35.6217 | 42.2162  | 46.1616  | 49.6416  | 55.2477  | 58.4654  | 63.6850     | 70.1077  |

(Contd...)

\* Composite Rate

TABLE 8.10  
EXCHANGE RATE POSITION (Pakistan Rupees in Terms of One Unit of  
Foreign Currency)

| Country     | Currency  | (Average during the Year) |          |          |          |          |          | Average(Jul-Apr) |          |          |
|-------------|-----------|---------------------------|----------|----------|----------|----------|----------|------------------|----------|----------|
|             |           | 2000-01                   | 2001-02  | 2002-03  | 2003-04  | 2004-05  | 2005-06  | 2006-07          | 2006-07  | 2007-08  |
| Australia   | Dollar    | 31.3747                   | 32.1607  | 34.2101  | 41.0626  | 44.7141  | 44.7564  | 47.6760          | 47.0955  | 54.6118  |
| Austria     | Schilling | 3.7942                    | 3.9960   | na       | na       | 54.8940  | na       | na               | na       | na       |
| Bangladesh  | Taka      | 1.0794                    | 1.0826   | 1.0108   | 0.9842   | 0.9774   | 0.9121   | 0.8723           | 160.8376 | 163.4790 |
| Belgium     | Franc     | 1.2934                    | 1.3633   | na       | na       | na       | na       | na               | na       | na       |
| Canada      | Dollar    | 38.4434                   | 39.1719  | 38.8234  | 42.8526  | 47.5567  | 51.4986  | 53.5778          | 53.0591  | 60.9804  |
| China       | Yuan      | 7.0601                    | 7.4149   | 7.0613   | 6.9497   | 7.1676   | 7.4161   | 7.7526           | 7.7191   | 8.3910   |
|             | Krone     | 6.9916                    | 7.3987   | 8.2524   | 9.2250   | 10.1527  | 9.7699   |                  |          |          |
| France      | Franc     | 7.9536                    | 8.3867   | na       | na       | na       | na       | na               | na       | na       |
| Germany     | Mark      | 26.6543                   | 28.1084  | na       | na       | na       | na       | na               | na       | na       |
| Holland     | Guilder   | 23.6655                   | 24.9556  | na       | na       | na       | na       | na               | na       | na       |
| Hong Kong   | Dollar    | 7.4906                    | 7.8720   | 7.4990   | 7.3970   | 7.6176   | 7.7127   | 7.7772           | 7.7807   | 7.9030   |
| India       | Rupee     | 1.2529                    | 1.2787   | 1.2219   | 1.2682   | 1.3253   | 1.3389   | 1.3746           | 1.3521   | 1.5318   |
| Iran        | Rial      | 0.0332                    | 0.0307   | 0.0073   | 0.0069   | 0.0067   | 0.0066   | 0.0066           | 0.0066   | 0.0066   |
| Italy       | Lira      | 0.0269                    | 0.0284   | na       | na       | na       | na       | na               | na       | na       |
| Japan       | Yen       | 0.5109                    | 0.4884   | 0.4888   | 0.5203   | 0.5558   | 0.5216   | 0.5122           | 0.5149   | 0.5573   |
| Kuwait      | Dinar     | 190.4592                  | 200.7861 | 194.5677 | 194.3681 | 202.3816 | 205.3258 | 209.8118         | 209.7138 | 223.2147 |
| Malaysia    | Ringgit   | 15.3871                   | 16.1621  | 15.3944  | 15.1532  | 15.6244  | 16.0515  | 17.0649          | 16.9348  | 18.5148  |
| Nepal       | Rupee     | 0.7893                    | 0.8033   | 0.7515   | 0.7802   | 0.8169   | 0.8296   | 0.8575           | 0.8434   | 0.9525   |
| Norway      | Krone     | 6.4483                    | 7.0288   | 8.1021   | 8.2191   | 9.1841   | 9.2141   | 9.7161           | 9.6385   | 11.3209  |
| Singapore   | Dollar    | 33.1605                   | 33.9503  | 33.3406  | 33.5098  | 35.6797  | 36.4149  | 39.1651          | 39.0598  | 42.5475  |
| Sri Lanka   | Rupee     | 0.7026                    | 0.6624   | 0.6057   | 0.5920   | 0.5813   | 0.5872   | 0.5649           | 0.5684   | 0.5558   |
| Sweden      | Krona     | 5.9379                    | 5.9117   | 6.6910   | 7.5195   | 8.2949   | 7.7867   | 8.6143           | 8.5722   | 9.6193   |
| Switzerland | Franc     | 34.1098                   | 37.1824  | 41.4643  | 44.2489  | 49.0657  | 46.8551  | 49.2385          | 49.1958  | 55.0251  |
| S.Arabia    | Riyal     | 15.5868                   | 16.3792  | 15.5961  | 15.3488  | 15.8027  | 15.9608  | 16.1656          | 16.1648  | 16.4389  |
| Thailand    | Baht      | 1.3438                    | 1.4000   | 1.3742   | -        | 1.4763   | 1.5005   | 1.6789           | 1.6642   | 1.8400   |
| UAE         | Dirham    | 15.9133                   | 16.7231  | 15.9261  | 15.6727  | 16.1586  | 16.2972  | 16.5107          | 16.5089  | 16.7725  |
| UK          | Pound     | 84.7395                   | 88.5691  | 92.7433  | 100.1672 | 110.2891 | 106.4344 | 117.1852         | 116.5412 | 123.8515 |
| USA         | Dollar    | 58.4378                   | 61.4258  | 58.4995  | 57.5745  | 59.3576  | 59.8566  | 60.6342          | 60.6313  | 61.5700  |
| EMU         | Euro      | -                         | 54.9991  | 61.3083  | 68.6226  | 75.5359  | 72.8661  | 79.1763          | 78.6722  | 89.6170  |
| IMF         | SDR       | 74.7760                   | 78.0627  | 79.3198  | 83.2470  | 88.5631  | 86.9594  | 90.7726          | 90.5531  | 96.4585  |

Source: State Bank of Pakistan

na : Common currency Euro is in use of these countries