

# Trade and Payments

## 8.1 INTRODUCTION

The external sector developments in 2008-09 followed a rollercoaster ride patterns: started with highest ever oil prices and unbearable commodity prices, punctuating the highs in October 2008 when current account crossed \$2 billion mark on the back of soaring energy prices and uncertainties, gradually caught into the financial crisis and accentuating the lows in February 2009 with a current account surplus. The year started with first quarter current account deficit of \$3.8 billion and reached to third quarter deficit of just \$0.3 billion. Notwithstanding this positive development, the external sector is still prone to some downside risk as the oil prices started accelerating and outlook for worker's remittances is subject to uncertainties.

Pakistan's greater integration with the world economy is reflected by the trade openness indicator, the trade to GDP ratio, which has increased from 25.8 per cent of GDP in 1999-2000 to 36.0 per cent of GDP in 2007-08. If services trade is included, the increase is higher at 42 per cent of GDP in 2007-08 from 28 per cent of GDP in 1999-2000 reflecting greater degree of openness. With enhanced level of globalization Pakistan economy is likely to face some fallout of the global financial crisis which is impacting all global and regional players though intensity of the impact varies across countries depending upon their starting levels of macroeconomic indicators like inflation, indebtedness, enabling environment etc. Pakistan is awkwardly placed to face the challenges of the global economic meltdown given its high level of external debt and unbridled inflation.

The global economic downturn is affecting the Pakistan economy through three indirect channels: the sharp drop in oil prices, has led to sharp easing of import demand pressures; the contraction in global demand, trade, and related activity, is impacting adversely demand for exports and remittances from EU and US in particular; and constricted access to the international credit markets and lower investor appetite for risk is affecting capital inflows, depressing local asset prices, and reducing already low investment level. Pakistan economy needs an integrated policy to deal with external sector vulnerabilities like removing structural rigidities in the exports and imports sectors.

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

Export during the current fiscal year (July-April 2008-09) amounted to \$ 14762.2 million as against \$15222.9 million, thereby showing a decline of 3.0 percent. The major negative contributor to this year's exports came from the textile sector and petroleum group which witnessed decrease of 9.3 percent and 27.9 percent, respectively. However, non-textile exports have shown positive growth of 5.3 percent which is more than offset by negative contributions by textile sector. In spite of overall decrease in exports, the exports of food group on the back of stellar growth performance of rice registered healthy growth of 24.9 percent and all other items posted an increase of 16.9 percent during period under review. Further details suggest that with absolute increase of \$ 510.3 million in

<sup>1</sup> The analysis of exports, imports and trade balance is based on trade data released by FBS on customs basis which is slightly different from the export, import and trade data incorporated by the SBP in BOP .

exports of food group contributed 110.8 percent in overall exports accounted for 17.3 percent in overall exports. With the exception of oil seed nut

& kernels each component of food has registered an impressive growth during July-April 2008-09 compare to same period last year [See Table-8.1].

<b>Table 8.1: Structure of Exports</b>						(\$ Millions)
Particulars	July-April		% Change	Absolute Increase/ Decrease	% Share	
	2008-09*	2007-08				
A. Food Group	2,560.3	2,050.0	24.9	510.3	17.3	
Rice	1,680.3	1,237.0	35.8	443.3	11.4	
Fish & Fish Preparation	196.1	167.2	17.3	28.9	1.3	
Fruits	136.6	128.5	6.3	8.1	0.9	
Spices	25.7	21.8	18.0	3.9	0.2	
Oil Seeds, Nuts & Kernels	34.9	35.1	-0.6	-0.2	0.2	
Meat & Meat Preparation	59.8	40.5	47.6	19.3	0.4	
All other Food Items	426.8	419.8	1.7	7.0	2.9	
B. Textile Manufactures	7,898.9	8,706.4	-9.3	-807.5	53.5	
Raw Cotton	81.5	58.1	40.3	23.4	0.6	
Cotton Yarn	909.9	1,082.9	-16.0	-173.1	6.2	
Cotton Cloth	1,638.5	1,626.3	0.8	12.3	11.1	
Knitwear	1,427.1	1,529.7	-6.7	-102.6	9.7	
Bed Wear	1,390.8	1,583.9	-12.2	-193.1	9.4	
Towels	517.0	500.7	3.3	16.3	3.5	
Readymade Garments	1,010.2	1,183.6	-14.7	-173.4	6.8	
Made-up Articles	408.7	436.0	-6.3	-27.3	2.8	
Other Textile Materials	515.2	705.3	-27.0	-190.1	3.5	
C. Petroleum Group	702.4	974.0	-27.9	-271.6	4.8	
Petroleum Products	383.1	378.5	1.2	4.6	2.6	
Petroleum Top Naptha	319.1	595.4	-46.4	-276.3	2.2	
D. Other Manufactures	2,938.8	2,926.2	0.4	12.6	19.9	
Carpets, Rugs & mats	126.0	182.1	-30.8	-56.1	0.9	
Sports Goods	229.4	245.2	-6.4	-15.8	1.6	
Leather Tanned	248.0	338.6	-26.8	-90.6	1.7	
Leather Manufactures	458.4	582.1	-21.3	-123.8	3.1	
Surgical G. & Med.Inst.	207.4	214.5	-3.3	-7.1	1.4	
Chemicals & Pharma. Pro.	509.7	499.9	2.0	9.8	3.5	
Engineering Goods	211.9	161.3	31.4	50.6	1.4	
Cement	470.1	308.1	52.6	162.0	3.2	
E. All Other Items	661.7	566.3	16.9	95.4	4.5	
<b>Total</b>	<b>14762.2</b>	<b>15222.9</b>	<b>-3.0</b>	<b>-460.7</b>	<b>100.0</b>	

\* Provisional

Source: FBS

*Rice* remained the largest contributor to this year food and overall exports performance, contributing additional \$ 443.3 million amount to this years exports and grew by 35.8 percent. Rice has improved its stake in total exports to 11.4 percent. This impressive performance of rice is owing to enormous surge in international prices of rice. Without rice the exports growth could have worsen

to negative 6.5 percent and it has actually neutralized almost half of contraction in exports. This has again raises questions regarding structure of exports and reinforces the need to resort to diversification of exports. Although the international prices of rice has fallen from its peak level attained last year, the unit value of rice is still up by 48.4 percent. In quantitative terms the

exports of rice has witnessed 8.5 percent negative growth owing to higher domestic prices, increased competition in the form of improved international supply and domestic supply constraints.

*Textile's* share in overall exports has gone down substantially but it still account for lion's share at 53.5 percent of total exports. Textile manufacturers witnessed yet another year of depressed performance and posted negative growth of 9.3 percent during the July-April 2008-09 over corresponding period of last year. With the exception of raw cotton, cotton cloth and towels all other items of textile manufacture exhibited negative growth, during the July-April 2008-09. Textile group remains the major drain on negative growth in overall exports. In absolute terms, textile sector exports decreased by \$ 807.5 million during the July-April 2008-09 to comparable period of last year. This dismal performance of textile can be attributed to both price and quantity effects. During period under review global economic meltdown impacted global demand leads which resulted in declining demand for textile manufactures. Other contributory factors include; energy supply constraint, political and law and order situation and constricted credit availability. The share of textile sector has declined from 57.9 percent last year to 53.5 percent this year and it is persistently posting negative growth even before the outbreak of global economic meltdown as well as industrial slowdown. The negative growth has been witnessed in most categories of textile manufactures.

On the other hand *non-traditional items* are inching up their share by posting healthy growth. This implies where our comparative advantage lies, and Pakistan needs to further explore and develop these areas. The product and market-wise diversification can be crucial in this regard. Notwithstanding, good growth in non-traditional sector, the structural problems of the textile industry need to be redressed.

*Export of petroleum group* decreased by 27.9 percent in this period (July-April 2008-09), however its share in total exports remained intact at 4.8 percent owing to across the board deceleration. In absolute terms petroleum group witnessed a decline of \$ 271.6 million. Among the categories of petroleum exports, the exports of petroleum products increased by \$ 4.6 million on the back of 10.7 percent increase in its unit value and on the other hand petroleum top *naptha* decreased by the amount of \$ 276 million due to lower quantum and unit value compared to same period last year. Exports of petroleum products and petroleum top *naptha* have declined by 76.3 percent and 47.7 percent, respectively during the month of April 2009.

*Export of other manufactures* grew by 0.4 percent in the period, its stake stood at 19.9 percent in total exports, and contributed 2.7 percent to this year overall export growth. The major contributors behind this positive growth of other manufactures are cement, which grew by 52.6 percent and added \$ 162.0 million to the total exports on the back of increased external demand and enhanced capacity utilization followed by engineering goods which grew by 31.4 percent. Because of their lower weight, even their phenomenal growth could not impact overall quantum of the exports. The unit value of exports of cement exhibits an increase of 8.2 percent during the period under review.

The performance of *all other items* has shown significant increase of 16.9 percent and in absolute terms added \$ 95.4 million to overall exports during July-April 2008-09.

### 8.2.i Trend in Monthly Exports

The trend in month-wise exports during July-April 2008-09 has two distinct phases. In the first phase (July-Oct 2008), they remain positive but since November 2008, the exports witnessed downward trajectory. Exports averaged at \$ 1477.7 million per month during July-April 2008-09 as against average of \$ 1522.3 million per month of the

comparable period last year. Exports fell by 23.9 percent in April 2009 over April 2008 which has serious repercussions for the overall pace of the economic activity. In April 2009 almost all groups of exports witnessed negative growth except the category of all other items which increased by 50.5 percent. The decline was most pronounced in the textile sector with contraction of \$ 213.8 million during April 2009 [See Table-8.2].

### 8.2.ii Concentration of Exports

Export growth is hindered owed to lack of diversification in export goods. The trend of Pakistan's export of major items remain more or less same having concentrated on five items namely cotton manufactures, leather, rice, synthetic textile and sports goods [See Table 8.3]. These five categories accounts for 73.5 percent of total exports during July-March 2008-09. Within these few items cotton manufactures remain major contributor in total exports. The exports structure suggests that the intensity of concentration is changing slowly. The share of exports of other item was 17.4 percent in 2002-03 which now

increased to 26.5 percent of total exports during July-March 2008-09. Likewise, more recently, the share of rice & cotton manufactures contributed 11.3 percent and 53.3 percent in total exports, respectively during July-March 2008-09. The share of rice increased from 7.4 percent in last year and cotton manufacturers decreased from 57.5 percent of last year.

Month	2007-08	2008-09*
July	1,471.6	1,879.4
August	1,464.6	1,564.0
September	1,484.5	1,772.1
October	1,378.2	1,475.2
November	1,539.2	1,527.1
December	1,320.2	1,256.5
January	1,464.2	1,360.7
February	1,538.1	1,266.2
March	1,771.6	1,313.1
April	1,790.8	1,362.5
<b>Monthly Average</b>	<b>1,522.3</b>	<b>1,477.7</b>

*Source: FBS*

Commodity	01-02	02-03	03-04	04-05	05-06	06-07	07-08	July-March	
								07-08	08-09*
Cotton Manufacturers	59.4	63.3	62.3	57.4	59.4	59.7	51.9	57.5	53.3
Leather	6.8	6.2	5.4	5.8	6.9	5.2	5.8	6.8	5.6
Rice	4.9	5	5.2	6.5	7	6.6	9.8	7.4	11.3
Synthetic Textiles	4.5	5.1	3.8	2.1	1.2	2.5	2.1	2.5	1.7
Sports Goods	3.3	3	2.6	2.1	2.1	1.7	1.6	1.6	1.6
Sub-Total	78.9	82.6	79.3	73.9	76.6	75.7	71.2	75.8	73.5
Others	21.1	17.4	20.7	26.1	23.4	24.3	28.8	24.2	26.5
Total	100	100	100	100	100	100	100	100	100

**\*July-March (Provisional)** *Source: FBS*

The country's export of textile manufactures sustained the process of transformation towards higher value addition as the share of high value added products is rising gradually in the export basket. The high value added items like [See Table: 8.4] knitwear, bedwear and towels has increased their share in export basket from 14.6

percent to 18.3 percent, 15.9 percent to 17.5 percent and 4.6 percent to 6.5 percent, respectively since 2001-02. The pace of this transformation towards exporting high value added products is slow which is evident from the fact that, the cotton cloth with its stake of 20.7 percent in the total textile manufactures exports during July-March

2008-09. On the other side the share of value added goods (knitwear, bedwear and towels) increased to 42.3 percent in total textile manufacture exports during July-March 2008-09 as against 41.7 percent in comparable period last year.

Item	01-02	02-03	03-04	04-05	05-06	06-07	07-08	July-March	
								07-08	08-09*
Cotton Yarn	16.1	12.9	14	12.7	13.7	13.6	12.5	12.5	11.4
Cotton Cloth	19.6	18.6	21.3	23.3	21.6	19.3	19.4	18.5	20.7
Knitwear	14.6	15.9	18.1	18.9	17.6	18.7	18	17.8	18.3
Bed wear	15.9	18.4	17.2	16.4	20.8	19	18.3	18.3	17.5
Towels	4.6	5.2	5	5.9	5.8	5.7	5.9	5.6	6.5
Tents, Canvas & Tarpaulin	0.9	1	0.9	0.8	0.3	0.7	0.7	0.7	0.6
Readymade Garments	15.1	15.1	12.4	12.9	13.8	13.2	14	13.6	12.8
Synthetic Textiles	7.1	7.9	5.9	3.5	2	4	3.9	4.2	3.1
Made up Articles	6.1	5	5.2	5.5	4.3	4.5	5.2	4.9	5.2
Others	-	-	-	0.1	0.1	1.3	2.2	3.9	3.9
	100	100	100	100	100	100	100	100	100

**\* Provisional** *Source: FBS*

### 8.2.iii Composition of Exports

Over the years the composition of Pakistan's exports has changed drastically in favour of manufactured goods rather than primary goods. The share of manufactured goods increased from 64 percent in 1994-95 to three-fourth share in total export during July-March 2008-09. While comparing between semi-manufactures and

primary commodities the trend suggest that Pakistan most of times exports more semi-manufactures than their primary commodities. But since 2006-07 the share of primary commodities started to increase in total exports as share of primary commodities increased from 11 percent during 2006-07 to 17 percent in July-March 2008-09 in total exports, mainly because of tremendous rise in rice exports.

Year	Primary Commodities	Semi-Manufactures	Manufactured Goods	Total
1994-95	11	25	64	100
99-2000	12	15	73	100
2004-05	11	10	79	100
2005-06	11	11	78	100
2006-07	11	12	77	100
2007-08	14	11	75	100
<u>July-March</u>				
2007-08	12	11	77	100
2008-09 *	17	9	74	100

**\* Provisional** *Source: Federal Bureau of Statistics*

As shown in [Table-8.5] the composition of exports on overall basis rely more on manufactured goods. The share of exports with high-technological content is negligible. Pakistan needs

to revisit its structure of exports. There is dire need to shift towards higher value added and scale-intensive exports.

### 8.2.iv Direction of Exports

One major explanation for Pakistan's low level of exports to GDP ratio is being normally given is the failure of the trade diplomacy. The exports are destined to captive markets for the last sixty years or so and there are no serious efforts to diversify markets. The narrow range of markets is because of the fact that its major export markets are concentrated in few countries [See Table 8.6]. One of the reasons is Pakistan's economy has always

remained vulnerable to external shocks. With the deepening of recent global crisis Pakistan's major exports market are likely to witness contraction of around 3 percent as predicted by the IMF. With the exception of Saudi Arabia, almost all major markets of Pakistan's export exhibits a declining trend in their respective shares in overall exports. While US accounting for 18.8 percent share continued its status of the largest export market for Pakistan's exports followed by UK with 4.8 percent share in all major exports destinations.

Country	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	July-March		% Change
							07-08	08-09*	
USA	23.5	23.9	23.9	25.5	24.6	19.5	20.3	18.8	-7.4
Germany	5.2	4.9	4.8	4.2	4.1	4.3	4.4	4.1	-6.8
Japan	1.3	1.1	1.1	0.8	0.7	0.7	0.8	0.7	-12.5
UK	7.1	7.6	6.2	5.4	5.6	5.4	5.5	4.8	-12.7
Hong Kong	4.6	4.7	3.9	4.1	3.9	2.7	2.9	2.2	-24.1
Dubai	9	7.3	3.3	5.6	1.1	0	0	0	-
Saudi Arabia	4.3	2.8	2.5	2	1.7	2	1.9	2.2	15.8
Sub-Total	55	52.3	45.7	47.6	41.7	34.6	35.8	32.8	-8.4
Other Countries	45	47.7	54.3	52.4	58.3	65.4	64.2	67.2	4.7
Total	100	100	100	100	100	100	100	100	

\*Provisional

Source: FBS

### 8.3 Imports

Imports declined by 9.8 percent and stood at \$ 28,922.4 million during July-April 2008-09 as against \$ 32,059.4 million of the corresponding period last year. The overall import bill is lower by \$ 3,137 million than imports in the comparable period of last year [See Table 8.7]. Import compression measures lowering domestic demand coupled with massive fall in international oil prices have started paying dividends and imports witnessed slowdown. Beside that depreciation of rupee had also played a significant role for lower imports during current fiscal year.

With the exception of machinery group, the lower level of overall import bill is outcome of reduced imports spending on telecom (\$1040.3 million), raw material (\$329.9 million), consumer durables (\$276.8 million), others (746.9 million), petroleum group (657.6 million) and food group (\$ 107.9 million). The imports less of petroleum group and excluding petroleum and food group witnessed

decline of 10.6 percent and 11.9 percent, respectively.

Further analysis reveals that food group accounting for 11.8 percent of total imports, shown a negative growth of 3.1 percent. Within food group imports, wheat with 3.3 percent stake in overall imports and 27.7 percent share in food group witnessed an increase in absolute term by \$ 126.4 million mainly to augment domestic short supplies. Other food items like pulses, tea and sugar collectively added \$ 78.9 million to the import bill of the first ten months of current fiscal year. Edible oil import decreases by 8.9 percent owing to decline in its quantity imported as well as international prices of edible oil during July-April 2008-09. The import of wheat in the food group has shown an increase of 53.4 percent in its quantity imported over the corresponding period of last year July-April 2007-08. Pakistan has imported exceptionally high quantity of wheat but its unit value exhibited 24.8 percent fall over the comparable period of last year

indicating declining trend in the international prices of wheat.

Particulars	July-April		Absolute Increase	% Change	SHARE
	2008-09*	2007-08			
A. Food Group	3419.6	3527.4	-107.9	-3.1	11.8
Milk & milk food	63.1	63.7	-0.5	-0.8	0.2
Wheat Unmilled	946.2	819.8	126.4	15.4	3.3
Dry fruits	69.4	67.6	1.8	2.7	0.2
Tea	198.0	167.4	30.6	18.3	0.7
Spices	57.9	63.7	-5.8	-9.2	0.2
Edible Oil (Soyabean & Palm Oil)	1194.1	1311.1	-117.0	-8.9	4.1
Sugar	27.9	13.3	14.6	109.2	0.1
Pulses	187.5	153.7	33.7	21.9	0.6
B. Machinery Group	4272.1	4249.8	22.3	0.5	14.8
Power Gen. Machines	1427.3	857.2	570.1	66.5	4.9
Office Machines	215.4	248.4	-33.0	-13.3	0.7
Textile Machinery	183.7	360.0	-176.3	-49.0	0.6
Const. & Mining Mach.	242.7	206.1	36.6	17.7	0.8
Aircraft Ships and Boats	283.0	851.0	-568.0	-66.7	1.0
Agri. Machinery	78.3	118.0	-39.7	-33.7	0.3
Other Machinery	1841.8	1609.0	232.7	14.5	6.4
C. Petroleum Group	8012.7	8670.4	-657.6	-7.6	27.7
Petroleum Products	4608.1	4650.7	-42.6	-0.9	15.9
Petroleum Crude	3404.6	4019.7	-615.0	-15.3	11.8
D. Consumer Durables	1412.3	1689.1	-276.8	-16.4	4.9
Elect. Mach. & App.	657.7	606.0	51.7	8.5	2.3
Road Motor Veh.	754.6	1083.1	-328.5	-30.3	2.6
E. Raw Materials	6042.7	6372.5	-329.9	-5.2	20.9
Synthetic fibre	238.9	240.3	-1.3	-0.6	0.8
Silk yarn (Synth & Arti)	241.2	239.9	1.3	0.5	0.8
Fertilizer	491.2	823.9	-332.6	-40.4	1.7
Insecticides	81.0	80.3	0.7	0.8	0.3
Plastic material	942.3	1068.2	-125.9	-11.8	3.3
Iron & steel Scrap	515.4	524.0	-8.6	-1.7	1.8
Iron & steel	1103.3	1039.6	63.7	6.1	3.8
Other Chemical Products	2429.4	2356.3	73.1	3.1	8.4
F. Telecom	857.1	1897.4	-1040.3	-54.8	3.0
G. Others	4905.9	5652.8	-746.9	-13.2	17.0
Total	28922.4	32059.4	-3137.0	-9.8	100.0
Excluding Petroleum Group	20909.7	23389.0	-2479.3	-10.6	72.3
Excluding Petroleum & Food Groups	17490.1	19861.6	-2371.5	-11.9	60.5

\* Provisional

Source: FBS

Import of machinery group remain the only positive contribution though marginal 0.5 percent growth in imports and its share stood at 14.8 percent of total imports. It contributed an additional amount of \$22.3 million to the import bill during July-April 2008-09. Imports of power generating machinery amidst acute energy shortages, construction and mining machines and

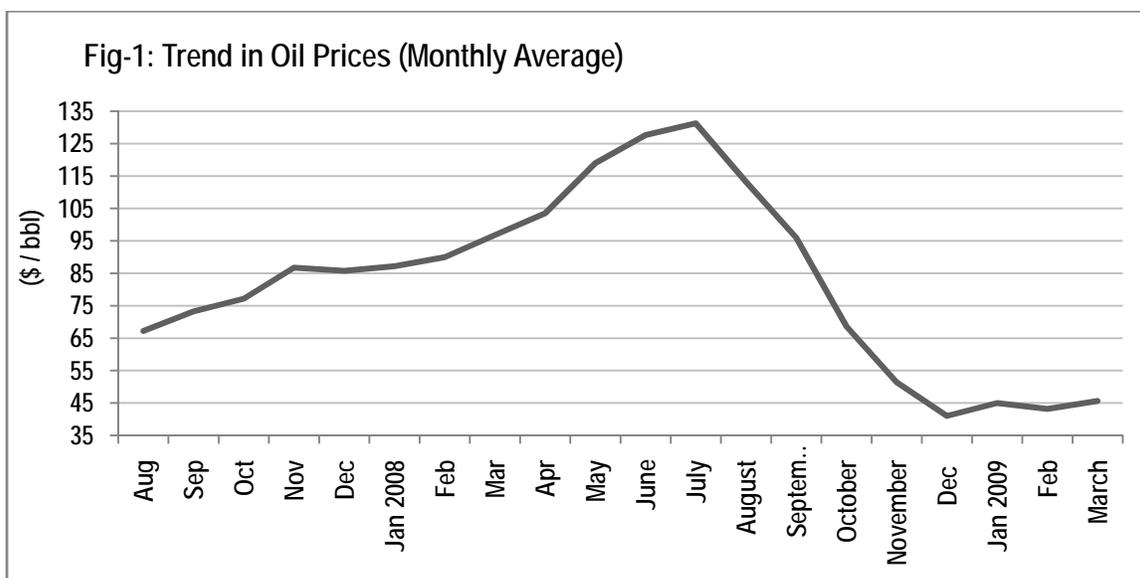
other machinery continued to sustain an increasing trend with growth rate of 66.5 percent, 17.7 percent and 14.5 percent, respectively. The increase in these items suggests that there is continues efforts are being made to move out of power crises faced by the country supplemented by construction and mining machinery.

The imports of power generating machinery added an additional \$ 570.1 million to the declining imports on the back of rising demand for generator due to perception of continued power crises. On the other hand, import of textile machinery is witnessing a declining trend since 2004-05 with current decline of 49.0 percent during July-April 2008-09 over the comparable period last year revealing the continuous deteriorating outlook for the textile sector for past few years and declining international demand. Moreover, office and agriculture machinery collectively dragged imports by \$72.7 million during July-April 2008-09 over the corresponding period of the last year.

In the backdrop of massive fall in international oil prices, the imports of petroleum group declined by \$ 657.6 million during July-April 2008-09 against the same period last year. This decrease is contributed largely by petroleum crude which

witnessed 10.8 percent decline in the quantitative terms and 5.1 percent in value terms. Furthermore, the import of quantity of petroleum products depicting positive growth of 1.4 percent during July-April 2008-09 despite negative growth in its unit value by 2.3 percent and thus value declined by 1.0 percent. The unit values of both categories of petroleum products start declining and witnessed a negative growth of more than 50.0 percent during April 2009. Notwithstanding decline in value terms the quantity import of petroleum products witnessed surge. Problems like inter corporate circular debt have contributed to keep imports of petroleum group low.

The monthly average prices of international oil surged from \$67.2 per barrel in August 2007 to \$134.1 per barrel in July 2008 and further decelerated even below \$40 per barrel amidst reduced international demand (See Fig-1).



The import of consumer durables witnessed a decline of \$276.8 million during July-April 2008-09. Further analysis suggests that import of road motor vehicle decreased from \$1038.1 million to \$754.6 million, thereby showing a negative growth of 30.3 percent in first ten months of the current fiscal year. The electric machinery and appliances grew by 8.5 percent during the period under review.

One manifestation of negative growth of manufacturing sector is reduction to the extent of \$329.9 million in the import of raw material or a negative growth of 5.2 percent. Major items behind this decline in raw materials imports are raw cotton, fertilizer manufactured and plastic material followed by iron and steel scrap and synthetic fibre. The import of raw cotton has declined by \$689.4 million by recording negative growth of 63.9 percent in quantum terms and 59.1 percent in value terms. This is a reflection of poor growth

performance of domestic textile industry. The fertilizer manufactured import exhibited a decline of \$332.6 million due to low domestic demand owing to increased domestic production. The quantity imported of fertilizer manufactured has declined by 48.7 during July-April 2008-09.

The import of iron and steel category has increased by 6.1 percent in value terms during July-April 2008-09. This increase in value of iron steel is entirely contributed by increase in its unit value which has risen by 22.2 percent in this period. On the other hand the quantity of iron and steel witnessed a negative growth of 13.2 percent which is indicating lower demand from its major consuming sources namely construction, industrial and automobile production activities.

The telecom sector has probably reached saturation level and imports in the sector witnessed negative

growth of 54.8 percent and its share declined to 3.0 percent in total imports during July-April 2008-09. In absolute terms the import in telecom sector witnessed a decline of \$ 1040.3 million on the back of decline in imports of mobile phones and other apparatus to the extent of 77.1 percent and 43.5 percent, respectively.

The reflection of decreasing international prices can be seen from [See table 8.8] by comparing of current year's imports bill to import at last year's prices. Pakistan clearly gained \$ 1233.2 million because of the fall in imports prices of soyabean oil, Palm oil, petroleum products, petroleum crude, fertilizer and plastic material. Country's import bill could have been inflated by \$ 1149.3 million if only the unit values of items listed in the table-8.8 kept equal to its last year's level.

**Table 8.8: Additional Import Bill: Rise in Import Prices (July- April 2008-09\*) (\$ Million)**

Commodity	Actual Imports	Imports at Last Year's Prices	Additional Bill (Gains/Losses)
Soya bean Oil	68.5	92.1	-23.6
Palm Oil	1125.6	1218.9	-93.3
Petroleum Products	4608.1	4650.7	-42.6
Petroleum Crude	3404.6	4019.7	-615.1
Fertilizer	491.2	823.9	-332.7
Plastic Material	942.3	1068.2	-125.9
Medicinal Products	448	427.8	20.2
Iron & Steel	1103.3	1039.6	63.7
Total	12191.6	13340.9	-1149.3

\*Provisional

Source: FBS

### 8.3.i Trends in Monthly Imports

Month-wise average imports of \$ 2892.2 during July-April 2008-09 remained lower than the average imports of \$ 3205.9 in the corresponding period of last year [See Table-8.9]. Month-wise imports kept on rising mainly because of unprecedented rise in oil and commodity prices during July-October 2008 but since then with the global economic meltdown monthly imports started sliding. Monthly imports contracted by 31.7 percent in April 2009 but this contraction is lower than 42.0 percent contraction in February 2009. Going forward the quantum of monthly imports will be decided by the oil prices in the international market.

**Table 8.9 Monthly Imports (\$ Million)**

Month	2007-08	2008-09*
July	2,573.8	3,548.9
August	2,747.4	3,459.5
September	2,734.9	3,806.1
October	3,384.7	3,460.3
November	3,161.3	2,716.9
December	2,348.8	2,125.4
January	3,529.1	2,528.5
February	3,657.9	2,123.4
March	3,821.6	2,355.0
April*	4,099.9	2,798.4
Monthly Average	3,205.9	2,892.2

\*Provisional

Source: FBS

### 8.3.ii Concentration of Imports

Three-fourth of the country's total imports consists of only eight categories [See Table 8.10] which indicates that Pakistan's imports are concentrated in only few items. Further analysis suggests that within these few items petroleum product accounted for major share followed by machinery. Data during July-March 2008-09 suggests that

74.5% of total imports came from these eight items namely machinery, petroleum and petroleum products, chemicals, transport equipment, edible oil, iron and steel, fertilizer and tea. The machinery group, petroleum and petroleum products, and chemicals collectively accounts for 61 percent share in total imports during July-March 2008-09, as against 57 percent in comparable period last year.

**Table 8.10: Pakistan's Major Imports**

Commodities	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	July-March	
							2007-08	2008-09*
Machinery **	18.5	17.8	22.5	18	22.1	18.5	18.4	18.9
Petroleum & Products	25.1	20.3	19.4	22.3	24	28.8	26.5	28.4
Chemicals @	15.1	16.1	15.5	13.4	13	12.3	12.4	13.5
Transport Equipments	5.6	5.6	6.2	7.7	7.6	5.5	5.9	3.7
Edible Oil	4.8	4.2	3.7	2.7	3.1	4.3	4.2	4.1
Iron & Steel	3.3	3.3	4.3	5.1	3.9	3.3	3.3	3.7
Fertilizer	2.1	1.8	2	2.4	1.5	2.2	2.7	1.5
Tea	1.4	1.2	1.1	0.9	0.7	0.5	0.5	0.7
<i>Sub-Total</i>	<i>75.9</i>	<i>70.3</i>	<i>74.7</i>	<i>72.5</i>	<i>75.9</i>	<i>75.4</i>	<i>73.9</i>	<i>74.5</i>
Others	24.1	29.7	25.3	27.5	24.1	24.6	26.1	25.5
<i>Total</i>	<i>100</i>							

\* July-March

Source: FBS

\*\* Excluding Transport Equipments, @: Excluding Fertilizer

### 8.3.iii Composition of Imports

The overall composition of country's imports implies that the share of raw material for consumer goods maintained its higher level since 1990-91 [See Table 8.11]. More recently, the share of imports of raw material for capital good exhibiting increasing level in the country. Further details of

composition of imports shows that share of imports of capital goods declined to 27 percent from 29 percent and raw material for consumer good reduced to 51 percent from 52 percent alongwith 2 percentage point increase in share of imports of consumer goods during July-March 2008-09 as against comparable period last year.

**Table 8.11: Composition of Imports**

(% Share)

Year	Capital Goods	Raw Material for		Consumer Goods	Total
		Capital Goods	Consumer Goods		
1990-91	33	7	45	16	100
1994-95	35	5	46	14	100
99-2000	26	6	54	14	100
2000-01	25	6	55	14	100
2001-02	28	6	55	11	100
2002-03	31	6	53	10	100
2003-04	35	6	49	9	100
2004-05	36	8	46	10	100
2005-06	37	7	45	11	100
2006-07	36	7	47	10	100
2007-08	29	8	53	10	100
<i>July-March</i>					
2007-08	29	8	52	11	100
2008-09 *	27	9	51	13	100

\* Provisional

Source: Federal Bureau of Statistics

### 8.3.iv Direction of imports

Pakistan's imports are concentrated in very few markets of USA, Japan, Kuwait, Saudi Arabia, Germany, U.K and Malaysia. These collectively accounts for almost 40 percent of stake in imports.

Within these countries, Saudi Arabia continues to enjoy the distinction of major import origin since 2002-03. Sizeable portion of imports originates from Saudi Arabia, Kuwait and USA with the share of 13.6 percent, 7.9 percent and 4.7 percent, respectively [See Table-8.12].

Country	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	July-March	
							2007-08	2008-09*
U.S.A.	6	8.5	7.6	5.8	7.5	6.1	6.5	4.7
Japan	6.6	6	7	5.6	5.7	4.6	4.4	3.6
Kuwait	6.6	6.4	4.6	6.2	5.7	7.5	6.7	7.9
Saudi Arabia	10.7	11.4	12	11.2	11.4	13.4	12.6	13.6
Germany	4.6	3.9	4.4	4.7	3.9	3.2	3.2	3.8
U.K.	2.9	2.8	2.6	2.8	2.3	1.9	1.9	2.2
Malaysia	4.6	3.9	2.6	3.0	3.1	3.9	3.8	4.1
<i>Sub-Total</i>	<i>42</i>	<i>42.9</i>	<i>40.8</i>	<i>39.3</i>	<i>39.6</i>	<i>40.6</i>	<i>39.1</i>	<i>39.9</i>
Other Countries	58	57.1	59.2	60.7	60.4	59.4	60.9	60.1
Total	100	100	100	100	100	100	100	100

**\*Provisional** *Source: FBS*

**Table 8.13: Unit Value Indices & Terms of Trade**  
(1990 = 100)

Year	Unit Value Indices		Terms of Trade
	Exports	Imports	
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	310.0	495.3	62.6
2007-08	350.4	632.3	55.4
<u>July-March</u>			
2007-08	334.7	582.0	57.5
2008-09*	454.9	808.1	56.3

**\* Provisional.** *Source: FBS*

### 8.4 Terms of Trade

Terms of Trade represent the relative prices of exports in terms of prices of imports. Pakistan is witnessing persistent deterioration in terms of trade for almost two decades now. After witnessing deterioration of 11.5 percent during last year 2007-08, country's terms of trade indices with base year 1990 = 100 aggravated to 56.3 during July-March 2008-09 from 57.5 in the corresponding period of last year. Thus against the

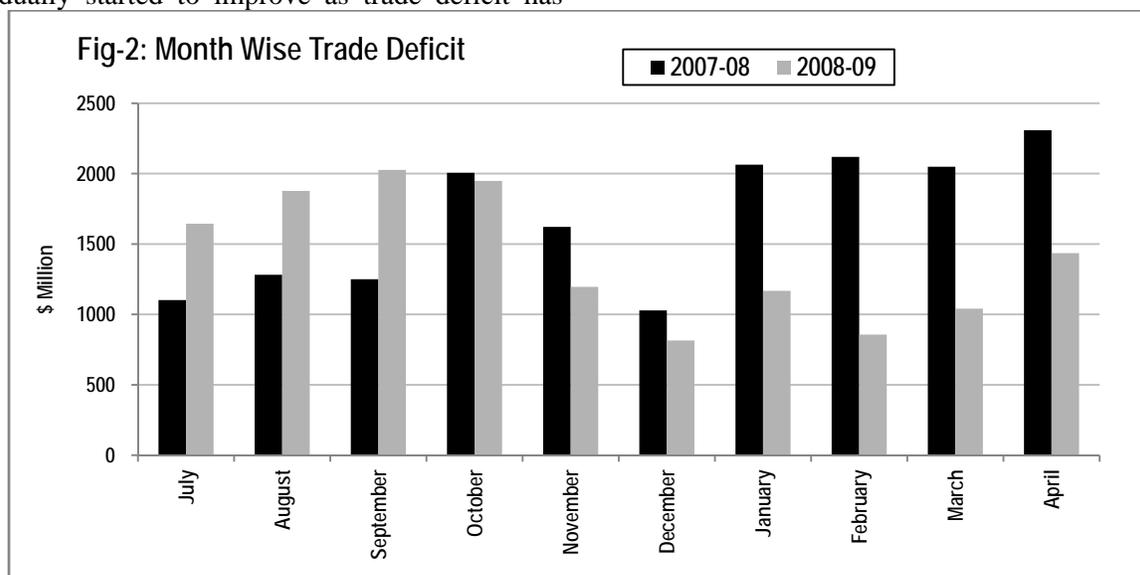
10.0 percent deterioration in the corresponding period of fiscal year 2007-08, terms of trade deteriorated by 2.1 percent during July-March 2008-09. This deterioration in the terms of trade is the lowest ever since 2002-03 which is reflection of declining international prices of commodity and oil. The deterioration in the terms of trade has also contributed to deterioration of the current account deficit in 2007-08 and modest decline implies that current account deficit is witnessing some improvement. 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 [See table 8.13].

### 8.5 Trade Balance

During the first ten months of the current fiscal year (July-April), the merchandise trade deficit has narrowed by \$2.7 billion to \$14,160 million as compared to \$16,836 million in the same period last year thereby, showing an improvement of 15.9 percent. Improvement in trade deficit arises due to massive decline in imports on the back of import compression measures taken by government, massive decrease in international prices of oil and commodity and depreciation in the rupee value. Trade deficit has worsened during the initial months (July-September) of the year 2008-09,

increasing by 62.2 percent during the month of September 2008-09 as compared to same month last year. Since October 2008 onward has gradually started to improve as trade deficit has

improved by 37.9 percent during the month of April 2009 over the same month of last year (See Fig-2).



### 8.6 Current Account Balance

The current account deficit has improved by \$2.6 billion and stood at \$ 8.547 billion during July-April 2009-09 as against \$ 11.173 billion in the corresponding period of last year, thereby showing an improvement of 23.5 percent [See Table 8.14]. In the month of February 2009, the current account

witnessed a surplus of \$ 128 million which is first monthly surplus since July 2007. However, it turned to deficit of \$ 457 million in April 2009. The current account deficit was \$3.8 billion in the first quarter (July-September) which has declined to \$0.3 billion in the third quarter (July-March) of the year.

Components	July-June		July-April	
	2006-07	2007-08	2007-08	2008-09 P
Current Account Balance	-6878	-13735	-11173	-8547
Trade balance	-9711	-15045	-12313	-10794
Goods: Exports	17278	20427	16402	15981
Goods: Imports	26989	35472	28715	26775
Services Balance	-4170	-6257	-5493	-3223
Services: Credit	4140	3577	2627	2914
Services: Debit	8310	9834	8165	6137
Income Account Balance	-3582	-3909	-3090	-3612
Income: Credit	940	1613	1398	788
Income: Debit	4522	5522	4488	4400
Current Transfers Net	10585	11476	9723	9082
Of which:				
Workers remittances	5494	6451	5319	6356
Capital & Financial Account	10276	8303	6290	3608
Capital Account,	304	121	66	132
Financial Account	9972	8182	6224	3476
Direct Investment Abroad	-114	-75	-41	14
Direct Investment in Pakistan	5140	5410	3719	3206

Components	July-June		July-April	
	2006-07	2007-08	2007-08	2008-09 P
Portfolio Investment (Net)	3283	36	142	-1002
Other Investment	1663	2811	2404	1258
Net Errors and Omissions	159	-75	409	290
Overall Balance	3557	-5507	-4474	-4649
Reserves and Related Items	-3557	5507	4474	4649
Reserve Assets	-3537	5680	4614	888
Use of Fund Credit and Loans	-120	-173	-140	3761
Exceptional Financing	100	0	0	0

**P: Provisional** *Source: State Bank of Pakistan*

The current account deficit was deteriorating up to October 2008 when it peaked to \$2.2 billion in a single month. The improvement in the current account deficit started in the period November-April 2008-09 when it has shown remarkable improvement by 74 percent over the corresponding period last year on the back of reduction in trade and services account deficits. On the other hand, the current account deficit had worsened by 100.8 percent during the first four months of the current fiscal year (July-October 2008-09) owing to higher import prices for edibles and petroleum products. Trade deficit decelerated by 12.3 percent during July-April 2008-09. This improvement contributed by deceleration in import growth owing to easing of the demand pressures and helped by commodity and petroleum prices crash. Increase in worker's remittance and reduction in services account deficit leads to improvement of invisible account.

During July-April 2008-09, the services trade deficit shrank by 41.3 percent mainly because of improved receipts like proceeds of logistic support, deceleration in freight related charges and sharp fall in outflows from foreign exchange companies that were very pronounced in the first four months of the current fiscal year. **Financial account** after attaining height in 2006-07 has declined substantially from \$ 6,224 million last year to \$ 3,476 million during July-April 2008-09. This decline was a result of confluence of factors such as weakening economic fundamentals, deteriorating law and order situation, slack functioning of stock market, lack of privatization proceeds and in the presence of global financial crises the foreign investors shied away from

investing as expectations of the lower degree of profitability, and host of risks and uncertainties.

Further analysis suggests that intensity of these developments influenced more to portfolio investments, and other investment and outflow from portfolio investment remains at \$1,002 million which included outflow from stock market and payment of maturing Eurobonds of \$500 million in the month of February 2009. Furthermore Foreign Direct Investment (FDI) amounted to \$3,205 million in the first ten months (July-April) of current fiscal year (2008-09) as against \$ 3,719 million in the comparable period of last year thereby showing a decline of 13.8 percent. The communication, financial business, and oil & gas exploration sectors have been the major attraction for foreign investors in Pakistan, accounting for 25.8 percent and 21.2 percent and 19.1 percent, respectively.

#### **8.6.i Worker Remittances**

Worker remittances have remained an important source of foreign exchange earnings over the years and for the last eight years or so it remained the dominant force to keep current account deficit at a manageable level. Worker remittances amounted to \$ 6355.6 million in July-April 2008-09 as against \$ 5319.1 in corresponding period last year, thereby showing an increase of 19.5 percent [See Table 8.15]. The crackdown on exchange companies in the month of October 2008 has implications for the worker's remittance and they exhibited a negative growth of 19.7 over October 2007 owing to difficult global environment and uncertainties surrounding domestic economy however, they recovered to their normal high double digit growth

since November 2008. More than 75.0 percent of remittance during July-October 2008-09 routed through exchange companies whereas majority of the increase in remittances growth was contributed by higher inflows in the banks during November-March 2008-09. This compositional change in remittances can be attributed to litigation from the government against the undocumented fund transfers during October 2008.

Outlook for remittances from the source countries/regions suggests that remittance from UAE witnessed a massive growth of 50.6 percent and accounting for 21.5% stake in overall remittances during July-April 2008-09 against the comparable period of last year owing to possible reverse capital flight to the country and action against undocumented transfer of money. Around 22.6 percent of country's remittances originate from the US and they witnessed first ever negative growth

of 1.9% in the last eight years due to deepening of recession in US economy. However, Saudi Arabia, other GCC countries, EU Countries and UK made a positive contribution to increase in remittances during July-April 2008-09. (See Table 8.16)

Monthly Cash Inflow*	2007-08	2008-09	% Change
July	495.69	627.21	26.53
August	489.51	592.3	21.00
September	516.05	660.35	27.96
October	580.24	466.13	-19.67
November	505.58	620.52	22.73
December	479.26	673.5	40.53
January	557.07	637.3	14.40
February	502.76	641.32	27.56
March	602.21	739.43	22.79
April	590.71	697.52	18.08
July-April	5,319.08	6,355.58	19.49
Monthly average	531.91	635.56	19.49

\* Including FEBCs and FCBCs Source: SBP

Country / Region	July-April*		% Change	% Share
	2007-08	2008-09		
USA	1463.73	1435.65	-1.9	22.6
UK	379.03	467.98	23.5	7.4
Saudi Arabia	1001.71	1264.07	26.2	19.9
UAE	907.52	1366.79	50.6	21.5
Other GCC Countries	795.18	996.02	25.3	15.7
EU Countries	147.65	196.53	33.1	3.1
Others Countries	462.23	498.09	7.8	7.8
Total	5319.08	6355.58	19.5	100.0

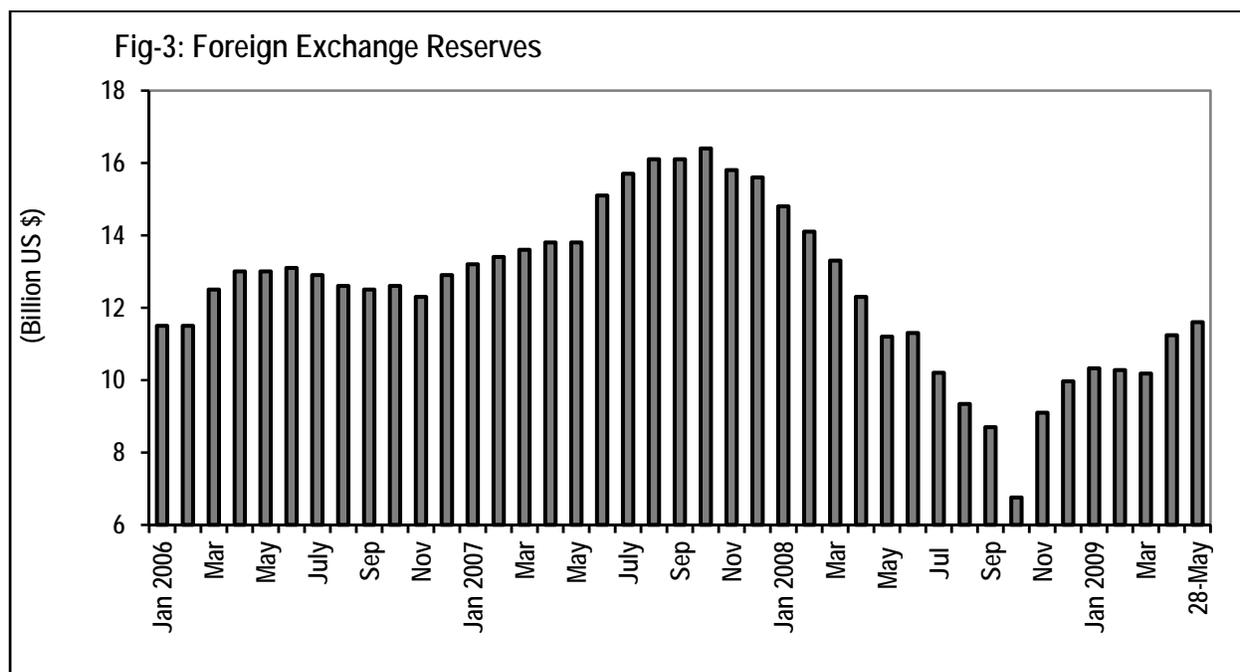
\* Provisional Source: State Bank of Pakistan

### 8.6.ii Foreign Exchange Reserves

Owing mainly to substantial improvement in Pakistan's external account for the last one quarter has its reflection on Pakistan's gross liquid foreign exchange reserves where hemorrhage was not only arrested but reserves are back to their end-June level of around \$ 11.6 billion by the end of May 2009 [See fig-3]. This implies on a V-shaped recovery. Of gross reserves, the reserves held by the State Bank of Pakistan stood at \$ 8.28 billion and by banking system stood at \$ 3.32 billion. The trend of reserves is consisting of two distinct periods during the current fiscal year. In the first five months they persistently deteriorated and

attained lowest at \$ 6.4 billion by 25<sup>th</sup> November, 2008 depleted from \$11.4 billion at the end of June 2008. This depletion of reserves in the five months (July-November 2008) was much higher than fall in foreign exchange reserves for the entire fiscal year 2007-08. The subsequent recovery since November 25, 2008 onward owed essentially to the inflow of \$ 3.1 billion from the IMF following Pakistan's entry into a macroeconomic stabilization program than after additional capital inflows from other agencies. Pressure on reserves eased due to reduction in the incidence of current account deficit alongwith modest recovery in capital flows thereby bringing stability in the

exchange rate which further improved the position of foreign exchange reserves.



The import coverage ratio declined to an uncomfortable level of 9.1 weeks as of end-October 2008 from 16.8 weeks of imports as of end-June 2008 but it improved to 18 weeks of imports by end May, 2009. Reserve adequacy in terms of weeks of imports has improved considerably in the second phase November 25-May 31, 2009.

### 8.7 Exchange Rate

Pakistan is managing its exchange rate under market-related float-management system where the forces of demand and supply affect exchange rate fluctuations. The depletion and accretion of foreign exchange reserves has to play some role in determination of rupee-dollar parity which also determines its parity with all other currencies. Pakistan has witnessed tremendous pressure on exchange rate during July-October 2008-09 when rupee depreciated by 16.3 percent. The reasons being substantial loss of foreign exchange reserves,

massive buying by businesses seeking to avoid exchange losses on imports along with other factors like trade related outflows, political uncertainty and speculative activities in the foreign exchange market. Standard deviation of the inter bank market exchange rate was extremely volatile and in October it was 1.41 due to the fact that rupee touched record low of Rs. 83.46/US \$ by mid-October 2008. With signing of Standby Arrangements with the IMF, the rupee got back some of its lost value and with substantial import compression, improvement in overall external balance including revival of external inflows from abroad the exchange rate hovered around Rs.80.50 during April 2009. The rupee showed relatively better performance against Euro and Pound as these currencies depreciated by 1.1 and 15.4 percent, respectively against Pak rupee during Jul-Mar fiscal year 2008-09. Rupee's appreciation against the Euro and Pound was primarily driven by the weakness in the respective currencies [See Table 8.17].

**Table 8.17: Average Exchange Rates and Premium**

	Inter Bank Rate (Rs / \$)	Open Market Rate (Rs/\$)	Premium (%)	Rs/ Euro
July, 2007	60.4	60.98	0.58	82.86
January, 2008	62.41	62.47	0.06	92.99

**Table 8.17: Average Exchange Rates and Premium**

	Inter Bank Rate (Rs / \$)	Open Market Rate (Rs/\$)	Premium (%)	Rs/ Euro
February	62.65	62.76	0.11	94.86
March	62.76	63	0.24	99.05
April	63.82	64.32	0.5	100.47
May	67.78	68.29	0.51	103.48
June	67.44	68.2	0.76	107.76
July, 2008	70.83	71.29	0.46	111.39
August	74.62	74.79	0.17	111.86
September	77.32	77.27	-0.05	112.05
October	80.74	82.37	1.63	104.74
November	80.01	79.72	-0.29	99.99
December	79.11	78.95	-0.16	111.37
January, 2009	79.28	79.28	0	101.25
February	79.64	79.65	0.01	101.15
March	80.42	80.31	-0.11	106.62

*Source: State Bank of Pakistan*

**Table 8.18: Real Effective Exchange Rate  
(Rupee Price of a Basket of 21 Currencies)  
(2000=100)**

	Monthly Average
January, 2007	96.20
July, 2007	96.19
January, 2008	95.12
July, 2008	91.48
August	91.02
September	90.54
October	92.71
November	96.04
December	95.41
January, 2009	95.31
February, 2009	97.25
March, 2009	97.64

*Source: SBP*

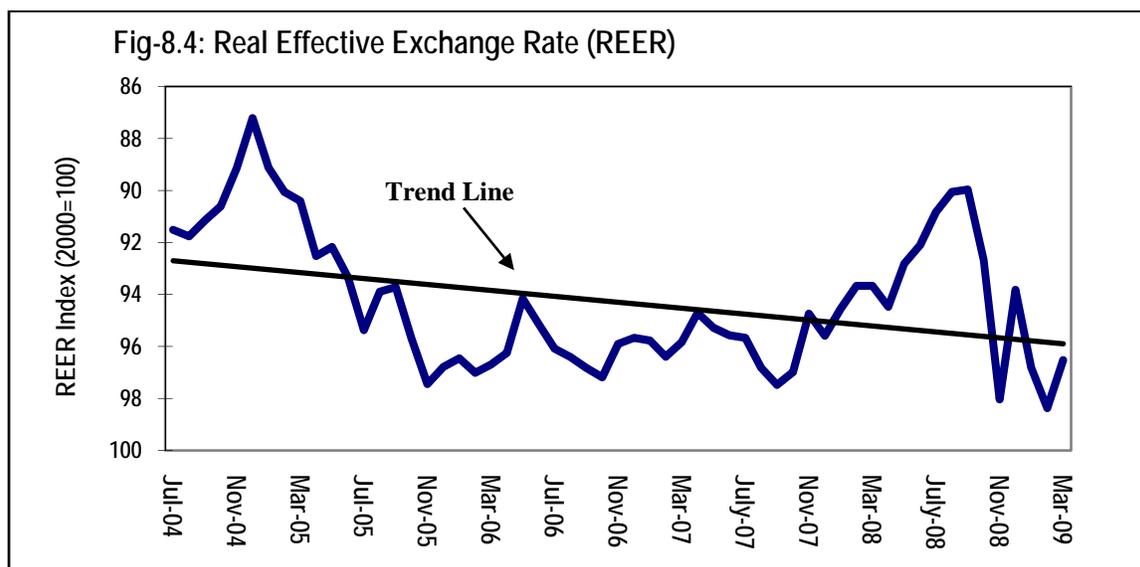
### 8.7.i Real Effective Exchange Rate

The indices of Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) are used as indicators of external competitiveness. NEER is the weighted average of bilateral nominal exchange rates of the home currency in terms of foreign currencies. Conceptually, the REER, defined as a weighted

average of nominal exchange rates adjusted for relative price differential between the domestic and foreign countries, relates to the purchasing power parity (PPP) hypothesis. During July-March 2008-09, the NEER witnessed 6.4 percent depreciation against the 10.3 percent depreciation during corresponding period last year. Pak rupee depreciated against more than half of the 13 countries basket of currencies mainly because of unabated inflationary pressures in the economy.

Movements in the Real Effective Exchange Rate (REER) are the mirror image of the cumulative movements in the NEER and relative price index (RPI) of the trading partners of Pakistan. As Pakistan's inflation is more stubborn relative to its trading partners, it resulted in appreciation of REER. The RPI went up by 11.2 percent and thus resulted in appreciation of Real Effective Exchange Rate (REER) by 4.1 percent in July-March 2008-09. The nominal depreciation of 15.2 percent in rupee-dollar parity during July-April 2008-09 has improved competitiveness of Pakistan's exports but structural rigidity and compressed global demand has contributed to

negative exports growth [See Table 8.18 & Fig- 8.4].



### 8.8 SALIENT FEATURES OF TRADE POLICY 2008-09

During fiscal year 2007-08, the country's import bill as well as trade deficit reached to a record level. Realizing the alarming situation during last fiscal year, the government, in line with its obligations under the WTO took the following measures to curtail the rising trade deficit.

- ▶ L/C margin on import of all non-essential items was imposed w.e.f. 22<sup>nd</sup> May, 2008.
- ▶ Duty on non-essential and luxury items was raised in the Federal Budget 2008-09.
- ▶ Regulatory Duty ranging from 15-50 Percent imposed on import of 397 consumer items since 27<sup>th</sup> August, 2008.

Ministry of Commerce in consultation with stake holders is endeavoring to use the trade policy as an instrument to mitigate the negative effects of this situation by pursuing the ongoing export led growth strategy more vigorously aims at bridging the trade gap by focusing on reducing the cost of doing business, enhancing productivity and competitiveness of our manufacturing sector. The trade policy also focuses on agriculture, as it is an integral source of supply of our major agri-based export products. Major incentives in the current trade policy are as under:

- ▶ To reduce cost of raw material imports and thereby making export products more competitive, the import of Job lots & Stock lots of raw material, which attract duty upto 5%, was allowed.
- ▶ To reduce the cost of manufacturing of liquefied gases, import of used cryogenic containers/cylinders by industrial consumers has been allowed subject to prior NOC from the Department of Explosives and condition that the containers/cylinders are refurbished prior to shipment, complaint with international safety standards and not older than 10 years.
- ▶ Import of cement bulker semi trailers, without prime movers in used condition and not older than 10 years allowed to cement manufacturers for transportation of bulk cement.
- ▶ To make exports more competitive in the international market, import of cheaper raw material machinery sourced from India allowed by adding another 136 items in the Positive List of items importable from India. This also includes diesel and fuel oil from India that will be cheaper due to lower transportation cost.
- ▶ Stainless steel and cotton yarn are importable from India by train. To further reduce the cost

of doing business, their import by trucks through Wagah as well allowed.

- ▶ To facilitate expatriate returning Pakistanis with limited means to create an economic opportunity for themselves as well as ease the shortage of buses on inter city routes, import of buses not older than 05 years is allowed under the Transfer of Residence scheme.
- ▶ To give access to people to cheaper academic, scientific & reference books available in India, their import from India was allowed while previously only technical professional books could be imported.
- ▶ In compliance with the UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances 1988, import of Toluene, MEK and Potassium Permanganate made subject to NOC by the Ministry of Narcotics Control.
- ▶ To prevent unscrupulous elements from selling unrefined palm oil in the market and endangering public health, only recognized manufacturers allowed to import crude palm oil for further processing and refining. Furthermore, manufacturers who import palm oil in crude form will not be allowed to sell it to non-manufacturers. However commercial importers who have invested in large bulk storages will be allowed to continue importing crude palm oil subject to a safeguard mechanism to be drawn up by FBR.
- ▶ In compliance with the Montreal Protocol, import of CFC gas based refrigerator and freezing equipments was already banned. To remove any possibility of misuse, import of CFC based compressors also banned.
- ▶ It has been decided that Plant, machinery and equipment imported to setup a unit in Duty and Tax Remission for Exports (DTRE) scheme will be exempt from duty and taxes, Inputs in DTRE will also be allowed to be imported from India, even if these are not included in the importable items from India, or manufactured locally, The period of retention

of raw material and components for export under temporary importation scheme (SRO 1065) may be increased from current 12 months to 18 months i.e. at par with DTRE Scheme.

- ▶ Government's Commitment of Decision to completely zero-rate the export by refunding whole amount paid as indirect taxes on inputs used for manufacturing for exports.
- ▶ In view of the hassle involved in getting benefits of Duty and Tax Remission for Exports scheme, decision to introduce new scheme where by a notified percentage of inputs may be allowed to be imported at zero duties against fob value of exports with flexibility to import any product among the notified list in any quantity within the overall entitlement of the exporter.
- ▶ In order to attract new investment in pharma sector, it was decided that an incentive for accelerated depreciation allowance @ 90.0 percent of the value of capital assets will be allowed in line with the industries undertaking establishment in rural areas.
- ▶ Allowing exporting pharmaceutical companies to send free samples to the extent of 10 percent of the commercial export quantity in the preceding year.
- ▶ The pharmaceutical sector allowed retaining up to 15 percent of their export earnings in foreign currency accounts.
- ▶ Gold, silver, platinum, palladium, diamond and precious stones were exempted from levy of customs duties and sales tax.
- ▶ To reduce expenditure on machinery/equipment for mining/quarrying and grinding of minerals will be allowed from India.
- ▶ Mark up support on loans for setting up in-house effluent treatment plants increased from 6.0 percent to 8.0 percent or 50.0 percent of the mark up.

- ▶ The horticulture sector being declared as an industry.
  - ▶ Establishment of a farm to port cool chain as part of National Trade Corridor improvement Program. Till such time that is implemented to facilitate exporters of horticultural products support for cool chain and cold storages for horticulture will be increased to 8.0 percent or 50.0 percent of the mark up.
  - ▶ Government will bear 50.0 percent of the cost registration of herbal medicinal products abroad i.e., at par with pharmaceutical products.
  - ▶ Mark up support on loans for setting up of slaughterhouse increased from 6.0 percent to 8.0 percent or 50.0 percent of the mark up.
-

TABLE 8.1

## BALANCE OF PAYMENTS

Items	(US \$ Million)											
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	July-April 2007-08	2008-09 (P)
1. Trade Balance	-2085	-1412	-1269	-294	-444	-1208	-4352	-8259	-9495	-14895	-10734	-9402
Exports (f.o.b)	7528	8190	8933	9140	10889	12396	14401	16388	17119	20207	14310	14328
Imports (f.o.b)	-9613	-9602	-10202	-9434	-11333	-13604	-18753	-24647	-26614	-35102	-25044	-23730
2. Services (Net)	-2618	-2794	-3142	-2617	-2128	-3594	-5841	-7304	-7968	-10316	-7623	-6374
Receipts	1409	1501	1464	2027	2967	2894	3837	4718	5239	5410	3810	3518
Payments	-4027	-4295	-4606	-4644	-5095	-6488	-9678	-12022	-13207	-15726	-11433	-9892
Shipment	-844	-802	-877	-809	-951	-1253	-1713	-2203	-2337	-2924	-2096	-2135
Investment Income	-1903	-2135	-2274	-2430	-2381	-2394	-2823	-3451	-4522	-5522	-3987	-4034
Others	-1280	-1358	-1455	-1405	-1763	-2841	-5142	-6368	-6348	-7280	-5350	-3723
3. Private Unrequited Transfers (net)	2274	3063	3898	4249	5737	6116	8440	9914	10102	11048	8332	8001
(Workers Remittances)	1060	983	1087	2389	4237	3871	4168	4600	5494	6451	4728	5,658
4. Current Account Balance	-2429	-1143	-513	1338	3165	1314	-1753	-5649	-7361	-14163	-10025	-7775
5. Long-term Capital (net)	1836	525	171	1280	1035	-201	2562	6016	9268	7978	4683	4090
Private Capital (net)	466	277	-68	-177	225	691	1221	4153	7088	6181	3601	3088
Official Capital (net)@	1370	248	239	1457	810	-892	1341	1863	2180	1797	1082	1002
6. Basic Balance	-593	-618	-342	2618	4200	1113	809	367	1907	-6185	-5342	-3685
7. Errors and Omissions (net)*	-1375	-2282	313	961	909	-137	-854	36	507	-1002	213	-1017
8. Balance Requiring Official Financing	-1968	-2900	-29	3579	5109	976	-45	403	2414	-7187	-5129	-4702
9. Official Assistance & Debt Relief	-1174	-996	338	-925	-520	-95	472	470	1789	1173	551	44
Medium and Short- Term Capital	-863	-221	431	-334	-180	-317	147	-193	-83	560	460	-26
Other Short-Term Assets/ Liabilities FEBC, DBC FEBC, Euro & Special US \$ Bonds (Net), GDR(OC)	-311	-775	-93	-591	-340	222	335	663	1872	613	91	70
10. Exceptional Financing	3966	3966	692	138	620	-55	-55	-55	100	0	0	0
11. Change in Reserves (- ve = increase)	-824	-71	-1001	-2792	-5209	-826	-372	-818	-4303	6014	4578	4658

@ Includes Official Unrequited Transfers

Source : State Bank of Pakistan

\* Includes Private Short-term Capital

(P) Provisional

Table 8.2

## Summary Balance of Payments

(Millions \$)

Item	2006-07	2007-08	July-April	
			2007-08	2008-09
Current account balance	-6878	-14016	-11173	-8547
Current account balance without off. Transfers	-7403	-14443	-11600	-8693
Goods: Export f.o.b	17278	20125	16402	15981
Goods: Imports f.o.b	26989	35411	28715	26775
Trade Balance	-9711	-15286	-12313	-10794
Services (Net)	-4170	-6302	-5493	-3223
Services: Credit	4140	3590	2672	2914
Services: Debit	8310	9892	8165	6137
Income (Net)	-3582	-3905	-3090	-3612
Income: Credit	940	1613	1398	788
Income: Debit	4522	5518	4488	4400
of Which: Interest Payments	1417	2156	1690	1526
Current Transfer (Net)	10354	11497	9723	9082
Capital Account and Financial Account	10449	8778	6290	3608
Capital Account	304	69	66	132
Financial Account	10145	8709	6224	3476
Dir. Invest. In Rep. Econ.	5140	5153	3719	3206
Other Investment Assets	-585	397	943	596
Other Investment Liab.	2421	3198	1461	662
Monetary Authorities	-1	490	-10	-1
General Government	1308	2315	1202	1174
Disbursement	2669	3485	2272	2634
Amortization	1339	1149	1049	1961
Overall Balance	3730	-5780	-4474	-4649
Reserve and Related Items	-3730	5780	4474	4649
SBP Reserves (Excl. CRR & Sinking Fund)	13345	8577	10074	7792

Source: SBP

TABLE 8.3

## 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
2007-08	11.7	24.3	12.6	3.9	8.5
<u>Jul-April</u>					
2007-08 *	9.2	19.3	10.1	3.2	6.7
2008-09 *	8.9	17.4	8.5	3.8	5.1

^ 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 8.4

## 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	-24,264	25.07	14.10	3.17	2,958	5,409	-2451	25.07	14.11	3.20
1981-82	26,270	59,482	-33,212	-10.28	11.09	36.88	2,464	5,622	-3158	-16.70	3.94	28.85
1982-83	34,442	68,151	-33,709	31.11	14.57	1.50	2,694	5,357	-2663	9.33	-4.71	-15.67
1983-84	37,339	76,707	-39,368	8.41	12.55	16.79	2,768	5,685	-2917	2.75	6.12	9.54
1984-85	37,979	89,778	-51,799	1.71	17.04	31.58	2,491	5,906	-3415	-10.01	3.89	17.07
1985-86	49,592	90,946	-41,354	30.58	1.30	-20.16	3,070	5,634	-2564	23.24	-4.61	-24.92
1986-87	63,355	92,431	-29,076	27.75	1.63	-29.69	3,686	5,380	-1694	20.07	-4.51	-33.93
1987-88	78,445	112,551	-34,106	23.82	21.77	17.30	4,455	6,391	-1936	20.86	18.79	14.29
1988-89	90,183	135,841	-45,658	14.96	20.69	33.87	4,661	7,034	-2373	4.62	10.06	22.57
1989-90	106,469	148,853	-42,384	18.06	9.58	-7.17	4,954	6,935	-1981	6.29	-1.41	-16.52
1990-91	138,282	171,114	-32,832	29.88	14.96	-22.54	6,131	7,619	-1488	23.76	9.86	-24.89
1991-92	171,728	229,889	-58,161	24.19	34.35	77.15	6,904	9,252	-2348	12.61	21.43	57.80
1992-93	177,028	258,643	-81,615	3.09	12.51	40.33	6,813	9,941	-3128	-1.32	7.45	33.22
1993-94	205,499	258,250	-52,751	16.08	-0.15	-35.37	6,803	8,564	-1761	-0.15	-13.85	-43.70
1994-95	251,173	320,892	-69,719	22.23	24.26	32.17	8,137	10,394	-2257	19.61	21.37	28.17
1995-96	294,741	397,575	-102,834	17.35	23.90	47.50	8,707	11,805	-3098	7.01	13.58	37.26
1996-97	325,313	465,001	-139,688	10.37	16.96	35.84	8,320	11,894	-3574	-4.44	0.75	15.36
1997-98	373,160	436,338	-63,178	14.71	-6.16	-54.77	8,628	10,118	-1490	3.70	-14.93	-58.31
1998-99	390,342	465,964	-75,622	4.60	6.79	19.70	7,779	9,432	-1653	-9.84	-6.78	10.94
1999-00	443,678	533,792	-90,114	13.66	14.56	19.16	8,569	10,309	-1740	10.15	9.30	5.26
2000-01	539,070	627,000	-87,930	21.50	17.46	-2.42	9,202	10,729	-1527	7.39	4.07	-12.24
2001-02	560,947	634,630	-73,683	4.06	1.22	-16.20	9,135	10,340	-1205	-0.73	-3.63	-21.09
2002-03	652,294	714,372	-62,078	16.28	12.57	-15.75	11,160	12,220	-1060	22.17	18.18	-12.03
2003-04	709,036	897,825	-188,789	8.70	25.68	204.12	12,313	15,592	-3279	10.33	27.59	209.34
2004-05	854,088	1,223,079	-368,991	20.46	36.23	95.45	14,391	20,598	-6207	16.88	32.11	89.30
2005-06	984,841	1,711,158	-726,317	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	-822,494	4.52	8.22	13.24	16,976	30,540	-13564	3.19	6.85	11.82
2007-08	1,196,638	2,512,072	-1,315,434	16.26	35.66	59.93	19,052	39,966	-20914	12.23	30.86	54.19
<u>July-April</u>												
2007-08	938,428	1,978,993	-1,040,565	11.80	30.60	54.00	15,223	32,059	-16836	9.90	28.30	51.10
2008-09 P	1,147,435	2,247,049	-1,099,614	22.27	13.55	5.67	14,762	28,922	-14160	-3.03	-9.78	-15.90

P: Provisional

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

TABLE 8.5

## 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	2007-08	(Indices)	
											July-March	
											2007-08	2008-09
All Groups												
Exports	258.40	253.77	271.47	271.18	254.02	279.65	288.84	299.31	310.03	350.40	334.74	454.93
Imports	223.32	259.03	298.44	298.56	309.52	355.43	392.45	460.38	495.33	632.30	581.97	808.09
T.O.T.	115.71	97.97	90.96	90.83	82.07	78.68	73.60	65.01	62.59	55.42	57.52	56.30
Food & Live Animals												
Exports	221.84	234.95	249.32	260.55	258.11	267.55	303.93	327.47	350.75	498.58	419.69	614.28
Imports	225.64	248.38	278.82	277.41	259.76	282.18	314.36	323.95	431.20	551.25	531.69	619.79
T.O.T.	98.32	94.59	89.42	93.92	99.36	94.82	96.68	101.09	81.34	90.08	78.95	131.38
Beverages & Tobacco												
Exports	106.30	143.34	171.44	169.82	146.52	175.33	162.96	191.13	208.44	202.67	179.78	372.70
Imports	561.35	532.21	698.92	790.14	598.00	521.88	561.23	621.67	675.14	653.41	620.37	860.45
T.O.T.	18.94	26.93	24.53	21.49	24.50	33.60	29.04	30.74	30.87	31.02	28.98	43.31
Crude Materials (inedible except fuels)												
Exports	214.68	169.85	192.12	158.90	171.58	218.86	195.64	209.97	225.52	328.53	293.26	493.21
Imports	198.56	198.06	218.95	228.14	232.37	245.01	293.06	329.71	350.19	445.35	428.87	643.89
T.O.T.	108.12	85.76	87.75	69.65	73.84	89.33	66.76	63.88	64.40	73.77	68.38	76.60
Minerals, Fuels & Lubricants												
Exports	166.47	283.63	373.65	314.40	365.14	416.09	525.75	644.33	733.54	979.83	878.39	871.98
Imports	108.55	206.30	276.87	249.66	297.20	306.38	389.16	615.00	632.08	877.47	771.50	1090.38
T.O.T.	153.36	137.48	134.96	125.93	122.86	135.81	135.10	104.77	116.05	111.67	113.85	79.97
Chemicals												
Exports	263.37	276.51	282.36	281.54	270.05	265.61	277.23	312.89	362.50	397.29	377.28	484.32
Imports	196.20	208.54	228.06	239.29	245.60	313.15	334.10	372.17	392.87	471.77	441.10	611.09
T.O.T.	134.23	132.59	123.81	117.66	109.96	84.82	82.98	84.07	92.27	84.21	85.53	79.26
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	647.28	596.83	866.17
T.O.T.	-	-	-	-	-	-	-	-	-	-	-	-
Manufactured Goods												
Exports	275.59	266.96	279.04	281.83	248.93	274.02	284.72	289.58	300.76	318.97	311.74	390.80
Imports	226.26	224.61	251.50	244.97	240.82	287.80	301.00	340.71	375.06	427.60	406.97	549.29
T.O.T.	121.80	118.86	110.95	115.05	103.37	95.21	94.59	84.99	80.19	74.60	76.60	71.15
Machinery and Transport												
Equipment												
Exports	291.07	396.34	453.20	579.13	572.31	396.09	342.97	414.01	430.91	518.62	468.82	799.29
Imports	355.79	417.87	470.20	481.18	450.67	537.55	561.15	538.14	580.85	639.86	600.42	858.50
T.O.T.	81.81	94.85	96.38	120.36	126.99	73.68	61.12	76.93	74.19	81.05	81.41	93.10
Miscellaneous Manufactured Articles												
Exports	259.80	263.04	292.47	298.40	294.67	318.55	324.17	342.71	340.99	351.77	351.03	430.84
Imports	240.08	278.99	323.02	320.35	299.60	333.22	343.13	404.94	418.65	605.24	629.22	666.29
T.O.T.	108.21	94.28	90.54	93.15	98.35	95.60	94.47	82.59	81.45	58.12	55.79	64.66

- Not applicable

Source: Federal Bureau of Statistics.

\* Provisional

TABLE 8.6

## 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	113,954 r	11	121,930 r	12	793,428 r	77	1,029,312
2007-08	171,670	14	127,090	11	897,877	75	1,196,638
<u>Jul-Mar</u>							
2007-08	98,657	12	91,182	11	634,773	77	824,612
2008-09 (P)	173,236	17	94,379	9	767,245	74	1,034,860

r: revised

(Contd.)

\*\*: Total may not tally due to rounding

TABLE 8.6

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

Year	(Rs million)								
	Capital Goods		Industrial Raw Material				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	670,539 r	36	134,519 r	7	864,736 r	47	182,011 r	10	1,851,806
2007-08	731,017	29	202,538	8	1,322,329	53	256,187	10	2,512,072
<u>Jul-Mar</u>									
2007-08	504,864	29	133,318	8	896,815	52	183,427	11	1,718,424
2008-09 (P)	554,180	27	176,303	9	1,037,596	51	253,738	13	2,021,817

P : Provisional

Source: Federal Bureau of Statistics.

\*\* Total may not be tally due to rounding

r: Revised

TABLE 8.7

## MAJOR IMPORTS

Items	(Rs. Million)										
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	July-March		
									2007-08	2008-09*	
1. Chemicals	80,106	82,263	90,953	119,683	160,711	176,200	200,333	r	256,618	176,362	225,134
2. Drugs and medicines	13,965	13,988	12,964	15,812	17,343	20,091	26,080	r	33,867	23,511	31,093
3. Dyes and colours	7,346	7,775	8,419	9,218	11,101	13,272	14,889		18,486	12,998	15,783
4. Chemical Fertilizers	9,842	10,904	14,068	16,405	24,794	40,787	27,306	r	55,165	46,292	29,776
5. Electrical goods	7,695	7,835	12,661	14,862	21,121	30,463	39,824	r	48,148	33,430	46,826
6. Machinery (non-electrical)	88,551	96,832	119,256	140,907	254,452	334,445	368,226	r	416,538	284,480	336,152
7. Transport equipments	24,918	30,587	39,984	87,374	75,981	133,480	140,919	r	137,701	97,486	69,067
8. Paper, board and stationery	7,646	8,608	10,451	12,138	14,850	19,135	24,061	r	28,817	45,290	16,820
9. Tea	12,030	9,611	10,095	11,078	13,202	13,336	12,965		12,653	9,143	14,043
10. Sugar-refined	14,488	1,485	153	189	5,229	37,366	15,722		912	779	1,563
11. Art-silk yarn	3,509	5,054	5,375	6,793	7,730	14,204	15,164		18,474	12,966	16,378
12. Iron, steel & manufactures thereof	20,267	24,633	28,813	35,942	62,444	96,043	89,985		105,494	86,413	109,304
13. Non-ferrous metals	5,964	6,757	8,430	10,544	15,547	20,665	27,395		25,641	18,988	17,422
14. Petroleum & products	195,611	172,578	179,317	182,332	237,387	399,667	444,610		724,333	456,341	569,488
15. Edible oils	19,045	24,034	34,288	37,917	44,975	44,212	57,996		108,427	71,937	83,730
16. Grains, pulses & flours	7,987	11,636	9,290	6,338	26,117	20,910	18,683		70,902	48,040	81,187
17. Other imports	108,030	120,050	129,855	190,293	230,095	296,882	327,648		449,896	323,968	358,051
<b>Grand Total</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>2,512,072</b>	<b>1,718,424</b>	<b>2,021,817</b>

\*: Provisional

Source: Federal Bureau of Statistics

r: Revised

TABLE 8.8

## 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 8.8

## DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

REGION	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	(% Share)	
									Jul-Mar	
									2007-08	2008-09**
1. Developed Countries										
Exports	56.7	58.1	56.1	58.2	55.9	54.7	54.7	51.0	51.0	46.4
Imports	31.0	34.3	34.4	35.5	38.0	34.2	33.3	30.2	30.1	26.8
a. OECD										
Exports	56.3	57.6	55.6	57.6	55.2	53.8	53.8	50.0	50.0	45.5
Imports	30.5	33.7	33.5	34.7	34.7	32.4	31.5	27.1	27.1	25.7
b. Other European Countries										
Exports	0.4	0.5	0.5	0.7	0.7	0.9	0.9	1.0	1.0	0.9
Imports	0.5	0.6	0.9	0.8	3.3	1.8	1.8	3.1	3.1	1.1
2. CMEA*										
Exports	0.4	0.5	0.6	0.7	0.9	0.9	1.1	1.2	1.2	1.3
Imports	0.9	1.1	0.8	1.2	2.1	2.2	1.8	1.4	1.4	3.7
3. Developing Countries										
Exports	42.9	41.4	43.3	41.1	43.2	44.4	44.2	47.8	47.8	52.3
Imports	68.1	64.6	64.8	63.3	59.9	63.6	64.9	68.4	68.5	69.4
a. OIC										
Exports	16.5	19.2	22.3	20.7	21.9	23.3	21.6	26.4	26.4	30.5
Imports	39.3	36.0	35.2	33.7	29.2	33.7	32.0	33.4	33.4	36.3
b. SAARC										
Exports	2.9	2.5	2.4	3.2	4.6	4.4	4.8	4.4	4.4	5.5
Imports	2.9	2.4	1.9	3.1	3.2	3.3	4.5	5.0	5.0	3.6
c. ASEAN										
Exports	3.6	2.7	2.9	2.7	2.1	1.7	1.9	1.7	1.7	2.0
Imports	10.6	11.7	12.2	11.1	10.0	9.1	9.5	9.9	9.9	9.9
d. Central America										
Exports	0.8	1.0	0.9	0.9	0.9	0.9	1.1	1.0	1.1	1.1
Imports	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1
e. South America										
Exports	1.2	0.9	0.7	0.8	0.9	1.0	1.4	1.6	1.6	1.6
Imports	1.6	0.7	0.6	0.6	1.1	1.4	0.8	1.8	1.8	1.2
f. Other Asian Countries										
Exports	13.0	11.4	9.9	9.4	8.7	8.9	9.2	8.4	8.4	7.8
Imports	10.6	10.9	12.5	12.3	13.7	13.7	15.9	15.7	15.7	14.9
g. Other African Countries										
Exports	4.3	3.5	4.0	3.2	4.0	4.1	4.1	4.2	4.2	3.8
Imports	2.8	2.7	2.3	2.3	2.4	2.2	1.9	2.2	2.2	3.3
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	0.3	0.3	0.1
<b>Total</b>	<b>100.0</b>									

.. Insignificant

Source: Federal Bureau of Statistics

\* Council for Mutual Economic Assistance.

\*\* Provisional

TABLE 8.9

## 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) & Foreign Currency Bearer Certificates (FCBCs)

(Contd.)

TABLE 8.9

## 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 8.9

## WORKERS REMITTANCES

COUNTRY	(US \$ Million)									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	July-April	
									2007-08	2008-09
I. Cash Flow	1,021.59	2,340.79	4,190.73	3,826.16	4,152.29	4,588.03	5,490.97	6,448.84	5,316.88	6,355.13
Bahrain	23.87	39.58	71.46	80.55	91.22	100.57	136.28	140.51	116.23	127.64
Canada	4.90	20.52	15.19	22.90	48.49	81.71	87.20	100.62	82.48	65.07
Germany	9.20	13.44	26.87	46.52	53.84	59.03	76.87	73.33	62.99	80.26
Japan	3.93	5.97	8.14	5.28	6.51	6.63	4.26	4.75	4.14	3.58
Kuwait	123.39	89.66	221.23	177.01	214.78	246.75	288.71	384.58	309.70	360.31
Norway	5.74	6.55	8.89	10.19	18.30	16.82	22.04	28.78	22.99	19.58
Qatar	13.38	31.87	87.68	88.69	86.86	118.69	170.65	233.36	189.63	276.70
Saudi Arabia	304.43	376.34	580.76	565.29	627.19	750.44	1,023.56	1,251.32	1,001.71	1264.07
Oman	38.11	63.18	93.65	105.29	119.28	130.45	161.69	224.94	179.62	231.37
U.A.E.	190.04	469.49	837.87	597.48	712.61	716.30	866.49	1,090.30	907.52	1366.79
Abu Dhabi	48.11	103.72	212.37	114.92	152.51	147.89	200.40	298.38	249.54	512.52
Dubai	129.69	331.47	581.09	447.49	532.93	540.24	635.60	761.24	631.32	814.58
Sharjah	12.21	34.05	42.60	34.61	26.17	26.87	28.86	28.58	25.00	39.07
Others	0.03	0.25	1.81	0.46	1.00	1.30	1.63	1.68	1.66	0.62
U.K.	81.39	151.93	273.83	333.94	371.86	438.65	430.04	458.87	379.03	467.98
U.S.A	134.81	778.98	1,237.52	1,225.09	1,294.08	1,242.49	1,459.64	1,762.03	1,463.73	1435.65
Other Countries	88.40	293.28	727.64	567.93	507.27	679.50	763.54	695.45	462.23	498.09
II. Encashment*	64.98	48.26	46.12	45.42	16.50	12.09	2.68	2.40	2.20	0.45
Total (I+II)	1,086.57	2,389.05	4236.85	3,871.58	4,168.79	4,600.12	5,493.65	6,451.24	5,319.08	6355.58

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

Source: State Bank of Pakistan

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

TABLE 8.9

## WORKERS REMITTANCES

COUNTRY	(% Share)									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	July-April	
									2007-08	2008-09
<u>Cash Flow</u>										
Bahrain	2.34	1.69	1.71	2.11	2.20	2.19	2.48	2.18	2.19	2.01
Canada	0.48	0.88	0.36	0.60	1.17	1.78	1.59	1.56	1.55	1.02
Germany	0.90	0.57	0.64	1.22	1.30	1.29	1.40	1.14	1.18	1.26
Japan	0.38	0.26	0.19	0.14	0.16	0.14	0.08	0.07	0.08	0.06
Kuwait	12.08	3.83	5.28	4.63	5.17	5.38	5.26	5.96	5.80	5.67
Norway	0.56	0.28	0.21	0.27	0.44	0.37	0.40	0.45	0.43	0.31
Qatar	1.31	1.36	2.09	2.32	2.09	2.59	3.11	3.62	3.57	4.35
Saudi Arabia	29.80	16.08	13.86	14.77	15.10	16.36	18.64	19.40	18.83	19.89
Oman	3.73	2.70	2.23	2.75	2.87	2.84	2.94	3.49	3.38	3.64
U.A.E.	18.60	20.06	19.99	15.62	17.16	15.61	15.78	16.91	17.06	21.51
Abu Dhabi	4.71	4.43	5.07	3.00	3.67	3.22	3.65	4.63	4.69	8.06
Dubai	12.69	14.16	13.87	11.70	12.83	11.77	11.58	11.80	11.87	12.82
Sharjah	1.20	1.45	1.02	0.90	0.63	0.59	0.53	0.44	0.47	0.61
Others	0.00	0.01	0.04	0.01	0.02	0.03	0.03	0.03	0.03	0.01
U.K.	7.97	6.49	6.53	8.73	8.96	9.56	7.83	7.12	7.13	7.36
U.S.A	13.20	33.28	29.53	32.02	31.17	27.08	26.58	27.32	27.52	22.59
Other Countries	8.65	12.53	17.36	14.84	12.22	14.81	13.91	10.78	8.69	7.83
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: State Bank of Pakistan

TABLE 8.10

## 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
2008	11433	8950	9476	7130	1957	1820

\* Last day of the month.

\*\* December 2005

Source: State Bank of Pakistan

TABLE 8.11

## 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	-	-	-	-	-	-	-	-	-	-
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 8.11

## 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	2007-08	2007-08	2008-09
Australia	Dollar	31.3747	32.1607	34.2101	41.0626	44.7141	44.7564	47.6760	56.1958	54.6118	57.2988
Austria	Schilling	3.7942	3.9960	na	na	54.8940	na	na	na	na	na
Bangladesh	Taka	1.0794	1.0826	1.0108	0.9842	0.9774	0.9121	0.8723	0.9088	0.8903 *	1.1333 *
Belgium	Franc	1.2934	1.3633	na	na	na	na	na	na	na	na
Canada	Dollar	38.4434	39.1719	38.8234	42.8526	47.5567	51.4986	53.5778	61.9742	60.9804	66.8995
China	Yuan	7.0601	7.4149	7.0613	6.9497	7.1676	7.4161	7.7526	8.6128	8.3910	11.4248
	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	na
Germany	Mark	26.6543	28.1084	na	na	na	na	na	na	na	na
Holland	Guilder	23.6655	24.9556	na	na	na	na	na	na	na	na
Hong Kong	Dollar	7.4906	7.8720	7.4990	7.3970	7.6176	7.7127	7.7772	8.0273	7.9030	10.0634
India	Rupee	1.2529	1.2787	1.2219	1.2682	1.3253	1.3389	1.3746	1.5417	1.5257 *	1.6442 *
Iran	Rial	0.0332	0.0307	0.0073	0.0069	0.0067	0.0066	0.0066	0.0067	0.0066 *	0.0080 *
Italy	Lira	0.0269	0.0284	na	na	na	na	na	na	na	na
Japan	Yen	0.5109	0.4884	0.4888	0.5203	0.5558	0.5216	0.5122	0.5711	0.5573	0.7941
Kuwait	Dinar	190.4592	200.7861	194.5677	194.3681	202.3816	205.3258	209.8118	228.2954	223.2147	281.5260
Malaysia	Ringgit	15.3871	16.1621	15.3944	15.1532	15.6244	16.0515	17.0649	18.9021	18.5148	22.2050
Nepal	Rupee	0.7893	0.8033	0.7515	0.7802	0.8169	0.8296	0.8575	0.9593	0.9483 *	1.0269 *
Norway	Krone	6.4483	7.0288	8.1021	8.2191	9.1841	9.2141	9.7161	11.6417	11.3209	12.3732
Singapore	Dollar	33.1605	33.9503	33.3406	33.5098	35.6797	36.4149	39.1651	43.6846	42.5475	53.1702
Sri Lanka	Rupee	0.7026	0.6624	0.6057	0.5920	0.5813	0.5872	0.5649	0.5676	0.5521 *	0.7050 *
Sweden	Krona	5.9379	5.9117	6.6910	7.5195	8.2949	7.7867	8.6143	9.8890	9.6193	10.4350
Switzerland	Franc	34.1098	37.1824	41.4643	44.2489	49.0657	46.8551	49.2385	56.6736	55.0251	69.2856
S.Arabia	Riyal	15.5868	16.3792	15.5961	15.3488	15.8027	15.9608	16.1656	16.6973	16.4389	20.8148
Thailand	Baht	1.3438	1.4000	1.3742	-	1.4763	1.5005	1.6789	1.8860	1.8210 *	2.2454 *
UAE	Dirham	15.9133	16.7231	15.9261	15.6727	16.1586	16.2972	16.5107	17.0391	16.7725	21.2662
UK	Pound	84.7395	88.5691	92.7433	100.1672	110.2891	106.4344	117.1852	125.2948	123.8515	125.6583
USA	Dollar	58.4378	61.4258	58.4995	57.5745	59.3576	59.8566	60.6342	62.5465	61.5700	78.0495
EMU	Euro	-	54.9991	61.3083	68.6226	75.5359	72.8661	79.1763	92.1700	89.6170	106.5844
IMF	SDR	74.7760	78.0627	79.3198	83.2470	88.5631	86.9594	90.7726	98.6265	96.4585	119.1530

\*: July-March

Source: State Bank of Pakistan

na : Common currency Euro is in use of these countries