



HIGHLIGHTS

Pakistan Economic Survey 2015-16

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Growth and Investment

- The outgoing year witnessed slow global recovery as the world economy started picking up at slow pace and the global outlook also indicates some signs of weak demand.
- In South Asia economic performance of Pakistan is improving quantitatively and qualitatively as growth is inclusive and sustainable and is the highest achievement since 2008-09.
- Major achievements of the outgoing fiscal year includes: picking up economic growth, price stability, improvement in tax collection, reduction in fiscal deficit, worker remittances touch new height, and foreign exchange reserves remained high.
- The GDP growth accelerates to 4.71 percent in 2015-16 against the growth of 4.04 percent in the last year. The growth momentum is broad based, as commodity producing and services sectors have supported economic growth.
- The agriculture sector accounts for 19.82 percent of GDP and 42.3 percent of employment with strong backward and forward linkages. It has four sub-sectors including: crops, livestock, fisheries and forestry.
- Agriculture sector recorded a negative growth of -0.19 percent against the growth of 2.53 percent last year. The decline in growth was due to drop in the production of cotton, rice, maize and other minor crops due to extreme weather.
- Important crops account for 23.55 percent of agricultural value addition. This sub-sector has recorded a negative growth of -7.18 percent compared to a growth of -0.52 percent last year. The important crops includes all major crops like wheat, maize, rice, sugarcane and cotton which registered growth at 1.58 percent, -0.35 percent, -2.74 percent, 4.22 percent and -27.83 percent respectively.
- Other crops have share of 11.36 percent to value addition in overall agriculture sector. This sub-sector has witnessed growth of -0.31 percent against the growth of 3.09 percent last year.
- Cotton Ginning has witnessed growth of -21.26 percent against the growth of 7.24 percent in the previous year.
- Livestock contributes 58.55 percent of agriculture value addition. Livestock consist of cattle, buffalos, sheep, goat, camel, horses, asses, mules and poultry and their products. It has registered a growth of 3.63 percent against 3.99 percent last year.
- Growth of the forestry sub-sector is witnessed at 8.84 percent as compared to the growth of -10.43 percent last year.
- Fisheries sub-sector has 2.17 percent contribution in agriculture and registered a growth of 3.25 percent compared to the growth of 5.75 percent last year.
- The industrial sector contributes 21.02 percent in GDP; it is also a major source of tax revenues for the government and also contributes significantly in the provision of job opportunities to the labour force.
- Government planned and implemented comprehensive policy measures on fast track to revive the economy. As a result industrial sector started revival and recorded remarkable growth at 6.80 percent as compared to 4.81 percent last year.
- The manufacturing is the most important sub-sector of the industrial sector containing 64.71 percent share in the overall industrial sector. Growth of manufacturing is registered at 5.00 percent compared to 3.90 percent last year.
- Manufacturing has three components; Large-Scale Manufacturing (LSM) with the share of 80.11

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percent, Small Scale Manufacturing with the share of 13.12 percent and Slaughtering having share of 6.77 percent.

- Small scale manufacturing witnessed growth at 8.21 percent against the growth of 8.22 percent last year and slaughtering growth is recorded at 3.63 percent as compared to 3.35 percent last year.
- LSM has registered an improved growth of 4.61 percent as compared to 3.29 percent last year.
- The share of construction in industrial sector is 12.29 percent and is one of the potential components of industries. The construction sector has registered a growth of 13.10 percent against the growth of 6.24 percent of last year.
- Mining and quarrying sub-sector contains 14.19 percent share of the industrial sector. This sub-sector witnessed a growth of 6.80 percent as compared to 4.81 percent last year.
- Electricity generation & distribution and Gas Distribution is the most essential component of industrial sector. This sub-sector has registered growth at 12.18 percent as compared to 11.98 percent last year.
- The share of the services sector in GDP has reached to 59.16 percent in FY 2016. Services sector contains six sub-sectors including: Transport, Storage and Communication; Wholesale and Retail Trade; Finance and Insurance; Housing Services (Ownership of Dwellings); General Government Services (Public Administration and Defense); and Other Private Services (Social Services).
- The Services sector has witnessed a growth of 5.71 percent as compared to 4.31 percent last year. The growth performance in services sector is broad based, all components contributed positively, Finance and Insurance at 7.84 percent, General Government Services at 11.13 percent, Housing Services at 3.99 percent, Other Private Services at 6.64 percent, Transport, Storage and Communication at 4.06 percent and Wholesale and Retail Trade at 4.57 percent.
- Three main drivers of economic growth are consumption and investment. Pakistani society like other developing countries is a consumption oriented society, having high marginal propensity to consume.
- The private consumption expenditure in nominal terms reached to 80.1 percent of GDP, whereas public consumption expenditures are 11.8 percent of GDP.
- Per capita income in dollar terms recorded a growth of 2.9 percent in FY 2016 as compared to 9.2 percent last year. The per capita income in dollar terms has reached to 1560.7.
- Total investment recorded the growth of 5.78 percent in FY 2016. Investment to GDP ratio has reached to 15.21 percent in FY 2016. Fix investment is registered at 13.61 percent of GDP. Private investment witnessed at 9.79 percent of GDP.
- Public investment recorded an impressive growth rate at 10.63 percent and as percentage of GDP it has increased from 3.72 percent to 3.82 percent in FY 2016.
- Total investment which was recorded at Rs.4256 billion in FY 2015 increased to Rs.4502 billion for FY 2016.
- During July-6th May FY 2016 credit to private sector flows increased to Rs.311.7 billion against the expansion of Rs.171.2 billion in comparable period last year.
- National savings are 14.6 percent of GDP in FY 2016 compared to 14.5 percent in FY 2015. Domestic savings is witnessed at 8.3 percent of GDP in FY 2016 as compared to 8.4 percent of GDP last year.
- Present government has launched comprehensive plan for investment friendly environment and to attract foreign investors in the country. Expansionary Monetary Policy alongwith infrastructure

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development drive of the government are positive signals for restoring the investor's confidence.

- Pakistan's policy trends have been consistent, with liberalization, de-regulation, privatization, and facilitation being its foremost cornerstones. BOI under the Prime Minister's office making efforts to provide friendly environment to investors.
- During July-April FY 2016 net foreign direct investment crossed US\$ 1 billion with growth of 5.4 percent. The major inflow of FDI is from US, Hong Kong, UK, Switzerland and UAE. Oil & gas exploration, financial business, power, communications and Chemicals remained major sectors for foreign investors.
- The government is also aiming to explore new markets to export its manpower as well as incentives for the remittances to further enhance its growth. During July-April 2014-15 remittances stood at \$16,034.4 million compared to \$15,235 million during the corresponding period last year.
- Pakistan remained focused and committed to implement CPEC which is a mega project of US\$46 billion, it will provide major support for development of infrastructure in coming years.

Agriculture

- The agriculture sector showed a negative growth of 0.19 percent during July-March, FY 2016 as compared to a growth of 2.53 percent during the last year.
- During FY2016, cotton production stood at 10.074 million bales as compared to 13.960 million bales in FY2015 and registered a drastic decline of 27.8 percent.
- Wheat production increased to 25,482 thousand tonnes in FY2016 as compared to 25,086 thousand tonnes in FY2015 showing an increase of 1.6 percent.
- Rice production has decreased to 6,811 thousand tonnes in FY2016 as compared to 7,003 thousand tonnes in FY2015 showing a decrease of 2.7 percent.
- Sugarcane production has increased to 65,475 thousand tonnes in FY2016, as compared to 62,826 thousand tonnes last year showing an increase of 4.2 percent.
- Maize production had decreased to 4,920 thousand tonnes in FY2016, as compared to 4,937 thousand tonnes in FY2015 recorded a decrease of 0.3 percent.
- Other crops that contributed 11.4 percent in value addition agriculture witnessed a negative growth of 0.31 percent in FY2016, against positive growth of 3.09 percent during the same period last year.
- Gram production has decreased to 312 thousand tonnes in FY2016 as compared to 379 thousand tonnes in FY2015, showing a decrease of 17.7 percent.
- During FY2016, the production of Potatoes, Chillies and Onions grew positively witnessing growth of 3.4 percent, 2.1 percent and 0.2 percent, respectively, comparing to production of same period last year. The reason for increase in production is increase in area cultivated. However, the production of pulses Mash, Masoor (Lentil) and Moong decreased by 15.6 percent 4.4 percent and 0.8 percent respectively.
- During July-March FY2016 about 455.05 thousand tonnes of improved seeds of various Kharif/Rabi crops were procured.
- During July-March FY2016, the banks have disbursed agriculture credit of Rs 385.5 billion which is 64.3 percent of the overall annual target of Rs 600 billion and 18.3 percent higher than disbursement of Rs 326.0 billion made during the corresponding period last year.

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- During FY2016, the availability of water for Kharif 2015 stood at 65.5 million acre feet (MAF) showing a decrease of 5.5 percent over Kharif 2014 and 2.4 percent less than the normal supplies of 67.1 MAF. During Rabi season FY2016, the water availability remained at 32.9 MAF, which is 0.6 percent less than Rabi 2014-15 and 9.6 percent less than the normal availability of 36.4 MAF.
- The domestic production of fertilizers during FY2016 (July-March) increased significantly by 14.4 percent over the same period of previous fiscal year. The imported supplies of fertilizer decreased by 3.9 percent. However, the total availability of fertilizer surged by 9.7 percent during current fiscal year. Total offtake of fertilizer nutrients witnessed decrease by 10.1 percent. Nitrogen offtake decreased by 14 percent while phosphate increased by 2.9 percent. Potash offtake recorded a significant decrease of 35.9 percent during FY 2016 (July-March).
- Price of all phosphatic fertilizers decreased during current fiscal year as a result of announcement of subsidy by the government from 15th October, 2015 at the rate of Rs.500 per bag of Diammonium Phosphate.

Manufacturing and Mining

- Large Scale Manufacturing (LSM) during July-March FY2016 registered a growth of 4.7 percent as compared to 2.8 percent in the same period last year.
- The industry specific data shows that most sub sectors recorded positive growth during the period July-March FY2016 over corresponding period of last year i.e. Automobiles 23.43 percent, Fertilizers 15.92 percent, Leather Products 12.18 percent, Rubber products 11.68 percent, Non Metallic mineral products 10.23 percent, Chemicals 10.01 percent, Pharmaceuticals 7.21 percent, Food Beverage and Tobacco 3.66 percent, Coke & Petroleum Products 2.40 percent and Textile 0.62 percent.
- The sub sectors recorded negative growth during the period under review are Wood Product declined by 58.03 percent, Engineering Products 17.64 percent, Electronics 9.98 percent, Iron & Steel Products 7.48 percent and Paper & Board 2.90 percent.
- In Automobile sector such as buses, LCVs, trucks and jeeps & cars registered growth of 81.95 percent, 68.53 percent, 41.68 percent and 29.73 percent respectively.
- The Mining and Quarrying sector grew by 6.8 percent in FY2016 as against 4.0 percent last year. Calcite, Rock Salt, Phosphate, Marble, Gypsum, Dolomite, Soap Stone, Lime Stone and Natural Gas posted a positive growth rate of 123.79 percent, 65.16 percent, 53.96 percent, 50.50 percent, 47.57 percent, 33.28 percent, 26.10 percent, 23.19 percent and 1.49 percent. However, some witnessed negative growth rate during the period under review such as Magnesite 58.14 percent, Barytes 42.12 percent, Sulphur 37.18 percent, Crude oil 8.21 percent, Chromite 3.85 percent and Coal 0.66 percent.

Fiscal development

- The present government has implemented a wide-ranging agenda of economic reforms with an aim to ensure fiscal discipline and accelerating economic growth. As a result, Pakistan has made a considerable improvement in restoring economic stability and now the economy is moving on a high growth trajectory with a target of 7 percent by 2018.
- Fiscal sector of the economy has witnessed a notable improvement on account of contained expenditures and increased revenues. Fiscal deficit has been reduced significantly from 8.2 percent of GDP in FY2013 to 5.3 percent during FY2015. While during July-March, FY2016, fiscal deficit has been reduced to 3.4 percent of GDP as compared to 3.8 percent during FY2015. The economy is on the course of reducing the fiscal deficit further to 4.3 percent of GDP during the current fiscal year.
- Total expenditure of Rs.5,962.9 billion was estimated for the current fiscal year, comprising of

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Rs.4,592.6 billion of current expenditure (77.0 percent of total) and Rs.1,370.3 billion of development expenditure and net lending (23.0 percent of total).

- During July-March FY2016 total expenditures stood at Rs.3,971.3 billion against Rs.3,731.6 billion in the same period last year, posting a growth of 6.4 percent.
- Current expenditure stood at Rs.3,407.0 billion and development expenditure and net lending remained at Rs.710.2 billion during first nine months of FY2016.
- Total revenues are expected to reach at Rs.4,634.7 billion, of which tax revenues are budgeted to remain at Rs.3,672.2 billion and non tax revenues at Rs.962.5 billion during the current fiscal year.
- During July-March, FY2016 total revenues stood at Rs.2,961.9 billion against Rs.2,682.6 billion in the same period last year, showing a growth of 10.4 percent.
- Within revenues, tax revenues stood at Rs.2,481.0 billion during first nine months of FY2016 against Rs.2,063.2 billion in the comparable period of FY2015 posting a growth of 20.2 percent.
- One of the major developments is a significant decline in current subsidies. Current subsidies amounted to Rs.119.5 billion during July-March, FY2016 against Rs.185.9 billion in the same period of FY2015, thus reduced by 35.7 percent.
- FBR tax collection for FY2016 was budgeted at Rs.3,103.7 billion which was 19.8 percent higher over the actual collection of Rs.2,589.9 billion during FY2015.
- During July-April, FY2016 FBR tax collection increased to Rs.2,346.1 billion as provisional tax from Rs.1,973.6 billion in the same period of FY2015, showing a growth of 18.9 percent.
- During July-April, FY2016 the share of direct tax in total FBR tax collection is 37.9 percent. Direct taxes has registered a growth of 14.4 percent during the first ten months of the current fiscal year. The net collection has gone up from Rs.775.9 billion to Rs.888.0 billion.
- The gross and net collection of Indirect taxes has witnessed a growth of 20.4 percent and 21.7percent respectively. It has accounted 62.1 percent of total FBR tax revenues during the first ten months of the current fiscal year.

Money and Credit

- During current fiscal year 2016, SBP decrease the policy rate to a historically low level of 5.75 percent w.e.f 21st May, 2016 which is the lowest rate in last 44 years reflecting improved macroeconomic conditions towards the end of FY2016.
- Broad Money (M2) increased to 6.93 percent during July-06th May, FY2016 against the expansion of 6.92 percent in the same period last year.
- Reserve money increased to Rs.697.6 billion and grew by 22.20 percent during July-06th May FY2016, as compared to Rs.329.5 billion (11.52 percent) in corresponding period of last year.
- Within Broad Money, NFA of the banking system during Jul-06th May, FY2016 observed an expansion of Rs.105.2 billion against the net expansion of Rs.222.3 billion during the corresponding period of FY2015.
- The NDA of the banking system showed an increase of Rs.676.6 billion during Jul-06th May, FY2016 against an increase of Rs.467.6 billion in the same period of last year.
- Government sector borrowing (net) reached at Rs.567.5 billion during Jul-06th May, FY2016 as compared to an increase of Rs.539.4 billion in the same period of FY2015.
- Net budgetary borrowing from banking system remained at Rs.643.0 billion during Jul-06 May FY2016 as compared to Rs.560.8 billion in the same period last year.

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- Government borrowing from scheduled banks remained lower and stood at Rs.702.9 billion during Jul-06 May, FY2016 against Rs.1,093.2 billion in comparable period of last year.
- While, government retired Rs.59.8 billion to the State Bank of Pakistan during the period Jul-06 May, FY2016 against the retirement of Rs.532.3 billion in the same period of FY2015.
- The flows of Credit to Private Sector (CPS) has seen expansion of Rs.311.7 billion during Jul-06th May, FY2016 against Rs.171.2 billion in the same period of last year. In terms of growth, it witnessed expansion of 82.0 percent during the period under review compared to the contraction of 41.5 percent during same period last year.
- The Weighted Average Lending Rate (WALR) on gross disbursements has decreased from 9.31 percent in March, 2015 to 7.13 percent in March, 2016. Likewise, Weighted Average Deposit Rate (WADR) offered on fresh deposits also reduced from 5.22 percent in March, 2015 to 3.74 percent in March, 2016.

Capital Market

- Pakistan has entered a new era of equity trading after merger of all the three stock exchanges i.e. Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange into a single Pakistan Stock Exchange (PSX) during current fiscal year.
- Fiscal year 2016 has witnessed a significant and an overall steady rise in the stock market indices where historic and unprecedented levels are being crossed. During current year PSX 100-index reached 36,266.23 levels on 11th May, 2016, the highest level in Pakistan stock market history.
- During the period, July, 2015-11th May, 2016, the Pakistan Stock Exchange (PSX) benchmark-100 Index increased by 1,867 points and closed at 36,266.23 points level on 11th May, 2016 against 34,398.86 on June 30, 2015 showing a gain of 5.4 percent despite recession in global equity markets and trend of outflow of foreign equity investment internationally.
- All the major world stock markets witnessed sluggish trends during this period. China Shanghai Composite index showed a steep fall of 31.3 percent, Japan Nikkei declined by 17.6 percent while Hong Kong Hang Seng down by 19.7 percent, India Sensex by 7.8 percent, US Nasdaq composite by 4.2 percent, UK FTSE by 4.3 percent, etc. Most of the other international markets also witnessed declining trend.
- The relatively better performance of the Pakistan stock market during current fiscal year can be attributed to a number of positive factors including stable macroeconomic indicators, relative stable exchange rate, downward inflationary trend, prudent monetary policies and Pakistan's possible reclassification from a frontier market to an emerging market by MSCI.
- During the period July to March FY2016, two debt securities were issued which include a privately placed term Finance Certificate amounting to Rs. 10 billion and one privately placed commercial Certificate of Rs. 0.8 billion.
- In order to bring further efficiency and transparency in the book building process, SECP has reviewed the existing framework for book building and has notified the Book Building Regulations, 2015 in July, 2015.
- As on March, 31, 2016, the total size of Mutual Fund industry stood at Rs.510.91 billion as compared to Rs.492.23 billion on June 30, 2015, showing an increase of Rs.18.7 billion or 3.8 percent over the period.
- As on March 31, 2016, total assets of the modaraba sector stood at Rs.36,161 million as compared to the total assets of Rs.31,104 million for the period ending June 30, 2015.

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Inflation

- The inflation rate measured by the changes in CPI, averaged at 2.8 percent during July-April, FY2016 against 4.8 percent in the comparable period last year.
- The food inflation on average basis in July-April, FY2016, is estimated at 2.1 percent and non-food 3.3 percent, as against 3.6 percent and 5.7 percent in the corresponding period last year.
- CPI food items have declining trend in prices of Rice, Onion, Cooking Oil, Eggs and Vegetable Ghee.
- Core inflation on average basis during July-April, FY2016, stood at 4.1 percent against 6.9 percent last year.
- WPI during July-April, FY2016, on annual average basis has recorded a decrease of 1.29 percent against increase of 0.03 percent last year.
- The wholesale prices of non-food items, whose prices increased from previous year are matches, woolen carpets, pesticides, woven fabrics and timber.
- SPI recorded an increase of 1.8 percent during July-April, FY2016 against 2.1 percent last year.
- Inflation has been contained during current fiscal year due to better supply position of essential items, and regular monitoring of prices and supply chain by the National Price Monitoring Committee.
- National Price Monitoring Committee chair by Federal Finance Minister, monitor prices of essential commodities in consultation with provincial governments and concerned Federal Ministries/Divisions and organization.

Trade and Payments

- During July – March FY2016, the exports reached to US\$15.6 billion dollars as compared to US\$ 17.9 billion of the same period last year, showing a decline of 12.9 percent. Analysis of group-wise exports suggests that Food group registered a decline of 11.6 percent during July – March FY2016 compared to the same period last year.
- Like other developing countries, Pakistan also benefitted by the falling global oil and commodity prices. This steep fall of oil prices is clearly reflected in Pakistan's overall import bill which resulted in US \$ 3.3 billion saving, from import of petroleum products, Pakistan's overall import remained 4.3 percent less during July-March FY2016 compared to the same period last year.
- Imports target was set at \$43.2billion (an increase of 6 percent) during FY2016. In July-March FY2016, import remained 4.3 percent down compared to same period last year.
- The overall trade deficit posted an increase of 2.1 percent during July-April FY2016. During July-April FY 2016 exports declined by 9.5 percent and stood at US\$ 18.2 billion as compared to US\$ 20.1 billion in July-April FY2015. The imports declined by 4.6 percent. In the meantime non-oil imports, particularly of machinery and metal surged significantly.
- During the period under review services exports declined by 14.5 percent, overall exports of services were US\$ 4.4 billion in July –April FY2016 against US\$ 5.1 billion in the corresponding period of FY 2015, depicting a decline of US\$ 748 million. Moreover, services import fell by 15.1 percent or US\$ 1.01 billion to US\$ 6.2 billion in July –April FY2016 compared to US \$ 7.3 billion in the same period last year
- The start of FY2016 has witnessed growth of 5.25 percent in Worker's remittances over last year, during July-April FY2016, the remittances reached to US\$ 16.034 billion as compared to 15.236 billion last year.

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- The current account balance shrunk by 17.7 percent during July-April FY2016 as compared to last year (US\$ 1.519 billion in FY2016 against US\$ 1.846 billion). As a percentage of GDP it stood at -0.6 percent compared to -0.8 percent of the comparing period last year
- The capital account stood at US\$ 296 million during July-April FY2016 compared to US\$ 353 million during the corresponding period last year. Financial account on the other hand reached at US \$ 2629 million in July-April FY2016 compared to US\$ 3320 million during same period last year. Improved financial inflows contribute for growth in financial account.
- Thus net foreign investment recorded US\$ 615.5 million during July-April FY2016 compared to US\$ 2737.5 million in the same period last year. The foreign direct investment during July-April FY2016 crossed US \$ 1 billion. During the period the FDI received were US\$ 1016.3 million compared to US\$ 963.8 million in the same period last year.
- The country's total foreign exchange reserves reached to highest level to US\$ 21.4 billion by May18, 2016, compared to US\$ 18.6 billion end June 2015. The rise was mainly due to, loans from ADB and World Bank, CSF as well as disbursement of loans under EFF by IMF and higher investment inflows.
- Exchange rate remained at Rs.104.75 per US\$ in May FY2016, compared to Rs 101.78 per US\$ at end June 2015. The Pak Rupee's depreciation was around 2.9 percent during July-May FY2016.

Public Debt

- Public debt was recorded at Rs.19,168 billion as at end March 2016 registering an increase of Rs.1,787 billion during first nine month of current fiscal year.
- Out of total increase in public debt, increase in domestic debt was Rs.1,200 billion while government borrowing from domestic sources for financing of fiscal deficit was Rs.786 billion. This differential is mainly attributed to increase in government credit balances with State Bank of Pakistan/commercial banks.
- Increase in external debt contributed Rs.588 billion to public debt. Apart from fresh external inflows, revaluation loss on account of depreciation of US Dollar against other international currencies as well as depreciation of Pak Rupee against US Dollar contributed to this increase.
- An improvement was observed in most of the public debt risks indicators during last two fiscal years in-line with the objectives set forth in Medium Term Debt Management Strategy of Pakistan:
 - The refinancing risk of the domestic debt reduced at the end of 2014-15 as percentage of domestic debt maturing in one year reduced to 47 percent compared with 64 percent at the end of 2012-13;
 - Exposure to interest rate risk reduced as percentage of debt re-fixing in one year decreased to 40 percent at the end of 2014-15 as compared with 52 percent at the end of 2012-13;
 - Share of external loans maturing within one year was equal to around 28 percent of official liquid reserves at the end of 2014-15 as compared with around 69 percent at the end of 2012-13 indicating improvement in foreign exchange stability and repayment capacity.
- The conducive economic environment coupled with supportive monetary policy provided opportunity for the government to reduce the interest rates on its wholesales debt instruments along with aligning the rates on retail debt instruments with the market yields. As a result, the cost of domestic borrowing is expected to reduce in the coming years on account of new debt issuance/rollover of existing debt.
- Government's vision is to further reduce the statutory debt limit from existing 60 percent to 50

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percent of GDP in 15 years, starting from 2018-19 and to limit statutorily the federal fiscal deficit to 4 percent through introduction of an amendment bill in the Parliament for necessary changes in the Fiscal Responsibility and Debt Limitation Act;

- During July-March (2015-16), public debt servicing was recorded at Rs.1,371 billion against the annual budgeted estimate of Rs.1,686 billion. Public debt servicing consumed nearly 46 percent of total revenues during first nine months of current fiscal year against a ratio of 45 percent during the same period last year.
- External Debt and Liabilities (EDL) stock was recorded at US\$ 69.6 billion as at end March 2016 out of which external public debt was US\$ 55.1 billion.
- As at end March 2016, EDL was dominated by Public and Publically Guaranteed (PPG) debt having share of around 73 percent. These loans were mainly obtained from multilateral and bilateral donors. Borrowing from IMF contributed 8 percent in EDL stock while debt obligations of the private sector was fairly limited and have been a minor proportion (4 percent) of EDL.
- Servicing of public external debt increased by US\$ 188 million in first nine months of 2015-16 compared to the same period last year and recorded at US\$ 3,560 million.

Education

- According to the latest Pakistan Social and Living Standards Measurement (PSLM) Survey FY2015, the literacy rate of the population (10 years and above) is 60 percent as compared to 58 percent in FY2014.
- The data shows that literacy rate is higher in urban areas (76 percent) than in rural areas (51 percent).
- Province wise data suggests that Punjab leads with 63 percent followed by Sindh with 60 percent, Khyber Pakhtunkhwa with 53 percent and Balochistan with 44 percent.
- GER at the primary level excluding Katchi (prep) for the age group 5-9 years at national level during FY2015 recorded at 89.0 percent as compared to 90 percent in FY2014.
- The decrease in overall GER in Pakistan is mainly due to decline in Punjab GER to 97 percent in FY2015 from 100 percent in FY2014. Sindh showed improvement to 79 percent in FY2015 against 76 percent in FY2014 and Khyber Pakhtunkhwa also improved to 90 percent in FY2015 against 89 percent in FY2014 while Balochistan GER witnessed significant improvement to 71 percent in FY2015 as compared to 67 percent in FY2014.
- NER at the national level during FY2015 remained stable at 57 percent compared to last year. Province wise comparison reveals that Punjab NER declined to 61 percent in FY2015 as compared to 64 percent in FY2014. Sindh NER improved to 51 percent in FY2015 as compared to 48 percent in FY2014; while NER of Khyber Pakhtunkhwa witnessed a slight improvement at 56 percent in FY2015 as compared to 54 percent in FY2014. Balochistan also witnessed a significant improvement at 46 percent in FY2015 as compared to 39 percent in FY2014.
- At national level, the total number of enrolments during FY2015 was recorded at 43.95 million as compared to 42.09 million during the same period last year. This indicates an increase of 4.4 percent and it is estimated to increase to 45.17 million during FY2016.
- The total number of institutes stood at 252.56 thousands during FY2015 as compared to 241.61 thousands during last year, showing an increase of 4.5 percent. However, the number of institutes is estimated to increase to 257.47 thousands during FY2016.
- The total number of teachers during FY2015 was recorded at 1.59 million as compared to 1.53 million during last year showing an increase of 3.9 percent. This number of teachers is estimated to increase further to 1.62 million during the year FY2016.

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- Public Expenditure on Education as percentage to GDP is estimated at 2.2 percentage in FY2015 as compared to 2.1 percentage of GDP in FY2014 showing an increase of 4.8 percent.
- HEC is also contributing to play its role in running different scholarships programme to enhance academic qualification at various levels on merit basis in line with specific criteria. During FY 2016, overall 42,963 scholarships were awarded under different programmes of HEC.
- Prime Minister's Fee Reimbursement Scheme for less developed areas (selected regions) was successfully executed, and is continued for FY 2016. Reimbursement to around 23,458 students of less developed areas is being carried out this year.
- PSDP allocation for HEC was Rs.19.985 billion in FY2016 for 144 (87 on-going & 57 new un-approved) development projects being executed in Public Sector. During July 2015 to March 2016, the government has released Rs.14.053 billion (which is 70% of the revised allocation) for the execution of development projects reflected under PSDP 2015-16.

Health & Nutrition

- Currently there are 1,167 hospitals, 5,695 dispensaries, 5,464 basic health units and 733 maternity and child health centre's in Pakistan as compared to 1,143 hospital, 5,548 dispensaries, 5,438 basic health units and 670 maternity and child health centre's in the same period of last year.
- The number of doctors has increased to 184,711, dentists 16,652, nurses 94,766 and hospital beds 118,869 in the country during 2015-16 compared to 175,223 doctors, 15,106 dentists, 90,276 nurses and 118,170 hospital beds last year. The population and health facilities ratio worked out 1,038 persons per doctors, 11,513 persons per dentist and 1,613 persons per hospital bed. It was 1,073 persons per doctor, 12,447 per dentist and availability of one bed for 1,591 persons in 2014-15.
- During nine months of 2015-16, 4,500 doctors, 450 dentists, 3,500 nurses and 4,450 paramedics have completed their academic courses and 4,350 new beds have been added in the hospitals compared to 4,400 doctors, 430 dentists, 3,300 nurses, 4,500 paramedics and 4,200 beds in last year.
- Moreover, some 7 million children have been immunized and 21 million packets of ORS have been distributed.
- A number of health program are implemented, which include Malaria, TB, AIDs and Food and Nutrition programs.
- For the current year a total outlay for health sector is budgeted at Rs.133.9 billion which included Rs.39.9 billion for development and Rs.94.0 billion for current expenditure which is equivalent to 0.45 percent of GDP during 2015-16.

Population, Labour force and Employment

- Pakistan's estimated population is 195.4 million in 2016 however; population was 191.71 million in 2015.
- Population Growth Rate has shown improvement and it decreased from 1.92 percent in 2015 to 1.89 percent in 2016.
- Total Fertility Rate (TFR) is 3.1 children per women in 2016.
- Life expectancy for female has improved from 67.3 year to 67.7 years in 2016 and life expectancy for male has increased from 65.2 years to 65.5 years in 2016.
- Crude Birth Rate has improved from 26.1 per thousand to 25.6 per thousand and Crude Death Rate has decreased from 6.80 per thousand to 6.70 per thousand in 2016.

HIGHLIGHTS OF PAKISTAN ECONOMIC SURVEY 2015-16

- Urban population has increased from 75.19 million in 2015 to 77.93 million in 2016 while rural population has increased from 116.52 in 2015 to 117.48 million in 2016.
- The total labour force has increased from 60.10 million in 2013-14 to 61.04 million in 2014-15.
- The total number of people employed during 2014-15 was 57.42 million,
- Unemployment rate has decreased from 6.0 percent in 2013-14 to 5.9 percent in 2014-15.
- The share of employment in agriculture sector has decreased to 42.3 percent in 2014-15 as compared to 43.5 percent in 2013-14.
- The share of transport/storage & communication has decreased to 5.4 percent in 2014-15 as compared to 5.5 percent in 2013-14.
- The share of manufacturing has increased to 15.3 percent in 2014-15 from 14.2 percent in 2013-14.
- The government has provided an option to the youth to set up their own enterprises through Prime Minister's Small business and Interest Free loan Scheme and disbursed Rs. 7102.49 million and Rs. 3147.3 million respectively.
- The government has distributed 100,000 laptops in phase-I among students studying in public sector universities to enhance their research capabilities.
- 24,831 trainees have completed their training during 2014-15 and 20,984 skilled individuals benefited during Aug, 2015 to Feb, 2016 under the Youth Skill Development Scheme.
- In FY 16 the government is placing 50,000 interns in different public and private organizations.
- The number of emigrant has increased from 0.75 million in 2014 to 0.946 million in 2015 which include 0.372 million unskilled, 0.397 million skilled, 0.15 million semi skilled workers.

Transport and Communications

- Pakistan's total road network is around 263,356 Kms which carries over 96 percent of inland freight and 92 percent of passenger traffic.
- Length of NHA road network is around 12,131 kms comprises of 39 national highways, motorways, expressway and strategic roads.
- During 2015-16, NHA executed 26 development projects costing Rs. 393.4 billion. Government of Pakistan has allocated Rs. 159.600 billion in the Federal PSDP 2015-16 for NHAs development projects.
- The network of Pakistan Railway comprises of 7,791 route kilometres, 455 Locomotives, 1,732 passenger coaches and 15,164 freight wagons.
- The government is taking new initiatives to improve the performance of Pakistan Railways by repairing/purchasing of locomotives, up gradation of main lines MI, M-II and M-III
- During financial year 2015-16, 90 Kms of track has been rehabilitated besides doubling of 5 kms track.
- During 2015-16, Pakistan Railways will rehabilitate 400 coaches, procure 500 high capacity bogie wagons and special repair of 150 De locomotives.
- During 2015, PIA management embarked upon a mission of "Revival of PIA" under new initiatives/steps to improve the performance of PIA by contracts re-negotiation, route rationalization, re-deploying aircrafts on more profitable domestic and international routes. Due to these steps PIA expenditure decreased and its operating revenue increased remarkably.

HIGHLIGHTS OF PAKISTAN ECONOMIC SURVEY 2015-16

- During the year 2015, the aviation industry experienced a growth of 5.5 percent in the passenger business.
- Pakistan National Shipping Corporation (PNSC) provides transportation services for crude oil requirements of the country comprises of nine vessels of various types/size with a total deadweight capacity of 681,806 tonnes.
- During July-March, FY2016, PNSC companies earned revenue of Rs.2,917 million as against Rs. 2,126 million over the corresponding period of last year.
- During July-March 2015-16, Port Qasim Authority handled 23.782 million TEUs (Twenty Equal Units) of container traffic which is 10 percent higher over the corresponding period of last year.
- At Gwadar Port, 5.366 million tons Urea import was handled during July-March 2015-16.
- During July-March FY 2016, the total cargo handled at Gwadar Port stood at 6.329 million tons against 6.279 million tons over the corresponding period of last year showing a growth of 8.9 percent.
- Telecom revenues during Jul-March 2015-16, amounted to Rs. 333.2 billion which made this sector very attractive for further investment.
- Teledensity has been improved and facilities have reached to 70.4 percent of population.
- During July-March FY 2016, Telecom sector contributed 744.6 billion to the national exchequer in terms of taxes etc.
- Cellular Mobile subscribers reached to 131.4 million at the end of March, 2016.
- During the period July-March FY 2016, an amount of Rs. 149.243 billion has been collected through National saving Schemes and Pakistan post has earned commission amounting to Rs. 746.215 million.

Energy

- With concrete and sincere efforts of the government, almost 12 percent growth has been observed in real value addition of electricity generation & distribution and Gas distribution during FY 2015 and FY 2016 which in turn helped the real GDP growth of 4.7 percent during FY 2016.
- During July-April FY2016, foreign direct investment in oil and gas exploration remained US \$ 234.8 million compared to US \$ 230.1 million in corresponding period last year thus posting a growth of 2 percent.
- Government of Pakistan is also pursuing to enhance gas production in order to meet the increasing demand of energy in the country. One of the milestone is import of LNG. In this regard a license for construction of LNG terminal was granted to M/s EngroElengy Terminal Limited (EETL) with a construction validity period of two years. During July to Feb FY 2016, 175 mmcf/d volume of Re-gasified liquid natural gas (RLNG) was imported. The government has planned to establish 2nd LNG terminal which shall be built at Port Qasim Karachi, to be operational by around mid-2017. Another company naming Bahria Foundation has also applied to OGRA for grant of LNG Terminal construction License
- Three hydel plants Tarbela-4th extension, Chashma, Neelum-Jhelum and few other small dams are expected to provide additional generation within next two years.
- 1000MW under Central Asia-South Asia-1000 (CASA-1000) power project is also included in the plan. Power sector has been given priority in terms of allocation of gas for power generation.
- Further special attention is being given to Diamir Basha dam project.
- The government is also determined to complete the 969 MW Neelum Jhelum Hydropower project

HIGHLIGHTS OF PAKISTAN ECONOMIC SURVEY 2015-16

at the earliest. The other measures include earmarking of almost 80 percent of CPEC estimated outlay for electricity sector, import of LNG, extended cooperation with USA and other bilateral agencies to build capacity in the energy sector and improvement in the efficacy of regulatory regime.

- Renewable potentials like wind and solar are under implementation

Pakistan Energy Sources:

Oil:

- During July-March FY 2015, this share increased by 50 percent for transport and 42 percent for power while during July-March FY 2016, the share of transport and power in oil consumption remained 55 percent and 35 percent, respectively.
- During July-April FY 2016, 4.98 million metric tons was imported compared to 4.81 million tons of the corresponding period last year showing a growth of 3.5 percent, while in values US \$ 1.95 billion was imported compared to US \$ 3.59 billion during period under discussion thus showing a decline of 47 percent.

Natural Gas:

- The average natural gas consumption was about 3,387 million cubic feet per day (mmcf) including 175 mmcf volume of re-gasified liquid natural gas (RLNG) during July 2015 to February 2016.
- During July 2015 to February 2016, the two gas utility companies (SNGPL & SSGCL) have laid 116 km gas transmission network, 1,848 km distribution and 679 km services lines and connected 203 villages/towns to gas network.
- During this period, the gas utility companies have invested Rs.9,959 million on transmission projects, Rs.8,705 million on distribution projects and Rs.13,225 million on other projects bringing total investment to about Rs.31,919 million.
- During this period 254,870 additional gas connections including 254,648 domestic, 202 commercial and 20 industrial were provided across the country.

Electricity:

- During July-March FY 2016, the installed capacity in the PEPCO system remained 23,101 MW compared to 23,212 MW during the corresponding period last year with hydro 7,027 MW, thermal 15,324 MW, and nuclear 750 MW.
- During this period, electricity generation through thermal remained 45,252 Gwh compared to 43,611 Gwh last year posting a growth of 4 percent while electricity generation through hydel remained 24,544 Gwh compared to 23,478 Gwh last year posting a growth of 5 percent. Thus in total there was an increase of 2 percent in electricity generation.

Renewable Energy:

- The following progress has been achieved on development of renewable energy based projects during the 2015-16 so far:
- One solar project of 100 MW capacity (M/s QA Solar Pvt. Ltd) become operational. Three solar power projects of 100 MW capacity each achieved Financial Closing and are under construction with completion expected in June, 2016.
- Two bagasse co-generation projects with a cumulative capacity of 92.4 MW became operational.

HIGHLIGHTS OF PAKISTAN ECONOMIC SURVEY 2015-16

Poverty & Social Safety Nets:

- A new poverty line is estimated using Cost of Basic Needs (CBN) approach by taking patterns of consumption of reference group and it comes to Rs. 3030 per adult equivalent per month using the latest available HIES 2013-14 data.
- According to CBN methodology, 29.5 percent of the population is estimated to live below poverty line during FY 2014.
- Using PSLM data, the headcount of multidimensional poverty in FY2015 was 38.8 percent while the intensity of deprivation is 51.0 percent. Since FY2005, multidimensional poverty has continuously reduced in Pakistan. The headcount reduced from 55.2 percent to 38.8 percent between FY 2005 and FY 2015. However, the intensity of deprivation reduced only slightly over the same time period (from 52.9 percent to 51.0 percent).
- The government is fully committed to follow a sustained poverty reduction strategy and to allocate a minimum of 4.5 percent of GDP for social and poverty related expenditures. The government prioritized 17 pro-poor sectors through the Medium Term Expenditure Framework (MTEF) in the PRSP-II.
- Expenditure on pro-poor sectors in 2011-12 stood at 9.7 percent of GDP. In 2012-13, these were 8.5 percent of GDP and in 2013-14, 7.7 percent of GDP. These expenditures were well above the requirement under the law. During 2014-15, total expenditures for these sectors were increased and amounted to Rs 2,162.7 billion, which was 7.9 percent of GDP.
- During July-December of the current fiscal year 2015-16, Rs. 1,123 billion expenditures have been made in these sectors.
- BISP is continuing to eradicate extreme poverty through provision of cash transfers. The monthly installment was enhanced by the present government to Rs. 1200/ per family in July, 2013 which has subsequently been increased to Rs. 1500/per family in 2014. The present government has yet again increased the annual stipends from Rs. 18,000 per annum to Rs. 18,800 per annum per beneficiary w.e.f. 1st July, 2015.
- The present government has increased the BISP budgetary allocations from Rs.70 billion in FY2013 to Rs. 75 billion in FY2014, which has subsequently been enhanced to Rs. 97 billion in FY2015 and for the current fiscal FY2016 year it has been enhanced to Rs. 102 billion.
- The number of BISP beneficiaries is expected to increase from 5.0 million in FY2015 to 5.3 million by the end of FY2016.
- So far, BISP has achieved all the targets set under IMF's Extended Fund Facility which has been acknowledged by IMF in eleventh review meeting held in May 2016.
- Pakistan Poverty Alleviation Fund (PPAF) also provides assistance in microcredit, water and infrastructure, drought mitigation, education, health and emergency response interventions. During July 2015 to March 2016, PPAF has disbursed an amount of approximately Rs.11.96 billion to its partner organizations (POs) under PPAF core interventions administered under various operational units.
- An amount of Rs. 5303.53 million is distributed in bulk for Zakat amongst the provinces and other administrative areas for FY2016.
- Pakistan Bait-ul-Mal (PBM) is also making efforts for eradication of poverty by providing assistance. During July 2015 to March 2016, PBM has managed to disburse an amount of Rs. 3132.39 million to its core projects.

HIGHLIGHTS OF PAKISTAN ECONOMIC SURVEY 2015-16

Environment

- The government has completed many projects to support the environment such as capacity building, provision of clean drinking water, environmental management, biodiversity, air pollution control and watershed management, urban development, promotion of tourism, restoration of lakes and water bodies, environmental awareness, waste management, and wetlands management, etc.
 - Draft of 'Forest Policy 2015' prepared by Ministry Of Climate Change. This will provide a legal basis for the government to extend support to all federating units towards achieving their targets.
 - To overcome the air pollution present government has introduced the rapid, safe and modern mass transit system in major cities to make the mobility easier which will be also helpful in reducing the pollution.
 - The government has planned to manage all types of forests in this regard the Prime Minister has approved the launch of 'Green Pakistan Programme' to improve forestry and wildlife sectors. This programme targets to add 100 million plants over the next five years all over the country.
 - The government has planned that the fresh water sources will be categorized and protected against pollution.
 - Cleaner Production techniques will be adopted by industry to minimize pollution generation. Federal and provincial governments will ensure that at least 70% industrial wastewater be treated by 2025 before discharge into water bodies.
 - Industrial sector will be facilitated with well-designed and efficiently operated air cleaning devices
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