

TRADE AND PAYMENTS

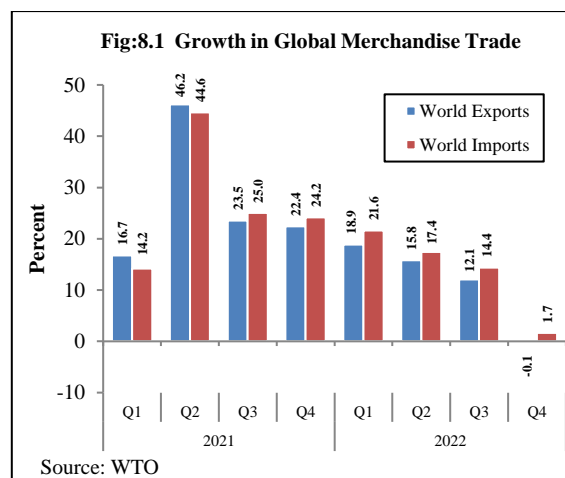
Introduction:

Many factors have gloomed prospect diminished the likelihood of a post-pandemic global economic recovery, particularly in Europe and Central Asia. The prospects for global economic growth face a unique combination of headwinds, such as interest rate increase by several central banks to contain inflation, residual pandemic effects such as China's lockdowns, disruptions to supply chains, etc. The Russia-Ukraine conflict has exacerbated the situation. The global economy is still recovering from the pandemic and negative implication of the Russia-Ukraine war. The downside risks projected in the IMF's WEO in April 2022 are materializing. Although the volume of international trade increased by 2.7% in 2022, yet less than the 3.5% projected in October 2022. While, the fourth quarter of 2022 witnessed a significant decline in the volume of international trade, dragging down the annual growth rate.

According to the WTO forecast April 2023, the global GDP growth is expected to be 2.4 percent in 2023. Both trade and growth are below the last 12 years averages of 2.6 and 2.7 percent, respectively. In this situation, countries need to have strong trade integrations besides abstain from trade barriers. The trade growth is projected to be 1.7 percent in 2023, higher from earlier forecast of 1.0 percent in October 2022. The upwards revision in trade growth can be attributed to China's reopening in January 2023 by ending the zero COVID policy thus boosting the consumer demand, which will enhance the international trade. The growth pattern of global merchandise trade is depicted in Fig. 8.1

The slowdown in trade growth was due to weak global demand in 2022. Similar situation can also be observed in the regional countries. For instance, China's trade volume deteriorated

considerably in the latter half of 2022, due to lower demand for Chinese goods, and weak domestic demand on account of zero COVID policy. Besides, high inflation in trading partners is another main factor which is affecting the Chinese exports in 2023.



In neighbouring economies, the trade deficit in Bangladesh continued to increase during Jul-Jan FY2023. Likewise, in India, the merchandise trade deficit increased from US\$ 218.9 billion in Apr-Dec 2022 as against US\$ 136.5 billion same period last year showing growth of 60.4 percent. Exports increased by 9.1 percent to US\$ 332.8 billion during the period under review as against US\$ 305 billion last year. Imports increased by 25 percent to US\$ 551.7 billion during Apr-Dec 2022 as compared to US\$ 441.5 billion same period last year. While, in Nepal, the trade deficit declined to 13 percent of GDP in HI FY2023 as compared to 18.4 percent of GDP in H1 FY2022. Goods imports grew by 2.4 percent on account of soaring commodity prices and higher domestic demand. The government of Nepal imposed the import ban on selected goods between Apr-Dec 2022. Goods exports decreased to 1.8 percent of estimated GDP in

H1FY2023 from 2.5 percent of GDP H1FY2022, as substantially decline in exports of refined palm and soybean oils. Also, in Sri Lanka, the merchandise trade deficit declined to US\$ 5.2 billion in 2022 from US\$ 8.1 billion in 2021 due to a combination of reduction in

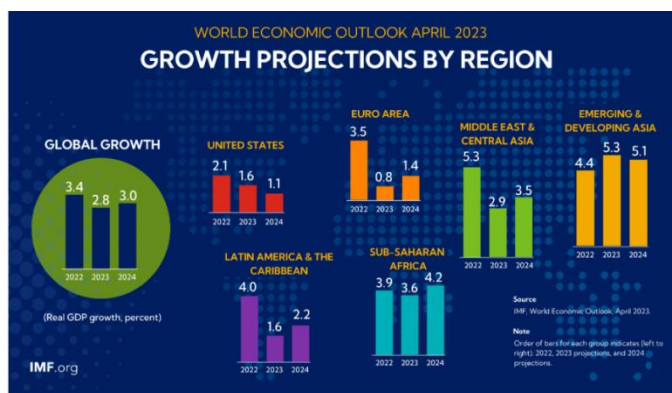
imports and increase in exports. Although, imports grew in the first half of 2022, owing to Indian financial assistance, but declined sharply in the second half due to liquidity shortages, currency depreciation, and lack of imports demand.

Box I: Impact of Geopolitical Conflicts on Trade

Trade is regarded as a source of welfare due to comparative advantage. However, many studies have shown that geopolitical conflict results in the reduction of welfare. In the wake of conflict, it is more difficult to continue trade, which hinders trade even for those countries that are not involved directly in the conflict. Thus, international trade is negatively affected by geo political conflict.

The COVID-19 pandemic affected the production of all nations, disrupted supply channels, and disturbed the financial markets. Inflation was induced by global supply bottlenecks during the recovery period. In these circumstances, the Russia-Ukraine conflict started. Thus, higher-than-anticipated inflation, particularly in the United States and major European economies, is causing a tightening of global financial conditions. Moreover, China's slowdown has been more severe than anticipated. Thus, there have been additional negative spillovers from the conflict. As a result, global output contracted in the second quarter of this year. Thus, leading to a recession. Further, Europe relies on Russia for around 1/3 of its gas supplies, therefore energy supply became a significant concern. Summarizing, the geopolitical conflicts posed risks to the stability of the financial system through a financial channel. An escalation of the conflict could result in imposition of financial restrictions, increase in uncertainty, and the outflow of cross-border credit and investment, all of which could increase the debt rollover risks and funding costs. Thus, slower growth, rising inflation, interest rates, and budget deficits are seen across the globe.

Pakistan's economy was also in the stage of revival and was suffering from supply constraints. Thus, the Russia-Ukraine conflict has resulted in an energy crisis, leading to an increase in international energy prices. Because Pakistan is an energy importer, the increase in energy prices has directly impacted household energy costs for heating, cooling, and transportation, and indirectly pushed up the prices of other goods and services due to the rise in supply costs. Moreover, in 2021, prices for fossil fuels began to recover, and by early 2022, they had risen sharply, creating a challenging environment for Pakistan. In addition, the increase in food prices as a result of the war and other non-energy goods' prices as a result of pandemic-driven supply bottlenecks as well as domestic supply adversely impacted by the flood contributed to a sharp increase in overall consumer prices in FY 2023.



Countries/ Region	Average Share (%)	Real GDP Growth (%)			Pakistan's Export (\$ Million)		
		2022	2023	2024	2021	July-April	
						2022	2023
USA	19	2.1	1.6	1.1	5,031	5,619	4,990
UK	8	4.0	-0.3	1.0	2,048	1,852	1,644
Germany	7	1.8	-0.1	1.1	1,513	1,432	1,366
Japan	7	1.1	1.3	1.0	176	159	175
UAE	7	7.4	3.5	3.9	1,420	1,550	1,207
Hong Kong	6	-3.5	3.5	3.1	224	275	153
China	5	3.5	5.2	4.5	2,044	2,343	1,701

Source: IMF & SBP

The slower economic activities in the trading partners of Pakistan have been observed in recent years as well as in the coming year.

In Pakistan, both exports and worker’s remittances are regarded as significant sources of foreign exchange earnings, thereby mitigating pressure on the balance of payment. However, reduced economic activity in trading partners can have an impact on both exports and remittances. In addition, the increase in international commodity prices will increase the value of imports, will fuel domestic inflation, negatively influencing common households which in turn, will also weigh on economic growth.

External Sector Performance

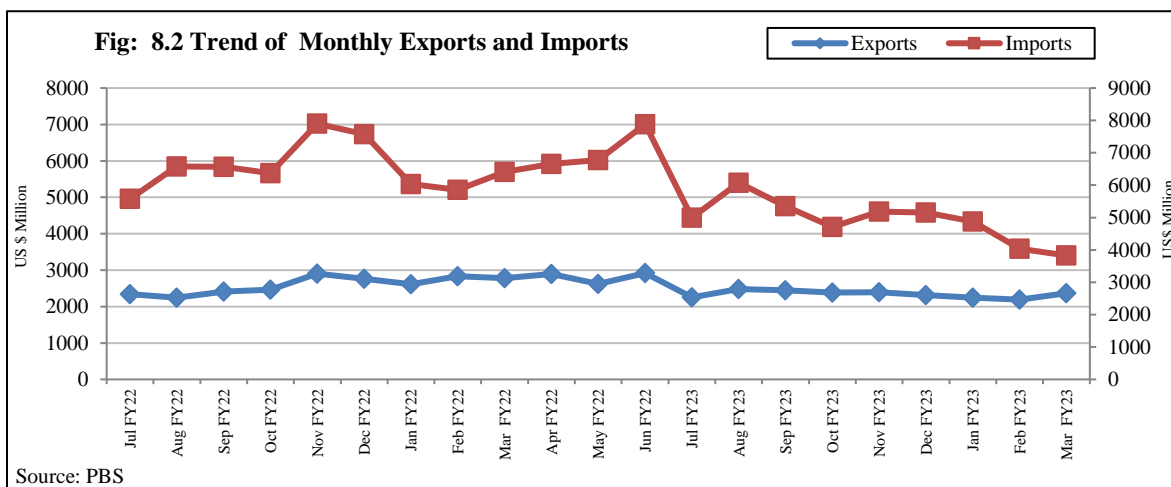
The balance of payments position during the ongoing fiscal year remained under pressure mainly due to adverse global shocks and domestic uncertainties. The international commodity prices have started declining from mid-2022 but were still above the pre-pandemic level. Thus, the high commodity prices have created pressure on the external account. Moreover, tightening of global financial environment has made difficult for emerging markets like Pakistan to access international financial markets. Consequently, Pakistan’s foreign exchange reserves and exchange rate remained under pressure. Furthermore, the devastating flood during July-August 2022 has further aggravated the ongoing economic situation.

Subsequently, sluggish global demand and epidemic-induced cross-border logistics disruptions presented substantial obstacles for Pakistan's exports. As a result of a decline in global demand and a disruption in the export industry's input supply, the trend of rising exports will cease in FY2023. In addition, a natural disaster flood, high energy costs, and severe liquidity problems negatively impacted export performance, the exports growth posted a negative growth of 9.8 percent during Jul-Mar FY2023, recorded at US\$ 21.0 billion as

compared to US\$ 23.3 billion same period last year

In recent flood, both major and minor crops have been damaged significantly, with a specific impact on essential food and export items including rice, mango trees, date palms, and vegetables like chillies, onions, and tomatoes. Cotton crops have also been hard hit.

The post-flood estimates of cotton production are 4.91 million bales during FY2023 as compared to 8.3 million bales last year. Since the total domestic requirement is around 15 million bales, the low domestic production of cotton increased its imports. Thus, putting more pressure on the already depleting foreign exchange reserves. Likewise, the production of rice declined by 21.5 percent during FY2023 and reached 7.3 Million Tons (MT) as against 9.3 MT last year. Thus, in order to meet domestic demand, imports of food items increased. Thus, damages to the agriculture sector have put pressure on the depletion of foreign exchange reserves. Moreover, reduction in exports of textiles, rice, fruits and vegetables, leather products and cement, has widened the trade deficit. In order to avoid reserve depletion, the government restricted imports. Thus, a significant reduction in trade deficit is observed in recent months of FY2023. Fig – 8.2 shows monthly trends of Exports and Imports.



Source: PBS

Exports

Exports declined by 9.9 percent during Jul-Mar FY2023 to \$ 21.0 billion compared to \$ 23.3 billion in the same period last year. The decline in exports was driven by both declining trend in export volumes and unit values. The decline in exports is mainly occurred due to the inadequate performance of textiles and food group. The decline was owed to the weak global demand and lacklustre performance in the domestic economy. Further, the demand curtailing measures taken by the government has also affected exports performance. However, the government has taken policy incentives to boost exports

Government Initiatives to Increase Exports

i. Regionally Competitive Energy Tariffs

- a. Supply of electricity to five export-oriented sectors covering textiles (including jute), carpets, leather, sports goods and surgical goods at US cents 9 per kWh all-inclusive from August to September 2022 and Rs. 19.99 from October 2022 to June 2023 per kWh
- b. Supply of RLNG to five export-oriented sectors at US\$ 9 per MMBtu all-inclusive during FY2023.

ii. Rationalization of Import Custom Tariff

- a. Continuation of duty-free import of cotton to bridge the gap between domestic production and consumption of textiles and apparel industry.
 - b. Continuation of duty-free import of textiles and apparel machinery.
 - c. Reduction/elimination of custom duties on import of dyes and chemicals to incentivize textiles and apparel industry.
- During FY2023(Jul-Mar), Rs.25 billion has been paid to the exporters as Customs Duty Drawback.
 - Customs Duties on more than 100 tariff lines rationalized during budget exercise as well as 37 tariff-lines for packaging sector, 10 tariff-lines for dyes sector, and 101 different tariff-lines related to farm mechanization.

- In the Duty and Tax Remission for Exports (DTRE) Scheme, the utilization period for the exportation of imported raw materials has been extended from twelve months to eighteen months.
- Automation of Export Facilitation Schemes (EFS) such as Export Processing Zone (EPZ), Manufacturing Bond (MB), Export-Oriented Unit (EOU), DTRE, and Temporary Importation has been automated and operational under Web Based One Customs (WeBOC).
- To incentivize exporters, rupee-based discounting of exports bills/export receivable was introduced under Export Finance Scheme (EFS)/ Islamic Export Refinance Scheme (IERS). This facility helps in providing early payments to the exporters by the banks against the export bill/ export receivable at the prescribed rates. This facility is available at both post-shipment & pre- shipment stages at rates ranging from 2 % to 3 %, depending upon the tenor of discounting.
- Digitization of exports-related processes through Pakistan Single Window (PSW), PSW is an automated platform that provides a facility to all exporters and importers to electronically submit an integrated declaration at the time of exports and imports of goods.
- Formulation of regulatory framework to facilitate exports of goods from Pakistan for sale through international platforms under Business to Business to Consumer (B2B2C) model.
- To promote the use of digital channels and to enhance operational efficiency and improve ease of doing business, the functions of EFS/IERS have been digitized. An online platform has been developed for transmission of EFS related information/data between SBP PBSC banks.

Merchandised Exports

An analysis of group wise data suggests that major groups registered a negative growth. (Table 8.1). Food group decreased by 3.4 percent and reached \$ 3.8 billion during Jul-Mar FY2023

as against \$ 3.9 billion same period last year. Within the food group, rice exports decreased

both in quantity and value by 18.8 percent and 10.9 percent, respectively.

Table 8.1: Structure of Exports

Particulars	Units	July-March Values in US \$Million			July-March Quantity		% Change in Quantity
		2021-22	2022-23 (P)	% Change	2021-22	2022-23 (P)	
Total		23350.0	21036.2	-9.9			
A. Food Group		3947.7	3815	-3.4			
Rice	M.T	1793.1	1598.3	-10.9	3582756	2907322	-18.8
Sugar	M.T	0	83.0	100	0	172180	100
Fish & Fish Preparation	M.T	311.6	355	13.9	116333	151030	29.8
Fruits	M.T	394.5	226.4	-42.6	515178	536420	4.1
Vegetables	M.T	249.1	235.5	-5.5	675331	1035940	53.4
Wheat	M.T	0	0	0.0	0	0	0.0
Spices	M.T	83.2	72.9	-12.4	20139	16959	-15.8
Oil Seeds, Nuts & Kernels	M.T	176.7	166.9	-5.5	130957	149313	14.0
Meat & Meat Preparation	M.T	249.1	302.4	21.4	56397	69072	22.5
Other Food Items		690.4	774.5	12.2			
B. Textile Manufactures		14242.6	12476.4	-12.4			
Raw Cotton	M.T	6.6	13.0	97.7	2752	10477	280.7
Cotton Yarn	M.T	908.5	573.1	-36.9	260284	186352	-28.4
Cotton Cloth	TH.SQM	1795.5	1538.0	-14.3	343753	256506	-25.4
Knitwear	TH.DOZ	3729.7	3390.3	-9.1	120415	133197	10.6
Bedwear	M.T	2448.9	2031.7	-17.0	394824	302825	-23.3
Towels	M.T	819.6	745.3	-9.1	166809	144855	-13.2
Readymade Garments	TH.DOZ	2863.6	2657.3	-7.2	37291	58470	56.8
Made-up articles		627.0	534.8	-14.7			
Other Textile Manufactures		1043.4	992.9	-4.8			
C. Petroleum Group		235.9	216.1	-8.4			
Petroleum Products	M.T	57.3	45.8	-19.9	80803	99694	23.4
Petroleum Top Neptha	M.T	0	0	0	0	0	0
D. Other Manufactures		4693.8	4306.5	-8.3			
Carpets, Rugs & Mats	TH.SQM	61.0	56.6	-7.2	1794	1910	6.4
Sports Goods		259.9	306.1	17.8			
Leather Tanned	TH.DOZ	154.5	126.8	-17.9	11387	8164	-28.3
Leather Manufactures		463.9	442.3	-4.6			
Surgical Goods. & Med. Inst.		307.7	335.7	9.1			
Chemical & Pharma. Pro.		1093.7	1072.3	-2.0			
Engineering Goods		168.0	186.9	11.1			
Jewellery		10.0	5.6	-43.7			
Cement	M.T	199.4	135.4	-32.1	5227.9	2909.3	-44.3
Guar & Guar Products	M.T	34.4	33.6	-2.2	19087	19933	4.4
All Other Manufactures		408.6	392.5	-3.9			
E. All Other items		1941.2	1605.1	-17.3			

P : Provisional

Source: PBS

The basmati rice exports decreased both in quantity and value by 21.5 percent and 7.2 percent, respectively during Jul-Mar FY2023. The major decline was observed in rice exports to Afghanistan (98 percent), followed by China (57 percent).

Likewise, the other varieties under rice group during Jul-Mar FY2023 witnessed a decline of 12.1 percent in value and 18.4 percent in quantity.

Exports earnings from fruits during Jul-Mar FY2023 decreased by 42.6 percent in value despite an increase of 4.1 percent in quantity. Vegetables witnessed an increase in quantity by 53.4 percent but decline by 5.5 percent in value.

Fish & fish preparation subgroup during Jul-Mar FY2023 witnessed an increase of 13.9 percent in value and 29.8 percent in quantity, due to several reasons including: China has lifted sanctions on imports of Jellyfish from Pakistan in July 2022. Moreover, some species like squids, cuttlefish and ribbon fish have fetched better prices in the world markets. The exports of fish & fish preparation continued to soar mainly due to the diversification of the exportable commodities from Pakistan, earlier shrimp, lobsters, ribbonfish, and large cuttlefish (Pharaoh Cuttlefish) were the main exports. Now four additional species of cuttlefish are being exported.

Further, another Pakistani fishing processing plant has joined European Commission (EC) for fishery exports. This is the third Pakistani company listed in the EC. In 2013, after a six year, EC has lifted a ban and granted permission to only two companies to export fishery product to European countries. In addition, large quantities of fish meal are exported to China for the aquaculture industry. Many modern fish meal plants have been set up, manufacturing high-quality fish meal for export. Export of shellfish such as whelks, clams and razor clams are now considered important seafood commodities which are exported in live, frozen and chilled forms.

Exports of oil seeds, nuts & kernels witnessed an increase of 14.0 percent in quantity despite a

decline in value by 5.5 percent during Jul-Mar FY2023.

Meat and meat preparation exports increased both in value and quantity by 21.4 percent and 22.5 percent, respectively during Jul-Mar FY2023. The exports of meat sector have had gradual growth over a period, due to opening of new markets, compliance with the food standards set by of various exporting countries, and use of advanced machinery and new practices to Pakistan. The meat exports include raw and frozen beef, mutton, lamb, and chicken. The exports of by-products include casing, bones, horns and hooves, gelatine, etc. Pakistan's exports of meat and meat preparations are gradually penetrating different countries in terms of volume and value as it recorded a staggering increase. The major meat exports destinations include: Gulf countries including Saudi Arabia, United Arab Emirates, Kuwait, Qatar, Bahrain, Hong Kong, Maldives, and Vietnam. Recently, the Malaysian government has approved certification of four Pakistani meat exporter companies, which is a major breakthrough as Malaysia is lucrative market for exports of Halal meat.

Textiles and apparel sector occupies a pivotal position in Pakistan's economy having most intensive backward and forward linkages compared to any other sector. It contributes approximately 60 percent in total exports and 40 percent in industrial employment. Pakistan is the fifth largest cotton producing country with tremendous potential for further improvement in its share in the world.

During Jul-Mar FY2023, exports of textile group witnessed a decline of 12.4 percent and reached US\$ 12.5 billion compared to US \$ 14.2 billion during the corresponding period last year. Textile sector faced multiple issues including energy shortages, high electricity tariffs, elevated financing costs, and global slowdown. Moreover, the devastating flood has destroyed cotton crop which possess severe challenges for the industry. The zero-COVID policy in China is providing more opportunity for other economies to seize its exports share. Bangladesh has grabbed this opportunity with both hands. However, in Pakistan the domestic economic

issues are creating hurdle in exploiting this opportunity. The other problem is of the turnaround time of exports. Raw material is being imported, processed, and re-exported. The turnaround time in Pakistan is 5 to 6 months higher than in Bangladesh which is 1 to 2 months.

According to U.S. Department of Agriculture, “Cotton: World Markets and Trade” report, the global cotton production in 2022-23 up to 116.5 million bales and attributed to higher production in China, Mexico, and Uzbekistan. Consumption is lowered more than 500,000 bales to 109.6 million and attributed to lower use in Bangladesh. The world’s three largest consumers – China, India, and Pakistan – are forecast to account for more than half of the global increase. Of the top ten consuming countries, all are expected to have higher use. After significant reductions for India, Pakistan, and Bangladesh in the previous year, a general easing of financial pressures and greater supplies are expected to support consumption¹.

Textile sector is currently experiencing a shortage of raw material and unavailability of foreign currency for the import of essential machinery, which is hindering production. In that backdrop, many textile firms had suspended operations, therefore, exports would remain under pressure until the situation normalised.

In case of home textiles, bedwear decreased both in quantity and value by 23.3 percent and 17.0 percent; respectively, whereas towels exports also decreased in both quantity and value by 13.2 percent and 9.1 percent in Jul-Mar FY2023. The unsatisfactory performance of towel exports is mainly attributed to limited access to technology, ineffective image building and brand- development strategies. Moreover, towel industry is labour intensive, but scarcity of skilled labour force obstruct exports growth in terms of quality, productivity and value addition. Knitwear exports grew by 10.6 percent in quantity, despite a decline of 9.1 percent in value during Jul-Mar FY2023. The exports of readymade garments increased in quantity by

56.8 percent, however, its value declined by 7.2 percent during Jul-Mar FY2023. The exports of intermediate commodities like cotton yarn witnessed a decline in both quantity and value by 28.4 percent and 36.9 percent, respectively, during Jul-Mar FY2023.

The Petroleum group’s exports posted a decline of 8.4 percent during Jul-Mar FY2023. Furthermore, petroleum product exports also plummeted 19.9 percent and reached US\$ 216.1 million during Jul-Mar FY2023.

Exports of leather tanned declined both in quantity and value by 28.3 percent and 17.9 percent, respectively. Footwear exports increased both in quantity and value by 47.9 percent and 18.7 percent, respectively, during Jul-Mar FY2023. According to the World Footwear 2022, Yearbook the Pakistani footwear industry predominantly geared the domestic market and is the 7th largest in the world and employs around one million people. The main markets are Europe, the USA and Arab countries.

In the case of sports goods, Gloves exports decreased both in quantity and value 32.2 percent and 7.5 percent, respectively, during July-Mar FY2023 and recorded at US\$ 52.4 million. Other major exports of sports goods are football witnessed an increase both in quantity and value by 36.5 percent and 33.7 percent, respectively. Pakistan produces high-quality hand-stitched footballs with an uncompromised quality of the football, its price, and its performance.

Export of carpets, rugs, and mats registered a decline of 7.2 percent in value, despite an increase in its quantity by 6.4 percent during Jul-Mar FY2023. Pakistan’s hand-made carpet industry had lost its footings in the global market on account of elevated prices of raw material, costly labour, and higher freight charges. Furthermore, troubles in the import of semi-finished raw materials through Torkham Border, ultimately affecting the delivery of finished goods.

¹ US Department of Agriculture Foreign Agricultural Service Circular May 2023

The export of cement witnessed a decline both in quantity and value by 44.4 percent and 32.1 percent, respectively, during Jul-Mar FY2023 on account of increased production cost, higher freight charges and soaring coal prices.

Exports of Guar and guar products registered growth in quantity by 4.4 percent and its value declined by 2.2 percent during Jul-Mar FY2023. India meet 85-90 percent of global guar demand, whereas, Pakistan has a share of 10-15 percent in world's total supply. Pakistan has 11 companies making guar split with Pak Gum Industries being the largest producer. Most of the processing facilities are 20-30 years old which undermines the quality.

Exports of chemicals and pharmaceuticals product decline by 2.0 percent and recorded at US\$ 1072.3 million during Jul-Mar FY2023. Chemicals, other than the ones used in pharmaceutical and plastic products, had the highest share. The Pakistan Export Strategy (2023-27) outlines a proposed path for the development of the pharmaceutical industry in Pakistan. It is a five-year endeavour that was defined through a consultative process between public and private sector stakeholders. The strategy addresses constraints in a comprehensive manner and defines concrete opportunities that can be realized through the specific steps detailed in its Plan of Action. The Pharmaceuticals Export Strategy is an integral part of Pakistan's Strategic Trade Policy Framework (STPF).

During Jul-Mar FY2023, Surgical goods & Medical Instruments exports were recorded at

US\$ 335.7 million. European Parliament has passed a new "Medical Device Regulation" (MDR), which will be effective in May 2024. In order to avoid adverse effects of the new regulations and safeguard interests of the country, a consultant firm is being hired to educate, guide and build capacity of the surgical instrument/medical device sector to comply with the new EU regulations.

Moreover, Pakistan specialised in conventional surgical products, but the demand for these products in developed countries is declining during last few years due to the rise of Artificial Intelligence-enabled and electronic products with high precision. Owing to lack of research and development, the surgical products will lose market share not only in Europe but also globally.

Concentration of Exports

The potential export growth is hindered owed to lack of diversification in export goods. The trend of Pakistan's exports of major items remains more or less same having concentrated on three items, namely cotton manufactures, leather and rice (See Table 8.2). These three categories account for 68.1 percent of total exports during Jul-Mar FY2023.

Among these few items cotton manufactures remain major contributor with 57.3 percent share in total exports, followed by leather (3.2 percent), rice (7.6 percent) and other items (31.9 percent). This pattern shows that Pakistan's export is still exporting few items.

Table 8.2 : Pakistan's Major Exports (Percentage Share)

Commodity	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	July-March	
							2021-22	2022-23P
Cotton Manufactures	56.5	61.7	56.4	56.6	59.0	59.3	59.2	57.3
Leather**	4.1	4.2	3.7	3.6	3.3	3.0	3.0	3.2
Rice	8.8	7.7	9.0	10.2	8.1	7.9	7.7	7.6
Sub-Total of three Items	69.4	73.6	69.1	70.4	70.4	70.2	69.9	68.1
Other items	30.6	26.4	30.9	29.6	29.6	29.8	30.1	31.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

P: Provisional

** Leather & Leather Manufactured.

Source: PBS

Direction of Exports

As far as the top export destinations are concerned, USA still remained the largest exports market for Pakistan during Jul-Mar, FY2023. Exports to USA have moderately

decreased to 19 percent in Jul-Mar FY2023 as compared to 21 percent last year. Similarly, Chinese share in exports has decreased to 8 percent during the period under review. Table 8.3 presents detailed bifurcation of major export markets.

Table 8.3: Major Exports Markets

(Rs. billion)

Country	2019-20		2020-21		2021-22		July-March			
							2021-22		2022-23 P	
	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share
USA	585.4	17	823.6	20	1,201.9	21	854.3	21	924.9	19
China	273.4	8	388.0	10	567.1	10	428.4	11	380.5	8
Afghanistan	134.3	4	163.8	4	143.4	3	90.2	4	179.9	4
United Kingdom	239.6	7	324.7	8	382.7	7	277.1	2	337.1	7
Germany	199.0	6	241.2	6	308.3	5	220.0	7	283.8	6
U.A.E	178.9	5	160.9	4	246.9	4	174.6	6	259.7	5
Bangladesh	102.6	3	104.1	3	166.6	3	125.1	3	135.3	3
Italy	115.0	3	125.9	3	204.8	4	138.6	3	194.4	4
Spain	130.3	4	140.3	3	227.1	4	159.3	4	250.4	5
France	87.1	3	66.0	2	90.5	2	60.5	2	86.2	2
All Other	1,324.2	39	1,503.7	37	2,122.0	37	1490.5	37	1916.4	39
Total	3,369.8	100	4,041.9	100	5,661.1	100	4018.8	100	4948.5	100

Bilateral Relation

Engagements of Pakistan with its trading partners in the current financial year are mentioned below:

South Asia and East Asia

Japan: The 7th Session of Joint Dialogue between Pakistan and Japan was held in September, 2022 in Islamabad wherein productive discussions were held on cooperation in a wide range of areas like trade, agriculture, information technology, standards, overseas remittance, investment, and development of automobile sector. Moreover, a MoU for cooperation on trade promotion was also signed between TDAP and JETRO.

ASEAN: The first Pakistan-ASEAN Trade Development Conference (PATDC) and a Pakistan Single Country Exhibition (PSCE) is being organized at Jakarta in coming months. It is a major initiative to bring together the public and private stakeholders at one place to explore the opportunities of enhancing trade potential between Pakistan and ASEAN member states.

China: Pakistan established first ever bilateral

forum of Joint Working Group (JWG) on trade, investment, and E-commerce with China. The JWG is aimed at promoting bilateral trade and investment relationships viz-a-viz provide a platform to discuss issues of bilateral trade for their pragmatic solutions. The first meeting of the JWG held virtually in September, 2022.

In order to boost exports in the Chinese market, through utilizing leading Chinese E-Commerce platforms, a MoU on e-Commerce was signed in November, 2022.

After successful completion of Pest Risk Analysis by the Chinese experts, China has allowed the import of cherries from Pakistan in November, 2022. This is a major breakthrough as cherries are one of the products granted duty free market access under the China Pakistan Free Trade Agreement (Phase-II).

Sri Lanka: The 3rd session of the JWG between Pakistan and Sri Lanka was held in December, 2022 wherein the trade related issues between the two sides came under detailed discussion. For expeditious resolution of issues of technical nature, two sub-committees comprising of the

technical experts from both sides were established with mutual agreement.

Central Asian Republics Region

- The Preferential Trade Agreement (PTA) with Uzbekistan signed in 2022 and operationalized from March 2023. Due to implementation of Transit Trade Agreement (TTA) with Uzbekistan and promotional efforts, Pakistan's exports have already been doubled from US\$ 36 million in Jul-Mar FY2022 to US\$ 72 million Jul-Mar FY2023. Under this PTA, concession is given on 17 tariff lines at HS-06 from both sides. Pakistan has duty free access on five Tariff lines in which Pakistan has comparative advantage.
- Kazakhstan is the largest exports market for Pakistan in CARs. In November, 2022 the second session of JWG on trade and investment was held in Astana. Both sides agreed to finalize draft of the Kazakhstan-Pakistan TTA on a priority basis. Two rounds of technical level negotiations have been held in December 2022 to finalize the draft of the agreement.
- Pakistan is negotiating a PTA with Azerbaijan. The two sides have finalized the Rules of Origin and draft of the Agreement after six rounds of technical level Negotiations. In December, 2022, MOC completed stakeholders' consultations to finalize the Request List from Pakistan side.
- Pakistan-Tajikistan TTA was signed during the visit of the Tajik president to Islamabad in December, 2022.

Middle East Region

- Pakistan and GCC are negotiating FTA which is at advanced stage. As of December, 2022, four rounds and inter-session meetings have been held. The FTA covers trade in goods, services, investment, etc. The FTA is expected to conclude in 2023.
- Pakistan has received Terms of Reference (TORs) as well as draft text on

Comprehensive Economic Partnership Agreement (CEPA) from UAE. Text of CEPA covers trade in goods, services, investment, along with government procurement, sanitary and phytosanitary (SPS), technical barriers to trade (TBT), etc. MOC has held stakeholders' consultation on TORs and shared draft on CEPA to solicit views and comments for negotiations with UAE authorities.

- The cabinet has approved MoU between TDAP and Bahrain Tourism and Exhibition Authority (BTEA).

Africa Region

- 3rd Pakistan-Africa Trade Development Conference (PATDC) and Single Country Exhibition (SCE) was held in South Africa from 29th November-1st December 2022. Around 120 companies from Pakistan have participated and an estimated US\$ 2.4 million worth of trade deals were penned during the event. More than 700 B2B meetings took place during the two-day Single Country Exhibition and 20 MoUs were signed during the event which will ultimately lead to trade deals.
- MoU between the Pakistan and Mozambique on the establishment of Pakistan-Mozambique Joint Trade and Investment Committee was signed on the sidelines of 3rd PATDC in South Africa.
- Bilateral Trade Agreement between the Ethiopia and Pakistan have been finalized and will be signed soon.

Europe

EU- GSP plus Scheme: EU is Pakistan's largest export partner. Since, 4 Pakistani products have duty free access in all 27-member states of the EU on 91 percent tariff lines under EU's GSP+, since 1st January 2014. Pakistan made some further legislative progress in the human rights domain majorly and also in some other areas and shared it with EU Commission in October 2022. At this stage, periodic review report of EU Commission is awaited after which the concession scheme will continue till 31st

December 2023 if Pakistan successfully completes this review. As a result of this arrangement, Pakistan's exports to EU have increased by 165 percent since the grant of EU GSP Plus in 2013. Pakistan's exports to EU for year 2021-22 stood at US\$ 9.2 billion.

EU is going to launch another 10 years scheme of GSP (2024-34) with some additional conventions other than 27 international conventions to which Pakistan is already complying with. The beneficiary countries would be able to apply after 1st January 2024 till 31st December 2025. Pakistan has started working for the upcoming scheme. GOP has submitted its response to the proposed conventions.

United Kingdom: UK has been a strong supporter of Pakistan in securing GSP plus status from the EU, and the largest export partner in post-Brexit Europe. Following its exit from the EU, UK gave a firm commitment to Pakistan that it will continue to grant similar market access to the Pakistani products which it enjoys under EU GSP plus regime. The UK Government launched its Developing Countries Trading Scheme (DCTS) on 16th August 2022 after an 8-week public consultation in which Pakistan also participated. On coming into effect around April 2023, DCTS will replace the current UK GSP.

The new scheme, thus, addresses a major concern of Pakistan and gives tariff preferences in around 85 percent of all tariff lines, which

account for 94 percent of Pakistan's exports to the UK. Other new features of the scheme include tariff preferences on an additional 156 products and the elimination of the requirements to ratify and implement international conventions to access enhanced preferences.

Türkiye: Pakistan and Türkiye signed the Trade in Goods Agreement on 12th August, 2022 in Islamabad. Under the agreement, Pakistan has received concessions in 261 tariff lines and has extended concessions to Türkiye on 130 tariff lines. Pakistan has gained market access in traditional sectors such as leather, rice, dates, mangoes, cutlery, and sports goods; and non-traditional products/sectors include seafood, processed agricultural products, rubber tubes and tyres, plastics, and engineering goods.

Russia: The total trade between Pakistan and Russia stood at US\$ 761 million in the Jul-Mar FY2023. The balance of trade is in favour of Russia with a negative trade balance of US\$ 651 million in July-Mar FY2023. The Agreement on International Road Transport between Pakistan and Russian Federation was signed in November, 2022, provides a framework for the movement of passengers and goods trade between the two countries through road links, and covers transport of passengers and cargo by vehicles between the parties, in transit through the parties, and to/from third states with which both parties have bilateral road transport agreements.

Box-II: 12th Ministerial Conference of WTO

- The Ministerial Conference (MC) is the highest decision-making body of the World Trade Organization (WTO) which takes place biennially. WTO members, including Pakistan, successfully concluded MC-12 in June 2022 by securing multilaterally negotiated outcomes on a series of key trade initiatives including decisions on Food Security and Trade Related Intellectual Property Rights (TRIPS) waiver for the manufacturing of COVID-19 Vaccine.
- The declarations on Food Security will increase the resilience of net-food importing countries, like Pakistan, in responding to acute food instability by considering the best possible use of flexibilities available in WTO agreements. The multilateral decisions aim to bolster agricultural production and enhance domestic food security as needed in an emergency, including access to international food markets, financing of food imports, and agricultural and production resilience.
- To ensure an equitable, timely and affordable access to vaccines, therapeutics and other goods required to deal with the COVID-19 pandemic Pakistan, along with other developing and Least Developed Countries, launched a proposal at the WTO for a waiver from certain provisions of the TRIPS agreement for the prevention, treatment and containment of COVID-19. The proposal was unanimously agreed by

members in MC-12 for the manufacturing of COVID-19 vaccine. The multilateral declaration will significantly pave the way for domestic production of COVID-19 vaccines. Moreover, negotiations on TRIPS waiver for manufacturing of therapeutics and other equipment required for COVID-19 are underway at the WTO.

Source: Ministry of Commerce

Imports

The total imports during Jul-Mar, FY2023 amounted at US\$ 43.7 billion as compared to US\$ 58.9 billion in the same period last year, declined by 25.7 percent, reflecting the impact of policy tightening and other administrative measures.

Government initiatives to Curtail Imports:

The Government had undertaken following regulatory measures to curtail the imports:

- To ease the pressures on the import bill and to contain CAD at a sustainable level, SBP has imposed a 100 percent Cash Margin Requirement (CMR) on a total of 702 items, covering 22 percent of overall imports in the country. Moreover, the 100 percent CMR has been relaxed where the credit terms of import 91 to 180 days the applicable CMR would be 25 percent, and for 181 days and above the CMR would be 0 percent. The CMR remained enacted till March 31st 2023.
- The ban on imports was replaced by import compression exercise carried out in order to mitigate the adverse impacts of Forex shortage. RDs up to 100 percent were levied on more than 800 non-essential/luxury items vide SRO No. 1571(i)/2022 dated 22-08-

2022.

- Tightening in regulations for exchange companies regarding FX purchases by individuals, including biometric requirement and imposition of daily and annual limits for FX purchases.
- To restrict the demand for automobiles, SBP has amended the prudential regulation for consumer financing. Key measures included, restricting the amount of the amortized payments to 40 percent of the monetized salary of the borrower, reducing the maximum down payment from 15 percent to 30 percent and limit the overall auto financing limit by one person from all banks/DFIs to Rs. 3,000,000 at any point in time.
- To curb the aggregate demand, and there by associated import demand, SBP increased the Cash Reserve Requirements (CRR) for banks by 100 bps during the reserve maintenance period, as well as for daily minimum requirement.
- To ensure judicious use of cards, including virtual cards, for Foreign Currency related payment, an annual limit of US\$ 30,000 per individual has been placed on card based cross border transactions. Table 8.4 present structure of Pakistan's imports.

Table 8.4 : Structure of Imports

Particulars	Units	July-March Value in \$ Million		% Change in Value	July-March Quantity		% Change in Quantity
		2021-22	2022-23 (P)		2021-22	2022-23 (P)	
Total		58858.5	43727.2	-25.7			
A. Food Groups		7068.1	7333.7	3.8			
Milk & Milk food	M.T	121.6	119.6	-1.7	35821	35821	-1.1
Wheat Un milled	M.T	795.3	997.5	25.4	2206880	2531425	14.7
Dry Fruits	M.T	53.9	29.1	-46.1	78409	40001	-48.9
Tea	M.T	487.1	434.9	-10.7	200185	175293	-12.4
Spices	M.T	176.0	116.2	-34.0	113382	114296	0.81
Edible Oil (Soyabean& Palm)	M.T	2833.9	3164.6	11.7	2336007	2554163	9.3
Sugar	M.T	190.9	4.4	-97.7	311345	5010	-98.4
Pulses	M.T	477.7	757.9	58.6	719642	1060507	47.4
Other Food Items		1931.6	1709.7	-11.5			
B. Machinery Group		8676.3	4496.4	-48.2			
Power generating Machines		1253.9	399.2	-67.7			

Table 8.4 : Structure of Imports

Particulars	Units	July-March Value in \$ Million		% Change in Value	July-March Quantity		% Change in Quantity
		2021-22	2022-23 (P)		2021-22	2022-23 (P)	
Office Machines		461.2	249.8	-45.8			
Textile Machinery		621.8	286.5	-53.9			
Const. & Mining Machines		139.0	67.0	-51.8			
Aircrafts, Ships and Boats		532.9	130.0	-75.6			
Agriculture Machinery		90.6	30.2	-66.6			
Other Machinery Items		1948.5	1340.3	-31.2			
C. Petroleum Group		14,810.1	13,083.1	-11.7			
Petroleum Products	M.T	7,287.5	5,836.5	-19.9	12557316	8286582	-34.0
Petroleum Crude	M.T	3,687.7	3,860.7	4.7	6647166	5801411	-12.7
D. Consumer Durables		4,335.2	2,603.2	-40.0			
Road Motor Vehicles		2,825.8	1,355.3	-52.0			
Electric Mach.& Appliances		1,509.3	1,249.1	-17.2			
E. Raw Materials		9,596.6	7123.9	-25.7			
Raw Cotton	M.T	1,205.5	1,403.4	16.3	536059	568736	6.1
Synthetic Fibre	M.T	562.3	357.8	-36.4	290623	172508	-40.6
Silk Yarn (Synth & Arti)	M.T	650.2	448.1	31.1	281351	182683	-35.1
Fertilizer Manufactured	M.T	675.2	536.1	-20.6	1120522	786947	-29.8
Insecticides	M.T	135.7	147.4	8.6	24612	27179	10.4
Plastic Material	M.T	2,324.9	1765.9	-24.0	1453735	1211197	-16.7
Iron & steel Scrap	M.T	1,856.1	972.4	-47.6	3130053	1822672	-41.8
Iron & steel	M.T	2,186.7	1492.8	-31.7	2810543	1797967	-36.0
F. Telecom		2137.1	744.9	-65.1			
G. All Other Items		4411.1	3439.5	-22.0			

P : Provisional

Source : PBS

The food group with a share of 12.2 percent in total imports, increased by 3.8 percent during Jul-Mar FY2023, and its import were recorded at US\$ 7333.7 million as against US\$ 7068.1 million during the comparable period last year. Within food group, surge has been observed in the imports of wheat unmilled, palm oil, soya bean oil and pluses.

The edible oil (Soybeans & Palm) imports remained the significant items in food group, increased in both quantity and value by 9.3 percent and 11.7 percent, respectively. The increase in the import bill of edible oil was mainly attributed to the rise in global palm oil prices. On similar reasons, the import bill of pulses surged by 58.6 percent during the review period.

The import of petroleum group declined by 11.7 percent during Jul-Mar FY2023 and reached US\$ 13083.1 million as compared to the US \$ 14810.1 million corresponding period last year. Within the petroleum group, the imports of petroleum products decreased both in quantity and value by 34.0 percent and 19.9 percent,

respectively. Petroleum crude increased in value by 4.7 percent and quantity decreased by 12.7 percent during Jul-Mar FY2023 as compared to the same period last year. The crude oil prices starting declining in mid-2022, but are still above the pre-pandemic level.

Imports of Liquefied Natural Gas (LNG) imports decrease by 14.1 percent in value and Liquefied Petroleum Gas (LPG) imports surged by 3.8 percent during Jul-Mar FY2023 as compared to the corresponding period last year. The increase in LNG imports is due to soaring prices of gas in the international market. The surge in global gas prices due to shortages in Europe which has put pressure on other markets as well.

Machinery Group imports decreased substantially by 48.2 percent and reached US\$ 4,496.4 million during Jul-Mar FY2023 as compared to US\$ 8,676.3 million the same period last year. Within this group, import bill of power generating machinery decreased by 67.7 percent and reached US\$ 399.2 million as compared to \$ 1,235.9 same period last year. The import bill of textile machinery registered a

decline of 53.9 percent and reached US\$ 286.5 million during Jul-Mar FY2023 against US\$ 621.8 million last year.

Electrical Machinery & Apparatus imports dropped by 17.2 percent (US\$ 1249.1 million) during Jul-Mar FY2022 against (\$1509.4 million) in the same period last year. Within the machinery group, telecom sector imports decelerated by 65.1 percent (US\$ 744.9 million) during Jul-Mar FY2023 (US\$ 2137.1 million) last year. Mobile phone imports in Pakistan declined by 71.0 percent during Jul-Mar FY2023 and reached US\$ 462.7 million as compared to US\$ 1596.3 million same period last year.

The imports of transport group receded by 54.4 percent and reached US\$ 1536.1 million during Jul-Mar FY2023 as compared to US\$ 3367.3 million last year. The import of road motor vehicle decreased by 52.0 percent of which CBU declined by 71.1 percent and CKD/SKD decreased by 48.4 percent.

Metal group imports decreased by 33.3 percent and reached US\$ 3344.3 million. The imports of

iron and steel declined both in quantity and value by 36.0 percent and 31.7 percent, respectively. Imports of iron and steel scrap decreased both in quantity and value by 41.8 percent and 47.6 percent, respectively during Jul-Mar FY2023.

In the textile group, imports of raw cotton witnessed an increase in both quantity and value by 6.1 percent and 16.3 percent, respectively, during Jul-Mar FY2023 as compared to the same period last year.

Direction of Imports

Like exports, Pakistan's imports are also highly concentrated in few countries. Pakistan imports from countries like China, Saudi Arabia, UAE, and Indonesia constitute around 50 percent of the total imports. The share of imports from China has decreased from 28 percent to 21 percent during Jul-Mar FY2023, while the share of imports from USA has decreased from 5 percent to 4 percent during the period under review. Change in Pakistan's imports pattern in subsequent years is shown in Table 8.5.

Table 8.5: Major Import Markets

(Rs. Billion)

Country	2019-20		2020-21		2021-22		July-March			
							2021-22		2022-23 P	
	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
CHINA	1909.2	27	2473.8	28	3734.0	26	2827.2	28	2168.0	21
UAE	812.7	12	878.6	10	1582.4	11	983.6	10	1026.0	10
SAUDI ARABIA	273.6	4	426	5	928.2	7	567.1	6	762.5	7
KUWAIT	178.7	3	247.4	3	561.9	4	334.7	3	400.9	4
INDONESIA	339.6	5	506.9	6	822.7	6	594.6	6	800.1	8
INDIA	59.95	1	50.67	1	60.83	0	47.7	0	49.1	0
U.S.A	396.7	6	459.4	5	717.3	5	551.0	5	422.2	4
JAPAN	174.7	2	249	3	406.4	3	304.6	3	205.8	2
GERMANY	124.2	2	162.2	2	180.6	1	134.1	1	138.6	1
MALAYSIA	148.8	2	175.8	2	234.2	2	179.9	2	169.9	2
All Other	2611.5	37	3352.6	37	5045.0	35	3592.9	36	4052.4	40
Total	7029.8	100	8982.4	100	14273.4	100	10117.3	100	10195.5	100

P : Provisional

Source: Pakistan Bureau of Statistics

Box III: Trade Facilitation Initiatives

Ministry of Commerce has taken following initiatives to improve the trade competitiveness and compliance regime:

National Trade and Transport Facilitation Committee (NTTFC) has been designated as the national committee for Pakistan under Article 23.2 of Trade Facilitation Agreement (TFA) of the WTO oversees the implementation of TFA and facilitates private stakeholders in national and regional trade matters pertaining to transport, logistics, digital trade, trade documentation optimization, transport sector insurance issues, etc.

Keeping in view, the current needs of the private sector, NTTFC was reconstituted, with a wider scope to develop synergies for regional connectivity and by including relevant stakeholders in its governing body.

National Compliance Centre (NCC) has been rolled out, to improve the market access for Pakistani exporters and manufacturers by improving their capacity to meet up the growing challenges of complex compliance regime. The NCC is mandated to regularly map and monitor the international compliance requirements and facilitate the manufacturers, exporters, and certification agencies through information sharing, training/capacity building and incentivizing.

Source: Ministry of Commerce

Balance of Payments

Pakistan’s external account remained under pressure during Jul-Mar FY2023. Keeping in view pressure on external sector especially due to rise in international commodities prices, the government has taken certain policy and administrative measures to contain aggregate demand. Thus, the CAD narrowed down during Jul-Mar FY2023 mainly on the back of lower imports despite a decline in exports and workers’ remittances. However, regardless of contained CAD, and materialization of multilateral inflows, SBP’s FX reserves still witnessed a decline mainly on the account of amortization of official loans and liabilities. Thus, by the end of

March 2023 SBP’s FX reserves reached a level of US\$ 4.2 billion.

Current Account

The current account balanced improved by 74.1 percent and recorded a deficit of US\$ 3.4 billion during Jul-Mar FY2023, against a deficit of US\$ 13.0 billion in the same period last year. The predominant factor behind this improvement in CAD was the 29.7 percent decrease in the merchandise trade deficit on the back of substantial decline in import payments to US \$ 41.5 billion in Jul-Mar FY2023 from US\$ 52.7 billion same period last year.

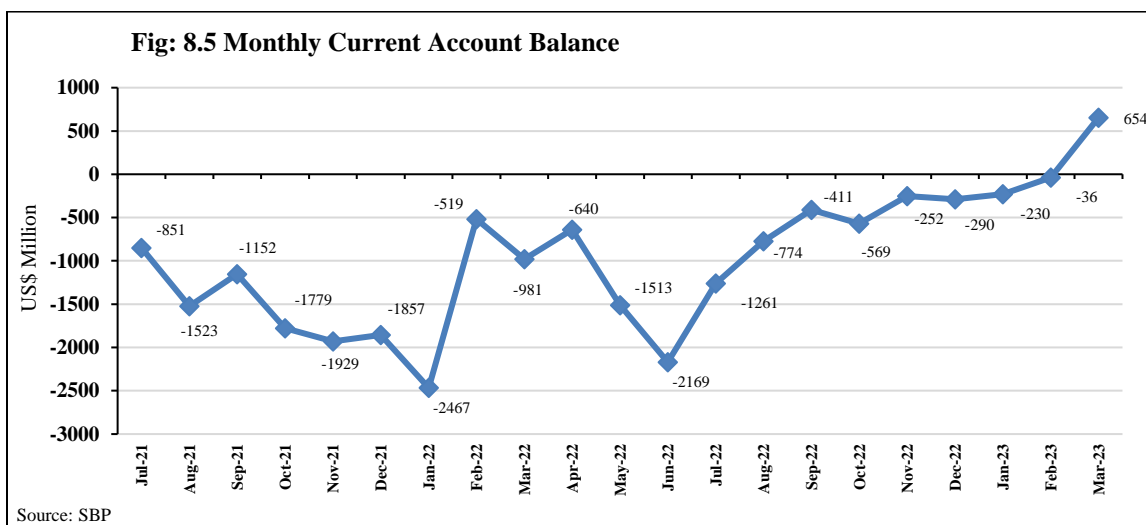


Table 8.6: Summary Balance of Payments

Items	US \$ Million			
	July-June		July-Mar	
	2020-21	2021-22	2021-22	2022-23 P
Current Account Balance	-2820	-17481	-13014	-3372
Trade Balance	-28634	-39050	-29040	-20406
Exports of Goods FOB	25639	32493	23706	21088

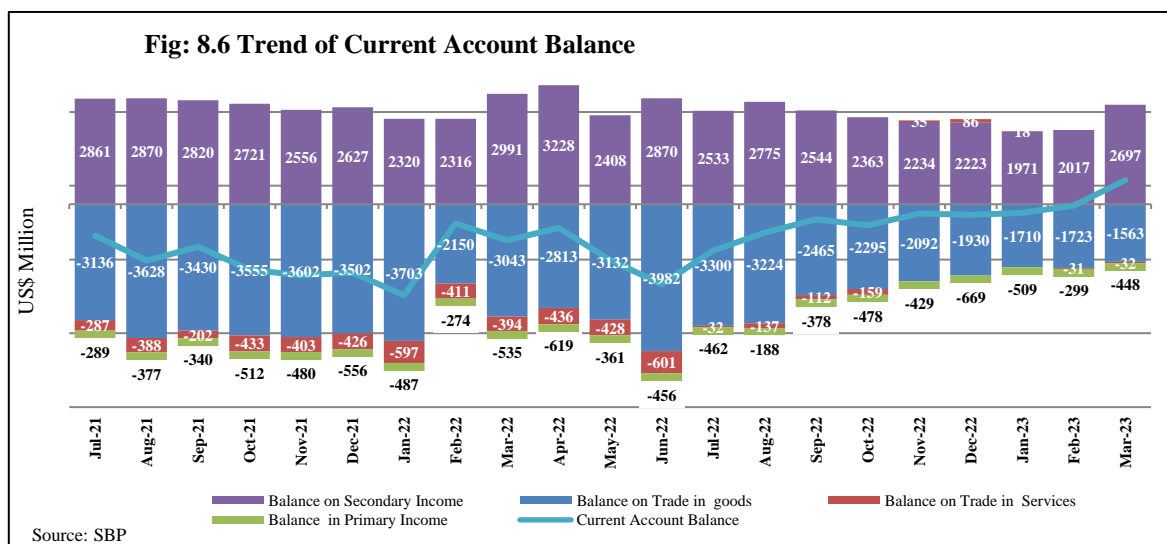
Items	July-June		July-Mar	
	2020-21	2021-22	2021-22	2022-23 P
Imports of Goods FOB	54273	71543	52746	41494
Service Balance	-2516	-5840	-4266	-229
Exports of Services	5945	7102	5278	5528
Imports of Services	8461	12942	9544	5757
Income Account Balance	-4400	-5248	-3797	-3895
Income: Credit	508	652	465	765
Income: Debit	4908	5900	4262	4660
Balance on Secondary Income	32730	32657	24089	21158
Of which:				
Workers' Remittances	29450	31279	23019	20527

P: Provisional

Source: State Bank of Pakistan

With the respect to the primary income account, the deficit increased by 2.6 percent and reached US\$ 3.9 billion in Jul-Mar FY2023, as against deficit of US\$ 3.8 billion. The increase in

income account deficit was due to higher profits and dividend repatriation by foreign firms along with elevated interest payments on external debt during the period.

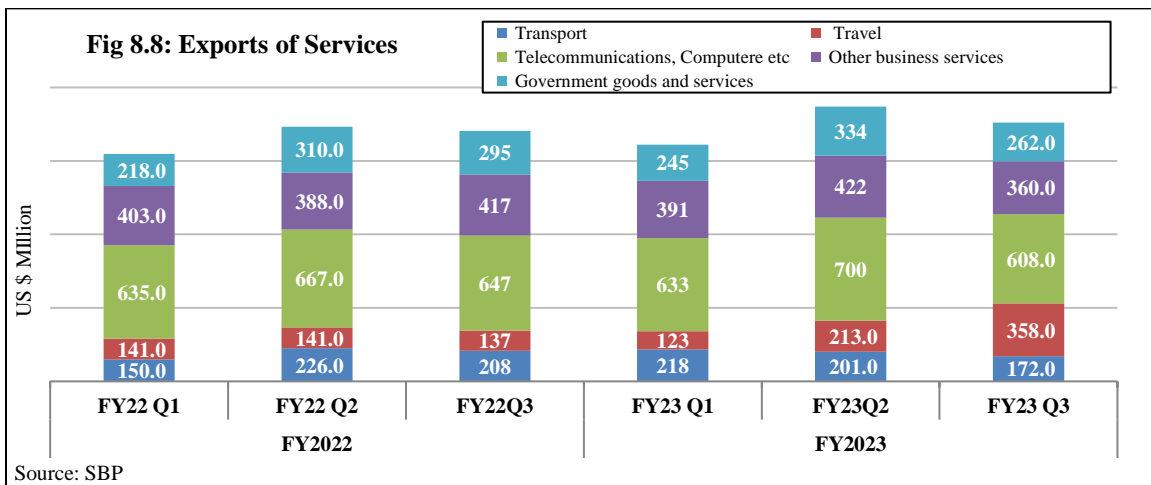
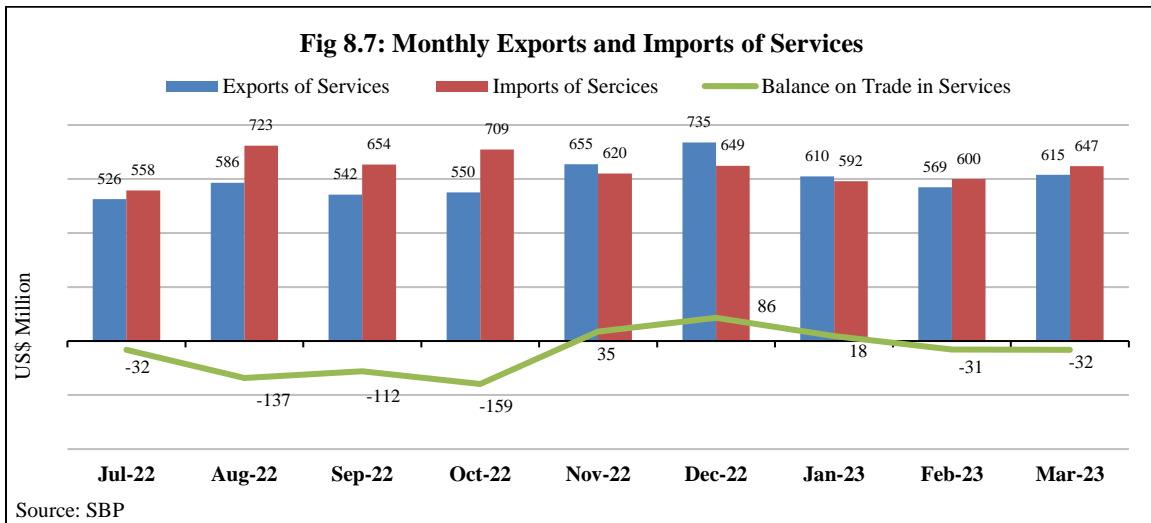


Balance in Trade of Goods and Services

Exports of goods decline by 11.0 percent and recorded at US\$ 21.1 billion during Jul-Mar FY2023 as compared to US\$ 23.7 billion the same period last year. Likewise, imports of goods declined by 21.3 percent and stood at US\$ 41.5 billion during Jul-Mar FY2023 as compared to US\$ 52.7 billion the same period last year. The trade deficit is recorded an improvement of 29.7 percent which is equal to US\$ 20.4 billion as compared to US\$ 29.0 billion last year.

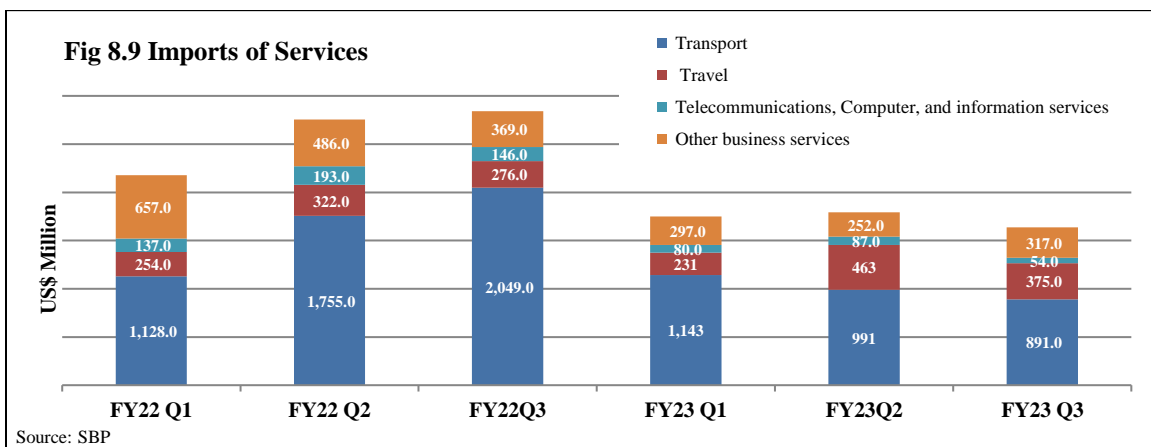
The services account deficit contracted by 94.6

percent and reached US\$ 229 million in Jul-Mar FY2023 to US\$ 4.3 billion last year. The fall in the deficit is due to a sharp decline in services imports, particularly in the transport sector, travel services, and transport Sea freight. Moreover, export of information and communication technology (ICT) declined meagerly by 0.5 percent and reached US\$ 1.94 billion during Jul-Mar FY2023 as against US\$ 1.95 billion same period last year. Within ICT services exports, a slight improvement in computer and call centre was seen during the period.



On the other side, import of services decreased by 39.7 percent during Jul-Mar FY2023 and stood at US\$ 5.8 billion as compared to US\$ 9.5 billion last year. The transport services declined by 45.3 percent and recorded US\$ 3.0 billion during Jul-Mar FY2023 as against US\$ 5.5

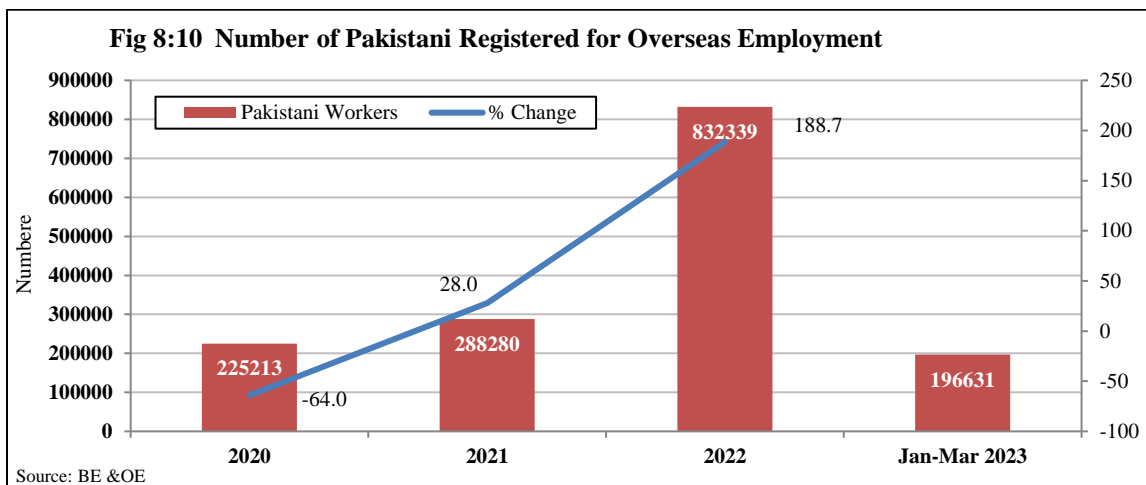
billion same period last year. Other business services also declined by 43.9 percent during Jul-Mar FY2023 and reached US\$ 0.9 billion as compared to US\$1.5 billion same period last year.



Remittances

Worker remittances are one of the key sources of foreign exchange earnings over the years and are the dominant force to keep CAD at a manageable level. During 2022, Bureau of Emigration and

Overseas Employment (BE&OE) and Overseas Employment Corporation (OEC) have registered 832339 Pakistanis for overseas employment in different countries. In Jan-Mar 2023, the registered Pakistanis stood at 196,631 for overseas employment.



In contrast to the previous trends, workers’ remittances registered a decrease of 10.8 percent and stood at US\$ 20.5 billion as against US\$ 23.0 billion same period last year. This decline is primarily attributed to global economic slowdown as higher inflation in developed countries has led to higher cost of living abroad,

thus reducing the surplus funds that could be sent back to homeland as remittances. Moreover, with the resumption of international travel post COVID, some remittances have switched back to FCY cash transfers via overseas Pakistanis travelling to Pakistan.

Table 8.7: Country/Region Wise Cash Worker's Remittances (US\$ Billions)

Country/Region	July-March		% Change	% Share
	2021-22	2022-23		
Saudi Arabia	5.8	4.9	-15.7	23.9
U.A.E.	4.3	3.6	-16.1	17.5
USA	2.2	2.3	3.2	11.1
U.K.	3.2	3.0	-4.4	14.9
Other GCC Country	2.7	2.4	-9.5	11.8
Malaysia	0.10	0.08	-23.2	0.4
EU Countries	2.5	2.3	-6.9	11.4
Others Countries	2.2	1.8	-16.3	8.9
Total	23.0	20.5	-10.8	100.0

Source: State Bank of Pakistan

During Jul-Mar FY2023, the share of remittances from Saudi Arabia remained 23.9 percent (US\$ 4.9 billion), U.A.E. 17.5 percent (US\$ 3.6 billion), U.K. 14.9 percent (US\$ 3.0 billion), USA 11.1 percent (US\$ 2.3 billion), other GCC countries 11.8 percent (US\$ 2.4 billion), EU 11.4 percent (US\$ 2.3 billion), Malaysia 0.4 percent (US\$ 0.08 billion), and

other countries 8.9 percent (US\$ 1.8 billion). Inflows from all major corridors including advance economies and GCC showed a downward trend throughout Jul-Mar FY2023 on YoY basis except a nominal growth in remittances received from USA.

In addition to existing schemes for incentivizing inflow of remittances (M-Wallet Scheme and

Sohni Dharti Remittance Program (SDRP) etc), a number of new policy initiatives were taken by government to enhance the inflow of worker's remittances to Pakistan. These include:

- a) **Disbursements of Inward Home Remittances by Exchange Companies as Sub-Agent of Authorized Dealers (ADs):** In order to facilitate the beneficiaries of remittance recipients, Exchange Companies have been allowed to act as sub-agents of ADs/ banks for disbursement of home remittances in PKR to beneficiaries, received by ADs through their international tie-ups.
- b) **Home Remittances Agency Arrangements of Exchange Companies with Foreign Entities:** In order to increase the flow of home remittances, Exchanges Companies have been encouraged to explore new agency arrangements with foreign entities on non-exclusive basis, in addition to their existing tie-up relationships.
- c) **Resumption of Pre-departure Financial Briefings Program:** Pakistan Remittance Initiative (PRI) in collaboration with the BE&OE has resumed Pre-Departure Financial Briefings Program through major home remittances mobilizing banks at Protectorate of Emigrants (PE) Offices. Presently, the pilot phase of the Program has been initiated at PE, Karachi Office. After the completion of the pilot phase, the program will be replicated in the remaining PE Offices located in Peshawar, Quetta, Malakand, Rawalpindi, Lahore, Multan, DG Khan, and Sialkot. The program was initially launched in 2016 and was temporarily paused in March 2020 due to COVID restrictions. The main objectives of the program are to educate intended overseas workers to use formal channels for sending remittances in Pakistan; inform them about the risks involved in using informal channels; and assist these workers in opening their bank accounts.

Financial Account

The financial account recorded net outflow amounted to US\$ 2.0 billion in Jul-Mar FY2023, against inflows of US\$ 8.4 billion last year. Pakistan's net outflows of FX loans and liabilities to US\$ 1.7 billion in Jul-Mar FY2023 in contrast to net inflows of US\$ 9.5 billion in Jul-Mar FY2022. In the month of August, Pakistan received US\$ 1.2 billion tranche from the IMF, following the successful 7th and 8th combined reviews by the Fund. The ADB disbursed loans of US\$ 1.9 billion for flood relief projects, along US\$ 1.1 billion from the IDA branch of the World Bank and US\$ 782 million from Saudi Arabia as oil facility.

Foreign Direct Investment

In 2022, the global FDI momentum faded with downward pressure on projects after Q1, on account of multiple inevitable crises including the Russia-Ukraine war, high food and energy prices, and financial turmoil and debt pressures.

In the US, the value of cross border mergers and acquisitions (M&A) sales, which normally accounts for a large share of its FDI inflows, fell by 53 percent. In Europe, new greenfield project announcements were down (-15 percent), with declines across most large economies with the exception for Italy (+11 percent). China witnessed a decline in the number of new greenfield project announcements of 31 percent, ASEAN economies reported sharply lower cross-border M&A sales (-74 percent), which may result in lower FDI values for the year.²

The outlook for global FDI in 2023 appears weedy. Negative or slow growth in many economies further deteriorating financing conditions, investor uncertainty in the face of multiple crises and, especially in developing countries, increasing debt-related risks will put significant downward pressure on FDI.

Similar, to global trend, in Pakistan, net FDI inflows declined by 22.5 percent and recorded at US\$ 1.0 billion during Jul-Mar FY2023 as against US\$ 1.4 billion last year.

² Investment Trend Monitor, Issue 44, January 2023, UNCTAD

Foreign Portfolio Investment

The FPI during Jul-Mar FY2023 witnessed a net outflow of US\$ 1017.7 million as against inflow of US\$ 161.6 million the same period last year

mainly due to the repayment of a Sukuk bond.

The inflow and outflow of the foreign investment is given below in Table 8.8

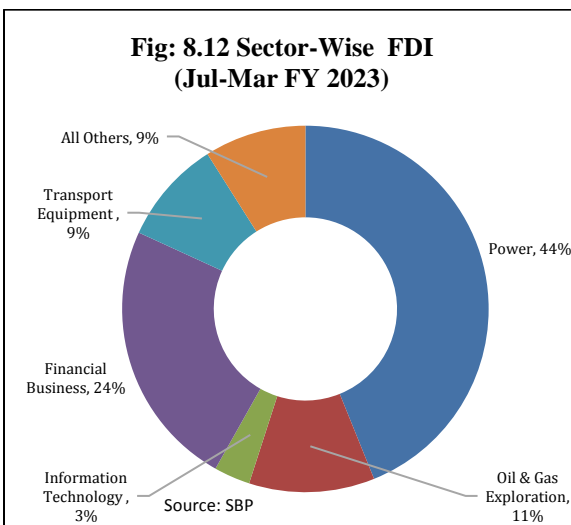
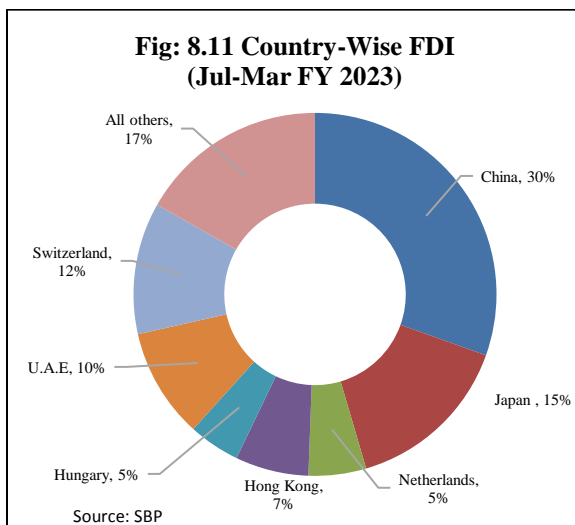
Table 8.8: Foreign Investment (US\$ Million)

	FY2021	FY2022	July-March	
			FY2022	FY2023 P
A. Foreign Private Investment	2027.1	1548.4	1012.1	1041.4
Foreign Direct Investment	1820.5	1935.9	1353.1	1048.4
Inflow	3061.4	2682.5	2037.4	1623.4
Outflow	1240.9	756.6	684.3	574.9
Portfolio Investment	206.6	-387.5	-341.0	-7.0
Equity Securities	-293.4	-387.5	-341.0	-7.0
Debt Securities	500			
B. Foreign Public Investment	2555.3	309.5	502.6	-1010.7
Portfolio Investment	2555.3	309.5	502.6	-1010.7
Total Foreign Investment (A+B)	4582.4	1857.8	1514.7	30.7

Source: State Bank of Pakistan
P: Provisional

Country wise analyses suggests that highest FDI received by Pakistan from China during Jul-Mar FY2023 is US\$319.2 million (30.4 percent of total FDI) declined by 16.5 percent from US\$ 382.2 million. Japan US\$157.3 million (15.0

percent), Switzerland US\$ 123.1 million (11.7percent), U.A.E US\$ 102.6 million (9.8 percent) and Netherland US\$ 53.8 million (5.1 percent).



With regard to the sector-wise inflow of FDI, Power sector attracted highest FDI of US\$ 460.1 million (43.9 percent of total FDI) declined by 10.2 percent from US\$ 512.3 million last year; Financial business US\$ 248.2 million (23.7 percent), Oil & Gas exploration US\$ 116.2 million (11.1 percent) and Transport Equipment (Automobile) US\$ 96.3 million (9.2%).

Board of Investment (BOI) has taken several steps to increase FDI which are listed below:

Foreign Investment (Promotion and Protection) Bill, 2022: The bill aimed to protect investors from unnecessary court proceedings. To improve the investment climate in Pakistan by way of providing incentives in direct and

indirect taxes, ease of transfer, repatriation of foreign investments and providing an expedient and efficacious mechanism to address grievances of investors.

Pakistan Regulatory Modernization Initiative (PRMI): A PRMI digital portal has been created (business.gov.pk) to showcase the reforms journey, updates under the project, share the mapping process and for obtaining feedback from private and public sectors.

Incentive Database: BOI has developed incentive database, where investors can see the complete set of incentives being offered by Government of Pakistan to specific sectors.

Investment Projects: BOI has also developed an online database of available 120+ projects with federal/provincial governments worth US\$ 60 billion. The investors can access these projects through an online portal on the BOI website at www.project.gov.pk

Honorary Investment Counsellors (HICs): BOI has also recently appointed 22 HICs in different countries to encourage investors to pour investment into Pakistan.

Pakistan B2B Investment Portal: BOI developed B2B Investment Portal to facilitate local and foreign investors/ companies who intend to invest in Pakistan. Companies seeking potential partners, setting up their factories in Special Economic Zones (SEZs), cooperate with Pakistani public and private sectors and business-to-business cooperation may register at this investment portal.

Pakistan China B2B Investment Portal: BOI in collaboration with China Council for International Investment Promotion jointly established the Pakistan China B2B Investment Portal with aim strengthening relations between Pakistani and Chinese companies to promote investment and transfer of business activities in the country.

Box IV: Foreign Investment in REITs

Real Estate Investment Trusts (REITs) are investment schemes that own and most often, actively manage income-producing real estate. Through such schemes, investors may own, operate or finance income-generating property across various real estate categories. A REIT investor owns real-estate backed units that sell like any other units/ listed security, enabling the holder of the units to invest directly in real estate.

Pakistan's REIT sector has shown phenomenal growth during the past three years with prioritization of the sector by the Government, the capital market, and banking regulators. SECP's widespread outreach efforts coupled with supportive fiscal initiatives and timely regulatory reforms, creating flexibility and efficiency in the REIT model with reduced entry barriers and more options for structuring a real estate transaction under a broader REIT project umbrella, have fuelled unprecedented investment in the sector. As on December 31, 2022, the size of the industry was Rs 167 billion. Now the number of REIT schemes has increased to thirteen, with eighteen NBFCs having REIT management services license.

SBP recently notified amendments to the Foreign Exchange Manual, allowing investment by foreigners in units of REIT schemes through private placement/ issuance of new units and/or transfer of existing units to non-resident investors on a repatriable basis under the general exemption provisions. Although investment in listed REITs was already allowed through special permission Account (SCRA), foreign investors earlier required special permission from the SBP for investment in unlisted REITs.

REITs provide a transparent, well-structured and better governed mode of investment for foreign investors targeting Pakistan's real estate sector. With the immense potential to fundamentally reform Pakistan's real estate sector and revolutionize its development through better documentation, formalization, and enhanced investor protection mechanisms, REIT Scheme can offer a wide range of benefits to both local and foreign investors. Most importantly, an independent trustee overseeing a REIT scheme ensures that funds collected are used dedicatedly for the particular REIT project and the scheme is operated under applicable laws and relevant constitutive documents.

REIT schemes can enable foreign investors to easily diversify their portfolio by investing in a range of real estate projects managed by professionals having experience in the local real estate sector and financial markets. A conducive tax environment also ensures a level playing field for local and foreign investors, and

once a scheme is listed as per the mandatory listing rule, necessary liquidity and flexibility are also available for easier entry and exit.

Strong upside potentials, robust governance arrangements, and enhanced transparency and investor protection mechanism can be expected to position Pakistan's REIT sector as a viable emerging investment destination for foreign investors, eyeing exposure to the real estate sector of the country.

Source: SECP

Reserves and Exchange Rate

SBP's foreign exchange reserves declined substantially to US \$ 4.2 billion by end-March 2023, due to persistent pressures on external account owing to net official external outflows of US\$ 2.0 billion in Jul-Mar FY2023, in sharp contrast from net inflows of US\$ 8.4 billion during the same period last year.

Amortization of government loans that amounted to US\$ 8.8 billion, along with falling FDI and FPI inflows, overshadowed the impact of foreign exchange inflows materialized in the shape of IMF tranche and other multilateral and bilateral inflows.

On the other hand, commercial banks' reserves

fell only by US\$ 83 million during Jul-Mar FY2023 that may be attributed to lower trade financing as a consequence of import compression measures taken during the period. SBP's Forex reserves fell substantially mainly on the account of repayments of long liabilities of US\$ 1.6 billion and Sukuk bond payment of US\$ 1 billion in the month of November and December 2022, respectively.

Deteriorating external account position along with broad-based strengthening of USD against other currencies (Figure 2) led to 27.8 percent interbank depreciation of PKR, from the end-June 2022 exchange rate of 204.8 to 283.8 in March 2023.

Box V: Recent Exchange Rate Developments

The PKR experienced huge depreciation during ongoing fiscal year, resultantly its impact on REER and NEER accompanied by higher RPI during Jul-Mar FY2023

Deteriorating external account position, along with broad-based strengthening of USD against other currencies, led PKR to depreciate by 27.8 percent in March 2023 since June 2022. Meanwhile, Pakistan's REER has depreciated by 8.0 percent during the same period. Rest of the depreciation in nominal terms is explained by the inflation differential between Pakistan and its major trading partners' inflation rates.

a) Impact on competitiveness of our exports

During July-Mar FY2023, Pakistan's exports volumes of textiles showed positive growth. As per PBS data, on cumulative basis during Jul-Mar FY2023, export volumes of readymade garments have recorded a growth of 56.8 percent, hosiery 10.6 percent, footwear 47.8 and furniture 8.4 percent.

b) Qualitative and quantitative impact of the recent depreciation on BOP and overall economy

Competitive exchange rate driven by adjustment in inflation differential and its real level in accordance with economic fundamentals ensures that any unprecedented growth in imports is discouraged besides encouraging exports.

Source: SBP

Outlook

The global economy continues to face multiple challenges including: Russia-Ukraine war, broadening inflation pressures, tightening of monetary policy and the slowdown in global

trade. The domestic slowdown, declining consumer demand, restriction on import of raw materials, high cost of financing and energy crisis has kept the external sector under pressure.

Furthermore, domestic factors like devastating

floods and supply disruptions, have negatively impacted exports. The current account witnessed a deficit of US\$3.4 billion in Jul-Mar FY2023, declined by around 74.1 percent as compared to same period last year. This is mainly due to the contraction in imports, which continue to offset the combined decline in remittances and exports. At the start of FY2023, the current account projected to be 2.2 percent of GDP, but now it will remain around 1 to 1.5 percent of GDP, on account of contained import bill. However, regardless of the lower current account deficit, higher loan repayments compared to disbursements are keeping the foreign exchange

reserves under pressure.

The prospects of exports growth are better in coming year than FY2023, on account of better global trade outlook, revival of growth in trading partners and improved global and domestic supply chain. Furthermore, to stimulate domestic economic activities, and recent elimination of imports restriction, will increase the imports in FY2024. The remittances will also increase significantly due to improved economic situation in host countries. All these factors will help to make external sector more sustainable in FY2024.

TABLE 8.1

SUMMARY BALANCE OF PAYMENTS AS PER BPM6

ITEM	US \$ million								
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 R	2022-23 Jul-Mar P
Current Account Balance	-2,815	-4,961	-12,270	-19,195	-13,434	-4,449	-2,820	-17,481	-3,372
Current Account Balance without off. transfers	-3,141	-5,546	-12,844	-20,165	-14,177	-4,898	-3,079	-17,823	-3,623
Exports of Goods FOB	24,090	21,972	22,003	24,768	24,257	22,536	25,639	32,493	21,088
Imports of Goods FOB	41,357	41,118	48,001	55,671	51,869	43,645	54,273	71,543	41,494
Balance on Trade in Goods	-17,267	-19,146	-25,998	-30,903	-27,612	-21,109	-28,634	-39,050	-20,406
Exports of Services	5,872	5,456	5,915	5,851	5,966	5,437	5,945	7,102	5,528
Imports of Services	8,848	9,002	10,576	12,277	10,936	8,753	8,461	12,942	5,757
of which									
Transportation	4,160	3,272	3,808	3,956	3,639	3,036	3,279	7,405	3,025
Travel	1,518	1,839	2,000	2,289	1,709	1,229	752	1,413	1,069
Balance on Trade in Services	-2,976	-3,546	-4,661	-6,426	-4,970	-3,316	-2,516	-5,840	-229
Balance on Trade in Goods and Services	-20,243	-22,692	-30,659	-37,329	-32,582	-24,425	-31,150	-44,890	-20,635
Primary Income credit	644	610	696	726	578	479	508	652	765
Primary Income debit	5,243	5,955	5,710	6,163	6,188	5,938	4,908	5,900	4,660
of which: Interest Payments	1,605	1,733	1,993	2,600	3,066	3,109	2,176	2,994	3,435
Balance on Primary Income	-4,599	-5,345	-5,014	-5,437	-5,610	-5,459	-4,400	-5,248	-3,895
Balance on Goods, Services and Primary Income	-24,842	-28,037	-35,673	-42,766	-38,192	-29,884	-35,550	-50,138	-24,530
Secondary Income credit	22,291	23,204	23,604	23,800	24,990	25,802	33,027	32,949	21,389
of which: Workers' Remittances	18,721	19,917	19,351	19,914	21,740	23,131	29,450	31,279	20,527
Secondary Income debit	264	128	201	229	232	367	297	292	231
Balance on secondary Income	22,027	23,076	23,403	23,571	24,758	25,435	32,730	32,657	21,158
Capital Account Balance	375	273	375	376	229	285	224	205	349
Capital Account credit	375	279	375	376	229	288	224	205	349
Capital Account debit	0	6	0	0	0	3	0	0	0
Net lending (+) / Net borrowing (-)									
(Current and Capital Accounts)	-2,440	-4,688	-11,895	-18,819	-13,205	-4,164	-2,596	-17,276	-3,023
Financial Account	-5,119	-6,878	-9,855	-13,611	-11,759	-9,313	-8,768	-11,261	2,024
Direct investment	-960	-2,374	-2,320	-2,772	-1,436	-2,652	-1,648	-1,702	193
Direct Investment Abroad	73	19	86	10	-74	-54	171	234	1,243
Direct Investment in Pakistan	1,033	2,393	2,406	2,782	1,362	2,598	1,819	1,936	1,050
Portfolio investment	-1,886	429	250	-2,257	1,274	409	-2,774	55	1,016
Portfolio Investment Abroad	-44	100	-1	-48	-144	-115	-12	-24	-1
Portfolio Investment in Pakistan	1,842	-329	-251	2,209	-1,418	-524	2,762	-79	-1,017
Financial Derivatives (other than reserves) and ESOs*	-2	0	0	0	0	-8	0	-1	-11
Other Investment	-2,271	-4,933	-7,785	-8,582	-11,597	-7,062	-4,346	-9,613	826
Net Acquisition of Financial Assets	-71	96	1,180	273	-67	-127	1,345	2,613	-834
Net Incurrence of Liabilities	2,200	5,029	8,965	8,855	11,530	6,935	5,691	12,226	-1,660
of which									
General Government	1,400	3,445	5,040	4,894	4,294	5,919	5,738	6,117	-2,067
Disbursements	4,243	6,159	9,414	8,507	8,255	13,181	9,808	11,256	7,030
Credit and Loans with the IMF (Other than Reserves)	0	0	0	0	0	2,834	500	1,053	1,166
Other Long Term	3,088	4,498	8,251	6,782	6,610	8,736	8,060	7,989	4,821
Short Term	1,155	1,661	1,163	1,725	1,645	1,611	1,248	2,214	1,043
Amortization	2,841	2,714	4,374	4,107	5,982	7,299	5,855	8,343	8,806
Credit and Loans with the IMF (Other than Reserves)	563	53	0	0	0	0	0	0	0
Other Long Term	1,696	1,927	2,981	2,619	4,444	6,117	5,071	7,811	7,621
Short Term	582	734	1,393	1,488	1,538	1,182	784	532	1,185
Other Liabilities (Net)	-2	0	0	494	2,021	37	1,785	3,204	-291
Net Errors and Omissions	-33	462	94	-933	-58	150	-619	-303	76
Overall Balance	-2,646	-2,652	1,946	6,141	1,504	-5,299	-5,553	6,318	4,971
Reserves and Related Items	2,646	2,652	-1,946	-6,141	-1,504	5,299	5,553	-6,318	-4,971
Use of Fund Credit and Loans	1,949	2,009	102	-86	-376	-745	-1,080	-1,015	-687
Exceptional Financing	0	0	0	0	0	0	0	0	0
SBP Gross Reserves	14,836	19,446	17,550	11,341	9,301	13,724	18,716	11,090	5,312

P: Provisional R: Revised

Source: State Bank of Pakistan

* : Employee Stock Options

TABLE 8.2
COMPONENTS OF BALANCE OF PAYMENTS (AS PERCENT OF GDP)

Year	Exports *	Imports *	Trade Deficit *	Worker's Remittances #	Current Account Balance #
2010-11	11.6	18.9	7.3	5.2	0.1
2011-12	10.5	20.0	9.5	5.9	-2.1
2012-13	10.6	19.4	8.9	6.0	-1.1
2013-14	10.3	18.4	8.2	6.5	-1.3
2014-15	8.7	16.9	8.2	6.9	-1.0
2015-16**	6.6	14.2	7.6	6.3	-1.6
2016-17	6.0	15.6	9.6	5.7	-3.6
2017-18	6.5	17.0	10.5	5.6	-5.4
2018-19	7.1	17.0	9.9	6.8	-4.2
2019-20	7.1	14.8	7.7	7.7	-1.5
2020-21	7.3	16.2	8.9	8.4	-0.8
2021-22	8.5	21.3	12.9	8.3	-4.7
July-March					
2021-22	6.2	15.7	9.5	6.1	-3.5
2022-23 P	6.2	12.9	6.7	6.0	-1.0

P : Provisional

Source: PBS, SBP & EA Wing, Finance Division

* : Based on the data compiled by PBS

** : Based on revised GDP base year since 2015-16 onwards

: MoF Calculation based on data compiled by SBP

TABLE 8.3
EXPORTS, IMPORTS & TRADE BALANCE

Year	Rs. million			Growth Rate (%)			US \$ million			Growth Rate (%)		
	Current Prices			Exports	Imports	Balance	Current Prices			Exports	Imports	Balance
	Exports	Imports	Balance				Exports	Imports	Balance			
2010-11	2,120,847	3,455,287	-1,334,440	31.12	18.70	3.16	24,810	40,414	-15,604	28.62	16.43	1.19
2011-12	2,112,140	4,009,093	-1,896,953	-0.48	16.03	42.27	23,624	44,912	-21,288	-4.78	11.13	36.43
2012-13	2,366,478	4,349,880	-1,983,402	12.12	8.50	4.47	24,460	44,950	-20,490	3.54	0.08	-3.75
2013-14	2,583,463	4,630,521	-2,047,058	9.17	6.45	3.21	25,110	45,073	-19,963	2.66	0.27	-2.57
2014-15	2,397,513	4,644,152	-2,246,639	-7.20	0.29	9.75	23,667	45,826	-22,159	-5.75	1.67	11.00
2015-16	2,166,846	4,658,749	-2,491,903	-9.62	0.31	10.92	20,787	44,685	-23,898	-12.17	-2.49	7.85
2016-17	2,138,186	5,539,721	-3,401,535	-1.32	18.91	36.50	20,422	52,910	-32,488	-1.76	18.41	35.94
2017-18	2,555,043	6,694,897	-4,139,854	19.50	20.85	21.71	23,212	60,795	-37,583	13.66	14.90	15.68
2018-19	3,128,230	7,443,253	-4,315,023	22.43	11.18	4.23	22,958	54,763	-31,805	-1.09	-9.92	-15.37
2019-20	3,369,782	7,029,819	-3,660,037	7.72	-5.55	-15.18	21,394	44,553	-23,159	-6.81	-18.64	-27.18
2020-21	4,041,927	8,982,441	-4,940,514	19.95	27.78	34.99	25,304	56,380	-31,076	18.28	26.55	34.19
2021-22	5,661,127	14,273,394	-8,612,267	40.06	58.90	74.32	31782	80,136	-48,354	25.60	42.14	55.60
July- March												
2021-22	4,018,758	10,117,304	-6,098,546	33.06	58.67	81.73	23,350	58,859	-35,509	24.95	49.05	70.70
2022-23 P	4,948,514	10,195,090	-5,246,576	23.14	0.77	-13.97	21,036	43,727	-22,691	-9.91	-25.71	-36.10

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.4

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

Groups	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	July-March	
							2021-22	2022-23 P
All Groups								
Exports	703.39	735.40	794.77	841.44	903.14	1,217.87	1,128.28	1,489.12
Imports	1,199.54	1,261.25	1,342.30	1,369.71	1,450.51	1,982.41	1,818.16	2,197.85
T.O.T.	58.47	58.32	59.21	61.43	62.26	61.43	62.06	67.75
Food & Live Animals								
Exports	923.60	1,134.29	1,229.51	1,280.54	1,355.88	1,534.26	1,492.07	1,864.11
Imports	829.56	943.23	908.93	1,172.18	1,179.43	1,411.26	1,352.08	1,635.17
T.O.T.	111.34	120.26	135.27	109.24	114.96	108.72	110.35	114.00
Beverages & Tobacco								
Exports	1,225.01	1,061.25	860.48	830.28	776.77	1,114.17	1,001.72	1,263.38
Imports	1,762.07	1,656.22	1,325.61	1,287.99	1,488.28	1,414.25	1,409.99	1,512.40
T.O.T.	69.52	64.08	64.91	64.46	52.19	78.78	71.04	83.53
Crude Materials(inedible except fuels)								
Exports	888.69	1,043.30	1,119.52	1,327.78	1,210.79	1,406.95	1323.4	1,497.86
Imports	1,019.86	1,020.56	1,102.13	1,228.58	1,284.58	1,691.15	1,591.49	1,813.43
T.O.T.	87.14	102.23	101.58	108.07	94.26	83.19	83.15	82.60
Minerals, Fuels & Lubricants								
Exports	1,126.22	1,485.92	2,016.59	1,894.55	1,624.56	2,675.19	2,424.40	2,932.95
Imports	811.76	1,030.32	1,564.46	1,411.00	1,259.52	2,353.30	1,980.39	2,763.43
T.O.T.	138.74	144.22	128.90	134.27	128.98	113.68	122.42	106.13
Chemicals								
Exports	1,017.19	1,054.28	1,129.18	1,252.79	1,256.13	1,212.00	1,202.64	1,331.72
Imports	1,277.08	1,264.05	1,335.10	1,455.62	1,426.78	1,731.89	1,633.80	1,803.37
T.O.T.	79.65	83.40	84.58	86.07	88.04	69.98	73.61	73.85
Animal & Vegetable Oils, Fats & Waxes								
Exports	-	-	-	-	-	-	-	-
Imports	1,090.65	1,010.73	995.35	1,133.53	1,451.50	2,245.99	1,987.37	2,657.72
T.O.T.	-	-	-	-	-	-	-	-
Manufactured Goods								
Exports	595.81	580.96	616.90	647.03	669.74	1,056.33	957.94	1,378.56
Imports	927.03	939.97	1,110.15	1,289.64	1,333.21	1,571.32	1,472.37	1,660.09
T.O.T.	64.27	61.81	55.57	50.17	50.24	67.23	65.06	83.04
Machinery, Transport & Equipment								
Exports	1,741.77	1,838.42	1,466.32	1,129.99	1,393.65	2,215.54	1,664.05	3,087.36
Imports	1,872.19	1,913.85	1,458.64	1,387.32	1,895.14	2,109.52	2,111.36	2,218.20
T.O.T.	93.03	96.06	100.53	81.45	73.54	105.03	78.81	139.18
Miscellaneous Manufactured Articles								
Exports	786.63	820.87	887.27	982.56	1,185.14	1,371.75	1,286.09	1,606.83
Imports	2,494.45	2,652.61	2,186.14	2,019.53	1,989.64	2,127.27	2,344.45	1,804.03
T.O.T.	31.54	30.95	40.59	48.65	59.57	64.48	54.86	89.07

- : Not available

Source: Pakistan Bureau of Statistics

P: Provisional

TABLE 8.5 A

ECONOMIC CLASSIFICATION OF EXPORTS

Year	Primary Commodities		Semi-Manufactured		Manufactured Goods		Total Value*
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	
2010-11	377,536	18	274,500	13	1,468,811	69	2,120,847
2011-12	362,404	17	261,831	12	1,486,370	71	2,110,605
2012-13	364,127	15	391,151	17	1,611,199	68	2,366,478
2013-14	420,496	16	369,066	14	1,793,901	70	2,583,463
2014-15	402,750	17	352,074	15	1,642,689	68	2,397,513
2015-16	356,584	16	254,329	12	1,555,933	72	2,166,846
2016-17	331,040	15	246,319	12	1,560,826	73	2,138,186
2017-18	454,351	18	307,567	12	1,793,125	70	2,555,043
2018-19	567,876	18	307,322	10	2,253,032	72	3,128,230
2019-20	629,112	19	283,213	08	2,457,457	73	3,369,782
2020-21	629,971	16	284,605	07	3,127,350	77	4,041,927
2021-22	907,361	16	375,011	07	4,378,756	77	5,661,127
<u>July-March</u>							
2021-22	634,524	16	269,370	07	3,114,864	78	4,018,758
2022-23 P	803,899	16	306,679	06	3,837,937	78	4,948,514

P : Provisional

Source: Pakistan Bureau of Statistics

* : Total may differ due to rounding off figure

TABLE 8.5 B

ECONOMIC CLASSIFICATION OF IMPORTS

Year	Capital Goods		Industrial Raw Material For				Consumer Goods		Total Value *
	Value	Percentage Share	Capital Goods		Consumer Goods		Value	Percentage Share	
			Value	Percentage Share	Value	Percentage Share			
2010-11	829,005	24	239,525	7	1,826,243	53	560,512	16	3,455,285
2011-12	911,561	23	262,212	7	2,292,309	57	543,011	14	4,009,093
2012-13	1,049,775	24	293,733	7	2,353,818	54	652,553	15	4,349,880
2013-14	1,081,329	23	306,810	7	2,462,189	53	780,192	17	4,630,521
2014-15	1,233,341	27	388,167	8	2,214,664	48	807,980	17	4,644,152
2015-16	1,482,878	31	417,210	9	1,887,884	41	870,977	19	4,658,748
2016-17	1,887,928	34	470,891	9	2,199,168	40	981,733	18	5,539,721
2017-18	2,084,584	31	660,986	10	2,878,788	43	1,070,539	16	6,694,897
2018-19	2,062,358	28	747,761	10	3,301,354	44	1,331,780	18	7,443,253
2019-20	2,016,700	29	757,355	11	2,978,352	42	1,277,412	18	7,029,818
2020-21	2,497,994	28	980,837	11	3,844,593	43	1,659,015	18	8,982,441
2021-22	3,314,722	23	1,440,082	10	6,604,237	46	2,914,353	20	14,273,394
<u>July-March</u>									
2021-22	1,474,519	15	1,764,296	17	4,365,200	43	2,513,288	25	10,117,304
2022-23 P	1,052,528	10	1,559,348	15	5,502,518	54	2,080,694	20	10,195,090

P: Provisional

Source: Pakistan Bureau of Statistics

* : Total may differ due to rounding off figures

TABLE 8.6
MAJOR IMPORTS

Items	Rs million										
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	July-March	
										2021-22	2022-23 P
1. Chemicals	498,340	532,197	540,558	579,959	719,354	865,613	851,989	1,063,394	1,536,219	1,076,326	1,200,428
2. Drugs & medicines	81,399	96,183	96,135	102,110	118,122	148,428	157,763	221,027	706,716	642,678	228,216
3. Dyes and colours	38,601	40,221	43,345	47,334	55,255	72,491	65,958	87,948	104,987	79,260	75,581
4. Chemical Fertilizers	73,058	92,641	75,667	67,063	90,879	105,162	89,580	114,521	148,331	114,762	121,983
5. Electrical goods	114,784	122,183	187,163	243,082	236,896	239,618	349,334	259,081	334,345	254,493	291,294
6. Machinery (non-electrical)	551,829	633,733	712,920	996,128	1,045,502	984,410	1,042,935	1,365,097	1,602,932	1,245,754	749,484
7. Transport equipment	219,877	263,622	297,225	332,549	462,630	397,772	229,955	455,168	760,449	556,049	355,311
8. Paper, board & stationery	44,362	56,130	56,930	59,960	69,096	78,298	66,947	75,259	89,788	69,922	78,639
9. Tea	30,827	34,532	53,491	54,839	60,368	77,367	84,354	92,834	110,985	83,888	101,130
10. Sugar-refined	635	631	645	535	554	534	608	20,893	32,371	32,208	1,011
11. Art-silk yarn	63,596	69,028	64,612	66,478	72,996	94,611	79,126	104,697	156,194	111,601	104,059
12. Iron, steel & Manufactures thereof	180,530	226,030	261,291	228,719	344,595	401,045	319,554	390,487	615,788	450,251	419,854
13. Non-ferrous metals	44,389	44,709	51,722	55,534	67,736	61,698	49,606	77,951	116,661	77,302	91,427
14. Petroleum & Products	1,527,753	1,195,025	794,697	982,619	1,289,222	1,475,012	1,171,969	1,316,909	3,201,993	1,887,716	2,260,835
15. Edible oils	206,955	186,010	195,200	212,327	238,563	265,430	300,008	440,317	662,889	487,124	737,683
16. Grains, pulses & flour	52,710	71,742	77,525	110,483	72,603	84,754	112,183	286,736	271,562	233,406	434,474
17. Other imports	900,876	979,535	1,149,622	1,340,002	1,750,526	2,091,010	2,057,949	2610,122	3,821,184	2,714,564	2,943,681
Grand Total	4,630,521	4,644,152	4,658,749	5,539,721	6,694,897	7,443,253	7,029,818	8,982,441	14,273,394	10,117,304	10,195,090

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.7
MAJOR EXPORTS

	Rs million										
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	July-March	
										2021-22	2022-23 P
1. Rice	222,907	206,266	194,246	168,244	224,739	285,031	343,916	325,585	450,159	309,929	383,875
2. Fish and Fish preparations	37,918	35,429	33,918	41,214	49,755	60,405	64,118	66,040	77,386	53,656	84,494
3. Fruits	45,196	44,375	44,607	39,878	43,842	56,272	67,769	76,846	84,358	67,913	52,458
4. Wheat	732	291	17	109	27,109	20,124	1,815	-	-	-	-
5. Sugar	29,638	32,686	13,818	16,867	56,379	31,147	11,063	-	-	-	22,987
6. Meat and Meat Preparations	23,650	24,657	28,036	23,103	24,920	33,438	48,021	52,978	60,682	42,850	71,555
7. Raw Cotton	21,353	14,931	7,948	4,559	6,184	2,709	2,669	131	1,160	1,160	2,926
8. Cotton Yarn	205,660	187,376	131,700	130,216	151,063	152,726	155,158	161,781	214,144	156,067	134,944
9. Cotton Fabrics	285,130	248,431	230,757	223,675	242,374	285,625	287,877	307,157	433,902	308,842	360,769
10. Hosiery (Knitwear)	235,564	243,719	246,267	247,242	298,374	394,748	440,104	609,576	912,042	641,198	789,867
11. Bed wear	219,962	213,018	210,543	223,812	248,538	307,202	338,750	443,286	584,811	420,355	475,476
12. Towels	78,889	80,778	83,681	83,819	87,633	107,043	111,969	149,783	197,792	141,139	175,489
13. Readymade Garments	196,198	212,210	228,861	242,782	283,498	362,320	401,355	485,061	695,737	492,799	622,741
14. Art Silk and Synthetic Textiles	39,508	33,485	30,005	19,638	34,069	40,433	49,548	59,106	81,742	59,093	72,918
15. Carpets, Carpeting Rugs & Mats	12,935	12,098	10,186	8,219	8,317	9,147	8,516	11,844	14,843	10,493	13,217
16. Sports Goods excl. Toys	37,260	34,294	33,862	32,285	37,710	41,995	41,286	44,443	65,191	44,738	71,984
17. Leather Excluding Reptile Leather (Tanned)	56,496	49,583	37,803	36,180	36,330	34,269	29,001	25,791	37,043	26,618	29,711
18. Leather Manufactures	64,368	60,429	54,788	51,421	57,422	66,146	74,588	90,110	110,159	79,519	103,259
19. Foot wear	12,208	13,304	11,453	10,024	11,913	16,734	19,839	21,125	27,914	20,054	32,599
20. Medical & Surgical Instruments	34,726	34,576	37,408	35,574	41,618	52,970	55,960	68,506	75,164	52,819	79,054
21. Chemicals and Pharmaceuticals	120,391	99,339	83,752	92,176	114,350	154,532	159,377	183,253	281,018	187,990	252,265
22. Engineering goods	33,487	22,675	19,645	18,238	22,882	23,518	27,229	36,042	42,418	28,866	43,891
23. Jewelry	33,844	668	833	610	644	661	506	2,162	2,592	1,752	1,279
24. Cement and cement Products	52,147	44,943	33,468	24,896	24,420	36,550	40,849	42,959	39,296	34,418	32,263
25. All other items	483,295	447,952	359,244	363,405	420,960	552,485	588,499	778,362	1,171,573	836,489	1,038,493
Total Exports	2,583,463	2,397,513	2,166,846	2,138,186	2,555,043	3,128,230	3,369,782	4,041,927	5,661,127	4,018,758	4,948,514

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.8

DESTINATION OF EXPORTS & ORIGIN OF IMPORTS

REGION	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	% Share	
										July-March	
										2021-22	2022-23 P
1. Developed Countries											
Exports	44.7	46.7	51.6	53.4	52.2	53.6	54.5	57.8	58.1	57.3	57.5
Imports	20.5	20.9	23.3	22.5	22.0	21.8	21.0	20.5	18.0	19.7	20.0
a. OECD											
Exports	43.5	45.5	50.5	52.2	50.8	52.3	53.0	56.5	56.9	56.1	56.2
Imports	18.5	18.4	20.9	20.6	20.1	19.9	19.3	18.3	15.8	17.0	17.3
b. Other European Countries											
Exports	1.2	1.1	1.1	1.2	1.3	1.3	1.4	1.3	1.2	1.2	1.3
Imports	2.0	2.5	2.4	1.9	1.9	1.8	1.7	2.3	2.2	2.7	2.7
2. CMEA*											
Exports	1.6	1.7	1.9	2.1	2.0	2.2	2.3	2.5	2.1	2.2	2.4
Imports	1.0	1.3	0.9	1.3	1.0	0.9	1.1	1.9	1.1	1.1	1.0
3. Developing Countries											
Exports	53.7	51.6	46.6	44.6	45.8	44.2	43.3	39.7	39.8	40.5	40.1
Imports	78.5	77.8	75.8	76.2	77.0	77.3	77.9	77.6	80.9	79.2	79.0
a. OIC											
Exports	23.3	20.9	18.6	17.2	17.5	16.7	17.6	14.7	13.1	12.8	15.2
Imports	39.4	33.2	24.7	26.2	28.2	30.8	27.3	25.7	31.6	27.7	27.9
b. SAARC											
Exports	5.5	5.6	6.0	6.1	6.1	5.8	4.6	3.7	4.2	4.5	4.7
Imports	4.8	4.0	4.3	3.5	3.4	3.0	1.1	0.8	0.6	0.7	0.8
c. ASEAN											
Exports	2.6	3.6	2.6	2.8	3.7	3.4	3.3	3.1	3.8	3.7	3.9
Imports	11.0	10.7	10.2	9.8	10.2	10.3	10.4	10.9	10.9	11.3	11.5
d. Central America											
Exports	0.7	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.7	0.8
Imports	0.1	0.1	0.2	0.2	0.3	0.2	0.4	0.2	0.2	0.2	0.3
e. South America											
Exports	1.4	1.3	1.2	1.2	1.2	1.1	1.0	1.1	1.3	1.3	1.4
Imports	0.8	1.3	2.2	1.4	1.5	1.2	2.0	2.7	2.3	1.8	2.0
f. Other Asian Countries											
Exports	14.9	14.1	12.1	11.5	11.3	11.9	10.6	11.9	12.4	12.9	14.1
Imports	20.2	25.6	30.7	31.6	29.3	27.0	31.6	32.4	29.7	31.6	31.5
g. Other African Countries											
Exports	5.2	5.2	5.0	4.7	4.8	4.2	4.9	4.0	3.6	3.7	3.8
Imports	2.2	2.9	3.4	3.4	4.1	4.8	5.1	4.8	5.5	5.9	5.7
h. Central Asian States											
Exports	0.1	0.1	0.2	0.3	0.4	0.5	0.4	0.6	0.8	0.9	0.9
Imports	-	-	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.2	0.1
Total	100	100	100	100	100	100	100	100	100	100	100

P: Provisional - : Not available

Source: Pakistan Bureau of Statistics

*: Council for Mutual Economic Assistance

TABLE 8.9
WORKERS' REMITTANCES

COUNTRY	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	US \$ million	
										July-March	
										2021-22	2022-23 P
I. Cash Flow	15,837.7	18,719.8	19,916.8	19,351.3	19,913.6	21,739.4	23,132.3	29,449.9	31,278.8	23,018.6	20,526.9
Bahrain	318.8	389.0	448.4	396.4	355.7	340.2	417.1	470.8	529.5	391.8	346.8
Canada	160.0	171.0	176.0	187.4	211.1	213.0	313.4	594.8	708.1	514.2	419.7
Germany	85.6	78.1	93.7	94.1	127.8	123.5	392.2	431.9	508.9	378.2	395.0
Japan	7.1	7.8	13.2	14.3	22.8	23.0	66.4	85.2	78.9	57.8	57.2
Kuwait	681.4	748.1	774.0	763.8	774.2	725.8	738.6	861.6	935.5	693.1	614.8
Norway	30.8	27.6	34.9	41.3	47.8	43.5	69.7	111.8	145.7	107.6	85.3
Qatar	329.2	350.2	380.9	404.4	371.1	385.9	760.2	910.7	1,028.5	754.2	698.4
Saudi Arabia	4,729.4	5,630.4	5,968.3	5,469.8	4,858.8	5,003.0	6,613.5	7,726.3	7,754.2	5,827.8	4,910.6
Sultanat-e-Oman	530.5	685.7	819.4	760.9	657.3	667.2	994.3	1,088.6	1,131.9	831.7	757.1
U.A.E.	3,109.5	4,231.8	4,365.3	4,328.0	4,359.0	4,617.3	5,611.8	6,164.8	5,846.2	4,298.0	3,604.3
Abu Dhabi	1,512.5	1,750.7	1,418.3	1,426.8	1,132.7	1,488.0	810.4	944.8	1,208.2	862.1	771.5
Dubai	1,550.0	2,412.0	2,877.7	2,845.3	3,173.7	3,075.5	4,768.2	5,116.0	4,558.3	3,379.7	2,788.5
Sharjah	45.5	67.6	66.5	50.5	47.6	37.2	25.1	79.4	59.8	43.1	29.6
Others	1.5	1.5	2.8	5.5	5.0	16.7	8.1	24.6	19.8	13.1	14.6
U.K.	2,180.2	2,376.2	2,579.7	2,341.7	2,892.4	3,412.3	2,569.0	4,091.0	4,492.9	3,193.4	3,053.2
U.S.A	2,467.7	2,702.7	2,524.7	2,452.9	2,838.0	3,309.1	1,742.8	2,599.6	3,087.4	2,218.4	2,288.6
Other Countries	1,207.4	1,321.3	1,738.4	2,096.2	2,397.7	2,875.7	2,843.3	4,313.0	5,031.3	3,752.2	3,295.9
II. Encashment*	0.0	0.2	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (I+II)	15,837.7	18,720.0	19,916.8	19,351.3	19,913.6	21,739.5	23,132.3	29,449.9	31,278.8	23,018.6	20,526.9

Source: State Bank of Pakistan

* : Encashment and Profit in Pak Rs. of Foreign Exchange Bearer Certificates (FEBCs) & Foreign Currency Bearer Certificates (FCBCs)

TABLE 8.9
WORKERS' REMITTANCES

COUNTRY	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	% Share	
										July-March	
										2021-22	2022-23 P
Cash Flow											
Bahrain	2.01	2.08	2.25	2.05	1.8	1.56	1.80	1.6	1.7	1.7	1.7
Canada	1.01	0.91	0.88	0.97	1.1	0.98	1.35	2.0	2.3	2.2	2.0
Germany	0.54	0.42	0.47	0.49	0.6	0.57	1.70	1.5	1.6	1.6	1.9
Japan	0.04	0.04	0.07	0.07	0.1	0.11	0.29	0.3	0.3	0.3	0.3
Kuwait	4.30	4.00	3.89	3.95	3.9	3.34	3.19	2.9	3.0	3.0	3.0
Norway	0.19	0.15	0.18	0.21	0.2	0.20	0.30	0.4	0.5	0.5	0.4
Qatar	2.08	1.87	1.91	2.09	1.9	1.78	3.29	3.1	3.3	3.2	3.4
Saudi Arabia	29.86	30.08	29.97	28.27	24.4	23.01	28.59	26.2	24.8	25.3	23.9
Sultanat-e-Oman	3.35	3.66	4.11	3.93	3.3	3.07	4.30	3.7	3.6	3.6	3.7
U.A.E.	19.63	22.61	21.92	22.37	21.9	21.24	24.26	20.9	18.7	18.7	17.6
Abu Dhabi	9.55	9.35	7.12	7.37	5.7	6.84	3.50	3.2	3.9	3.7	3.8
Dubai	9.79	12.88	14.45	14.70	15.9	14.15	20.61	17.4	14.6	14.7	13.6
Sharjah	0.29	0.36	0.33	0.26	0.2	0.17	0.11	0.3	0.2	0.2	0.1
Others	0.01	0.01	0.01	0.03	0.0	0.08	0.03	0.1	0.1	0.05	0.1
U.K.	13.77	12.69	12.95	12.10	14.5	15.70	11.11	13.9	14.4	13.9	14.9
U.S.A	15.58	14.44	12.68	12.68	14.3	15.22	7.53	8.8	9.9	9.6	11.1
Other Countries	7.62	7.06	8.73	10.83	12.0	13.23	12.29	14.6	16.1	16.3	16.1
Total	100	100	100	100	100	100	100	100	100	100	100

P: Provisional

Source: State Bank of Pakistan

TABLE 8.10

GOLD & CASH FOREIGN EXCHANGE RESERVES HELD & CONTROLLED BY STATE BANK OF PAKISTAN IN RUPEES

Period	Rs million											
	Total				Cash ²				Gold ¹			
	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High	Jun*	Dec.*	Low	High
2011 R	1,696,181	1,584,975	1,556,926	1,775,642	1,428,227	1,299,849	1,294,186	1,445,662	267,954	285,126	235,433	329,980
2012	1,438,697	1,314,155	1,299,786	1,584,430	1,125,621	980,592	954,440	1,257,965	313,077	333,563	303,074	348,805
2013	963,392	774,197	753,136	1,302,120	717,295	512,038	471,447	965,052	246,097	262,159	246,097	337,068
2014	1,307,687	1,449,882	754,644	1,449,882	1,038,379	1,200,107	481,286	1,200,107	269,308	249,775	248,274	288,264
2015	1,757,189	2,034,391	1,452,365	2,034,391	1,510,039	1,803,668	1,188,267	1,803,668	247,151	230,723	230,723	264,097
2016	2,325,799	2,307,147	2,001,893	2,404,776	2,038,628	2,055,633	1,759,993	2,128,176	287,170	251,514	241,900	291,829
2017	2,110,682	2,037,749	1,789,701	2,229,859	1,840,320	1,740,610	1,509,347	1,966,073	270,361	297,139	263,786	297,139
2018	1,693,453	1,631,886	1,590,720	1,906,897	1,377,842	1,262,167	1,258,993	1,598,188	315,611	369,719	302,540	369,719
2019	1,957,315	2,546,110	1,766,630	2,546,110	1,488,690	2,056,041	1,386,208	2,056,041	468,625	490,069	376,650	498,191
2020	2,923,806	3,006,317	2,546,494	3,021,459	2,306,312	2,379,318	1,960,582	2,379,318	617,495	626,999	508,578	681,860
2021	3,525,879	4,031,780	2,813,795	4,210,904	2,948,523	3,364,010	2,276,950	3,583,263	577,356	667,770	536,845	667,770
2022	3,045,363	2,247,688	2,247,688	3,862,595	2,271,726	1,394,657	1,394,657	3,169,933	777,637	853,031	659,413	872,393
2023 P			2,144,007	2,675,466			1,072,688	1,507,618			991,822	1,167,848

- : Not available P: Provisional R: Revised *: Last day of the month Source: State Bank of Pakistan

1: Gold excludes unsettled claims of Gold on RBI

2: Cash includes Sinking fund, Foreign currencies cash holdings and excludes unsettled claims on RBI

Note: Gold and Currency wise foreign exchange reserve are converted into US Dollar and then converted into PKR. Further, Low and High value may differ with given US \$ due to exchange rate volatility.

TABLE 8.11

EXCHANGE RATE POSITION (Pakistan Rupees in Terms of One Unit of Selected Foreign Currencies)

Country	Currency	(Average During the Year)									July-March 2022-23 P
		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
Australia	Dollar	94.4043	84.6706	75.8551	78.9703	85.1230	97.1750	105.9281	119.3876	128.5504	159.0320
Bangladesh	Taka	1.3232	1.3045	1.3327	1.3263	1.3414	1.6203	1.8636	1.8864	2.0811	2.4341
Canada	Dollar	96.1939	86.6031	78.6541	78.9236	86.5105	102.7630	117.6982	124.7096	140.0847	175.8508
China	Yuan	16.7639	16.3639	16.1983	15.4059	16.9332	19.9618	22.4714	24.1827	27.4877	33.9953
Hong Kong	Dollar	13.2668	13.0664	13.4416	13.5015	14.0663	17.3843	20.2849	20.6442	22.7589	30.0837
India	Rupee	1.6757	1.6354	1.5735	1.5778	1.6903	1.9323	2.1845	2.1727	2.3546	2.8930
Iran	Rial	0.0041	0.0037	0.0035	0.0033	0.0030	0.0032	0.0038	0.0038	0.0042	0.0056
Japan	Yen	1.0180	0.8865	0.8959	0.9611	0.9965	1.2257	1.4617	1.5034	1.5108	1.7191
Kuwait	Dinar	364.0262	346.1203	345.2872	345.0024	364.9610	448.8278	516.4404	526.2587	585.6467	766.9110
Malaysia	Ringgit	31.6823	29.3817	25.2457	24.4675	27.0716	33.0115	37.5510	38.7926	41.9288	52.6588
Nepal	Rupee	1.0477	1.0222	0.9838	0.9861	1.0565	1.2070	1.3770	1.3550	1.4838	1.8403
Norway	Krone	17.0596	14.2794	12.4110	12.4644	13.7701	16.0675	16.9236	18.2895	19.8550	23.2555
Singapore	Dollar	81.6310	77.3079	74.9776	75.1927	81.9160	99.7173	114.1680	118.7881	130.4234	171.8845
Sri Lanka	Rupee	0.7862	0.7701	0.7372	0.7031	0.7107	0.7853	0.8669	0.8409	0.7855	0.6588
Sweden	Krona	15.7629	13.1103	12.4006	11.8827	13.2473	14.8779	16.3999	18.6777	19.3564	22.3205
Switzerland	Franc	113.7726	107.4720	106.3904	105.5866	113.2043	136.7574	161.7409	175.8046	190.1290	247.8541
S. Arabia	Riyal	27.4313	27.0040	27.7996	27.9260	29.2998	36.2985	42.1047	42.6535	47.2939	62.6906
Thailand	Baht	3.2278	3.1076	2.9393	3.0034	3.3964	4.2335	5.0949	5.1892	5.3140	6.6562
UAE	Dirham	28.0070	27.5787	28.3865	28.5170	29.9164	37.0585	43.0181	43.5597	48.3140	64.1110
UK	Pound	167.2207	159.4351	154.4878	132.7123	148.0433	175.9308	199.0651	215.2793	235.5923	279.9940
USA	Dollar	102.8591	101.2947	104.2351	104.6971	109.8444	136.0901	158.0253	160.0219	177.4512	235.4944
EMU	Euro	139.4950	121.6726	115.6294	114.0341	131.0859	155.0710	174.5851	190.7393	199.4916	243.7830
IMF	SDR	158.0043	146.9546	145.8777	143.8126	156.7849	189.5557	217.2951	228.2827	246.9933	310.4787

P: Provisional

Source: State Bank of Pakistan