Pakistan
Economic Survey
2017-18

FINANCE DIVISION
GOVERNMENT OF PAKISTAN

PAKISTAN ECONOMIC SURVEY 2017-18

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Foreword

While announcing its manifesto for the 2013 general elections, PML-N had declared ‘revival of the economy’ as a top priority. As we come to the close of our five year term, I feel satisfied that we have been able to achieve our objective of revival of the economy. GDP growth rate, which averaged at less than 3 percent during 2008-2013, has increased to an average of 4.8 percent during the last five years, with this year’s growth now projected at 5.79 percent, the highest in 13 years. Moreover the growth is spread across the various sectors for the economy including Agriculture, Manufacturing and Services. While the economy has grown, inflation has remained under control and has averaged at 5.5 percent in the last five years, down from the average of 11.83 percent in the 2008-2013 period. In the first 9 months of this year, CPI inflation remains at 3.8 percent. Fiscal deficit too has been brought down, both through higher revenues and a slower growth in current expenditures. At the same time development spending has been increased from Rs 348 billion in 2012-13 to Rs 733 billion in 2016-17. Provincial transfers have also markedly increased from Rs 1299 billion in 2012-13 to Rs 1996 billion in 2016-17, and are expected to be over Rs 2300 billion in 2017-18 enabling the provincial governments to increase spending on the devolved subjects of education, health and other their priority areas. While these aren’t small achievements, we could have achieved even better results had our tenure not been marred by political instability created by our political opponents.

The most important achievement of the outgoing fiscal year is of course the highest GDP growth in 13 years, supported by a strong growth in manufacturing, which was the highest in 11 years, a sharp pick-up in agriculture, the highest in 13 years, and a continuing robust performance in services.

But the job is not fully done yet. Pakistan has to achieve high and inclusive economic growth, going forward, through continuity and consistency in macroeconomic policies. Fiscal discipline together with political and regional stability will be the key to a sustained continuation of the recently achieved growth momentum.

Besides growth, the government is also taking care of its solemn obligation towards the very poor through a social safety program.

The Pakistan Economic Survey has reviewed the progress of the outgoing fiscal year based on the latest available data up to February-March 2018-19. As is customary, the Survey will be launched just before the presentation of the Budget. This year, the Budget is being presented about five weeks earlier than usual, so as to complete this important and necessary exercise ahead of the expiry of the current term of the National Assembly. Hence, the Economic Survey is constrained to cover the most recent data available.

I wish to commend and thank the Economic Adviser and his team in preparing this important document. It will serve as a source of invaluable information for all stakeholders including parliamentarians, policy makers, academic and international development partners.

Dr. Miftah Ismail
Adviser to PM on Finance, Revenue and
Economic Affairs
Islamabad, the 26th April 2018

Preface

The outgoing fiscal year 2017-18 has witnessed remarkable economic growth backed by wide-ranging structural reforms, prudent macroeconomic policies, financial discipline and consistency and continuity in policies.

This year's Economic Survey 2017-18 provides a detailed overview of Pakistan's economic performance during the year. The document has two parts: a Descriptive part and a Statistical Appendix. The descriptive part presents a comprehensive analysis of the developments in the main areas of Pakistan's economy, whereas in the Statistical Appendix the time series data pertaining to the different sectors of economy have been collected.

The analysis is based mainly on the data available for the first 8 to 9 months of the outgoing fiscal year and may therefore, be subject to change when the year closes. It is hoped that the Survey, which contains a wealth of insight and information, will be useful for parliamentarians, policy-makers, researchers, students and all those who have an interest in Pakistan's economy.

The preparation of the Survey required a lot of hard work spread over several weeks of extensive labour. I am grateful to the devotion and hard work of the officers and staff of the Economic Adviser's Wing, Ministry of Finance, to whom a debt of gratitude is owed as without their contribution it would not have been possible to prepare and release the survey in time.

I would like to thank Ministries/Divisions/Agencies/Provincial Departments, for efficiently supplying the requisite data and information well in time. In particular, I am thankful to the State Bank of Pakistan, Federal Board of Revenue, Pakistan Bureau of Statistics, Pakistan Telecommunication Authority, Ministry of Commerce, National Food Security & Research, Ministry of Planning, Development and Reform, Energy (Power Division), Maritime Affairs Division, Economic Affairs Division, Hydrocarbon Development Institute of Pakistan, Debt Policy Coordination Office (DPCO) and MTBF Secretariat of Finance Division.

S. Ejaz Wasti
Economic Adviser
Islamabad, the 26th April 2018

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Overview of the Economy

Pakistan has made great strides in improving its economic outcomes and reducing its macroeconomic vulnerability in the recent years. As a result economic growth has continued to gain traction, albeit at varying speeds across the sectors, founded on the government's commitment to higher growth and low inflation. GDP continued to grow above 5 percent in each of the last 2 years reaching 5.79 percent highest in 13 years in the outgoing fiscal year FY2018 and 4 percent in each of the three preceding years. This achievement is remarkable as it has been accomplished in the face of global head winds.

This year's strong economic growth has been underpinned by supportive macroeconomic supply and demand policies, renewed confidence in the private sector and fiscal discipline. Major international institutions anticipate that global economic growth will increase from previously subdued levels, which is a welcome development for a broadly favourable future outlook in Pakistan as well.

The most important achievements of the outgoing fiscal year include the fastest pace in real GDP growth on the back of strong growth in agriculture, impressive growth in manufacturing as well as in services. All macroeconomic indicators exhibited remarkable progress; such as contained inflation, healthy credit flows to private sector, recovery in exports, slowdown in imports, lowest policy rate, increase in FDI and remittances, strengthening of the banking sector, uninterrupted energy supplies to the industrial sector, higher LSM growth, enhanced incorporation of companies, encouraging response from the capital market, increase in per capita income, impressive revenue collections, higher PSDP spending, progress on CPEC projects, and an added impetus coming from the global economic recovery.

The World Bank in its report has stated that Pakistan's economic growth increased from 5.4 percent in 2017 to 5.8 percent in 2018 supported by major infrastructure projects and low interest rates. Major impetus came from improved performance of services and agriculture sector. Industrial sector also saw some recovery. As a major development, Pakistan has ranked No. 1 in South Asia in private infrastructure investment, thus becoming one of the world's top five private participation in infrastructure (PPI) investment destinations.

The growth across different sectors of the economy has attracted major international companies towards Pakistan, where they see immense potential, a huge consumer market, strategic location and macroeconomic stable environment achieved during the last five years.

The IMF has also stated that Pakistan's economy is showing strong signs of rising growth and price stability. The near term outlook for economic growth is broadly favourable supported by improved power supply, investment relating to the China-Pakistan Economic Corridor (CPEC), strong consumption growth and ongoing recovery in agriculture.

Apart from these positive developments, risks/challenges remain on domestic and external fronts, particularly the unfavorable BOP position due to a widening Current Account Deficit (CAD) along with less than expected foreign inflows and a decline in exports in the last two to three years. Slow global growth in international trade flows was an external factor that contributed to the low export growth. However, this declining trend has started to fade out due, on the one hand, to government's supportive initiatives for export growth along with efforts to limit the import of luxury goods and a recovery of the global economy on the other.

The current fiscal year has seen continued exports growth in all 9 months. Exports increased by 12.0 percent while imports have slowed down to 16.6 percent as compared to 48 percent at the start of current financial year. The government has been able to get GSP Plus preferential tariffs scheme renewed from the European Union for the next two years which will help boost exports, going forward.

The present government's vision is focused on the diversification of exports to include new products/services and partners, increased involvement in global value chains, increasing foreign direct investment greater revenue collection, transparency in trade transactions and expanded participation of small and medium-sized enterprises in international trade. SBP has prepared a comprehensive 'Policy for Promotion of SME Financing' which was launched by Prime Minister of Pakistan on December 22, 2017. The policy will enhance the share of SME financing in total private sector credit from 8.8 percent as of December 2017 to 17 percent by 2020.

Similarly, cognizant of the global developments in digital trade, the Ministry of Commerce is finalizing a Policy Framework for development of –Commerce/digital trade in the country. The Framework is being developed to deal with Regulatory regime, Payment Infrastructure, Logistics and Taxation issues related to E-Commerce. E- Commerce is not only a growing global industry, it is also one of the important pillars on which an increasing share of future business, financial and trading transactions will depend and there is a dire need to develop it in Pakistan. Digital platforms have changed the economics of doing business across borders by reducing costs of international transactions enabling Micro, Small and Medium Enterprises (MSMEs) to connect with customers and suppliers around the world.

Amid all these developments there could be downside risks, such as turmoil in the global economy that could worsen the outlook for exports, more than anticipated rise in oil prices , or an uncertain geo-political environment. Moreover, as the world economy lurches into crisis or slides downward due to an emerging trade war between two big economic giants, the growth of many economies could face serious challenges.

World Economic Environment

World output has grown by a healthy 3.8 percent in 2017 and growth is expected to further accelerate to 3.9 percent in 2018 according to the IMF's April 2018 World Economic Outlook-update. This expected acceleration is mainly the result of notable rebound in global trade, continued strong growth in the Emerging Market and Developing Economies (from 4.8 percent in 2017 to 4.9 percent in 2018) and an investment recovery in advanced economies will stabilize growth at 2.5 percent in 2018.

Among the Advanced Economies, the United States, United Kingdom and the Euro Area are among Pakistan's most important export markets. Growth in the US is expected to accelerate significantly from 2.3 percent in 2017 to 2.9 percent in 2018, driven by the expected macroeconomic impact and investment response to the corporate tax cuts. On the other hand, some deceleration is expected to happen in the United Kingdom (from 1.8 to 1.6 percent in 2018 and 1.5 percent in 2019) with business investment expected to remain weak in light of heightened uncertainty about post-Brexit arrangements. Recovery in the Euro Area is projected to pick up slightly from 2.3 percent in 2017 to 2.4 percent in 2018 due to stronger-than-expected domestic demand across the currency area, supportive monetary policy, and improved external demand prospects.

Growth in emerging and developing economies is expected to increase from 4.8 percent in 2017 to 4.9 percent in 2018 and 5.1 percent in 2019. Among the emerging market and developing economies, the highest growing region is Emerging and Developing Asia where growth is expected to stabilize at 6.5 percent. In this region, China's growth rate would marginally decline from 6.9 percent to 6.6 percent in 2018, but India's growth would rise from 6.7 to 7.4 percent and the ASEAN-5 would stabilize at 5.3 percent. Growth rates are expected to slightly increase from 2.1 percent in 2017 to 2.2 percent in 2018 in the Common Wealth of Independent States, especially due to a slight improvement in Russia (from 1.5 to 1.7 percent), whereas the other member states would see their growth rates deteriorate on average from 3.6 to 3.5 percent. Economic growth would decelerate significantly in Emerging and Developing Europe from 5.8 percent in 2017 to 4.3 percent in 2018. On the other hand, growth accelerates in Latin America and the Caribbean (from 1.3 to 2.0 percent), especially under the impulse of Brazil where growth is expected to accelerate from 1.0 percent in 2017 to 2.3 percent in 2018. Similar developments are expected in the area comprising the Middle East, North Arica, Afghanistan and Pakistan, where growth is expected to increase from 2.6 to 3.4 percent.

The higher overall world growth prospects stimulate world trade, especially under the impulse of a pick-up in investment expenditure particularly in advanced economies. The average growth of world export and import volumes has accelerated from 2.3 percent in 2016 to 4.9 percent in 2017 and is expected to continue to grow further at 5.1 percent in 2018. Pakistan's exports profit from this favorable developments in its export markets.

After the decline in commodity prices (in USD) in 2016, it rebounded in 2017. The average oil price in 2017 was $52.8 per barrel in 2017, up by 23.3 percent, supported by higher demand, the OPEC agreement to limit oil production and geopolitical tensions in the Middle East. Oil prices increased to more than $65 a barrel in January 2018, the highest level since 2015, it is expected to rise somewhat further in 2018 by around 18 percent. Also, prices of non-fuel commodities have increased in 2017 (on average by 6.8 percent) but are expected to decelerate to 5.6 percent in 2018.

Higher commodity prices coupled with the cyclical upswing since mid-2016 are helpful to lift inflation rates in advanced economies in the direction of their inflation targets. Average consumer price inflation in advanced economies accelerated from 0.8 percent in 2016 to 1.7 percent in 2017 and is expected to increase further to 2.0 percent in 2018. In Emerging markets and Developing Economies, inflation is expected to remain within the range of 4 to 4.6 percent that was observed during the two previous years.

The current positive mood in business and consumer confidence may well feed itself in the short run, stimulating consumption and investment expenditures. In that case, global growth acceleration may even turnout to be higher than expected.

But at the same time, considerable downside risks remain in place.

A major threat to the future growth outlook may come from the adoption of tariff and non-tariff protectionist policies in some countries, followed by mutual escalating retaliations in trading partner countries, eventually culminating in a full-fledged trade war. Tensions related to renegotiations of long standing trade agreements such as NAFTA and of the economic arrangements between the European Union and the United Kingdom and the imposition of tariffs and regulatory requirements on imports in several countries, may disrupt the global supply chains and provoke relocation of geographical trade flows. The adjustment costs and increased uncertainty related to these relocations may weigh on the investment sentiment, especially in the manufacturing sectors. Reduced international trade expansion and investment expenditures may weigh on overall growth prospects. This would also be felt in Pakistan, where export activity is very much correlated to imports in OECD countries and China. Hopefully the current tariff threats may end in negotiated solutions and further adjustments in both bilateral and multilateral trade agreements that take into account the changing trade composition and the new products and services that are currently being produced and traded.

Also, higher than expected inflationary pressures, especially in the United States, where the labor market is already tight, may require a faster than expected monetary policy tightening. This may prompt abrupt adverse financial market reactions in the bond and equity markets, weighing in on the economic optimism and confidence.

Similar risks may arise if geopolitical concerns in East Asia and in the Middle East would intensify.

Executive Summary

Growth and Investment

Pakistan has seen a visible economic turnaround over the last five years, due to successful implementation of a comprehensive program of economic revival aimed at higher economic growth and macro-economic stability.

The growth momentum remained above 5 percent for the last two years in a row and reached 5.79 percent in FY2018 which is 13 years high on account of a strong performance in agriculture, industry and services sectors which grew by 3.81 percent, 5.80 percent and 6.43 percent, respectively.

The highest growth in agriculture sector in last 13 years was achieved on the back of initiatives taken to improve the sector such as expansion in credit to agriculture sector along with agriculture Kissan Package, provision of better quality seeds including hybrid and high yield varieties and timely availability of agriculture inputs including fertilizer, pesticides etc.

Large Scale Manufacturing (LSM) also recorded a growth of 6.13 percent highest in ten years. Industrial sector growth improved by 5.80 percent, highest in ten years. Manufacturing grew by 6.24 percent highest in 11 years. The performance of services sector witnessed a stable growth of 6.43 percent in last two years.

Consumption is the largest component of aggregate demand followed by investment and net exports. During FY 2018, households' average propensity to consume remained fairly constant at around 85.5 percent at constant prices and around 82.0 percent in current prices. Contained inflation helped increase in consumption by private and General Government. During July-March FY 2018, current account deficit remained US $ 12.0 billion and is expected that it will cross US $ 15.0 billion at the end of current fiscal year. The national savings and domestic savings as percentage of GDP remained almost at same level of last year. National income remained less than expenditures during FY 2018 when compared with FY 2017 which resulted increase in Saving-Investment gap. The increase in Saving-Investment gap in turn resulted in higher current-account deficit.

Gross Fixed Capital Formation (GFCF), considered as fixed investment stood at Rs 5,099.1 billion in FY 2018 compared to Rs 4,632.8 billion last year posting a growth of 10.1 percent. The private sector GFCF posted a growth 5.2 percent as it increased to Rs 3,371.2 billion compared to 3,205.5 billion last year while the public sector GFCF increased to Rs 373.3 billion compared to 339.5 billion last year showing a growth of 9.9 percent. The expenditure on GFCF incurred by federal, provincial and district governments has increased by 23.9 percent, 22.1 percent and 45.7 percent, respectively. During FY 2018, per capita income increased by 0.5 percent over last year to $1641.

Agriculture

Agriculture sector recorded a remarkable growth of 3.81 percent and exceeded its targeted growth of 3.5 percent and also last year's growth 2.07 percent. This stemmed from higher yields, attractive output prices and supportive government's policies, better availability of certified seeds, pesticides, agriculture credit and intensive fertilizers offtake. The crops sector performed well and witnessed a growth of 3.83 percent against the last year's growth of 0.91 percent. The growth in sub sectors, important crops, other crops and cotton ginning registered a growth of 3.57 percent, 3.33 percent and 8.72 percent respectively, against the last year growth of 2.18 percent, -2.66 percent and 5.58 percent. Major Kharif crops such as sugarcane and rice surpassed their production targets as well last year, it recorded a growth of 7.45 percent and 8.65 percent, respectively while cotton crop also exceeded last year's production by 11.85 percent. Wheat and maize crop remained subdued, as it witnessed a decline of 4.43 percent and 7.04 percent, respectively. Other crops grew by 3.33 percent on the back of increase in the production of fodder, vegetables and fruits.

Livestock recorded a growth of 3.76 percent compared to 2.99 percent period last year. The Fishing sector grew by 1.63 percent compared to 1.23 percent last year. Forestry sector posted a positive growth of 7.17 percent on account of higher timber production reported by Khyber Pakhtunkhwa.

Pakistan's agricultural productivity is dependent on the availability of water. During 2017-18, the availability of water for Kharif 2017 stood at 70.0 Million Acre Feet (MAF) showing a decrease of 2.0 percent over Kharif 2016 and increase of 4.3 percent over the normal supplies of 67.1 MAF. During Rabi season 2017-18, the water availability stood at 24.2 MAF showing a decrease of 18.5 percent over Rabi 2016-17 and 33.5 percent less than the normal availability of 36.4 MAF.

During 2017-18, gram production witnessed an increase of 3 percent on account of increase in area sown and due to favourable weather condition prevailed at the time of sowing. The production of Bajra, Jowar and Rapeseed & Mustard increased by 9.8 percent, 4.1 percent and 0.1 percent, respectively. The production of Barley declined by 0.3 percent

The production of Onion, Mash, and chillies posted a growth of 8.1 percent 4.2 percent and 3.8 percent respectively, compared to the production of last year. However, the production of Masoor (Lentil) and Potatoes are reported at the same level of last year. While the production of Moong is 8.7 percent lower than last year's production. The gap is filled through import of pulses from Australia, Afghanistan, Argentina, Canada, Kenya, Russian Federation, Ukraine, U.S.A and Vietnam. During 2017-18 (July-February), pulses valued US $ 300.6 million were imported.

The domestic production of fertilizers during 2017-18 (July-March) decreased slightly by 5.4 percent over the corresponding period last year due to diversion of domestic piped natural gas from small scale urea producers . While the imported fertilizer increased by 21.1 percent. Total off take of fertilizer nutrients declined by 3.6 percent.

In the backdrop of the government's budgetary initiatives for promotion of agriculture sector, agriculture credit increased to Rs 1,001 billion which is 43 percent higher than last year.

Agriculture credit disbursement continued to remain high by 39.4 percent to Rs 570 billion during FY 2018 (July-February). The banks have disbursed Rs 570 billion which is 57 percent of the overall annual target of Rs 1,001 billion and 39.4 percent higher than disbursement of Rs 409 billion made during the corresponding period last year. Similarly, outstanding portfolio of agriculture loans has been increased to Rs 79.5 billion to Rs 452.6 billion or 21.3 percent.

Manufacturing & Mining

During July-February FY 2018, the Large Scale Manufacturing (LSM) registered a growth of 6.24 percent as compared to 4.40 percent in the same period last year. On Year on Year (YoY), LSM recorded a growth of 5.52 percent in February 2018 compared to 9.47 percent in February 2017.

The industry specific data shows that Electronics recorded highest growth of 38.79 percent , Iron & Steel products 30.85 percent , Automobile 19.58 percent on the back of significant growth in Tractors 44.68 percent, Trucks 24.41 percent, Jeeps and Cars 23.29 percent, LCVs 19.73 percent and motor cycles 14.15 percent, Non metallic mineral product improved by 11.87 percent, whereas, cement continued to exhibit strong growth of 11.95 percent , Paper & Board 8.06 percent , Coke & Petroleum products 10.26 percent , Rubber Products 6.83 percent , Engineering Products 5.21 percent , Pharmaceuticals 9.44 percent , Textile 0.47 percent, Food Beverages & Tobacco 2.33 percent. The delayed crushing of sugarcane recorded a negative growth of 7.69 percent. The sector which recorded negative growth during the period are Wood Products 27.32 percent, Fertilizers 7.36 percent, Chemicals 0.63 percent and Leather Products 7.91 percent.

Leather manufacturing continued its declining trend on account of lagging behind in terms of product diversification and value addition along with facing pressure from regional competitors who are focusing on high value added products. The downturn witnessed in fertilizer sectors is on account of diversion of domestic piped natural gas from small scale urea producers. In chemical sectors multiple factors constrained their operations such as influx of cheap imported products, dependence on imported raw materials and high cost of doing business. There has been a steep fall in the production of buses as the cumulatively growth came down to 39.35 percent during the July-February FY 2018. It is essentially due to public preferring to have a transport of their own; first, starting with a two-wheeler and then moving to a car, as their locally made affordable versions are available. Further, in some cities, the availability of modern public transport facilities is an additional factor to dampen the demand for Buses, besides allowing imports.

The Mining and Quarrying sector grew by 3.04 percent in FY 2018 as against -0.38 percent last year. Quartz, Soap stone, Marble, Bauxite, Barytes, Lime stone, Magnesite, Gypsum, Coal and Crude oil posted a positive growth of 97.28 percent, 43.53 percent, 43.25 percent, 37.20 percent, 15.06 percent, 13.40 percent, 8.55 percent, 6.85 percent, 5.70 percent and 0.41 percent, respectively. However, Chromite declined by 20.15 percent, Ocher 16.61 percent, Calcite 6.92 percent, Sulphur 4.01 percent, Natural gas 1.16 percent and Rock salt 1.21 percent.

Fiscal Development

During the past five years, fiscal sector has witnessed a notable improvement on account of wide ranging reforms in resource mobilization and expenditure management. The substantive measures taken to control unproductive expenditures as well as increasing revenues helped in generating additional fiscal space for expenditure on development and on social safety net. Particularly, Federal Public Sector Development Program (PSDP) increased from Rs 348.3 billion (including Rs 24.7 billion development grants to provinces) during FY2013 to Rs 733.3 billion (including Rs 7.8 billion development grants to provinces) in FY2017, posting a cumulative increase of 110.5 percent. While the allocation under BISP (development expenditure outside PSDP) has also witnessed a substantial increase of 73 percent to Rs121 billion during FY2018 from Rs70 billion in FY2013.

Fiscal sector continued to perform well during the first half of current fiscal year as strong growth in revenues relative to expenditures helped in containing the fiscal deficit to 2.3 percent of GDP during first half of FY2018 as compared to 2.5 percent of the corresponding period last year.

Total revenues grew by 19.8 percent to reach Rs 2,384.7 billion (6.9 percent of GDP) during July-December, FY2018 against Rs 1,990.6 billion (6.2 percent of GDP) in the same period of FY2017. The impressive performance both in tax and non tax revenues attributed to this significant rise in total revenues.

During first nine months of current fiscal year, FBR has been able to collect around Rs 2,626.6 billion against Rs 2,268.7 billion during the same period of FY2017, posting a growth of 15.8 percent.

Total expenditure increased by 14.0 percent during July-December, FY2018 and stood at Rs 3,181.0 billion (9.2 percent of GDP) against Rs 2,789.7 billion (8.7 percent of GDP) in the same period of FY2017. Within total expenditure, development spending (excluding net lending) increased sharply and recorded at 23.4 percent to reach Rs 613.8 billion during July-December, FY2018 as compared to Rs 497.4 billion in the comparable period of FY2017. The significant performance of development expenditure was realized on account of increased spending under PSDP which increased to Rs 558.8 billion during first half of FY2018 from Rs 445.7 billion in the comparable period of FY2017, posting a growth of 25.4 percent. On the other hand, current expenditure grew by 13.5 percent during July-

December, FY2018 on account of 12.4 percent increase in federal and 15.8 percent in provincial government current expenditures. In absolute term, current expenditures increased from Rs 2,241.6 billion in first six months of FY2017 to Rs 2,545.2 billion during the same period of current fiscal year.

During the first half of current fiscal year, the provinces generated cumulative surplus of Rs 203.9 billion against the surplus of Rs 90.6 billion in the comparable period of FY2017. Higher surplus was achieved on the back of healthy growth in total revenues that recorded 28.2 percent to Rs 1,363.8 billion during July-December, FY2018 against Rs 1,064.2 billion in the comparable period of FY2017.

Money and Credit

The accommodative monetary policy remained instrumental for conducive macroeconomic environment. The cautious monetary policy stance consolidated the gains from historic-low policy rate at 5.75 percent till January, FY2018. The SBP has changed the monetary policy stance in January 2018 by 25 bps to 6 percent to anchor expected rise in inflation in view of reversal of international oil and commodities prices and to address the domestic demand pressures as well exchange rate movement. In March 2018, the Monetary Policy Committee decided to maintain policy rate at 6.0 percent for the next two months to see the impact of policy.

During 01 July-30 March, FY2018 Broad Money (M_2) observed an expansion of Rs 770.9 billion (growth of 5.29 percent) compared to expansion of Rs 756.1 billion (5.9 percent) in the same period last year. Similarly, reserve money growth contained at 5.6 percent during 01 July-30 March, FY2018 compared to the growth of 7.9 percent during the comparable period of last year. Within Broad Money, Net Foreign Assets (NFA) of the banking sector reduced to Rs 472.8 billion during 01 July-30 March, FY2018 as compared to the contraction of Rs 284.8 billion last year. The Net Domestic Assets (NDA) of the banking sector witnessed an expansion of Rs 1,243.7 billion (8.9 percent) during 01 July-30 March, FY2018 as compared to the expansion of Rs1,040.9 billion (8.8 percent) in the same period last year. During 01 July- 30 March, FY2018 credit to Public Sector Enterprises (PSEs) increased to Rs174.0 billion compared to Rs196.9 billion in the comparable period of FY2017.

During the period 01July- 30 March FY2018, government borrowing for budgetary support stood at Rs 858.3 billion against the borrowing of Rs 704.0 billion in the corresponding period of FY2017. During the period under review, government borrowed Rs 2,236.7 billion from SBP as compared to the borrowing of Rs 801.6 billion in the comparable period last year. Conversely, government retired Rs 1,378.5 billion to Scheduled Banks during 01 July-30 March FY2018 against the retirement of Rs 97.5 billion last year. Whereas, net government borrowing from the banking system reached to Rs 804.2 billion during 01 July-30 March FY2018 compared to Rs 568.7 billion over the previous year.

Credit to private sector has seen expansion of Rs 469.2 billion during 01July-30 March, FY2018 compared to the expansion of Rs 438.6 billion in the comparable period of last year. On (YoY) basis as on 30th March FY2018, CPS registered a growth of 15.9 percent compared to 13.4 percent witnessed in the same period last year. Credit demand for fixed investment contained to Rs147.9 billion against Rs158.0 billion in the comparable period of last year. Credit disbursement for working capital increased to Rs 151.5 billion during the period under review compared to Rs 92.9 billion during the corresponding period of last year.

A number of domestic developments remained instrumental in banking sector to follow a sustained growth path. The momentum continued in CY17 with the assets of the banking sector recorded YoY growth of 15.9 percent to Rs 18.3 trillion. Capital Adequacy Ratio (CAR) at 15.8 percent as of end December 2017 is stronger and higher than the minimum required level of 11.275 percent. Similarly, asset quality has also improved and NPLs to loans ratio came down from 10.1 percent in CY16 to 10 years low 8.4 percent in CY17.

Capital market

Earlier Pakistan's capital markets remained relatively narrow due to non-conducive economic environment but as the security situation improved and investors' confidence regained, the capital market started showing positive performance. During the regime of the present government significant developments in capital market and corporate sector took place. The Securities and Exchange Commission of Pakistan (SECP), being an apex regulator, has continued to push with the reform agenda to address the challenges of a fast growing market during the last five years. Consequently, revival of investor's confidence has been captured by better returns on investment in the Karachi stock market. The market continued its upward trend reaching to all time high. KSE 100 witnessed its highest level 52,876.46 Index on May 24, 2017 in the history.

Since January 11, 2016, the earlier three Stock Exchanges at Karachi, Lahore and Islamabad were merged into Pakistan Stock Exchange (PSX), which is now providing a single platform to investors particularly the foreign investors. The fiscal year 2018 started well with some significant positive economic indicators, notably, the promising GDP growth, improved country's perception, recognition of SMEs as the prime mover of country's economy and the continuity of the inflows of remittances by the Overseas Pakistanis. The period from July - March FY 2018, the capital market operated in a wide range. During the period under review, the market remained volatile. Till August 2018, it reached the peak of 47,084 index on August 03, 2017, after then it started moving down touched the lowest 37,919 Index on December 19, 2017. The behavior might be linked to the depreciation of Pakistani rupee. However, at the start of new calendar year 2018, the market gained momentum and on March 30, 2018, KSE 100 index closed at 45,560.30 whereas market capitalization was Rs 9,370.6 billion. The average daily value traded (T+2) in first nine months of FY 2018 was Rs 8.54 billion and the average daily turnover was 192.25 million shares. The average daily trade value in futures was 3.7 billion and the trading volume was 61.4 million shares.

The foreign investors offloaded securities worth USD 123.9 million during July 2017 – March 2018 which was absorbed by domestic individual investors, companies and insurance companies. This strong buying by local investors has shown the confidence of the investors in Pakistan equity market.

National Savings is the most effective and formidable vehicle to support financial inclusion, particularly women. More than 50 percent of the investors of National Savings are women vs merely less than 4 percent in the banking sector and average 25 percent in South Asia - a testament of true financial inclusion and women empowerment. This is evident from the State Bank data that the technology plays a vital role in women financial inclusion.

Pakistan has the lowest savings rate in the region which has direct relationship with the economic growth rates. Whilst National Savings, as an institution, contributes less than 1 percent of the GDP and around 10 percent in the Domestic Savings to GDP Ratio of 7.5 percent however, there's substantial room for improvement on these ratios over a period of time.

Inflation

During current fiscal year FY 2018, CPI increased to 4.6 percent which was the highest since the start of current fiscal year FY 2018, in January 2018 it was came down to 4.4 percent and in March 2018, it fell eight month low at 3.2 percent on account of subdued food prices which offset the impact of rise of petroleum prices.

The average inflation during first nine months of the current fiscal year, July-March FY 2018 has been contained at 3.78 percent which was lower than the level observed during the same period of last year recorded at 4.01 percent.

The other inflationary indicators like Sensitive Price Indicator (SPI) remained at 0.9 percent compared to 1.4 percent July- March FY 2017. Wholesale Price Index (WPI) recorded at 2.7 percent in July-March FY 2018 compared to 3.8 percent in FY 2017.

Core inflation which is Non Food and Non Energy was recorded at 5.45 percent compared to 5.07 percent in FY 2017. A moderate outlook of food prices amid abundant grain stocks and the recent increase in policy rate will help in containing the average inflation below target of 6.0 percent during FY 2018.

Trade and Payments

During the last few years, Pakistan exports were not picking up and recorded a negative growth.The main reasons for declining of exports was global slowdown but now the global economy is on the track of recovery. Pakistan exports are also on the increasing and the negative effect started bottoming out.

Exports during July-March FY2018 reached to US$ 17.1 billion as compared to US$ 15.1 billion in July- March FY2017 , registered a growth of 13.1 percent. Pakistan imports were up by 15.7 percent in the first nine months of the current fiscal year, rising from $ 38,369 million during FY2017 (July- March) to 44,379 million, showing an increase of $ 6010 million in absolute term. To slow down the imports, an additional regulatory duty was imposed to curtail the inflated imports.

Pakistan's balance of payments remained under stress due to rising imports of capital equipment and fuel during July-March FY2018. Recovery in global oil prices also played a role in pushing up the import bill. The remarkable growth in exports earnings and remittances inflows was not sufficient to overcome the current account deficit gap. The SBP's liquid foreign exchange reserves declined by US $ 4.5 billion during July-March FY2018.

Pakistan's current account deficit contracted by 9.2 percent on month on month basis in March 2018 and reached to US $ 1.16 billion as compared to US $ 1.28 billion in February 2018. However, the current account deficit widened by 50.5 percent and reached to US$ 12.03 billion (3.8 percent of GDP) during July-March FY2018. This was mainly due to 20.7 percent widening in the trade deficit, amounted US$ 22.3 billion. The widening of trade deficit is mainly due to surge in import bill by 16.6 percent and reached to US $ 40.6 billion overshadowed the increased in exports and workers' remittances.

The remittances registered a significant growth of 3.6 percent during July-March FY 2018 against the decline of 2.0 percent last year, and reached to US$ 14.6 billion during first nine month of current year as compared to US$ 14.4 billion during the same period last year. The trend will continue in coming months and expected that the target of US$ 20.6 billion will be achieved.

Foreign investment picked up its pace from last year's levels, with both direct and portfolio investment contributing to the gains. Net FDI inflows rose 4.4 percent to US$ 2.1 billion in July- March FY2018, against US$ 2.0 billion of the same period last year. While China continued to have a major share (accounting 55 percent in overall inflows), significant FDI from other countries like Malaysia and UK also witnessed during this year.

Portfolio investment is dominated by official inflows, as government raised US$ 2.5 billion through Sukuk and Eurobond.

Meanwhile, public flows continued to dominate foreign portfolio investment in Pakistan. A massive inflow of US$ 2.5 billion in second quarter of FY2018 more than offset net foreign outflows of US$ 90 million in the country's equity market.

With the current account deficit widening and not being fully offset by financial inflows, the country's total liquid FX reserves fell by US $ 4.5 billion during July-March FY2018.

The drop was higher in the first five month of FY2018, when official reserves decreased by $3.9 billion. The decline came mainly in SBP's liquid reserves (which at April 18, FY2018 was US$ 11.08 billion), and reserves held by commercial banks US$ 6.1 billion during the period.

Public Debt

Total public debt stood at Rs 22,820 billion at end December 2017 while Total Debt of the government was Rs 20,878 billion. Total public debt recorded an increase of Rs 1,413 billion during first six months of current fiscal year.

The bifurcation of this increase is explained below:

- Domestic debt registered an increase of Rs 582 billion while government borrowing for financing fiscal deficit from domestic sources was Rs 412 billion, indicating an increase in government credit balances with the banking system during the period under review; and
- Increase in external debt contributed Rs 830 billion to the public debt, while, government borrowing for financing fiscal deficit from external sources was Rs 384 billion. Therefore, the increase in external debt signifies both borrowings for financing fiscal deficit as well as revaluation losses due to Pak Rupee depreciation against US Dollar as well as appreciation of other currencies against US Dollar.

Pakistan's public debt dynamics witnessed various positive developments in the ongoing fiscal year, some of these are highlighted below:

- The government continued to adhere to the targets set forth in Medium Term Debt Management Strategy (MTDS) to ensure public debt sustainability.
- Weighted average interest rate on the domestic debt portfolio has been reduced further while cost of external loans contracted by the government are mostly concessional as well as dominated by long term funding;
- The government successfully raised US$ 2.5 billion in December 2017 through a 5-year Sukuk and 10-year conventional bond with the latter issued at the lowest rate for a Pakistan bond.
- In order to facilitate the investors, Central Directorate of National Savings (CDNS) has launched a non-financial version of mobile application called “Qoumi Bachat Digital” which enable customers to view their profits, investments in the certificates and accounts, receive notifications on transactions, transaction history and also save prize bond numbers to be searched in the Prize Bond draws. CDNS is also in the process of launching a financial version of the mobile application along with the Card Management System and Mobile Wallet for investors.

Encouragingly, cost and most of the risk indicators of public debt portfolio improved over last four years. Average cost of gross public debt reduced by over 100 basis points owing to smooth execution of the Medium Term Debt Management Strategy. Refinancing Risk of domestic debt portfolio reduced from 64.2 percent in 2013 to 55.6 percent in 2017. Exposure to interest rate risk also reduced, as the percentage of debt re-fixing in one year decreased to 47.8 percent in 2017 compared to 52.4 percent in 2013. Similarly, share of external loans maturing within one year was equal to around 27.7 percent of official liquid reserves in 2017 compared with around 68.5 percent in 2013, indicating improvement in foreign exchange stability and repayment capacity.

EDL stock stood at US$ 88.9 billion at end December 2017 out of which external public debt was US$ 66.9 billion. External public debt increased by US$ 4.4 billion during first half of the current fiscal year. In addition to net external inflows, translational losses on account of depreciation of US Dollar against other international currencies contributed towards increase in external public debt during the said period.

Recent Developments in Public Debt

Total public debt provisionally stood at Rs 23,608 billion at end February 2018 while total debt of the government was Rs 21,552 billion. Gross domestic debt recorded an increase of Rs 1,093 billion during first eight months of current fiscal year while external debt increased by Rs 1,107 billion. In addition to financing of fiscal deficit, (i) increase in credit balances of the government with banking system; (ii) depreciation of Pak Rupee against US Dollar; and (iii) depreciation of US Dollar against other international currencies contributed towards the increase in debt.

EDL stock provisionally stood at US$ 91 billion at end February 2018 out of which external public debt was US$ 69.3 billion.

Disbursements against external public debt were cumulatively recorded at around US$ 7,300 million during first eight months of current fiscal year while external public debt servicing was US$ 3,338 million during the said period.

Education

A National Framework has been devised for localization of Sustainable Development Goals (SDGs) at district level to improve public social service delivery for implementation of the global agenda. Goal 4 of SDGs covers the education related framework to improve the education system. The federal government has decided to enhance working relationship with the provinces by providing all possible support to ensure successful implementation of all SDGs including those related to education.

The overall education condition is based on key performance indicators such as enrolment rates, number of institutes and teachers which have experienced minor improvement. The total number of enrolments at national level during 2016-17 stood at 48.062 million as compared to 46.223 million during 2015-16. This shows a growth of 3.97 percent and it is estimated to further rise to 50.426 million in 2017-18. The total number of institutes stood at 260.8 thousands during 2016-17 as compared to 252.8 thousands during last year and the number of institutes is estimated to increase to 267.7 thousands in 2017-18. The total numbers of teachers during 2016-17 were 1.726 million compared to 1.630 million during last year showing an increase of 5.9 percent. This number of teachers is estimated to rise further to 1.808 million in FY 2017-18.

PSLM survey was not conducted in FY 2017-18 due to Population & Housing Census 2017. Therefore, the figures for the year 2015-16 is considered for the current year.

Public Expenditure on Education as a percentage of GDP was estimated 2.2 percent in FY 2017 compared to 2.3 percent of GDP in FY 2016. The education related expenditure increased by 5.4 percent to Rs 699.2 billion in FY2017 from Rs 663.4 billion in FY2016. The provincial governments are also spending sizeable amount of their Annual Development Plans (ADPs) on education.

Prime Minister’s Youth Skill Development Programme (PMYSDP) is a nation-wide programme which circumferences the whole country including far flung areas of Balochistan, Rural Sindh, Southern Punjab, Azad Jammu & Kashmir, Gilgit-Baltistan & FATA. Under this programme, all training expenses are being borne by the Government of Pakistan and the trainees are being paid monthly stipend @ Rs 3,000 per trainee (in case of FATA Rs 4,000). The seats under the programme are distributed keeping in view the province-wise population; however, the disadvantaged areas like Balochistan, FATA, Gilgit-Baltistan and Rural Sindh have been given high share. Since the inception of the programme, 100,000 youth has been benefited from the programme, primarily for middle, lower middle class and deprived segments of society. NAVTTC has allocated a special quota of minimum 30 percent for female enrolment for skill development courses. The programme is focused to prepare skilled manpower for National Mega Projects like CPEC and other energy related projects as CPEC is expected to generate approximately 2 million jobs for skilled manpower.

The financial support to Higher Education has resulted revival of the sector led through the activities by Higher Education Commission (HEC). Under the PSDP 2017-18, the government allocated Rs 35.663 billion for 181 development projects (112 ongoing & 69 un-approved projects) for universities. During FY 2018 , twenty one (21) projects with a total cost of Rs 46.713 billion have been approved by the competent forum i.e. CDWP/ECNEC. Thus, a total number of approved projects has been increased to 133 while the remaining 48 un-approved projects are at different stages of approval.

During 2017-18 (July-December), the government has released Rs 11.628 billion (33 percent of the total budget) to ongoing development projects of Universities/HEC whereas, the 3rd quarter amounting to Rs 4.233 billion is being released.

Health and Nutrition

Under 18th Constitutional Amendment, health service delivery has been transferred to the provinces, whereas, Pakistan Vision 2025 prepared in consultation with provinces provides a road map which includes reducing the widespread prevalence of communicable diseases, disease surveillance, addressing inadequacies in primary/secondary health care facilities, correcting rural/urban biases, bridging basic nutritional gaps and improving the pharmaceutical sector to ensure the availability, affordability and quality of drugs.

Cumulative health expenditures of federal and the provinces are estimated at Rs 384.57 billion for FY 2017-18 which is 31.75 percent higher than the actual expenditures of Rs 291.90 billion realized during FY 2016-17. A brief look into previous year's performance reveals that total health expenditures increased both in terms of growth and as percentage of GDP. It grew by 29.54 percent to stand at Rs 291.90 billion during FY 2016-17 against Rs 225.87 billion in FY 2015-16. Encouragingly, health expenditures surpassed the budget allocation of Rs 273.34 billion set for FY 2016-17. While in terms of GDP, health expenditure increased to 0.91 percent during FY 2016-17 from 0.77 recorded in FY 2015-16.

During July-February, 2017-18, health expenditures consumed 43.5 percent of budget allocation to reach Rs 167.16 billion against the expenditure of Rs 121.57 billion in the comparable period of last year. In terms of growth, it increased by 37.51 percent. Viewed from GDP, it increased to 0.49 percent during July-February, FY 2017-18 from 0.38 percent recorded in the same period of FY 2016-17.

By the year 2017, the number of public sector hospitals has increased to 1211, 5508 basic health units (BHUs), 676 rural health centers (RHCs) and 5,697 dispensaries. These facilities together with 20,8007 doctors, 20,463 dentists and 103,777 nurses bring the current ratio of one doctor to 957 persons, 9,730 person per dentist and availability of one hospital bed for 1,580 person that shows that number under each establishment is increasing.

The caloric availability through major food commodities is estimated 2,500 calories/day/person with little improvement over the previous year.

Population, Labour Force and Employment

The 6th National Population and Housing Census was held after 19 years. The last census was held in 1998. The census was conducted in two phases, first 15th March to 15th April, 2017 and the second 25th April to 25th May, 2017. Its provisional results have been released which shows that total population is 207.77 million. The census data will be helpful for government, researchers and planners for critical evidence-based decision making, planning and evolving strategies for population control. The census will provide reliable data on population, its growth and other related variables such as employment, urban – rural population, male-female ratio, etc. The national population census will be helpful in resource allocations.

The provincial distribution of census shows that Punjab is the most populous province. With reference to urbanization, the population is swiftly moving towards urban centers due to better availability of better socio-economic facilities. However, the government is well aware of this issue and is taking specific steps to provide better facilities in rural areas.

The country is blessed with energetic youth and this workforce can be a productive asset of the country if properly trained through skill development programmes. The government has initiated different skill development programmes for the employment of youth. Focus on technical and vocational education will not only improve individual performance but also increase national productivity.

Transport & communication

NHA network comprises of 39 national highways, motorways, expressway, and strategic roads. Current length of this network is 12,131 km. Under Annual Maintenance Plan funded through NHA's own resources, about 665 km road network has been rehabilitated / improved all across the country. NHA's existing development portfolio consists 72 on-going projects with allocation of Rs 305,020.34

million in PSDP 2017-18, out of which Rs 86,150.00 million as FEC and Rs 218,870.337 million as local component. There are also 13 new schemes in PSDP 2017-18 with total estimated cost of Rs 14,700.00 million.

Through CPEC, Pakistan is harnessing its geo strategic location into a geo-economic advantage. It is a massive bilateral programme to improve soft as well as hard infrastructure within Pakistan for better trade with China and transform Pakistan's economy through modernization of transport and energy.

Pakistan and China are also implementing Cross- border Fiber optic project (Khunjerab-Rawalpindi). Completion of the 820km long cable is planned in August 2018.

Railway Revitalization Strategy is being implemented, which envisages improvements in business processes and the institutional framework, financial stability and service delivery. During July-Dec 2017-18, gross earnings of Pakistan Railways along with number of passenger carried, freight carried and freight tonnes earning has improved by 26.7 percent, 4.7 percent, 55.8 percent and 62.1 percent respectively, over the corresponding period of last year.

A new Strategic Business Plan 2018-22 has been developed by PIAC, which provides a five-year roadmap for improving the national carrier's performance. The plan prioritizes segregation of non-core functions from core functions, improvement in customer experience and product, route rationalization, cost reduction/ optimization, HR capability development and IT modernization. The plan is supplemented by a financial restructuring plan, which focuses on curtailing financial and operational losses.

During first half of on- going fiscal year Pakistan National Shipping Corporation earned profit before tax Rs 902 million while, KPT shows a progress of 5.1 percent with the breakup of export and import of 14.9 percent and 1.6 percent respectively, as compared to corresponding period of last year. Port Qasim handled a total volume of 21.367 million tons during the first half of fiscal year 2017-18 (July- December), showing a substantial increase of 24.5 percent over the 17.165 million tons recorded in the same period a year before**.** Gwadar Port the first deep sea port in the country is a complement to Karachi Port and Port Qasim in order to stimulate economic growth of Pakistan in general and Balochistan in particular, by utilizing the available resources of the country.

Revenues from telecom sector reached to Rs 235.5 billion during the first two quarters of FY 2017-18. Telecom operators have invested a significant amount of US$ 322.9 million during the first two quarters of FY 2017-18. During the first two quarters of the current FY2017-18, telecom sector contributed Rs 78.62 billion to the national exchequer in terms of taxes, regulatory fees, initial and annual license fees, activation tax, and other charges.

Pakistan Post earned Rs 10.8609 million during the period from April to December 2017 through commission on disbursement/recovery of First Micro Finance Bank loan. During the first six months(July-2017 to December-2017), a total of Rs 329,976 BISP Money Orders along with required funds of Rs 3.615 billion were received from BISP authorities to Pakistan Post, out of which 86 percent Money Orders amounting Rs 1.368 billion have been paid within prescribed period of time.

Energy

The government remained successful in developing energy related projects through indigenous energy resources such as coal, hydro and renewable sources. The government will continue to diversify energy supply to meet energy needs in a sustainable and affordable manner.

Since FY2014, the share of government in Fixed Investment (GFCF) has increased significantly especially in Electricity Generation and Distribution & Gas Distribution. Thirty five (39) projects with cumulative capacity of 12,230 MW have been added.

Further, due to significant improvement in the energy mix, the country's reliance on oil has been reduced. The government has also played significant role to abridge severe energy-demand imbalance by importing Liquefied Natural Gas (LNG) in the shortest span through a competitive and transparent manner.

It is mentionable that till February 2018, installed capacity of electricity reached 29,573 MW which was 22,812 MW in FY 2012-13, thus, posting a growth of 30 percent. Although electricity generation varies due to availability of inputs and other constraints, however, the generation increased from 96,496 GW/h in 2012-13 to 117,326 GW/h in FY 2016-17 posting a growth of 22 percent, while, during July-February FY 2018, electricity generation remained 69,956 GW/h.

With regards to share of inputs in electricity generation, it has been observed that share of hydro in electricity generation has decreased over the time since FY 2012-13. Low hydrology is the main reason for reduced generation from hydel power plants. During winter FY 2017-18, the indent of Mangla was also declared zero Cubic Feet per Second (CFS), a historic low from the nominal minimum of 5000 CFS for Mangla. Further, considerably decreased rainfall along with minimal snowfall during winters resulted in consequent decrease in the downstream flows of water in major rivers. The impact intensified in summer season.

The government plans to carry out competitive bidding for approximately 1200 MW wind and 600 MW solar power capacity in 2018. During the present government regime, eighteen (18) wind power projects of 937.27 MW cumulative capacity have achieved commercial operation and are supplying electricity to national grid while six (06) solar power projects of 418 MW capacity are operational. For power generation from bagasse cogeneration, six (06) sugar mills having a cumulative capacity of 201.1 MW are operational.

Oil (Petroleum Product): Annual consumption of petroleum products in the country is around 26 million tons during 2016-17. During July-February FY 2018, 60.4 million barrels of crude oil was imported while 21.8 million barrels was locally extracted. Domestically, indigenous crude oil meets only 15 percent of total requirements, while, 85 percent requirements are met through imports in the shape of crude oil and refined petroleum products.

In term of oil consumption, it stood at 16. 5 million tons during July-February FY 2018, marginally less than oil consumption during the same period last year (16.7 million tons). Since FY 2014, there is considerable change in share of components in oil consumption. The share of power in oil consumption is significantly decreasing while share of transport is increasing. One reason is that power plants are moving toward cheaper inputs, whereas, increase share of transport is mainly due to decline in domestic prices of petrol and higher imports of used cars. During July-February FY 2018, share of transport in oil consumption further increased to 64.4 percent compared to 57.2 percent during the same period last year. However, share of power decreased to 26.4 percent from 33.2 percent during the period under discussion.

Natural Gas: Pakistan has an extensive gas network of over 12,829 km Transmission, 132,065 km Distribution and 34,631 Services gas pipelines to cater the requirement of more than 8.9 million consumers across the country. The government is pursuing its policies for enhancing indigenous gas production as well as imported gas to meet the increasing demand of energy in the country. During July-February FY 2018, average natural gas consumption was about 3,837 million Cubic Feet per day (MMCFD) including 632 MMCFD volume of RLNG, compared to 3,205 million Cubic Feet per day (MMCFD) last year.

During July-February FY 2018, two Gas utility companies (SNGPL & SSGCL) have laid 328 Km Gas Transmission network, 8,861 Km Distribution and 1,216 Km Services lines and connected 231 villages/towns to gas network. During the period under discussion, the gas utility companies have invested Rs 1,351 million on Transmission Projects, Rs 10,202 million on Distribution Projects and Rs 11,198 million on other projects thus bringing total investment to Rs 22,751 million. During this period, 428,282 additional gas connections including 426,721 domestic, 1,519 commercial and 42 industrial were provided across the country.

Coal: Indigenous coal resources are fairly large (over 186 billion tons). Domestic production of coal is expected to increase in the coming years due to mining activities in Thar coalfield. Indigenous coal production is mostly consumed by brick kilns and very small quantity utilized by Khanote Power Plant and cement factories.

Imported coal is used by power plants, cement manufacturing units, Pakistan Steel and other industries etc. Import of coal has substantially increased comparative to preceding year FY (2016-17) due to commissioning of new coal based power plants at Sahiwal & Port Qasim.

The government is engaged in developing 5-year National Electricity Plan that would provide a road map for future power generation projects, pricing issues and set high standards for power consumers.

Social Safety Nets

The Government of Pakistan scrutinized pro-poor expenditure in 17 sectors through the Medium Term Expenditure Framework (MTEF) under PRSP-II. The provisional expenditures for July-December FY 2017-18 have been estimated at Rs 1,134.1 billion as compared to Rs 1,017.5 billion of the corresponding period last year.

The number of BISP beneficiaries increased from 3.73 million in FY 2012-13 to 5.6 million as on 31st December 2017. BISP's annual disbursement increased from Rs 16 billion in FY 2008-09 to Rs 121 billion in FY 2017-18. The quarterly cash grant enhanced from Rs 3000/- per family in FY 2012-13 to Rs 4834/- in FY 2016-17.

Pakistan Poverty Alleviation Fund (PPAF) is also contributing a large amount of funds throughout Pakistan to its core projects like microcredit, water and infrastructure, drought mitigation, education, health and emergency response interventions have been widely recognized. The core operating units of the PPAF delivered a range of development interventions at the grassroots/community level through a network of its Partner Organizations (POs) in 130 districts across the country. During July to December, 2017, PPAF has disbursed Rs 780 million to its Partner Organizations (POs) under PPAF core interventions administered under various PPAF operational units.

In addition to other programme such as Pakistan Bait-ul-Mal (PBM), Pakistan Poverty Alleviation Fund and Zakat playing an important role in poverty alleviation along with Employees Old Age Benefits (EOBI) which provides monetary benefits to the old age worker as well Micro Finance Initiatives is helping poor in building their income generating capacities and providing social services such as health and education, food security and access to basic necessities of life.

Climate Change

Pakistan like other countries have environmental challenges. Pakistan has experienced several adverse climate impacts over the years and adaptation to these impacts is necessary for socio-economic development. Ministry of Climate Change has taken many initiatives in the area of climate change adaptation and mitigation in accordance with National Policy. Climate change mitigation strategies are also being implemented at national level in terms of promotion of environment friendly renewable energy, and use of energy efficient appliances. According to Pakistan's Intended National Determined Contributions (INDC) the country's adaptation need is US $7 to US $14 billion per annum.

To mitigate the impact of climate change, 100 million trees have been planned around the country in five years under the Green Pakistan Programme. The Green Pakistan Programme has three major components i.e. revival of forestry resource of Pakistan, revival of wildlife resources in Pakistan and strengthening of the Zoological Survey of Pakistan.

The Climate Change Financing Framework (CCFF) launched by Ministry of Climate Change identifies different entry points for the mainstreaming of climate change into planning and budgeting processes, including in MTBF. Full implementation of the CCFF would enable the federal government to produce efficient, transparent and timely reports on budgetary allocations for climate change related projects and actual utilization of funds against the allocations.

Chapter 1

Growth and Investment

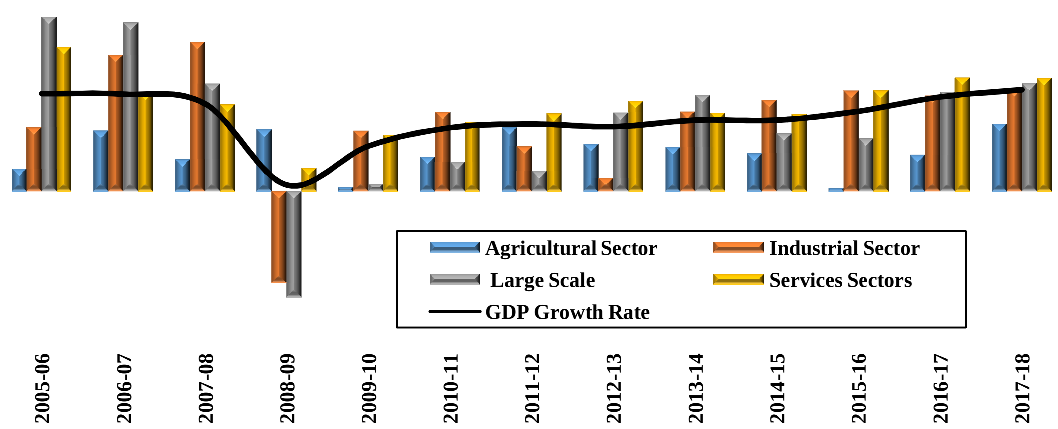
Pakistan's economy continued to maintain its growth momentum which has been building up since FY 2014. The GDP growth had reached the lowest level of 0.36 percent in FY 2009 and thereafter it remained volatile with an average of 2.82 percent between FY 2008 and FY 2013. Since FY 2014 Pakistan's economy has been witnessing an impressive turnaround with GDP growth crossing 4 percent in a challenging environment. Despite these challenges, the government remained committed to achieve higher, inclusive and sustainable growth and adopted wide ranging structural reforms in all sectors of the economy. Consequently, the growth momentum started picking up and the economy started expanding with broad based growth across different sectors. During first three years of the present government, real GDP growth remained above 4 percent while for last two consecutive years, it remained above 5 percent.

The government has focused on a number of initiatives to enhance productivity in all sectors of the economy. For agriculture, efforts were made to provide better supply of quality seeds including hybrid and high yielding varieties along with timely availability of agriculture inputs including fertilizer, pesticides. Further, there was a 197.6 percent growth in credit to agriculture sector, which reached Rs 1,001 billion (budget estimate) in FY 2018, compared to Rs 336.3 billion in FY 2013 along with, relief of Rs 341 billion provided to the farmers under Prime Minister's Kissan Package. All these measures helped in achieving 13 years high growth of 3.8 percent in agricultural sector during 2017-18.

The government had also shown commitment to industrial sector including manufacturing by providing undisrupted energy supply, higher infrastructure spending, ample liquidity in the banking sector and investment friendly low interest rates. Efforts were made to develop vibrant and competitive markets in order to accelerate and sustain economic growth through productivity, competitiveness, innovation and entrepreneurship. These were some of factors that fuelled for accelerating growth of large scale manufacturing (LSM) in particular and industry in general. During FY 2018, Large Scale Manufacturing (LSM) recorded an impressive growth of 6.13 percent which is the highest in eleven years. On the back of it, overall industrial sector growth improved by 5.8 percent which is highest in ten years.

Over the last four decades, the composition of Pakistan's GDP has undergone considerable change as the share of services sector in GDP has increased. The government remained committed in providing business friendly environment in order to attract foreign investment in the country, China-Pakistan Economic Corridor (CPEC) is a milestone in this regard. In 2017-18, services sector maintained the growth momentum by recording a growth of 6.43 percent. (Fig-1).

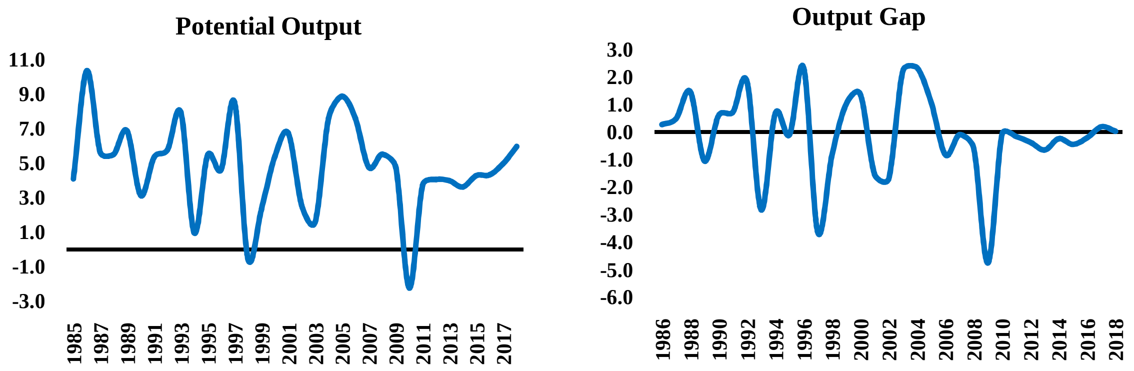
Fig-1.1: Performance of Economy since 2005-06



Source: Pakistan Bureau of Statistics

There was strong domestic demand due to contained inflation and supply remained adequate due to existing production capacities of the economy. As shown in Box-I, since FY 2014, Potential Output is continuously rising which also implies that output gap (percentage deviation of actual GDP with respect to potential output) is shrinking. On the basis of both indicators (Potential Output and Output Gap), it can be seen that that overall productive capacity of country is improving and it is moving towards stabilization (Fig-1.2).

Fig - 1.2:- Potential Output and Output Gap



Source: MTBF and EA Wing's working

Box-I Potential Output and Output Gap

Potential output (PO) is the maximum GDP that can be produced at normal rate of utilization of all the resources within the country's existent production capacities of the economy. Whereas, output gap (OG) by definition is the difference between the actual GDP or actual output and the potential output. More precisely, the percentage deviation of the observed output from its potential output path of the economy refers to output gap.

OG is primarily the cyclical indicator used to represent the stabilization of the economy. OG may be positive or negative. A positive OG shows that actual GDP is higher than the potential output, implying demand is greater than supply by using resources beyond its potential, and hence would be a leading indicator of inflation. A negative OG shows underutilization of the existing resources, resulting into lower actual GDP than potential output level of the economy.

PO reflects the supply side of the economy and is an essential concept in terms of government fiscal operations because it allows to calculate the structural fiscal balance (after removing cyclical influences). On the other hand, OG is an important indicator for monetary policy, which has also some amplifying effects on the economy in case of greater demand resulting into high inflation or may yield into disinflationary pressures over the economy in case of excess supply by underutilization of the spare resources.

The PO of the economy depends on a number of factors with the supply side conditions, being at the foremost primarily in terms of key inputs labor, capital and total factor productivity. Forecasting the supply side through the concept of PO, we need the path of total gross fixed capital formation (TGFCF) which itself is the overall sum of; (i) Public gross fixed capital formation; (ii)Private gross fixed capital formation; (iii) State-owned enterprises' gross fixed capital formation; and (iv) CPEC induced gross fixed capital formation.

The basic equation for calculating/forecasting PO (potential GDP) is given below in the most simplified form after translating it from its econometric version:

$$\mathbf{GDP_t = 0.0031 * trend_{t-1} * Total\ GFCF_{t-1} + 1.6056 * GDP_{t-1} - 0.6056 * GDP_{t-2}}$$

Where GFCG is Gross Fixed Capital Formation and GDP is Gross Value Addition

So it is evident from the above equation that the long run positive relationship between PO and TGFCF does exist with its trend value of 0.31 percent. It implies that every rupee increase in the TGFCF has added 0.140 Rupee to PO in previous fiscal year 2016-17 and 0.143 Rupee to PO in current fiscal year.

Since 2014-15 the growth rate of potential output is on the rising trend after a long term high volatility pattern and uncertain movements observed in the past. The positive rising trend of PO growth rate shows the overall growth capacity of country in the long-term perspective.

During the past five years, the economy continued to benefit from growth oriented initiatives, including higher development spending, low inflation, vigilant monetary policy, and CPEC related investment providing impetus for economic recovery. On the external side, export growth is improving and the extension of the GSP plus status for next two years by the EU is a positive development. Exports growth during nine months of current year maintained positive trend. Similarly worker's remittances not only stabilized but also recorded a positive growth. Likewise, FDI continued to show encouraging growth.

Global developments had positive spill over effects on the economy. The outgoing year witnessed a global recovery and the future outlook remains optimistic. However, in this era, economies have become more interrelated, thus failure of one presents greater risks to all. Therefore, the adverse effect can be mitigated only through timely comprehensive adjustable policies. To keep the economy on growth trajectory, supportive policies including better governance, rule of law, higher productivity through investment in human capital, reducing cost of doing business and accelerating domestic savings are required to mitigate against adverse effects of external and domestic vulnerabilities, which may rise due to unfavorable international environment.

Sectoral Growth Analysis:-

The key feature of 2017-18 is the high and broad based growth in agriculture, industrial and services sectors. Agriculture grew by 3.81 percent compared to 2.07 percent last year while industrial sector showed growth of 5.80 percent compared to 5.43 percent of last year and services sector almost remained at par 6.43 percent compared to 6.46 percent last year. Commodities producing sector, comprising agriculture and industrial sector contributed a growth of 4.84 percent compared to 3.79 percent recorded last year. The table presented below gives the detail breakup of growth of real GDP.

Table 1.1: Growth Rates (%)

Sector	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P
A. Agriculture	2.68	2.50	2.13	0.15	2.07	3.81
1. Crops	1.53	2.64	0.16	-5.27	0.91	3.83
Important Crops	0.17	7.22	-1.62	-5.86	2.18	3.57
Other Crops	5.58	-5.71	2.51	0.40	-2.66	3.33
Cotton Ginning	-2.90	-1.33	7.24	-22.12	5.58	8.72
2. Livestock	3.45	2.48	3.99	3.36	2.99	3.76
3. Forestry	6.58	1.88	-12.45	14.31	-2.37	7.17
4. Fishing	0.65	0.98	5.75	3.25	1.23	1.63
B. INDUSTRIAL SECTOR	0.75	4.53	5.18	5.69	5.43	5.80
1. Mining & Quarrying	3.88	1.40	4.97	6.19	-0.38	3.04
2. Manufacturing	4.85	5.65	3.88	3.69	5.82	6.24
Large Scale	4.46	5.46	3.28	2.98	5.62	6.13
Small Scale	8.28	8.29	8.21	8.19	8.15	8.18
Slaughtering	3.63	3.38	3.34	3.61	3.55	3.52
3. Electricity Generation & Distribution & Gas Distribution	-26.38	-0.74	13.48	9.39	5.82	1.84
4. Construction	1.08	5.96	7.26	13.68	9.84	9.13
COMMODITY PRODUCING SECTOR (A+B)	1.73	3.49	3.63	2.92	3.79	4.84
C. SERVICES SECTOR	5.13	4.46	4.36	5.72	6.46	6.43
1. Wholesale & Retail Trade	3.53	4.77	2.60	4.73	7.46	7.51
2. Transport, Storage & Communication	4.03	3.90	5.07	4.89	4.44	3.58
3. Finance & Insurance	8.32	4.31	6.35	6.42	10.78	6.13
4. Housing Services (Ownership of Dwellings)	4.00	4.00	3.99	3.99	3.99	4.00
5. General Government Services	11.32	2.86	4.82	9.72	5.95	11.42
6. Other Private Services	5.26	6.22	6.06	6.77	7.98	6.15
GDP {Total of GVA at bp (A + B + C)}	3.68	4.05	4.06	4.56	5.37	5.79
P: Provisional						

Source: Pakistan Bureau of Statistics

Agriculture Sector

Growth in agriculture was recorded at 3.81 percent during FY 2018. Crops witnessed stellar growth of 3.83 percent on account of remarkable growth of important crops which grew by 3.57 percent compared to 2.18 percent last year. Under important crops, growth in rice, sugarcane, cotton production remained phenomenal compared to last year and some crops even crossed their estimated targets. Production of sugarcane increased by 7.4 percent to 81.1 million tons over last year, which was 75.5 million tons and when compared with the target (68.5 million tons) it is 18.4 percent higher. Likewise, rice production increased by 8.6 percent to 7.4 million tons as compared to 6.8 million tons last year and an increase of 9.1 percent against the target. Cotton production also showed remarkable growth of 12.3 percent to 11.9 million bales (170 kg) over last year, which was 10.67 million bales.

Whereas a small decline in the production of wheat and maize has been observed. Production of wheat declined by 4.4 percent to 25.5 million tons compared to 26.6 million tons last year and maize by 7.1 percent to 5.7 million tons compared to 6.1 million tons last year. Other crops showed a growth of 3.3 percent compared to decline of 2.66 percent of last year. This improvement is due to increase in production of fodder vegetables and fruits. Cotton ginning registered a remarkable growth of 8.72 percent compared to 5.58 percent on account of increase in cotton production, while livestock maintained its growth above 3.7 percent, compared to 2.99 percent of last year. Growth of forestry is 7.17 percent due to high timber production reported by KPK, whereas fishing registered a growth of 1.6 percent compared to 1.23 percent last year.

Industrial Sector

Growth of industrial sector registered an increase of 5.80 percent provisionally on the back of growth of mining and quarrying of 3.04 percent compared to negative growth of 0.38 percent last year. The Production of coal and lime stone increased by 5.7 percent and 13.4 percent and bauxites 37.2 percent respectively.

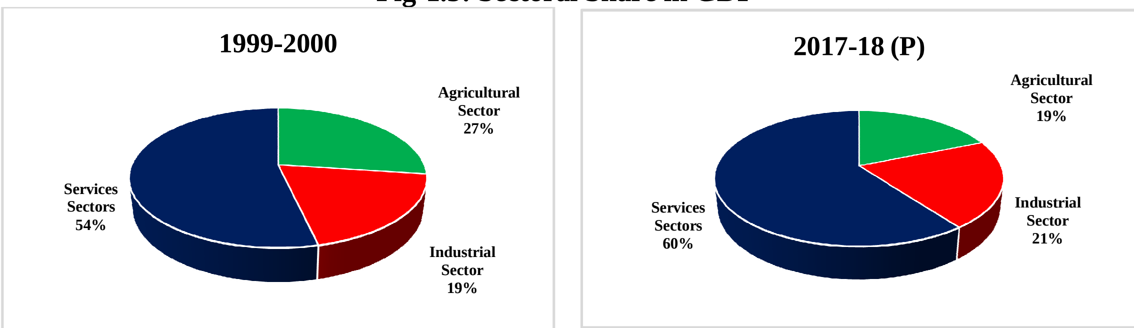
Manufacturing grew by 6.24 percent compared to 5.82 percent last year. In manufacturing, LSM registered a growth of 6.13 percent compared to 5.62 percent last year. The major contributor to this growth are petroleum products which increased by 10.26 percent, cement 11.05 percent, automobile 19.5 percent, iron and steel products 13.85 percent and electronics 38.79 percent while SME maintained the growth of last year of above 8 percent and slaughtering also maintained the growth of last year, i.e., 3.52 percent.

Electricity generation and gas distribution witnessed a low growth of 1.84 percent compared to the higher growth of 5.8 percent last year whereas the construction activities increased by 9.13 percent.

Services Sector

For quite some time, the composition of Pakistan's GDP has undergone considerable change not only in terms of share in GDP but also in terms of its performance compared to commodity producing sector. This trend continued in FY 2018 as well. The commodity sector recorded a growth of 4.84 percent while growth in services sector remained at 6.43 percent. Thus, the share of the services sector in GDP reached 60.23 percent in FY 2018.

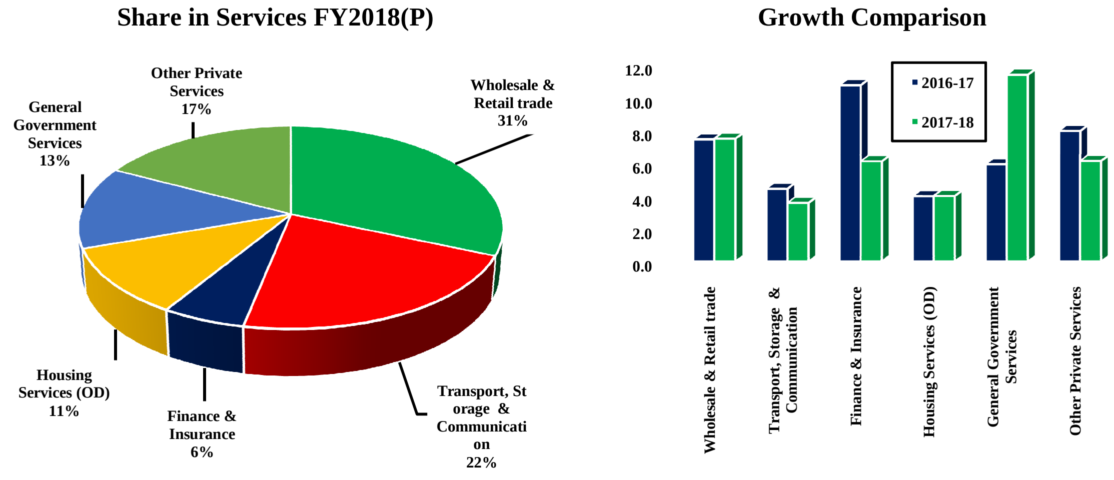
Fig-1.3: Sectoral Share in GDP



Source: Pakistan Bureau of Statistics

Services sector has witnessed a growth of above 6 percent for last two consecutive years. The reason is that in Pakistan, services sector has still great potential to grow and the government is making best efforts to provide enabling environment to economic agents to tap its potential. Therefore, the performance of services sector remained broad based, as all components of services positively contributed.

Fig-1.4: Composition and Performance of Sub-Sectors in Services Sector



Source: Pakistan Bureau of Statistics

Wholesale and retail trade is the largest subsector of services. Wholesale and retail trade is based on the margins taken by traders on the transactions of commodities traded so it is highly dependent on the performance of commodity sector. This sub-sector maintained the growth of 7.5 percent as it did last year, which is highest since FY 2007. Contained inflation, improved energy situation and GSP Plus status are contributing in the uplift of this sub-sector. Transport, Storage and Communication (TS&C) component of services sector is based primarily on the profits and losses of Pakistan Railways, Pakistan International Airlines and other airlines, Pakistan Post and courier services, Pak Telecom and motors vehicles of different kinds on the road. The government remained engaged in developing and modernizing the sector through high public expenditure on transportation projects. The performance of Pakistan Railways has been improved through a number of initiatives taken by the government. However, during FY 2018 there were a 73 percent decline in gross fixed capital formation (GFCF) by General Government in railways due to which gross fixed capital formation (GFCF) in Transport & Communication sector declined by 13.1 percent, while private sector gross fixed capital formation (GFCF) in Transport & Communication sub-sector increased by 0.4 percent in 2017-18 to Rs 472.1 billion from Rs 470.0 billion in 2016-17. Thus, during FY 2018, the growth in Transport, Storage and Communication remained at 3.58 percent compared to 4.44 percent last year. Likewise, Finance and Insurance recorded a growth of 6.13 percent during FY 2018 compared to 10.77 percent last year, mainly due to decline in gross fixed capital formation by General Government and private sector. Housing Services recorded the same pace of growth of 4.0 percent as it performed last year. General Government Services recorded a growth 11.42 percent during FY 2018 compared to 5.95 percent last year. Finally, during FY 2018, Other Private Services recorded a growth 6.15 percent compared to 7.98 percent last year on account of social work by various non-government organizations and other stakeholders including private sector.

During FY 2018, GDP growth of 5.79 percent is shared between the services and commodity producing (agriculture and industry) sectors of the economy. Both components (agriculture & industry) of commodity producing sectors have shown improvement in contributing in overall economic growth. Out of the commodity producing sector, agriculture sector shared 0.73 percentage points to overall GDP growth as compared to 0.41 percentage points last year, while industrial sector contributed 1.21 percentage points in FY 2018 as compared to 1.14 percentage points of last year. During FY 2018, services sector contributed 3.85 percent points compared to 3.83 percentage points last year. (Table 1.2)

Table 1.2: Sectoral Contribution to the GDP growth (% Points)

Sector	2012-13	2013-14	2014-15	2015-16	2016-17 R	2017-18 P
Agriculture	**0.58**	**0.53**	**0.45**	**0.03**	**0.41**	**0.73**
Industry	**0.16**	**0.92**	**1.06**	**1.18**	**1.14**	**1.21**
- Manufacturing	0.64	0.76	0.53	0.5	0.78	0.84
Services	**2.95**	**2.6**	**2.55**	**3.35**	**3.83**	**3.85**
Real GDP (Fc)	**3.65**	**4.05**	**4.06**	**4.56**	**5.37**	**5.79**

Source: Pakistan Bureau of Statistics

Contribution to Real GDP Growth

(Aggregate Demand Analysis)

When analysed from demand side perspective consumption is the largest followed by investment and net exports are the major components of aggregate demand. Historically, Pakistani society behavior is like a consumption oriented society similar to other developing countries. Thus, it is expected that with increased income, the economic agents would decide to consume more. During FY 2018, households' average propensity to consume remained fairly constant at around 85.5% at constant prices and at around 82% in current prices. This means that the growth rate of private consumption was about the same as the growth rate of GDP both in constant and in current prices. Further, low interest rates encouraged more consumption as people are tempted to purchase durables during periods when relatively cheap money is available. In General Government final consumption expenditure, there was 18.3 percent increase during FY 2018 compared to consumption expenditure last year.

Table-1.3: Composition of Aggregate Demand

	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P
As percent of GDP (mp)					
Private Consumption	81.0	79.8	80.0	82.0	82.1
Public Consumption	10.8	11.0	11.3	11.3	12.4
Total Consumption [C]	**91.8**	**90.7**	**91.3**	**93.2**	**94.5**
Gross Fixed Investment	13.0	14.1	14.1	14.5	14.8
Private Investment	9.9	10.4	10.3	10.0	9.8
Public Investment	3.2	3.7	3.8	4.5	5.0
Changes in Stock	1.6	1.6	1.6	1.6	1.6
Total Investment [I]	**14.6**	**15.7**	**15.7**	**16.1**	**16.4**
Exports (Goods & Services) [X]	12.2	10.6	9.1	8.2	8.5
Imports (Goods & Services) [M]	18.7	17.1	16.2	17.6	19.4
Net Exports [X-M]	**-6.4**	**-6.4**	**-7.0**	**-9.3**	**-10.9**
Aggregate Demand [C + I + X]	**118.7**	**117.1**	**116.2**	**117.6**	**119.4**
Domestic Demand [C + I]	**106.4**	**106.4**	**107.0**	**109.3**	**110.9**

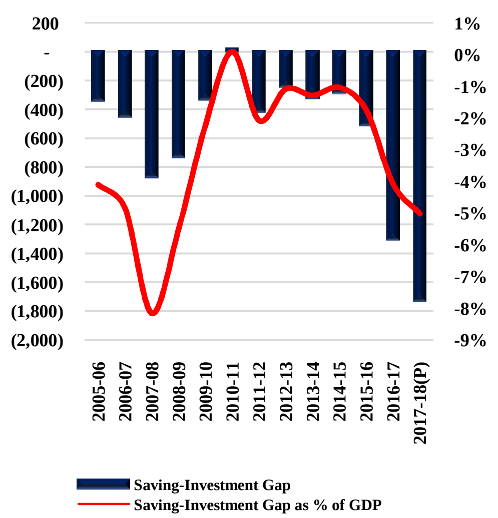
Source: Pakistan Bureau of Statistics

Saving and Investment

Due to contained inflation there was increase in consumption both by private agents and General Government. For July-March FY 2018, current account deficit remained US $ 12.0 billion and it is expected that for complete year, it will be approximately US $ 15.7 billion i.e., 5.0 percent of GDP. Thus for FY 2018, national saving and domestic saving as percentage of GDP remained almost at similar level of last year. This implies that national income remained less than expenditures during FY 2018 when compared with FY 2017 which resulted in increase in Saving-Investment gap.

Fig-1.5: Saving-Investment Gap

	Investment	National Saving	Domestic Saving	Foreign Saving	Saving-Investment Gap
2005-06	1,588	1,252	1,102	337	(337)
2006-07	1,736	1,290	1,132	446	(446)
2007-08	2,043	1,175	966	868	(868)
2008-09	2,316	1,590	1,243	727	(727)
2009-10	2,350	2,019	1,453	331	(331)
2010-11	2,581	2,599	1,779	-18	18
2011-12	3,022	2,607	1,571	416	(416)
2012-13	3,348	3,107	1,945	241	(241)
2013-14	3,684	3,362	1,933	322	(322)
2014-15	4,310	4,027	2,353	283	(283)
2015-16	4,561	4,054	2,271	507	(507)
2016-17	5,144	3,842	2,097	1,302	(1,302)
2017-18(P)	5,649	3,916	2,099	1,733	(1,733)



Source: EA Wing and Ministry of Planning, Development and Reform

Increase in Saving-Investment gap in turn resulted in higher current-account deficit. During FY 2018, current account deficit remained higher than FY 2017 which resulted in increased borrowing from the external sources.

During FY 2018 Gross Fixed Capital Formation (GFCF), considered as fixed investment, stood at Rs 5,099.1 billion compared to Rs 4,632.8 billion last year posting a growth of 10.1 percent. Private sector Gross Fixed Capital Formation (GFCF) posted a growth 5.2 percent as it increased to Rs 3,371.2 billion compared to 3,205.5 billion last year while the public sector GFCF increased to Rs 373.3 billion compared to 339.5 billion last year showing a growth of 9.9 percent.

Estimates of GFCF in the General Government sector are based on budgetary data of federal, provincial and districts governments. Estimates for the year FY 2018 are placed at Rs 1,354.6 billion against Rs 1,087.7 billion in last year, which are higher by 24.5 percent. The expenditure on GFCF incurred by federal, provincial and district governments has increased by 23.9 percent, 22.1 percent and 45.7 percent, respectively.

At current prices, in public sector, major positive contribution in GFCF remained in agriculture (257 percent) which increased from Rs 122 million to Rs 435 million followed by electricity & gas (70.9 percent) which increased from Rs 138.5 to 236.7 billion. While others in transport & communication (71.2 percent) (Pakistan National Shipping Corporation increased from Rs 0.6 billion to Rs 5.5 billion, Port Qasim Authority increased from Rs 0.5 billion to Rs 9.2 billion, PARCO increased from Rs 0.07 billon to Rs 12.8 billion). Some industries in public sector have witnessed negative growth including mining & quarrying (57.1 percent), which decreased from Rs 64.2 billion to Rs 27.6 billion due to OGDC (Plant & Machinery declined from Rs 48.4 billion to 12.7 billion), LSM (39.1 percent) due to National Refinery Limited (Rs 28.1 billion vs 0.37 billion). Railways in transport & communication declined by 72.9 percent (Rs 39.4 billion to Rs 10.7 billion) and finance & insurance decline by 35.1 percent due to EOBI (Rs 9.8 billion to 4.9 billion).

In private sector, at current prices, the estimates of GFCF in agriculture sector stands at Rs 1000.2 billion during FY 2018 against Rs 928.9 billion last year showing a growth of 7.7 percent mainly due to increase in domestic agriculture machinery (from Rs 39.7 billion to Rs 57.0 billion) and value of stock in the livestock (from Rs 730.5 billion to 776.0 billion). Estimates of GFCF in mining and quarrying sector during FY 2018 are estimated at Rs 50.1 billion against Rs 49.8 billion last year registering a nominal growth of 0.6 percent due to less expenditure in exploration costs.

Estimate of private sector GFCFin wholesale & retail trade sub-sector has grown by 10.4 percent during 2017-18. The private sector GFCF in Transport & Communication sector has increased by 0.4 percent in FY 2018 to Rs 472.1 billion from Rs 470.0 billion last year. Mobile phone companies have reported provisional GFCF conservatively. Moreover, remaining sub-sectors such as housing services and other private services have registered GFCF growth of 8.3 percent and 10.9 percent during 2017-18 respectively.

In the large scale manufacturing (LSM) sector, GFCF in private sector is composed of in-production and under-construction units. Estimates of in-production units have been derived on the basis of census/survey of listed and non-listed companies. Estimates of GFCF in respect of under-construction manufacturing units are based on financial assistance of industrial investment disbursed by the Developmental Financial Institutions (DFIs), special banks, scheduled banks, modarbas& leasing companies based data from all sources. GFCF for private large scale manufacturing sector for the year FY 2018 is estimated at Rs 481.9 billion against Rs 479.5 billion during last year showing a modest increase of 0.5 percent. Conservative reporting of provisional capital formation by private companies is the main reason behind this slow rate of increase. Expenditures on GFCF for Electricity Generation & Distribution and Gas Distribution sector stands at Rs 6.3 billion during FY 2018 against Rs 9.2 billion last year registering a decline of 31.2 percent mainly because of lower expenditure reported by IPPs. GFCF in construction sector for the year FY 2018 is estimated as Rs 69.4 billion against Rs 82.9 billion last year, which is 16.2 percent lower. This is due to lower imported construction machinery which declined from Rs 50.4 billion last year to Rs 42.6 billion current year. GFCF in finance & insurance industry also decreased by 0.4 percent during 2017-18 because of conserve reporting by commercial banks and insurance companies.

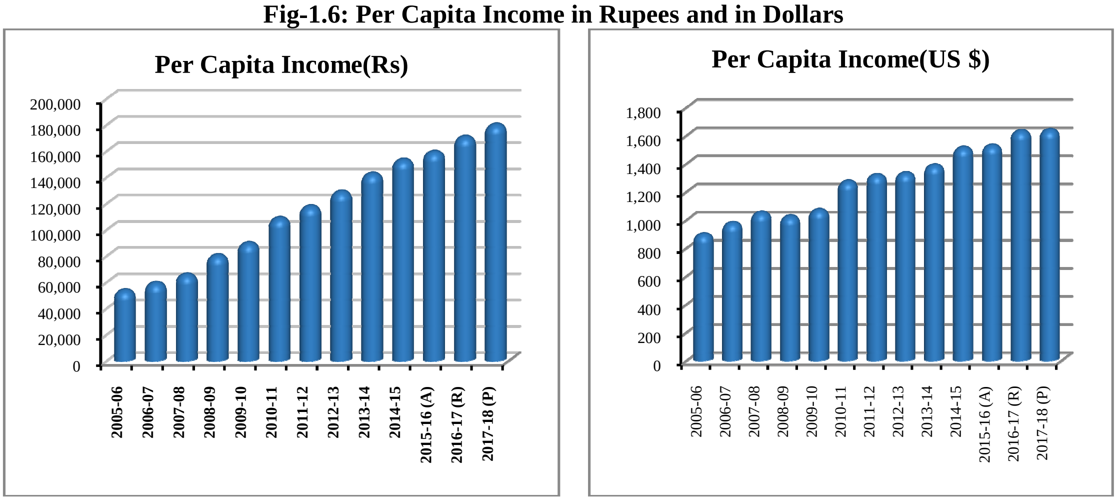
Per Capita Income

Per capita income is one of the most widely used measures of the general well-being in an economy. It is computed by dividing Gross National Income (GNI) by population while GNI is obtained by adding Net Factor Income from Abroad in GDP at market price.

Net factor income from abroad increased by 4.17 percent in FY 2018 compared to FY 2017. This is taken as investment net of income receipts Royalties/ Trade-mark and worker's remittances. There is 44.8 percent growth in receipts of Royalties/ Trade-mark during FY 2018 compared to FY 2017.

During FY2018, per capita income increased by 0.5 percent to $1,641. As per PBS, per capita income during 2016-17 is Rs 162,230 ($1,641) based on provisional figures of Population Census 2017 held in March 2017, i.e., 207,774,520. The revised series of per capita income will be compiled after finalization of 6th Housing & Population Census results.

Fig-1.6: Per Capita Income in Rupees and in Dollars



Source: Pakistan Bureau of Statistics

Global Development

Global economic activity continued to strengthen since 2016 and global output is estimated to have grown by 3.8 percent in 2017. This broad based momentum is driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global output is projected to further increase by 3.9 percent for 2018 and 2019 that is supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve.

Across advanced economies, the pickup in growth in 2017 is explained almost entirely by investment spending, which remained weak since the 2008–09 global financial crisis and was particularly subdued in 2016.

Across emerging markets and developing economies, pickup in growth during 2017 came primarily from an acceleration in private consumption. Growth in China and India last year was supported by resurgent net exports and strong private consumption, respectively, while investment growth slowed down.

Advanced economies are projected to grow at 2.5 percent in 2018 and 2.2 percent in 2019. Growth projection in advanced economies reflecting stronger prospects for the euro-zone area and Japan and especially the projected domestic and spill over effects of expansionary fiscal policy in the United States. In the United States, growth is expected to rise from 2.3 percent in 2017 to 2.9 percent in 2018, before moderating slightly to 2.7 percent in 2019. The upward revision reflects stronger-than-expected activity in 2017, firmer external demand, and the expected macroeconomic impact of the December 2017 tax reform. Fiscal policy changes are projected to add to growth through 2020, so that US real GDP is 1.2 percent higher by 2020 than in a projection without the tax policy changes.

The growth trend of the euro-zone area and Japan-important contributors to the long-awaited strengthening of economic activity in advanced economies—are expected to continue during 2018–19. The recovery in the euro-zone area is projected to pick up slightly from 2.3 percent in 2017 to 2.4 percent this year, before moderating to 2 percent in 2019. The forecasting is reflecting stronger-than-expected domestic demand across the currency area, supportive monetary policy, and improved external demand prospects.

Japan's growth is projected to moderate to 1.2 percent in 2018 before slowing further to 0.9 percent in 2019. The growth projection reflects more favorable external demand prospects, rising private investment, and the supplementary budget for 2018. Japan's medium-term prospects, however, remain weak, owing largely to a shrinking labor force.

Growth in emerging markets and developing economies is expected to increase further—from 4.8 percent in 2017 to 4.9 percent in 2018 and 5.1 percent in 2019. Although the high growth rate reflects primarily continued strong economic performance in emerging Asia, the projected pickup in growth reflects improved prospects for commodity exporters after three years of very weak economic activity.

Emerging Asia, which is forecast to continue growing at about 6.5 percent during 2018–19, remains the most important engine of global growth. In China, growth is projected to soften slightly from 6.9 percent in 2017 to 6.6 percent in 2018 and 6.4 percent in 2019. The forecast is reflecting an improved external demand outlook. Over the medium term, the economy is projected to continue rebalancing away from investment toward private consumption and from industry to services, but non-financial debt is expected to continue rising as a share of GDP, and the accumulation of vulnerabilities clouds the medium-term outlook.

Growth in emerging and developing Europe, now estimated at close to 6 percent in 2017, is projected to moderate to 4.3 percent in 2018 and 3.7 percent in 2019, supported by a favorable external environment with easy financial conditions and stronger export demand from the euro-zone area and, for Turkey, an accommodative policy stance.

Growth in the Middle East, North Africa, Afghanistan, and Pakistan region is also expected to pick up in 2018 and 2019, but will remain subdued at about 3.5 percent. While stronger oil prices are helping recovery in domestic demand in oil exporters, including Saudi Arabia, the fiscal adjustment that is still needed is projected to weigh considerably on growth prospects.

According to World Bank report "South Asia Economic Focus Spring 2018", the world economy continued its recovery and global growth increased to 3.3 percent in the last two quarters of 2017. Growth in the United States accelerated to 2.3 percent in the third quarter of last year and further to 2.6 percent in the fourth quarter. In the Eurozone, growth accelerated to 2.8 percent while developing countries grew slightly slowly last year than in 2016, but their growth picked up to 6.6 percent in the last quarter of 2017. However, South Asia is again the fastest growing region in the world, albeit not by a wide margin. The growth rate in India picked up in the second half of 2017 after five consecutive quarters of deceleration. Despite an acceleration of economic growth in destination markets, export performance remains disappointing throughout the region, while imports increased rapidly. Although remittances were recovering, however, current account deficits continued to widen. The widening of current account deficit resulted in currency depreciation. Thus, not only Pakistani rupee but also Indian rupee depreciated. However, it is expected that this depreciation of currency will support improvement in external balance.

Table-:Real GDP Growth Rates (%)

Country Group Name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
World	4.3	3.5	3.5	3.6	3.5	3.2	3.8	3.9	3.9	3.8
Euro area	1.6	-0.9	-0.2	1.3	2.1	1.8	2.3	2.4	2.0	1.7
United States	1.6	2.2	1.7	2.6	2.9	1.5	2.3	2.9	2.7	1.9
Canada	3.1	1.7	2.5	2.9	1.0	1.4	3.0	2.1	2.0	1.8
United Kingdom	1.5	1.5	2.1	3.1	2.3	1.9	1.8	1.6	1.5	1.5
Germany	3.7	0.7	0.6	1.9	1.5	1.9	2.5	2.5	2.0	1.5
Emerging Market and Developing Economies	6.4	5.4	5.1	4.7	4.3	4.4	4.8	4.9	5.1	5.1
China	9.5	7.9	7.8	7.3	6.9	6.7	6.9	6.6	6.4	6.3
Hong Kong SAR	4.8	1.7	3.1	2.8	2.4	2.1	3.8	3.6	3.2	3.1
Singapore	6.4	4.1	5.1	3.9	2.2	2.4	3.6	2.9	2.7	2.6
Turkey	11.1	4.8	8.5	5.2	6.1	3.2	7.0	4.4	4.0	3.6
Russia	5.1	3.7	1.8	0.7	-2.5	-0.2	1.5	1.7	1.5	1.5
Japan	-0.1	1.5	2.0	0.4	1.4	0.9	1.7	1.2	0.9	0.3
Korea	3.7	2.3	2.9	3.3	2.8	2.8	3.1	3.0	2.9	2.8
ASEAN										
Indonesia	6.2	6.0	5.6	5.0	4.9	5.0	5.1	5.3	5.5	5.6
Thailand	0.8	7.2	2.7	1.0	3.0	3.3	3.9	3.9	3.8	3.6
Malaysia	5.3	5.5	4.7	6.0	5.0	4.2	5.9	5.3	5.0	4.9
Philippines	3.7	6.7	7.1	6.1	6.1	6.9	6.7	6.7	6.8	6.9
South Asia										
India	6.6	5.5	6.4	7.4	8.2	7.1	6.7	7.4	7.8	7.9
Bangladesh	6.5	6.3	6.0	6.3	6.8	7.2	7.1	7	7	7.0
Sri Lanka	8.4	9.1	3.4	5.0	5.0	4.5	3.1	4.0	4.5	4.7
Pakistan*	3.6	3.8	3.7	4.1	4.1	4.5	5.3	5.6	4.7	4.9
Middle East										
Saudi Arabia	10.3	5.4	2.7	3.7	4.1	1.7	-0.7	1.7	1.9	1.9
Kuwait	10.9	7.9	0.4	0.6	-1.0	2.2	-2.5	1.3	3.8	3.9
Islamic Republic of Iran	3.1	-7.7	-0.3	3.2	-1.6	12.5	4.3	4.0	4.0	4.1
Qatar	13.4	4.7	4.4	4.0	3.6	2.2	2.1	2.6	2.7	2.6
United Arab Emirates	6.4	5.1	5.8	3.3	3.8	3.0	0.5	2.0	3.0	3.2
Egypt	1.8	2.2	3.3	2.9	4.4	4.3	4.2	5.2	5.5	5.8
Africa										
Algeria	2.8	3.4	2.8	3.8	3.7	3.3	2.0	3.0	2.7	1.8
Morocco	5.2	3.0	4.5	2.7	4.6	1.2	4.2	3.1	4.0	4.2
Vietnam	6.2	5.2	5.4	6.0	6.7	6.2	6.8	6.6	6.5	6.5
South Africa	3.3	2.2	2.5	1.8	1.3	0.6	1.3	1.5	1.7	1.8
Kenya	6.1	4.6	5.9	5.4	5.7	5.8	4.8	5.5	6.0	6.2
Tunisia	-1.9	3.9	2.4	2.3	1.1	1	1.9	2.4	2.9	3.4

***As per National Accounts Meeting, GDP growth rate in Pakistan remained 4.6 %, 5.4% and 5.8 % for 2015-16, 2016-17 and 2017-18 respectively**

International Monetary Fund, World Economic Outlook Database, April 2018

In South Asian countries, economic activity in Pakistan is expected to remain robust as GDP growth is now at higher trajectory. It is also expected that economic activity will be supported by a pickup in exports and rising investment demand, which is expected to benefit from an improved business sentiment, China-Pakistan Economic Corridor (CPEC) and other infrastructure initiatives. However, a rising current account deficit coupled with a higher fiscal account deficit remain our major challenges. Thus a vigilant policy is needed domestically and internationally to cope with changing international environment.

Conclusion

The economy is presently on a high growth trajectory. With the right economic and fiscal policies by the present government during the last five years, the economy has been placed on strong foundations. All the fundamentals are in the positive territory.

Chapter 2

Agriculture

Pakistan's agriculture sector plays a central role in the economy as it contributes 18.9 percent to GDP and absorbs 42.3 percent of labour force. It is also an important source of foreign exchange earnings and stimulates growth in other sectors. The government is focusing on supporting small and marginalized farmers and promote small scale innovative technologies to promote growth in this sector. According to the 6th Population and Housing Census of Pakistan 2017, the country's population is growing at the rate of 2.4 percent per annum. This rapid increase in population is raising demand for agricultural products. The present government is focused on developing this sector and in this connection initiated a number of measures such as crop diversification, efficient use of water and promotion of high value crops including biotechnology, reducing mark-up rates, agriculture credit enhancement, subsidized fertilizer prices and cheap electricity for agri-tube wells. As a result, this sector's performance increased manifold after witnessing a moderate and subdued growth in last 13 years.

Performance during 2017-18

During 2017-18, agriculture sector recorded a remarkable growth of 3.81 percent and surpassed its targeted growth of 3.5 percent and last year's growth of 2.07 percent. This stemmed from higher yields, attractive output prices and supportive government policies, better availability of certified seeds, pesticides, agriculture credit and intensive fertilizers offtake. The crops sector performed well and witnessed a growth rate of 3.83 percent against the last year's growth of 0.91 percent. The growth in sub sectors, important crops, other crops and cotton ginning registered a significant growth of 3.57 percent, 3.33 percent and 8.72 percent, respectively, against last year's growth of 2.18 percent, -2.66 percent and 5.58 percent respectively. Major Kharif crops such as sugarcane and rice surpassed their production targets during 2017-18 by recording growth of 7.45 percent and 8.65 percent, respectively, while cotton crop production managed to exceed last year's production level by recording growth of 11.85 percent. Wheat and maize crop production remained subdued, as it witnessed decline of 4.43 percent and 7.04 percent, respectively. Other crops having share of 10.80 percent in agriculture value addition and 2.04 percent in GDP, grew by 3.33 percent on the back of increase in the production of fodder, vegetables and fruits.

Livestock having share of 58.92 percent in agriculture and 11.11 percent in GDP, recorded a growth of 3.76 percent compared to 2.99 percent during corresponding period last year. The Fishing sector having share of 2.10 percent in agriculture value addition and 0.40 percent in GDP, grew at 1.63 percent compared to growth of 1.23 percent in same period last year. Forestry sector having share of 2.09 percent in agriculture and 0.39 percent in GDP posted a positive growth of 7.17 percent against the negative growth of 2.37 percent recorded in same period last year due to higher timber production reported by Khyber Pakhtunkhwa. (Table 2.1).

Pakistan has two cropping seasons, "Kharif" being the first sowing season starting from April-June and is harvested during October-December. Rice, sugarcane, cotton, maize, moong, mash, bajra and jowar are "Kharif" crops. "Rabi", the second sowing season, begins in October-December and is harvested in April-May. Wheat, gram, lentil (masoor), tobacco, rapseed, barley and mustard are "Rabi" crops. Pakistan's agricultural productivity is dependent upon the timely availability of water.

Table 2.1: Agriculture Growth Percentages (Base=2005-06)							
Sector	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18 (P)**
Agriculture	**3.62**	**2.68**	**2.50**	**2.13**	**0.15**	**2.07**	**3.81**
Crops	3.22	1.53	2.64	0.16	-5.27	0.91	3.83
i) Important Crops	7.87	0.17	7.22	-1.62	-5.86	2.18	3.57
ii) Other Crops	-7.52	5.58	-5.71	2.51	0.40	-2.66	3.33
iii) Cotton Ginning	13.83	-2.90	-1.33	7.24	-22.12	5.58	8.72
Livestock	3.99	3.45	2.48	3.99	3.36	2.99	3.76
Forestry	1.79	6.58	1.88	-12.45	14.31	-2.37	7.17
Fishing	3.77	0.65	0.98	5.75	3.25	1.23	1.63
P: Provisional							
Source: Pakistan Bureau of Statistics							

During 2017-18, the availability of water for Kharif 2017 stood at 70.0 Million Acre Feet (MAF) showing a decrease of 2.0 percent over Kharif 2016 and increase of 4.3 percent over the normal supplies of 67.1 MAF. During Rabi season 2017-18, the water availability stood at 24.2 MAF showing a decrease of 18.5 percent over Rabi 2016-17 and 33.5 percent less than the normal availability of 36.4 MAF. (Table 2.2).

Table 2.2: Actual Surface Water Availability				(Million Acre Feet)
Period	**Kharif**	**Rabi**	**Total**	**% age increase/decrease. over the Avg.**
Average system usage	67.1	36.4	103.5	-
2008-09	66.9	24.9	91.8	-11.3
2009-10	67.3	25.0	92.3	-10.8
2010-11	53.4	34.6	88.0	-15.0
2011-12	60.4	29.4	89.8	-13.2
2012-13	57.7	31.9	89.6	-13.4
2013-14	65.5	32.5	98.0	-5.3
2014-15	69.3	33.1	102.4	-1.1
2015-16	65.5	32.9	98.4	-4.9
2016-17	71.4	29.7	101.1	-2.3
2017-18	70.0	24.2	94.2	-9.0
Source: Indus River System Authority				

I. Crop Situation

The important crops (wheat, rice, sugarcane maize and cotton) account 23.60 percent in the value addition of agriculture sector and 4.45 percent in GDP. The other crops account 10.80 percent in the value addition of agriculture sector and 2.04 percent in GDP. The production of important crops is given in Table 2.3.

Table 2.3: Production of Important Crops					(000 Tonnes)
Year	**Cotton (000 bales)**	**Sugarcane**	**Rice**	**Maize**	**Wheat**
2011-12	13,595	58,397	6,160	4,338	23,473
	(18.6)	(5.6)	(27.7)	(17.0)	(-6.9)
2012-13	13,031	63,750	5,536	4,220	24,211
	(-4.1)	(9.2)	(-10.1)	(-2.7)	(3.1)
2013-14	12,769	67,460	6,798	4,944	25,979
	(-2.0)	(5.8)	(22.8)	(17.2)	(7.3)

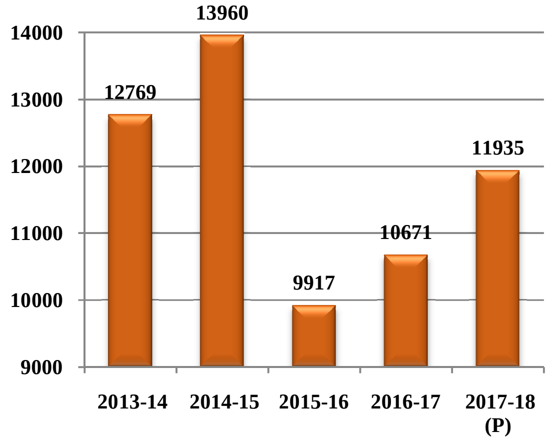
Table 2.3: Production of Important Crops					(000 Tonnes)
Year	Cotton (000 bales)	Sugarcane	Rice	Maize	Wheat
2014-15	13,960	62,826	7,003	4,937	25,086
	(9.3)	(-6.9)	(3.0)	(-0.1)	(-3.4)
2015-16	9,917	65,482	6,801	5,271	25,633
	(-29.0)	(4.2)	(-2.9)	(6.8)	(2.2)
2016-17	10,671	75,482	6,849	6,134	26,674
	(7.6)	(15.3)	(0.7)	(16.4)	(4.1)
2017-18(P)	11,935	81,102	7,442	5,702	25,492
Growth percent	(11.8)	(7.4)	(8.7)	(-7.0)	(-4.4)
P: Provisional (July-February), Figures in parentheses are growth/decline rates,					
Source: Pakistan Bureau of Statistics					

a) Important Crops

i) Cotton

During 2017-18, cotton production stood at 11.935 million bales and recorded growth of 11.8 percent over the production of 10.671 million bales during same period last year. Cotton crop has 1.0 percent share in GDP and contributes 5.5 percent in agriculture value addition. Cotton crop was cultivated on an area of 2,699 thousand hectares compared to last year's area of 2,489 thousand hectares, showing an increase of 8.4 percent. The production increased due to better economic returns received during last year, promotion campaign of cotton by the government, appropriate interval of rains produced wholesome affect on cotton yield and availability of inputs on subsidised rate. The area, production and cotton yield during last five years are shown in Table 2.4 and Figure 2.1.

Fig-2.1: Cotton Production (000 bales)



Source: PBS

Table 2.4: Area, Production and Yield of Cotton						
Year	Area		Production		Yield	
	(000 Hectare)	% Change	(000 Bales)	% Change	(Kgs/Hec)	% Change
2013-14	2,806	-	12,769	-	774	-
2014-15	2,961	5.5	13,960	9.3	802	3.6
2015-16	2,902	-2.0	9,917	-29.0	582	-27.4
2016-17	2,489	-14.2	10,671	7.6	730	25.4
2017-18(P)	2,699	8.4	11,935	11.8	752	3.0
P: Provisional (July-February)						
Source: Pakistan Bureau of Statistics						

World Cotton Outlook

The production and consumption of major cotton growing countries is given in Table 2.5.

Table 2.5: Production and Consumption of Major Cotton Growing Countries (Million Tonnes)

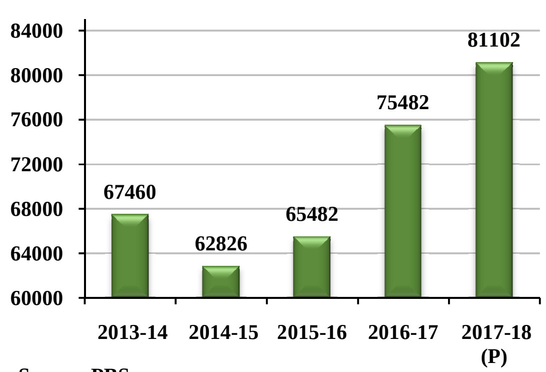
	2015-16 E	2016-17 P	2017-18 P
Production			
India	5.75	5.73	6.30
China	5.20	4.90	5.25
USA	2.81	3.74	4.62
Pakistan	1.54	1.66	1.82
Brazil	1.29	1.53	1.57
Uzbekistan	0.83	0.79	0.80
Others	4.07	4.65	5.16
World Total	21.49	23.00	25.55
Consumption			
China	7.60	8.00	8.12
India	5.30	5.15	5.30
Pakistan	2.15	2.15	2.35
Europe & Turkey	1.69	1.61	1.63
Vietnam	1.01	1.17	1.31
Bangladesh	1.32	1.41	1.44
USA	0.75	0.75	0.73
Brazil	0.70	0.73	0.76
Others	3.68	3.60	3.74
World Total	24.20	24.57	25.38
E: Estimated, P: Projected			

Source: Pakistan Central Cotton Committee, Ministry of Textile Industry (February, 2018)

ii) Sugarcane

Sugarcane is high value cash crop of Pakistan and is significantly important for sugar and sugar related industries in the national economy. It provides raw material for sugar industry which is the country's second largest agro-industry sector after textiles. The year 2017-18, witnessed another record season for the sugarcane crop production at 81.102 million tonnes showing an increase of 7.4 percent over the last year's production of 75.482 million tonnes which comfortably exceeded the target of 70.3 million tonnes by a considerable margin of 15.4 percent. Its production accounts 3.6 percent in agriculture's value addition and 0.7 percent in overall GDP. Sugarcane crop was cultivated on an area of 1,313 thousand hectares compared to last year's area of 1,218 thousand hectares witnessed an increase of 7.8 percent. The sugarcane production increased due to increase in area sown as good economic return encouraged the growers to bring more area under cultivation and comparatively timely payments from sugar mills last year. The area, production and yield of sugarcane during last five years are given in Table 2.6 and Figure 2.2.

Fig 2.2: Sugarcane Production (000 Tonnes)



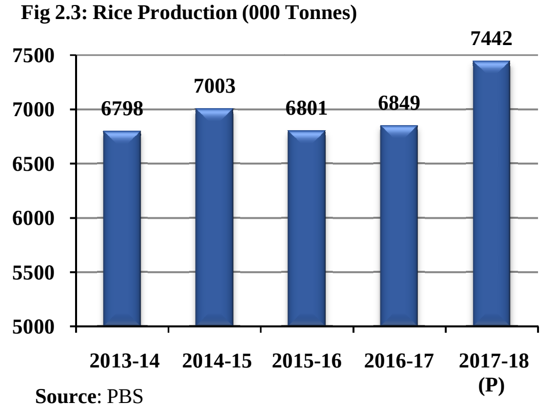
Source: PBS

Table 2.6: Area, Production and Yield of Sugarcane						
Year	**Area**		**Production**		**Yield**	
	(000 Hectare)	**% Change**	**(000 Tonnes)**	**% Change**	**(Kgs/Hec.)**	**% Change**
2013-14	1,173	-	67,460	-	57,511	-
2014-15	1,141	-2.7	62,826	-6.9	55,062	-4.3
2015-16	1,131	-0.9	65,482	4.2	57,897	5.1
2016-17	1,218	7.7	75,482	15.3	61,972	7.0
2017-18 (P)	1,313	7.8	81,102	7.4	61,768	-0.3
P: Provisional (July-February)						
Source: Pakistan Bureau of Statistics						

iii) Rice

In Pakistan, rice is an important food as well as cash crop. After wheat, it is the second main staple food crop and second major exportable commodity after cotton. During 2017-18, area cultivated under rice crop has increased by 6.4 percent to 2,899 thousand hectares compared to 2,724 thousand hectares of the corresponding period of last year. The production of rice reached historically high level of 7,442 thousand tonnes against the production of 6,849 thousand tonnes and recorded an increase of 8.7 percent over production of last year. Rice accounts for 3.1 percent in the value added in agriculture and 0.6 percent of GDP. Rice area increased due to higher domestic prices and availability of inputs on subsidised rates, good advisory along with increase in export, which made rice cultivation attractive for growers. The area, production and yield of rice in last five years are shown in Table 2.7 and Figure 2.3.

Fig 2.3: Rice Production (000 Tonnes)



Source: PBS

Table 2.7: Area, Production and Yield of Rice						
Year	**Area**		**Production**		**Yield**	
	(000 Hectare)	**% Change**	**(000 Tonnes)**	**% Change**	**(Kgs/Hec.)**	**% Change**
2013-14	2,789	-	6,798	-	2,437	-
2014-15	2,891	3.7	7,003	3.0	2,422	-0.6
2015-16	2,739	-5.3	6,801	-2.9	2,483	2.5
2016-17	2,724	-0.5	6,849	0.7	2,514	1.2
2017-18(P)	2,899	6.4	7,442	8.7	2,567	2.1
P: Provisional (July-February)						
Source: Pakistan Bureau of Statistics						

iv) Wheat

During 2017-18, wheat crop was cultivated on an area of 8,734 thousand hectares showing a decrease of 2.6 percent compared to 8,972 thousand hectares during the corresponding period last year. Wheat production stood at 25.492 million tonnes during 2017-18, recording a decline of 4.4 percent over the production of 26.674 million tonnes last year. Wheat accounts for 9.1 percent of the value added in agriculture and 1.7 percent of GDP of Pakistan. The shortfall in production is attributed to decline in area sown, delayed and prolonged sugarcane crushing season, acute water shortages and fog and smog in the country. The position over the last five years is given in Table 2.8 and Figure 2.4.

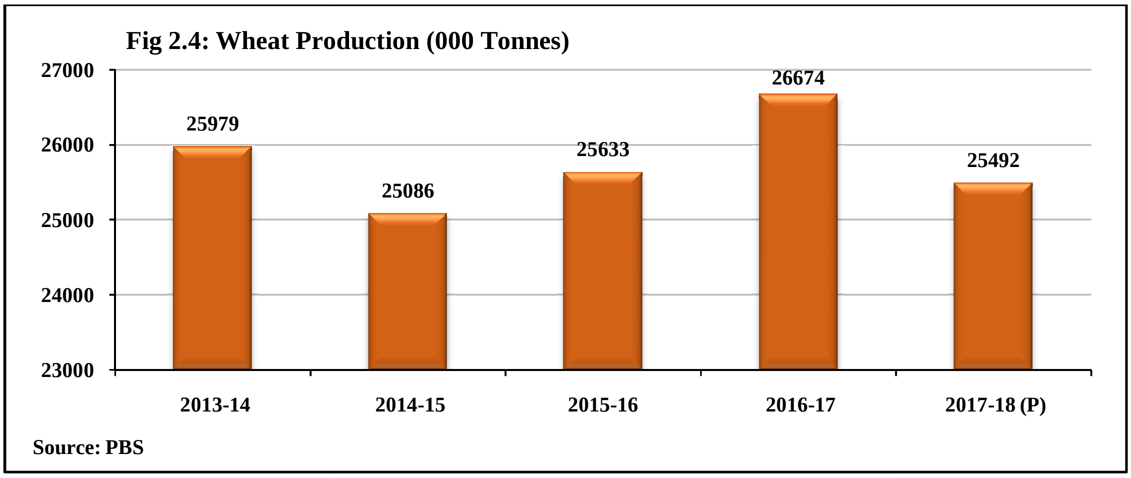


Table 2.8: Area, Production and Yield of Wheat

Year	Area		Production		Yield	
	(000 Hectares)	% Change	(000 Tonnes)	% Change	(Kgs /Hec.)	% Change
2013-14	9,199	-	25,979	-	2824	-
2014-15	9,204	0.1	25,086	-3.4	2726	-3.5
2015-16	9,224	0.2	25,633	2.2	2779	1.9
2016-17	8,972	-2.7	26,674	4.1	2973	7.0
2017-18 (P)	8,734	-2.6	25,492	-4.4	2919	-1.8

P: Provisional (July-February)

Source: Pakistan Bureau of Statistics

v) Maize

During 2017-18, maize crop was cultivated on an area of 1,229 thousand hectares and witnessed decline of 8.8 percent over last year's cultivated area of 1,348 thousand hectares. Maize crop production recorded a decline of 7.0 percent as its production stood at 5.702 million tonnes compared to the last year's production of 6.134 million tonnes. Maize contributes 2.4 percent value added in agriculture and 0.5 percent to GDP. The decline in production occurred due to decrease in area cultivated as maize growers switched over to cotton, sugarcane and rice crops .The position is presented in Table 2.9 and Figure 2.5.

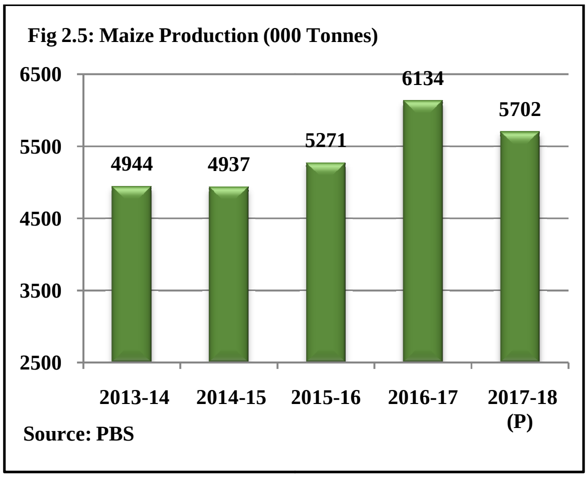


Table 2.9: Area, Production and Yield of Maize

Year	Area		Production		Yield	
	(000 Hectares)	% Change	(000 Tonnes)	% Change	(Kgs /Hec.)	% Change
2013-14	1,168	-	4,944	-	4,233	-
2014-15	1,142	-2.2	4,937	-0.1	4,323	2.1
2015-16	1,191	4.3	5,271	6.8	4,426	2.4
2016-17	1,348	13.2	6,134	16.4	4,550	2.8
2017-18(P)	1,229	-8.8	5,702	-7.0	4,640	2.0

P:Provisional (July-February)

Source: Pakistan Bureau of Statistics

b) Other Crops

Gram is the largest Rabi pulse crop, accounting for 76 percent of total production of pulses in the country and occupies about 5 percent of cropped area. During 2017-18, gram production witnessed an increase of 3 percent on account of increase in area sown and favourable weather condition prevalent at the time of sowing. The production of Bajra, Jowar and Rapeseed & Mustard witnessed increase of 9.8 percent, 4.1 percent and 0.1 percent, respectively. The production of Barley has recorded a decline of 0.3 percent in production during 2017-18. The area and production of other crops are given in Table 2.10.

Table 2.10: Area and Production of other Kharif and Rabi Crops

Crops	2016-17		2017-18 (P)		% Change in production over Last year
	Area (000 Hectares)	Production (000 Tonnes)	Area (000 Hectares)	Production (000 Tonnes)	
Bajra	469	305	489	335	9.8
Jowar	256	148	255	154	4.1
Gram	971	330	978	340	3.0
Barley	61	58.1	60	57.9	-0.3
Rapeseed & Mustard	190	180.5	198	180.7	0.1
Tobacco	47	100	47	100	0.0

P: Provisional (July-February)

Source: Pakistan Bureau of Statistics

During 2017-18, the production of Onion, Mash, and chillies posted a positive growth of 8.1 percent 4.2 percent and 3.8 percent, respectively, compared to their production last year. However, the production of pulse Masoor (Lentil) and Potato remained the same as last year's production, while the production of Moong remained 8.7 percent lower than last year's production .The area and production of other crops are given in Table 2.11.

Table 2.11: Area and Production of Other Crops

Crops	2016-17		2017-18(P)		% Change in production over Last year
	Area (000 Hectares)	Production (000 Tonnes)	Area (000 Hectares)	Production (000 Tonnes)	
Masoor	14.6	6.7	13.8	6.7	0.0
Moong	178.8	130.1	161.8	118.8	-8.7
Mash	17.1	7.2	15.2	7.5	4.2
Potato	179.6	3,852.9	187.2	3,853.9	0.0
Onion	137.9	1,833.2	147.2	1,981.7	8.1
Chillies	63.6	142.7	65.1	148.1	3.8

P: Provisional (July-February)

Source: Pakistan Bureau of Statistics

i) Oilseeds

The major oilseed crops grown in the country include Sunflower, Canola, Rapeseed/Mustard and Cotton. Total availability of edible oils during 2016-17 remained at 3.623 million tonnes of which local production contributed 0.431 million tonnes (12 percent) and the import share of edible oil/oilseeds was 3.191 million tonnes (88 percent). The import bill of edible oil during 2016-17 was Rs 320.893 billion (US$ 3.063 billion).

During 2017-18 (July-February), 1.944 million tonnes of edible oil worth Rs 155.278 billion (US$ 1.453 billion) has been imported. Local production of edible oil during 2017-18 (July-February) is provisionally estimated at 0.503 million tonnes. Total availability of edible oil from all sources is provisionally estimated at 2.447 million tonnes during 2017-18 (July-February).The area and production of oilseed crops during 2016-17 and 2017-18 is given in Table 2.12.

Table 2.12: Area and Production of Major Oilseed Crops						
Crops	2016-17 (Jul-Feb)			2017-18 (Jul-Feb) (P)		
	Area	Production		Area	Production	
	(000 Acres)	Seed (000 Tonnes)	Oil (000 Tonnes)	(000 Acres)	Seed (000 Tonnes)	Oil (000 Tonnes)
Cottonseed	5,955	2,704	324	6,852	3,215	386
Rapeseed/ Mustard	487	190	61	522	206	66
Sunflower	215	105	40	203	104	40
Canola	35	16	6	61	30	11
Total	**6,692**	**3,015**	**431**	**7,638**	**3,555**	**503**
P: Provisional						
Source: Pakistan Oilseed Development Board (PODB), Pakistan Bureau of Statistics						

II. Farm Inputs

i) Fertilizers

Fertilizer is the most important and expensive input contributing 30 to 50 percent, on average, to the crop yield. The domestic production of fertilizers during 2017-18 (July-March) decreased slightly by 5.4 percent over the corresponding period last year due to diversion of domestic piped natural gas from small scale urea producers, while imported fertilizer increased by 21.1 percent. Total offtake of fertilizer nutrients witnessed a decline by 3.6 percent. Nitrogen offtake decreased by 5.0 percent and phosphate by 1.4 percent. Potash offtake recorded a significant increase of 31.5 percent during 2017-18 (July-March). The government in order to enhance productivity in agriculture sector provided the following subsidies:

- Tax relief on phosphate fertilizer equivalent to Rs. 300 per 50 kg bag of DAP
- Reduction in GST on urea from 17 to 5 percent/voluntary price reduction by the fertilizers manufactures
- Cash subsidy of Rs. 100 per 50 kg bag of urea
- Subsidy of Rs. 800 and Rs. 500 per bag of SOP and MOP respectively, by the Government of Punjab in order to promote the use of Potash

Total availability of urea during Kharif 2017 was 4,445 thousand tonnes comprising of 1,489 thousand tonnes of opening inventory and 2,956 thousand tonnes of domestic production (Table 2.13). Urea offtake was about 3,234 thousand tonnes, leaving inventory of 796 thousand tonnes for Rabi 2017-18. Availability of DAP was 1,360 thousand tonnes comprising of 59 thousand tonnes of opening inventory, 867 thousand tonnes of imported supplies and 434 thousand tonnes of local production. DAP offtake was 992 thousand tonnes leaving an inventory of 367 thousand tonnes for upcoming Rabi 2017-18. About 422 thousand tonnes of urea was exported during Kharif 2017.

Rabi 2017-18 started with an opening balance of 796 thousand tonnes of urea (Table 2.13). Domestic production during Rabi 2017-18 was estimated around 2,698 thousand tonnes. Urea offtake during current Rabi 2017-18 is projected around 3,003 thousand tonnes, against 3,494 thousand tonnes of total availability, leaving a closing balance of 307 thousand tonnes for next season. DAP availability during Rabi 2017-18 will be around 1,531 thousand tonnes, which include 367 thousand tonnes of opening inventory, 787 thousand tonnes of imported supplies and domestic production of 377 thousand tonnes. Offtake of DAP during Rabi season is estimated at 1,403 thousand tonnes, leaving a balance of 135 thousand tonnes for next season.

Total availability of urea during Kharif 2018 will be around 3,229 thousand tonnes comprising of 307 thousand tonnes of opening balance and 2,922 thousand tonnes of domestic production (Table 2.13). Urea offtake is expected to be around 2,959 thousand tonnes, reflecting a closing balance of 270 thousand tonnes. Total availability of DAP will be 557 thousand tonnes against the expected offtake of 782 thousand tonnes. Thus, there is a gap of 225 thousand tonnes of DAP which will be met through imports by private sector.

Table 2.13: Fertilizer Supply Demand Situation						(000 Tonnes)
Description	Kharif (Apr-Sep) 2017		Rabi (Oct-Mar) 2017-18		Kharif (Apr-Sep) 2018	
	Urea	DAP	Urea	DAP	Urea	DAP
Opening stock	1489	59	796	367	307	135
Imported supplies	0	867	0	787	0	0
Domestic Production	2956	434	2698	377	2922	422
Total Availability	4445	1360	3494	1531	3229	557
Offtake/Demand	3234	992	3003	1403	2959	782
Export	422	0	184	0	0	0
Write on/off	7	-0.6	0	7	0	0
Closing stock	796	367	307	135	270	-225

Source: National Fertilizer Development Center

ii) Improved Seed

Better seed quality is important for sustainable agricultural production and ensuring national food security. Federal Seed Certification & Registration Department (FSC&RD) is an attached department of Ministry of National Food Security & Research, with the mandate to regulate quality of seeds of various crops. During 2017-18 (July-February) brief activities performed by department are as followed:

1. Achievements

a) Registration of Seed Companies:

i. **Seed companies applied for grant of registration as local seed producer**

A total number of 84 seed companies applied for grant of registration as Local Seed Producer and each deposited fee of Rs. 50,000/-

ii. **Seed companies applied for grant of registration as seed importer**

A total of 14 seed companies applied for grant of registration as Seed Importer and each deposited fee of Rs. 75,000/-.

iii. **Seed company applied for grant of registration as seed exporter**

Only one Seed Company applied for grant of registration as Seed Exporter with no requirement for submission for fee as per Seed (Business Regulation) Rules, 2016.

iv. **Renewal of seed companies as local seed producer**

A total of 25 seed companies applied for grant of renewal as Local Seed Producer and each deposited fee of Rs. 25,000/-.

v. **Registration of Seed Processing Units**

A total of twenty seven (27) cases of seed processing units received for registration during the period under report. The fee for registration of a seed processing unit is Rs. 10, 000/-.

b) Registration of new Varieties of Various Crops: 40 new candidate varieties of wheat, cotton, sugarcane, mungbean, barley, tomato, berseem, cucumber, bitter gourd, ground nut and mango have been approved for multiplication (Punjab 17, Sindh 13 and Khyber Pakhtunkhwa 10). A number of 295 new candidate varieties were considered in 1st meeting of VEC-Sub Committee on enlisting which includes vegetables, maize, paddy, potato, fodder and tobacco varieties.

c) Field Crop Inspection: During the period under report, a total of 60,032 acres of different crops (wheat, cotton, paddy, maize, pulses, oilseeds, vegetables, fodders, barley and potato) offered by the public and private seed agencies were inspected for certification purposes.

d) Seed Sampling & Testing: A quantity of 582,113 MT locally produced seed (BNS, pre-basic, basic, certified and approved categories) of major and minor crops was sampled and tested for purity, germination and seed health purposes.

e) Imported seed consignments: A total quantity of 35,634 MT of imported seed of various crops/hybrids (maize, paddy, sunflower, canola, fodders, potato, vegetables etc.) valuing Rs. 10,108.81 million was tested under Seed (Truth-in-Labeling) Rules, 1991 at the port of entries i.e. Karachi and Lahore.

f) Seed Quality Monitoring in the Markets: Under the provision of amended Seed Act, 1976, a total number of 58 cases were filed in the concerned Courts of Law against the seed dealers found selling substandard seeds and a quantity of 14.42 MT seed of different crops was seized.

g) Central Seed Testing Lab: Central Seed Testing Laboratory (CSTL) Islamabad received approximately 1,200 seed samples from FSC&RD field stations through Quality Manager/Director. A total of 1,170 seed samples of different crops were tested for seed purity, seed moisture and other components.

h) Seed Health Testing: A total of 1,014 seed samples of wheat, cotton and paddy were tested. Seed Health Testing Laboratory also extended its training services to more than 60 officials belongs to different sectors of the country i.e. public/private sectors, research, academia and FSC&RD Field Offices.

i) Seed Germination Laboratory: A total number of 1,742 samples tested during 2017-18 (July-February). It comprises local as well as imported seed samples.

During the above mentioned period 3 samples of International Seed Testing Associate (ISTA) for Proficiency Testing (PT) samples were tested and seed germination laboratory got 1 A-Grade, 1 B-Grade and 1 C-Grade.

2. **DUS Examination:** A total of 167 new candidate lines of Vegetables, Pulses, Fruits, Potato, Sugarcane, Forage, Maize and Wheat have been studied for Distinctness, Uniformity and Stability (DUS) trails during the subject period. Work is still in progress.

3. Registration/Renewal of Fruit Plant Nurseries

During the period under review, five fruit plant nursery owners have deposited fee for registration while 3 nursery owners have deposited fee for renewal of their nurseries. The detail is given in Table 2.14.

Table 2.14: Area ,Seed Requirements and Seed Availability*

Crop	Sowing Area (000 Ha)	Total Seed Requirement (MT)	Targeted Seed Requirement (MT)	Seed Availability (Metric Tonnes)			
				Public	Private	Imported	Total (Loc+Imp)
Wheat	9,045	1,085,400	217,080	67,237	409,057	-	476,294
Cotton	3,200	55,328	40,000	1,039	26,402	-	27,441
Paddy	2,830	56,600	12,744	294	26,504	2,066	28,864
Maize	1,109	38,815	11,645	41	8,080	9,196	17,317
Pulses	1,337	48,132	9,499	1,197	4,200	-	5,397
Oilseeds	830	10,790	2,116	12	390	86	488
Vegetables	280	8,400	5,070	21	61	8,472	8,554
Fodders	2,038	61,140	40,138	27	1,916	13,400	15,343
Potato	149	372,725	74,545	-	-	2,415	2,415
Total	**20,818**	**1,737,330**	**412,837**	**69,868**	**476,610**	**35,635**	**582,113**

* : Provisional 2017-18 (July-February)

Source: Federal Seed Certification & Registration Department

iii) Mechanization

The production of tractors has seen a remarkable growth of 37.6 percent during FY 2018 (July-February) compared to the production of same period last year. The demand of tractors has increased due to government's supportive policies as the GST on tractors has been reduced to 5 percent, and going forward the demand is expected to increase which will further stimulate the tractor industry. The production and price of locally manufactured tractors is given in Table 2.15.

Table 2.15: Prices and Production of Locally Manufactured Tractors 2017-18 (July-February)

Tractors Model – Horse Power (HP)	Price/Unit Excluding GST (Rs)	Price/Unit Including GST (Rs)	Production (in Nos.)	Actual Sale (in Nos.)
M/s Al-Ghazi Tractors				
NH 480-S (55 HP)	704,000	739,200	4,707	4,695
NH 480-S-W.P (55 HP)	720,000	756,000	2,357	2,353
NH-Ghazi (65 HP)	791,000	830,550	7,251	7,226
NH-Ghazi WDB (65 HP)	800,000	840,000	177	177
NH- 640 (75 HP)	1,024,000	1,075,200	2,615	2,604
NH -640 WDB (75 HP)	1,030,000	1,081,500	158	156
NH -640-S (85 HP)	1,041,000	1,093,050	65	64
NH -640-S WDB (85 HP)	1,055,000	1,107,750	29	28
NH-70-56 (85 HP)	1,540,000	1,617,000	4	5
Dabung- (85-HP)	1,055,000	1,107,750	384	378
M/s Millat Tractors				
MF-240 (50 HP)	703,000	738,150	7,221	7,210
MF-350 Plus (50 HP)	720,500	756,525	37	26
MF-260 (60 HP)	792,300	831,915	7,368	7,107
MF-360 (60 HP)	822,500	863,625	433	409
MF-375-S (75 HP)	1,047,000	1,099,350	3,333	2,766
MF-385 2WD (85 HP)	1,108,500	1,163,925	8,989	9,032
MF-385 4WD (85 HP)	1,645,800	1,728,090	197	223
Grand Total			**45,325**	**44,459**
Note: GST @ 5 percent				

Source: Tractor Manufacturer Association, Federal Water Management Cell

iv) Irrigation

The country faced water shortages during monsoon, post monsoon and winter seasons. During the monsoon season (July-September) 2017, actual rainfall was 22.8 percent lower at 108.8 mm against normal rainfall of 140.9 mm. During the post-monsoon season (October-December) 2017, the actual rainfall remained 39.0 percent below the normal rainfall of 26.4 mm. During the winter season (January-March) 2018, actual rainfall remained 56.7 percent below the normal rainfall of 74.3 mm. Rainfall recorded during the monsoon, post monsoon and winter is given in Table 2.16.

Table 2.16: Rainfall* Recorded During 2017-18 **(in Millimeters)**

	Monsoon Rainfall (Jul-Sep) 2017	Post Monsoon Rainfall (Oct-Dec) 2017	Winter Rainfall (Jan-Mar) 2018
Normal**	140.9	26.4	74.3
Actual	108.8	16.1	32.2
Shortage (-)/excess (+)	- 32.1	-10.3	-42.1
% Shortage (-)/excess (+)	-22.8	- 39.0	-56.7
*: Area Weighted, **: Long Period Average (1961-2010)			

Source: Pakistan Meteorological Department

During Kharif (April-September) 2017, canal head withdrawals stood at 69.97 Million Acre Feet (MAF) showing a decrease of 2 percent as compared to 71.37 MAF during the same period last year. During Rabi (October-March) 2017-18, the canal head withdrawals witnessed a decline of 19 percent and stood at 24.16 MAF, compared to 29.66 MAF during the same period last year. The province-wise detail is shown in Table 2.17.

Table 2.17: Canal Head Withdrawals (Below Rim Station)						Million Acre Feet (MAF)
Province	**Kharif (Apr-Sep) 2016**	**Kharif (Apr-Sep) 2017**	**% Change in Kharif 2017 Over 2016**	**Rabi (Oct-Mar) 2016-17**	**Rabi (Oct-Mar) 2017-18**	**% Change in Rabi 2017-18 Over 2016-17**
Punjab	36.39	35.51	-2	15.93	12.76	-20
Sindh	32.13	31.37	-2	12.04	9.75	-19
Balochistan	1.93	2.07	7	1.10	1.12	2
Khyber Pakhtunkhwa	0.92	1.02	11	0.59	0.53	-10
Total	**71.37**	**69.97**	**-2**	**29.66**	**24.16**	**-19**

Source: Indus River System Authority

Water Sector strategy centers around five important elements i.e. water augmentation, water conservation, protection of infrastructure from water logging and salinity and floods, groundwater management and institutional reforms. The existing strategy entails augmentation of surface resources to be done by construction of water storage dams, conservation of water to be undertaken through lining of canals and water courses and efficiency enhancement to be done by rehabilitation and better operation of existing system. The extended strategy will involve groundwater recharge, use of saline water, water cost/price as a mechanism of efficiency, sustainable use of resources (land, water and environment), climate change implications and trans- boundary water implications.

An amount of Rs 36.750 billion were allocated for water sector's development projects/ programs during the year 2017-18. The major water sector projects under implementation are shown in Table 2.18.

Table 2.18: Major Water Sector Projects under Implementation

Project	Location	App. cost (Rs. in million)	Live Storage	Irrigated Area (Acres)	Status
Basha Dam (Dam Part)	Khyber Pakhtunkhwa & Gilgit Baltistan	510,000	6.40	-	At initial stage
Gomal Zam Dam	Khyber Pakhtunkhwa	20,626	0.892 MAF	191,139 (17.4 MW Power Gen.)	Completed & Operational
Kachhi Canal (Phase-I)	Balochistan	80,352	-	72,000	Physically completed. (Phase-I)
Darawat Dam	Sindh	9,300	89,192 (Ac.Ft)	25,000 (0.30 MW Power Gen.)	Physically completed
NaiGaj Dam	Sindh	26,236	160,000 (Ac.Ft)	28,800 (4.2 MW Power Gen.)	50 % Physical works completed
KurramTangi Dam (Phase-I,Kaitu Weir)	Khyber Pakhtunkhwa	21,059	0.90 MAF	84,380 New 278,000 Existing (18.9 MW Power Gen.)	17% works completed. Works at initial stage
Naulong Dam	Balochistan	18,027	0.20 MAF	47,000 (4.4 MW Power Gen.)	Feasibility & Detailed Engn. Design completed Works on dam not yet started.
Mohmand Dam	FATA Mohmand Agency	114,285	0.676 MAF	16,737 (800 MW Power Gen.)	Feasibility & Detailed Engn. Design completed Formulation of PC-I & Financial mechanism are in progress
Right Bank Outfall Drain (RBOD)				ROBD-II will help to dispose 3,520 cusecs of drainage effluent into Sea received from RBOD-I & III	
RBOD-I	Sindh	17,505	-		82% completed
RBOD-II	Sindh	61,985	-		63% completed
RBOD-III	Balochistan	10,804	-		74 % completed

Source: Ministry of Planning, Development and Reform

iv) Agricultural Credit

In the backdrop of the government's budgetary initiatives for promotion of agriculture sector, SBP has assigned the indicative agriculture credit disbursement targets of Rs 1,001 billion to 52 participating institutions including 19 Commercial banks, 2 Specialized Banks, 5 Islamic Banks and 11 Microfinance banks and 15 Microfinance Institutions/Rural Support Programmes (MFIs/RSPs).

This indicative agriculture target is 43 percent higher than the last year's target of Rs 700 billion and 42 percent higher than the actual disbursement of Rs 704.5 billion in 2016-17. Out of the total target, Rs 516 billion have been assigned to five major commercial banks, Rs 125 billion to ZTBL, Rs 200 billion to 14 Domestic Private banks, Rs 15 billion to Punjab Provincial Cooperative Bank Limited (PPBCL), Rs 100 billion to 11 Microfinance banks, Rs 20 billion to five Islamic banks and Rs 25 billion to 15 MFIs/RSPs for FY 2017-18.

Agricultural Credit Disbursements Recent Trends

Agriculture credit disbursement increased by 39.4 percent to Rs 570 billion (57 percent of annual target) during FY 2018 (July-February) compared to same period last year, which shows commitment of the government to support agriculture sector. This amount has 39.4 percent higher than the disbursement of Rs 409 billion during the same period of last year. Similarly, outstanding portfolio of agriculture loans has increased by Rs 79.5 billion i.e. from Rs 373.1 billion to Rs 452.6 billion or 21.3 percent at end February 2018 as compared to the same period last year.

The performance review of 2017-18 (July-February), shows that five major banks as a group have disbursed Rs 292 billion and witnessed 42.9 percent growth as compared with the same period last year. Under the specialized banks category, ZTBL disbursed Rs 51.9 billion or 41.5 percent against its target of Rs 125 billion, while PPCBL disbursed Rs 6.1 billion, i.e, 40.5 percent against its annual target of Rs 15 billion during the period under review.

In addition, 14 Domestic Private Banks collectively disbursed Rs 112.9 billion with growth of 44.6 percent as compared with corresponding period last year. The 5 Islamic banks collectively disbursed Rs 9.3 billion with 46.7 percent growth against their targets of Rs 20 billion to farmers. The Microfinance banks as a group disbursed Rs 79.6 billion against their annual target of Rs 100 billion and 15 MFIs/RSPs collectively disbursed Rs 18.2 billion against the annual target of Rs 25 billion during July-February FY 2017-18. The Agriculture Credit disbursement institution-wise is given in Table 2.19 below.

Table 2.19: Supply of Agricultural Credit by Institutions **(Rs billion)**

Banks	Target 2017-18	2017-18 (July-February)		Target 2016-17	2016-17 (July-February)		% Change over the Period
		Disbursement	Achieved (%)		Disbursement	Achieved (%)	
5 Major Commercial Banks	516.0	292.0	56.6	342.0	204.4	59.8	42.9
ZTBL	125.0	51.9	41.5	102.5	46.7	45.5	11.2
PPCBL	15.0	6.1	40.5	12.5	5.9	47.3	2.7
DPBs (14)	200.0	112.9	56.5	137.6	78.1	56.8	44.6
Islamic Banks (5)	20.0	9.3	46.7	11.0	7.8	71.2	19.2
MFBs (11)	100.0	79.6	79.6	60.1	55.2	91.9	44.3
MFIs/RSPs	25.0	18.2	72.6	34.3	10.9	31.7	66.8
Total	**1,001.0**	**570.0**	**57.0**	**700.0**	**409.0**	**58.4**	**39.4**

Source: State Bank of Pakistan

Box-1: Credit Disbursement to Farm and Non-Farm Sector

While reviewing the sector wise agriculture disbursement in detail, out of disbursements of Rs 570.0 billion, Rs 260.8 billion or 45.8 percent were disbursed to farm-sector and Rs 309.1 billion or 54.2 percent to non-farm sector. However, during corresponding period last year, a total amount of Rs 409.0 billion was disbursed out of which Rs 196.1 billion or 47.9 percent was disbursed to farm sector and non-farm sector received Rs 212.9 billion or 52.1 percent of total disbursements by banks. During last couple of years, the focus of agriculture lending institutions has been shifting more towards non-farm activities mainly due to new financing avenues and opportunities in livestock/dairy and poultry sectors. Table 2.20.

Table 2.20 : Credit Disbursement to Farm & Non-Farm Sectors (Rs billion)

Sector		2016-17 (July-February)		2017-18 (July-February)	
		Disbursement	% Share within sector	Disbursement	% Share within sector
A	**Farm Credit**	**196.1**	**47.9**	**260.8**	**45.8**
1	Subsistence Holding	88.6	45.2	116.4	44.6
2	Economic Holding	39.0	19.9	46.4	17.8
3	Above Economic Holding	68.5	34.9	98.0	37.6
B	**Non-Farm Credit**	**212.9**	**52.1**	**309.1**	**54.2**
1	Small Farms	74.7	35.1	92.1	29.8
2	Large Farms	138.2	64.9	217.0	70.2
	Total (A+B)	**409.0**	**100**	**570.0**	**100**

Source: State Bank of Pakistan

SBP's Initiatives for the Promotion of Agriculture Financing

SBP in line with government's priority has taken various policy and developmental initiatives for the promotion of financial outreach in the rural areas. Some of the recent initiatives are as follow:

1. **Implementation of Credit Guarantee Scheme for Small and Marginalized Farmers (CGSMF):** CGSMF was in line with the government's budgetary announcement. The scheme aims to encourage financial institutions to lend to small farmers across Pakistan who do not have adequate collateral (acceptable to banks) in order to meet their working capital requirements. Under the scheme, PFIs have been assigned credit disbursement targets of Rs 2 billion. More than 50,000 borrowers have been financed under the scheme.

2. **Crop Loan Insurance Scheme:** To mitigate the risk of default risk of farmers, in case of natural calamities and provide repayment assurance to banks, the government introduced mandatory crop loan insurance scheme for five major crops, i.e., wheat, cotton, rice, sugarcane and maize in 2008. Under the scheme, which is mandatory for small farmers having land holding up to 25 acres, the government is bearing the cost of premium on account of small farmer's up to 2 percent per crop per season. More than 3.8 million borrowers have benefitted from this scheme since its inception.

3. **Livestock Loan Insurance Scheme:** To improve access to finance to Livestock & dairy sector and to mitigate risk of loss of livestock due to disease, natural calamities and accidents, SBP, in collaboration with SECP, banks, insurance companies and provincial livestock & dairy department has developed Livestock Insurance Scheme or borrowers. Livestock Loan Insurance Scheme (LLIS) was launched on November 1, 2013 and covers all livestock loans up to Rs 5 million for purchase of animals. Under LLIS, the borrowers are covered against death of animal due to disease/natural death, due to flood, heavy rains, windstorm and accidental death. Under this scheme, the government is bearing the cost of premium (upto 4 percent per annum) of small farmers who has obtained loan upto 10 animals.

4. **Workshops / Trainings / Capacity & Awareness Building:** SBP regularly organizes various training programs and awareness sessions in order to meet demand and supply side capacity building requirements of agri-finance stakeholders including banks and farmers. These programs include Farmers Financial Literacy Programs, which are educational sessions designed to teach farmers about basic banking services and financial managements. Over 150,000 farmers have benefited from these programs in 35 agri-intensive districts across Pakistan. Other programs include awareness sessions on latest financial innovations including Agricultural Value Chain Financing, Warehouse Receipt Financing, Shariah Based Agriculture Financing etc.

III. Livestock and Poultry

a) Livestock

Livestock has an important role in promoting socio-economic development in rural areas. Nearly 8 million families are involved in livestock raising and deriving more than 35 percent income from livestock production activities. It is a source of cash income, providing a vital and often the only source of income for the rural and playing an important role in poverty alleviation and foreign exchange earnings.

During 2017-18, livestock contributed 58.9 percent to the agriculture value added and 11.1 percent to the overall GDP compared to 58.9 percent and 11.3 percent during the corresponding period last year, respectively. Gross value addition of livestock at constant cost factor of 2005-06 has increased from Rs. 1,327 billion (2016-17) to Rs. 1,377 billion (2017-18), showing an increase of 3.8 percent over the same period last year.

The livestock population for the last three years is given in Table 2.21.

Table 2.21: Estimated Livestock Population (Million Nos.)

Species	2015-16[1]	2016-17[1]	2017-18[1]
Cattle	42.8	44.4	46.1
Buffalo	36.6	37.7	38.8
Sheep	29.8	30.1	30.5
Goat	70.3	72.2	74.1
Camels	1.0	1.1	1.1
Horses	0.4	0.4	0.4
Asses	5.1	5.2	5.3
Mules	0.2	0.2	0.2

1: Estimated figure based on inter census growth rate of Livestock Census 1996 & 2006

Source: Ministry of National Food Security & Research

The major products of livestock are milk and meat for the last three years is given in Table 2.22.

Table:2.22 Estimated Milk and Meat Production (000 Tonnes)

Species	2015-16[1]	2016-17[1]	2017-18[1]
Milk (Gross Production)	**54,328**	**56,080**	**57,890**
Cow	19,412	20,143	20,903
Buffalo	33,137	34,122	35,136
Sheep[2]	39	39	40
Goat	867	891	915
Camel[2]	873	885	896
Milk (Human Consumption)[3]	**43,818**	**45,227**	**46,682**
Cow	15,529	16,115	16,722
Buffalo	26,510	27,298	28,109
Sheep	39	39	40

Table:2.22 Estimated Milk and Meat Production			(000 Tonnes)
Species	**2015-16[1]**	**2016-17[1]**	**2017-18[1]**
Goat	867	891	915
Camel	873	885	896
Meat[4]	**3,873**	**4,061**	**4,262**
Beef	2,017	2,085	2,155
Mutton	686	701	717
Poultry meat	1,170	1,276	1,391

1: The figures for milk and meat production for the indicated years are calculated by applying milk production parameters to the projected population of respective years based on the inter census growth rate of Livestock Census 1996 & 2006.
2: The figures for the milk production for the indicated years are calculated after adding the production of milk from camel and sheep to the figures reported in the Livestock Census 2006.
3: Milk for human consumption is derived by subtracting 20% (15% wastage in transportation and 5% in calving) of the gross milk production of cows and buffalo.
4: The figures for meat production are of red meat and do not include the edible offal's.

Source: Ministry of National Food Security & Research

The estimated production of other livestock products for the last three years is given in Table 2.23.

Table: 2.23 Estimated Livestock Products Production

Species	**Units**	**2015-16[1]**	**2016-17[1]**	**2017-18[1]**
Eggs	Million Nos.	16,188	17,083	18,037
Hides	**000 Nos.**	**15,886**	**16,421**	**16,974**
Cattle	000 Nos.	8,111	8,416	8,734
Buffalo	000 Nos.	7,669	7,897	8,131
Camels	000 Nos.	106	108	109
Skins	**000 Nos.**	**54,278**	**55,526**	**56,805**
Sheep Skin	000 Nos.	11,264	11,397	11,532
Goat Skin	000 Nos.	27,073	27,807	28,560
Fancy Skin	000 Nos.	15,941	16,322	16,712
Lamb skin	000 Nos.	3,345	3,385	3,425
Kid skin	000 Nos.	12,595	12,937	13,287
Wool	000 Tonnes	45.1	45.7	46.2
Hair	000 Tonnes	26.5	27.2	27.9
Edible Offal's	000 Tonnes	394	405	416
Blood	000 Tonnes	66.1	67.8	69.5
Guts	000 Nos.	54,833	56,094	57,387
Casings	000 Nos.	16,895	17,461	18,048
Horns & Hooves	000 Tonnes	57.2	58.9	60.6
Bones	000 Tonnes	852.3	878.2	904.9
Fats	000 Tonnes	271.0	279.0	287.3
Dung	000 Tonnes	1,207	1,244	1,282
Urine	000 Tonnes	368	379	390
Head & Trotters	000 Tonnes	245.6	252.5	259.6
Ducks, Drakes & Ducklings	Million Nos.	0.46	0.44	0.42

[1]: The figures for livestock product for the indicated years were calculated by applying production parameters to the projected population of respective years.

Source: Ministry of National Food Security & Research

The population growth, increases in per capita income and export opportunities are fueling the demand of livestock and livestock products in the country. The overall livestock development strategy revolves around fostering "private sector-led development with public sector providing an enabling environment through policy interventions". The regulatory measures are aimed at improving per unit animal productivity by improving health coverage, management practices, animal breeding practices, artificial insemination services, use of balanced ration for animal feeding, and controlling livestock diseases. The objective is to exploit the livestock sector and its potential to cater to domestic need, for economic growth, food security and rural socio-economic uplift.

b) Poultry

Poultry sector is one of the most vibrant segments of livestock sector in Pakistan. This sector provides employment (direct /indirect) to over 1.5 million people. Poultry today has been a balancing force to keep check on the prices of mutton and beef. The current investment in Poultry Industry is more than Rs. 700 billion. Poultry meat production for the year 2017-18 was to the tune of 1.39 million tons, which contributed 32.7 percent of the total meat (4.3 million tons) production in the country. During 2017-18, the poultry has contributed 1.4 percent in GDP, while its contribution in agriculture and livestock value added stood at 7.5 percent and 12.7 percent, respectively. The poultry value added at current factor cost has reached to Rs. 175.5 billion (2017-18) from Rs.162.8 billion (2016-17) showing an increase of 7.8 percent compared to the same period last year. The commercial layer, breeders and broiler stocks showed estimated growth of 7.0 percent, 5.0 percent and 10 percent respectively while rural poultry developed @ 1.5 percent when compared to 2016-17. The estimated production of and rural poultry and poultry products for the last three years is given in Table 2.24.

Table 2.24: Estimated Domestic/Rural & Commercial Poultry

Type	Units	2015-16[1]	2016-17[1]	2017-18[1]
Domestic Poultry	**Million Nos.**	**84.58**	**85.86**	**87.16**
Cocks	Million Nos.	11.24	11.55	11.86
Hens	Million Nos.	40.90	41.64	42.39
Chicken	Million Nos.	32.43	32.67	32.91
Eggs[2]	Million Nos.	4,090	4,164	4,239
Meat	000 Tonnes	115.24	117.54	119.89
Duck, Drake & Duckling	**Million Nos.**	**0.46**	**0.44**	**0.42**
Eggs[2]	Million Nos.	20.36	19.52	18.70
Meat	000 Tonnes	0.62	0.59	0.57
Commercial Poultry	**Million Nos.**	**56.9**	**60.6**	**64.6**
Layers	Million Nos.	45.64	48.83	52.25
Broilers	Million Nos.	874.09	961.50	1,057.65
Breeding Stock	Million Nos.	11.24	11.80	12.39
Day Old Chicks	Million Nos.	912.99	1,004.29	1,104.72
Eggs[2]	Million Nos.	12,077	12,900	13,779
Meat	000 Tonnes	1,054.46	1,157.51	1,270.69
Total Poultry				
Day Old Chicks	Million Nos.	945	1,037	1,138
Poultry Birds	Million Nos.	1,016	1,108	1,210
Eggs	Million Nos.	16,188	17,083	18,037
Poultry Meat	000 Tonnes	1,170	1,276	1,391

1 : The figures for the indicated years are statistically calculated using the figures of 2005-06.
2 : The figures for Eggs (Farming) and Eggs (Desi) are calculated using the poultry parameters for egg production.

Source: Ministry of National Food Security & Research

Government Policy Measures

Livestock Wing under Ministry of National Food Security & Research with its redefined role under 18th Constitutional Amendment allowed import of high yielding animals, semen and embryos for the genetic improvement of indigenous dairy animals, import of high quality feed stuff/micro ingredients for improving the nutritional quality of animal & poultry feed and import of veterinary, dairy and livestock machinery / equipment at reduced duty rates to encourage value added industry in the country

Livestock Wing also provided facilitation for the export of red meat. A total of 30.450 thousand tons of red meat was exported during FY 2017-18 (July-February). The export of meat fetched US $ 105.541 million. This meat was exported from private sector slaughterhouses. During the same period export facilitation was also provided for livestock by-products like animal casing, bones, horns & hooves and gelatin. The efforts continued for market access with the concerned authorities of China, South Africa, Jordan and Indonesia through diplomatic channel for export of our meat and meat products.

Livestock Wing regulated the import of superior quality semen and high yielding exotic dairy cattle of Holstein-Friesian & Jersey breeds for genetic improvement of indigenous dairy animals. During FY 2017-18 (July-February), 767.504 thousand doses of semen and 9,423 exotic dairy cows were imported. The exotic dairy cows added approximately 61 million tons of milk per annum in the commercial milk chain/system.

In order to facilitate dairy farmer, duty free import of calf milk replacer & cattle feed premix was allowed. During FY 2017-18 (July-February), 336.4 metric tons of calf milk replacer & 100.6 metric tons of cattle feed premix was imported. Similarly, to promote and encourage value added livestock processing industry in the country, duty free import of machinery for milk, beef, mutton & poultry processing was allowed.

During FY 2017-18 (July-February), the Animal Quarantine Department (AQD) provided quarantine services and issued 22,145 Health Certificates for the export of live animals, mutton, beef, eggs and other livestock products having value of US$ 232.001 million. The AQD generated non-tax revenue of Rs. 77.026 million during 2017-18 (July-February) as certificate / laboratory examination fee of animal and animal products exported during the year.

The National Veterinary Laboratory (NVL), Islamabad is a national institution for service and regulatory support to national livestock wealth with mission to promote greater productivity and profitability of livestock industries in Pakistan. The NVL conducted surveillance and diagnostics on highly contagious diseases of animals. It also carried out activities on National and Regional Projects regarding prevention and control of Transboundary Animal Diseases in Pakistan. During FY 2017-18 (July-March), 9,163 samples were analyzed for disease diagnosis surveillance, veterinary vaccines and residue testing.

Moreover, to attract further investment in dairy sector, protect the small dairy farmers and the corporate dairy sector, beside discouraging import and mitigate use of synthetic milk and recipe products, regulatory duties to the tune of 45 percent has been imposed on import of Skimmed Milk Powder (SMP) and Whey Powder (WP).

Future Plans

The future plans will continue to focus on:

i. Inter-provincial coordination for development of livestock sector,

ii. Coordination with private sector to promote value addition livestock industry and diversification of livestock products,

iii. Controlling Trans-boundary Animal Diseases (FMD, PPR, Zoonotic diseases) of trade and economic importance through provincial participation,

iv. Bringing more investments in livestock sectors and

v. Exploring new markets for export of meat and dairy products with focus on Global Halal Food Trade Market.

IV. Fisheries

Fishery plays an important role in Pakistan's economy and is considered to be a source of livelihood for the coastal population. Apart from marine fisheries, inland fisheries (based in rivers, lakes, ponds, dams etc.) is also an important activity throughout the country. Fisheries' share in GDP is 0.4 percent but has a greater value addition in export earnings.

During FY 2017-18 (July-February), total marine and inland fish production was estimated at 482,000 m. tons out of which 338,000 m. tons was from marine waters and the remaining catch came from inland waters. Whereas the fish production for the period FY 2016-17 (July-February), was estimated to be 477,000 m. tons in which 332,000 m. tons was from marine and the remaining was produced by inland fishery sector.

During FY 2017-18 (July-February), a total of 108,262 m.tons of fish and fishery products were exported. Pakistan's major buyers are China, Thailand, Malaysia, Middle East, Sri Lanka and Japan etc. Pakistan earned US $ 264 million, while the export for FY 2016-17 (July-February) of fish and fishery products was 89,032 m. tons which earned US $ 239 million. The export of fish and fishery products has increased by 21.6 percent in quantity and 10.5 percent in value during FY 2017-18 (July-February) comparing same period last year.

Government of Pakistan is taking a number of steps to improve fisheries sector. Further a number of initiatives have been taken by federal and provincial fisheries departments which include *inter alia* strengthening of extension services, introduction of new fishing methodologies, development of value added products, enhancement of per capita consumption of fish, and up-gradation of socio-economic conditions of the fishermen's community.

i) Biological and Hydrological Research

During FY 2017-18 (July-February) samples of seawater collected from coastal areas were analyzed to determine parameters which affect fish distribution. Fish samples of different species were examined for study of length-weight relationship, sex ratio, maturity, food and feeding habit and fecundity etc. Monitoring for fish landing to determine stock position was also carried out at Karachi Fish Harbour.

ii) Quality Control Services

Marine Fisheries Department (MFD) is responsible to regulate quality and promote export of fish and fishery products and to prevent export of substandard quality of seafood products. In this connection, during FY 2017-18 (July-February), the Quality Control Section of MFD has issued 19,848 certificates of Health, Quality & Origin for seafood commodities exported from Pakistan.

iii) Turtle Excluder Device (TED) and Trials of TED by Local Fishermen

MFD is conducting training programme for fisherman about the use of Turtle Excluder Device (TED) in which 91 fisherman, including representatives of the other organizations participated. The primary purpose of TED is to reduce the mortality of sea turtles in fishing nets, (shrimp trawl net) and safeguarding the livelihood of the local fisherman.

The use of TED is mandatory required for export of shrimp to USA. The federal and provincial governments have assigned the task to the Maritime Security Agency for ensuring compliance of United State regulation about TED on all shrimp trawlers to ensure the export of shrimp to USA.

iv) Modernized Fishing Fleets

As a result of introduction of modular boats by MFD in January, 2008 the boat owners have started modification of their boats at their own expenses. This is a success story which shows that the fisherman community has accepted the technology of lining of fish holds of fishing boat with fibreglass coating.

- 1,368 fishing boats including Trawler, Gillnetters and Horas and Doondas has been modified and upgraded
- For the monitoring of boat modification, inspection is conducted by MFD and new/fresh wooden/fibreglass fishing boats for fish holds and other areas were modified with fibreglass work/coating, as per EU standard and MFD issued Boat Approval Certificate for one year expiry

v) Deep Sea Fishing

During FY 2017-18 (July-February), no deep sea fishing vessel was in operation. Now deep sea fishing policy has been revised in consultation with all stakeholders which is under process for approval.

Table 2.25: Export of Fish and Fishery Products to European Union (EU) 2017-18 (P)

Commodity / Country	Fish		Cuttlefish		Shrimp		Total	
	Quantity (MT)	Value US$ (000)	Quantity (MT)	Value US$ (000)	Quantity (MT)	Value US$ (000)	Quantity (MT)	Value US$ (000)
Belgium	72	201	27	99	25	139	124	439
Cyprus	15	49	63	259	-	-	78	308
Spain	16	73	210	1,023	-	-	226	1,096
Italy	27	69	-	-	-	-	27	69
UK	145	811	-	-	24	149	169	960
Total	**275**	**1,203**	**300**	**1,381**	**49**	**288**	**624**	**2,872**

P: July-February

Source: Marine Fisheries Department

vi) Export of Fish and Fishery Products to the European Union (EU) Countries

Since resumption of export to the EU countries different consignment of fish, cuttlefish and Shrimps have been exported to the EU which has successfully cleared after 100 percent laboratory analysis at EU border. Export of seafood to EU countries during FY 2017-18 (July-February) is given in Table 2.25.

For further enhancement of seafood export to EU countries, six more processing plants are in pipeline, their cases for approval is under process with EU authorities. In order to meet the requirement of EU and other importing countries, two (02) laboratories of MFD (i.e. microbiology & Chemical) have got accreditation from Pakistan National Accreditation Council.

Conclusion

The agriculture sector continued to show improved performance and recorded the highest growth in last 13 years on account of government's supportive policies. The improvement in this sector is contingent upon continuity of the policies, which will not only help the agriculture sector to grow but will support other sectors of the economy. However, there is a need to improve the yield in a number of crops which are still low compared to peer countries. Pakistan being an agriculture country faces water scarcity problem due to increase in climate variability and extreme weather events which are negatively impacting water resources. To mitigate this challenge, National Water Policy should be formulated for water security on the basis of which the provincial governments can formulate their respective master plans and projects for water conservation, water developments and water management.

Chapter 3

Manufacturing and Mining

Introduction

Manufacturing plays a key role in economic development as it has multiplier impact on growth through value addition. The overall manufacturing sector contributes 13.6 percent in Gross Domestic Product (GDP). It has three sub sectors such as Large Scale Manufacturing (LSM), Small Scale manufacturing and slaughtering. The Large Scale Manufacturing (LSM) sector has 80 percent share in manufacturing and 10.8 percent share in GDP whereas small scale manufacturing has 13.8 percent share in manufacturing and 1.9 percent in GDP, while Slaughtering has 6.5 percent share in manufacturing and 0.9 percent share in GDP.

The manufacturing sector continued to gain momentum by witnessing 6.24 percent growth on the back of stellar performance of LSM sector during the first eight months of the current fiscal year as it touched 6.13 percent which are the highest in last 11 years. The industrial sector maintained its upward growth trajectory at 5.8 percent which is highest in last 10 years.

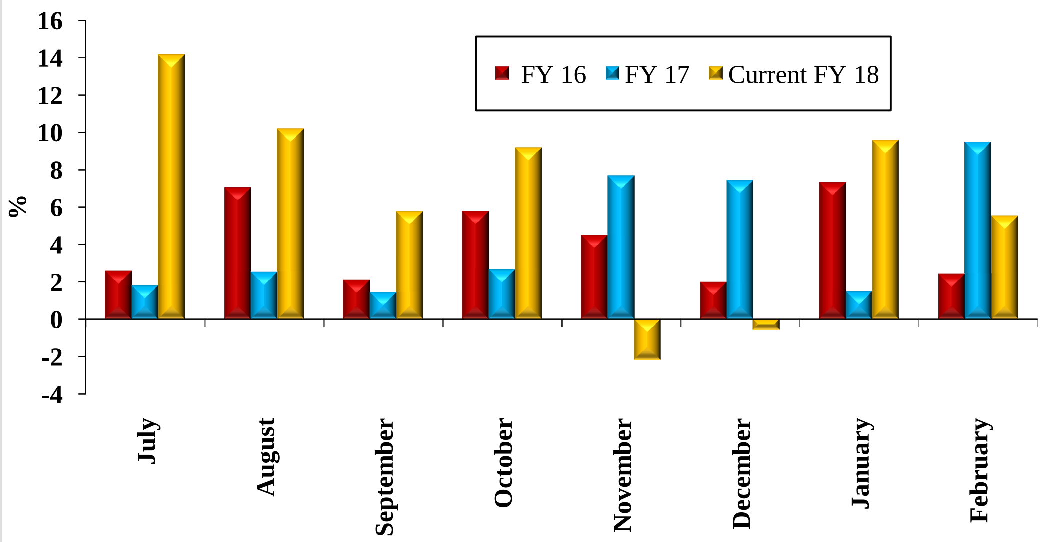
Ample liquidity in the banking system, a highly investment friendly interest rate environment, low inflation, strong domestic demand for consumer durables are responsible for continued reasonable growth in this sector.

During Q1 FY 2018, Large Scale Manufacturing (LSM) recorded a stellar growth of 9.9 percent as compared to 1.9 percent during the same quarter last year. The subsectors which recorded impressive growth over Q1 FY 2017 are electronics which grew by 80 percent, iron and steel products 47 percent, automobiles 29 percent, engineering products 27 percent, coke and petroleum products 14 percent, food, beverages and tobacco 12 percent, Non metallic mineral products 12 percent and paper and board 9 percent. The LSM sector witnessed contraction in growth following the first quarter in the month of November and December 2017 on account of delayed sugar crushing as well as lower availability of gas to small scale fertilizer manufacturers. Resultantly, the growth decelerated to only 1.9 percent in Q2 FY 2018 compared to 5.9 percent in Q2 FY 2017. The sectors which show muted growth in Q2 FY 2018 were fertilizers which declined by 14 percent, food beverages and tobacco 8 percent and engineering products 13 percent. The sectors showing growth during the second quarter are iron and steel products which increased by 28 percent, automobiles 15 percent, rubber products 11 percent, paper and board 11 percent, non metallic mineral products 8 percent, coke & petroleum products 3 percent and textile 0.3 percent.

During July-February FY 2018, the Large Scale Manufacturing (LSM) registered a growth of 6.24 percent as compared to 4.40 percent in the same period last year. On Year on Year (YoY), LSM recorded a growth of 5.52 percent in February 2018 compared to 9.47 percent of February 2017. The production data of Large Scale Manufacturing (LSM) received from the Oil Companies Advisory Committee (OCAC) comprising 11 items, Ministry of Industries and Production 36 items and Provincial Bureau of Statistics 65 items have contributed in LSM period average growth by 0.62 percent, 4.08 percent and 1.54 percent, respectively.

The Year on Year performance of LSM sector over corresponding period of last two year is given in graph below.

Figure 3.1: LSM (YoY trend)



The industry specific data shows that Electronics recorded highest growth of 38.79 percent (compared to 17.91 percent last year) , Iron & Steel products 30.85 percent (compared to 16.15 percent last year), Automobile 19.58 percent (compared to 10.09 percent last year), Non metallic mineral product 11.87 percent (compared to 7.10 percent last year), Paper & Board 8.06 percent (compared to 5.77 percent last year), Coke & Petroleum products 10.26 percent (compared to -0.07 percent last year), Rubber products 6.83 percent (compared to -0.16 percent last year), Engineering Products 5.21 percent (compared to 3.41 percent last year), Pharmaceuticals 9.44 percent (compared to 8.87 percent last year), Food Beverages & Tobacco 2.33 percent (compared to 7.06 percent last year) and Textile 0.47 percent (compared to 0.59 percent last year). The sector which recorded negative growth during the period are Wood products 27.32 percent (compared to -95.59 percent last year), Fertilizers 7.36 percent (compared to 0.21 percent last year), Chemicals 0.63 percent (compared to -2.81 percent last year) and Leather products 7.91 percent (compared to -19.58 percent last year).

Leather manufacturing continued on its declining trend on account of lagging behind in terms of product diversification and value addition along with facing pressure from regional competitors who are focusing on high value added products. The downturn witnessed in fertilizer sectors is on account of diversion of domestic piped natural gas from small scale urea producers. In chemical sectors there are multiple factors constrained their operations such as influx of cheap imported products, dependence on imported raw materials and high cost of doing business.

In February 2018, highest increased was recorded in Pharmaceuticals 49.27 percent, Coke and Petroleum products 16.28 percent, Iron & Steel products 12.60 percent, Non metallic mineral products 11.13 percent, Rubber products 8.34 percent, Automobiles 7.99 percent, Engineering products 1.71 percent, Paper & Board 1.69 percent and Textile 0.13 percent.

Group wise growth and points contribution of LSM for the period of July-February FY 2017 versus July-February FY 2018 are given in the following Table 3.1.

Table 3.1: Group wise growth and Point Contribution rate of LSM for the period of Jul-Feb 2017-18 vs Jul-Feb 2016-17

S.No.	Groups	Weights	% Change		% Point Contribution	
			July-February		July-February	
			2016-17	2017-18	2016-17	2017-18
1	Textile	20.915	0.59	0.47	0.12	0.10
2	Food, Beverages & Tobacco	12.370	7.06	2.33	0.87	0.29
3	Coke & Petroleum Products	5.514	-0.07	10.26	0.00	0.57
4	Pharmaceuticals	3.620	8.87	9.44	0.32	0.34
5	Chemicals	1.717	-2.81	-0.63	-0.05	-0.01
6	Automobiles	4.613	10.09	19.58	0.47	0.90
7	Iron & Steel Products	5.392	16.15	30.85	0.87	1.66
8	Fertilizers	4.441	0.21	-7.36	0.01	-0.33
9	Electronics	1.963	17.91	38.79	0.35	0.76
10	Leather Products	0.859	-19.58	-7.91	-0.17	-0.07
11	Paper & Board	2.314	5.77	8.06	0.13	0.19
12	Engineering Products	0.400	3.41	5.21	0.01	0.02
13	Rubber Products	0.262	-0.16	6.83	0.00	0.02
14	Non-Metallic Mineral Products	5.364	7.10	11.87	0.38	0.64
15	Wood Products	0.588	-95.59	-27.32	-0.56	-0.16

Source: Pakistan Bureau of Statistics (PBS)

The performance of Electronics is largely dependent on global raw material prices such as steel and copper which makes the sector vulnerable to external dynamics. Despite this the sector growth is on account of electric motors growth recorded at 142.16 percent, electric transformers 42.92 percent, air conditioner 23.63 percent and deep freezers 5.18 percent.

The growth in Iron and Steel derived from billets/Ignots 36.44 percent and H/C.R. Sheets/Strips/Coils/plates etc 25.54 percent. Steel demand gained traction from increase in automobile production besides the ongoing construction activities. Interestingly, such strong was the demand for steel that even a sharp growth in domestic production was not enough to curtail imports. The companies like Amreli steel, Aisha steel, Mughal steel and Dost steel have already announced significant expansionary plans.

Automobile sector recorded a growth at 19.58 percent in July-Feb FY 2018 and its sub sector such as tractors 44.68 percent, trucks 24.41 percent, jeeps and cars 23.29 percent, LCVs 19.73 percent and motor cycles 14.15 percent. During July-Feb FY2018, buses posted a negative growth of 39.35 percent. The sector will gain more growth due to entry of new variants such as Hyundai, Renault, Nissan, coupled with rapidly growing ride hailing services like Careem and Uber. In addition the strong demand for automobile arrived as rising income levels, together with low interest rates led to a significant uptick in auto financing. Recently, Prime Minister breaks ground on Hyundai-Nissan vehicle assembly plant in Faisalabad. In addition Nishat Mills offered 18% stake to Millat tractors in its car venture, while Renault signed new agreement to assemble cars in partnership with Al-Futtaim a Gulf-based business dealing with automobile sector.

The automobile industry sales during the first eight months (July to February) of fiscal year 2017-18 exhibited 23 percent growth. Tractors sales during the period recorded at 39.5 percent, buses and trucks 15.4 percent and motorcycles and three wheelers 17.7 percent. In light of ongoing infrastructural undertakings in the country, the auto sector looks primed for another healthy performance. The imposition of regulatory duties on the automobile sector is expected to create a favorable situation during the year as it may further enhance domestic production.

Non metallic mineral growth is on account of cement production growth recorded at 11.95 percent. The cement dispatches also remain strong to 14.7 percent during Jul-March FY 2018 which augur well better LSM growth going forward. The outlook for the construction remains encouraging in view of expected strong demand in allied industries like steel industries.

Coke and Petroleum rebounded strongly during the period on account of Jute batching oil 17.02 percent, LPG 39.49 percent, diesel oil 27.34 percent and motor spirits 15.60 percent. Improving trades as well as transportation activities coupled with increase in power generation capacity and industrial production also played a pivotal role in enhancing demand for petroleum products.

The Pharmaceutical industry recorded a growth of 9.44 percent during the period under review on account of growth in galenicals (tincture) 32.94 percent, injections 46.07 percent, capsules 45.42 percent and tablets 42.77 percent. The industry continues to reap the benefits of favorable government policies like higher PSDP spending on health and clarity on drug regulatory policy in the domestic market. The rising income levels, health awareness among masses, Prime Minister's national health program at country level and Sehat Insaf card in KPK province helped to boost pharmaceuticals sector.

The Engineering products recorded a growth of 5.21 percent which is arrived from sugarcane machines 94.00 percent, power looms 22.70 percent and metal drums 1.52 percent. The performance of Textile sector having highest weight of 20.91 in Quantum Index Manufacturing (QIM) remained subdued on account of lackluster performance of cotton yarn 0.10 percent and cotton cloth 0.09 percent having a combined weight of 20.15 in textile sector. The production of cotton increased by 7.6 percent during last year while it recorded an increase of 11.8 percent in FY 2018 along with rise in cotton prices in international market bode well in future. The government has recently revised the export package by further relaxing performance parameters. It remains to be seen how these measures draw a positive response from the local producers.

The Food Beverages and Tobaccoo recorded a growth of 2.33 percent on account of delayed in sugar crushing whereas last year the major growth was arrived from sugar along with others. The items recorded growths are soft drinks 10.41 percent, cooking oil 2.39 percent and starch & its product 3.96 percent.

Selected items of Large Scale Manufacturing are given in Table 3.2 and Figure 3.2.

Table-3.2 : Production of selected industrial items of Large Scale Manufacturing

S.No.	Items	Unit	Weight	July-February 2016-17	July-February 2017-18	% Change (Jul-Feb) 2017-18	% Point Contribution (Jul-Feb) 2017-18
1	Deep Freezers	(Nos.)	0.1622	67,001	70,470	5.18	0.01
2	Jeep & Cars	(Nos.)	2.8183	125,503	154,732	23.29	0.66
3	Refrigerators	(Nos.)	0.2394	1,122,457	774,197	-31.03	-0.07
4	Upper Leather	(000 sq.m.)	0.3924	17,573	13,958	-20.57	-0.08
5	Cement	(000 tones)	5.299	24,276	27,177	11.95	0.63
6	Liquids/Syrups	(000 Liters)	1.1361	77,712	47,059	-39.44	-0.45
7	Phosphate Fertilizer	(N tones)	0.3996	440,158	429,961	-2.32	-0.01
8	Tablets	(000 Nos)	1.9143	19,085,159	27,248,006	42.77	0.82
9	Cooking Oil	(Tones)	2.2271	254,931	261,012	2.39	0.05
10	Nitrogenous Fertilizer	(N tones)	4.0411	2,008,411	1,847,822	-8.00	-0.32
11	Cotton Cloth	(000 sq.m.)	7.1858	696,750	697,385	0.09	0.01
12	Vegetable Ghee	(000 tones)	1.1444	843,820	796,959	-5.55	-0.06
13	Cotton Yarn	(Tones)	12.9646	2,285,163	2,287,370	0.10	0.01
14	Sugar	(Tones)	3.5445	4,400,017	4,061,575	-7.69	-0.27
15	Tea Blended	(Tones)	0.3818	98,605	92,883	-5.80	-0.02
16	Petroleum products	(000 Liters)	5.4096	9,695,146	10,689,837	10.26	0.56
17	Cigarettes	(Million Nos.)	2.1252	22,184	39,389	77.56	1.65
18	Billets/Ingots	(Tones)	1.5234	2,593,000	3,538,000	36.44	0.56
19	H/C.R sheets/Strips/Coils	(Tones)	2.2841	2,262,700	2,840,550	25.54	0.58

Source: Pakistan Bureau of Statistics (PBS)

Figure 3.2: Monthly Production trends of major Large Scale Manufacturing (LSM) sector items during the July-February 2017-18 compared to corresponding period July-February 2016-17

Textile Industry

Pakistan has inherent advantage of being 4th largest producer of cotton in the world with a huge potential to further increase crop yield. For success of any export led industry, local availability of basic raw material is considered as an added advantage being a key factor in reducing cost of doing business. The textile value chain consists of multiple industrial sub-sectors. The value chain is quite long starting from cotton picking to a finished garment of the latest fashion. The end product of one sub-sector is the raw material for the other. Each sub-sector in the value change contributes to value addition and employment generation.

Performance of Textile Industry

Textile is the most important manufacturing sector and has the longest production chain, with inherent potential for value addition at each stage of processing, from cotton to ginning, spinning, fabric, dyeing and finishing, made-ups and garments. The sector contributes nearly one-fourth of industrial value-added and provides employment to about 40 percent of industrial labor force. Barring seasonal and cyclical fluctuations, textiles products have maintained an average share of about 60 percent in national exports. The export performance during the period under review is given in Table 3.3.

Table 3.3: Export of Pakistan Textiles (US$ millions)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (Jul-Feb)
Cotton & Cotton Textiles	12628	13348	13139	12168	12248	8596
Synthetic Textiles	406	383	331	288	204	197
Sub-Total Textiles	13034	13732	13470	12455	12452	8794
Wool & Woolen Textiles	122	125	119	98	79	51
Total Textiles	13156	13857	13589	12553	12531	8844
Total Country Exports	24515	25131	23885	20802	20478	14849
Textile as % of Export	54%	55%	57%	60%	61%	60%

Source: Ministry of Textile

Ancillary Textile Industry

The ancillary textile industry includes cotton spinning, cotton cloth, cotton yarn, cotton fabric, fabric processing, home textiles, towels, hosiery and knitwear and readymade garments, these components are being produced both in the large scale organized sector as well as in the unorganized cottage / small and medium units. The performance of these various ancillary textile industries is illustrated as under:-

i. **Cotton Spinning Sector**

The Spinning Sector is the backbone in the ranking of textile production. At present, as per record of Textiles Commissioner's Organization (TCO), it comprises 517 textile units (40 composite units and 477 spinning units) with 13.414 million spindles and 199 thousand rotors installed and 11.338 million spindles and 127 thousand rotors in operation with capacity utilization of 84.5 percent and 64 percent respectively.

ii. **Cloth Sector**

Problems of the power loom sector evolve mainly due to the poor technology and scarcity of quality yarn. Looms installed in Cotton Textile Mills are 9,084 and Looms worked were 6,384. Moreover, production of cloth in mill sector is reported whereas in non-mills sector is not reported and therefore is estimated. The production of cotton cloth has remained stagnant which slightly increased by 0.03 percent while the exports in term of quantity slightly decreased by 0.80 percent whereas in value term increased by 0.04 percent.

Table 3.4: Production and export of Clothing Sector

Production	**July-Feb 2017-18**	**July-Feb 2016-17**	**% Change**
Mill Sector (000. Sq. Mtrs.)	697,385	696,750	0.09
Non Mill Sector (000. Sq. Mtrs.)	5,422,010	5,420,580	0.03
Total	6,119,395	6,117,330	0.03
Cloth Exports			
Quantity (M.SqMtr.)	1380.282	1391.436	-0.80
Value (M.US$)	1425.585	1424.977	0.04

Source: Ministry of Textile

iii. Textile Made-Up Sector

Being value added segment of Textile industry made-up sector comprises different sub groups namely towels, tents & canvas, cotton bags, bed-wear, hosiery, knitwear & readymade garments including fashion apparels. Export performance of made-up sector during the period July-Feb FY 2018 is presented in Table 3.5.

Table 3.5: Export of Textile Made-Ups

	July-Feb 2017-18	July-Feb 2016-17	% Change
Hosiery Knitwear			
Quantity (M.Doz)	70.41	68.56	2.69
Value (M.US$)	1756.33	1550.09	13.30
Readymade Garments			
Quantity (M.Doz)	25.62	22.71	12.83
Value (M.US$)	1695.56	1499.47	13.08
Towels			
Quantity (000 MT)	135.13	124.90	8.19
Value (M.US$)	519.15	520.93	-0.34
Tents/Canvas			
Quantity (000 MT)	20.24	33.92	-40.33
Value (M.US$)	60.00	99.16	-39.49
Bed Wears			
Quantity (000 MT)	240.90	236.01	2.07
Value (M.US$)	1477.23	1413.50	4.51
Other Made up			
Value (M.US$)	274.41	266.02	3.15

Source: Ministry of Textile

a) Hosiery Industry

The industry sustains directly livelihood of 210,000 skilled workers and 490,000 unskilled workers. Another 350,000 people benefit in allied cottage industries. Thus, the industry provides directly and indirectly sustenance to well over a million people. Knitwear exports consists of knitted and processed fabrics knitted garments; knitted bed sheets, socks etc. and has the largest share 35 percent in textile exports. The export performance of knitwear during the period under review is given below in Table.3.6.

Table 3.6: Export of Knitwear

	July-Feb 2017-18	July-Feb 2016-17	% Change
Quantity (M.Doz)	70.406	68.563	2.69
Value (M.US$)	1756.329	1550.092	13.30

Source: Ministry of Textile

b) Readymade Garment Industry

Readymade garment industry has emerged as one of the important small scale industries in Pakistan. Its products have large demand both at home and abroad. The local requirements of readymade garments are almost fully met by this industry. Garment industry is also a good source of providing employment opportunities to a large number of people at a very low capital investment. It mainly uses locally produced raw materials. Most of the machines used by this industry are imported or locally made/assembled. Exports increased from 22.708 million dozens to 25.621 million dozen in various types of readymade garments worth US$ 1695.557 million during Jul-Feb FY 2018 as compared to US$ 1499.472 million during Jul-Feb FY 2017, thus showing an increase of 13.08 percent in terms of value and 12.83 percent in term of quantity.

Table 3.7: Export of Readymade Garments

	July-Feb 2017-18	July-Feb 2016-17	% Change
Quantity (M.Doz)	25.621	22.708	12.83
Value (M.US$)	1695.557	1499.472	13.08

Source: Ministry of Textile

c) Towel Industry

There are about 10,000 Towel Looms including shuttle and shuttle less in the country in both organized and unorganized sector. This industry is dominantly export based and its growth has all the time depended on export outlets. The existing towels manufacturing factories are upgraded to produce higher value towels. Export performance of towel sector during the period is given below in Table 3.8.

Table 3.8: Export performance of Towel sector

	July-Feb 2017-18	July-Feb 2016-17	% Change
Quantity (000 MT)	135.128	124.900	8.19
Value (M.US$)	519.150	520.928	-0.34

Source: Ministry of Textile

d) Canvas/Tents

The production capacity of this sector is more than 100 million Sq. meters. This sector is also known as raw cotton consuming sector. In term of quantity during Jul-Feb FY2018 it was recorded at 20.239 thousand dozen as compared to 33.919 thousand dozen during the same period last year thus showing decrease of 40.33 percent. Even in value term it decreased by 39.49 percent.

Table 3.9: Export performance of Tent and Canvas Sector

	July-Feb 2017-18	July-Feb 2016-17	% Change
Quantity (000.MT)	20.239	33.919	-40.33
Value (M.US$)	60.002	99.161	-39.49

Source: Ministry of Textile

iv) Synthetic Textile Fabrics

Synthetic fibers Nylon, Polyester, Acrylic and Polyolefin dominate the market. There are currently five major producers of synthetic fibers in Pakistan, with a total capacity of 636,000 tons per annum. Artificial silk resembles silk but costs less to produce, with capacity in country about 9000 looms.

During July-Feb FY 2018, synthetic textile fabrics worth $ 197.280 million were exported as compared to $ 109.552 million during the same period which is showing an increase of 80.08 percent as compared to last year. In Quantity term the exports of synthetic increased by 108.53 percent.

Table 3.10: Export performance of Synthetic Textile Fabrics

	July-Feb 2017-18	July-Feb 2016-17	% Change
Quantity (Th.Sq.Mtrs)	180,544	86,578	108.53
Value (M.US$)	197.280	109.552	80.08

Source: Ministry of Textile

v) Woolen Industry

The main products manufactured by the woolen industry are carpets and rugs. The exports of carpets during the period July-Feb FY 2018 is given in the Table 3.11.

Table 3.11: Exports of Carpets and Rugs (Woollen)

	July-Feb 2017-18	July-Feb 2016-17	% Change
Quantity (M.Sq.Mtr)	1.179	1.258	-6.28
Value (M.US$)	50.688	55.795	-9.15

Source: Ministry of Textile

vi) Jute Industry

The main products manufactured by the jute industries are jute sacks and hessian cloth, which are used for packing and handling of wheat, rice and food grains. The installed and working capacity of jute industry is given in the Table 3.12.

Table 3.12: Installed and working capacity of Jute

	July-Feb 2017-18	July-Feb 2016-17	% Change
Total No. of Units	10	10	0
Spindles Installed	24712	24272	1.81
Spindles Worked	14502	13944	4
Looms Installed	1138	1138	0
Looms Worked	779	746	4.42

Source: Ministry of Textile

The production of the Jute goods during Jul-Feb FY2018 remained at 48,851 metric tons and last year it was 34,708 metric tons, respectively showing an increase of 40.74 percent.

Other Industries

Engineering Sector

Engineering Development Board (EDB) is an apex government body under Ministry of Industries & Production entrusted to strengthen engineering base in Pakistan. EDB focuses primarily on the development of engineering goods and services sector on modern lines enabling to become technologically sound and globally integrated. Engineering Development Board has so far taken the following initiatives:-

i. Economic Coordination Organization (ECO)

Pakistan hosted 28th annual meeting of the Regional Planning Council (RPC) of ECO countries, organized by Ministry of Planning, Development & Reforms. Regional Planning Council is the main technical planning body within ECO which comprise of head of planning organizations of the member states as well as officials and experts from the national sectoral ministries/organizations. EDB presented comprehensive proposals/briefs for committee on trade & investment and committee on agriculture, industry & tourism.

ii. One Country Exhibition (Belarus)

On invitation of Ministry of National Food Security and Research, EDB participated in the one country exhibition (Belarus) in Islamabad 15.11.2017. Back to back meetings were held with Belarusian trade delegates in respect of Joint ventures/Business cooperation in engineering sectors. Delegates were briefed about ADP 2016-21.

iii. Achievement of goals of the vision 2025 (Upcoming Industrial Policy)

On request of M/o I&P/ M/o PD&R, EDB prepared and submitted the proposals/inputs in respect of development and sustainable growth of local engineering industry to make it competitive for the fast changing world in order to achieve the goals envisioned in vision 2025.

iv. Strategic Trade Policy Frame Work 2018-23

Ministry of Commerce (MoC) has initiated detailed working on the upcoming Strategic Trade Policy Frame Work 2018-23 for which they have invited the all stakeholders for inputs. On request of MoC/MoIP, EDB approached all the relevant associations and industries for their proposals and accordingly received responses from the industry were evaluated and submitted for incorporation in STPF 2018-23.

v. Cost of Doing Business in Pakistan 2018

To present and promote the realistic image of Pakistan as an emerging destination for doing business, Engineering Development Board is publishing its fresh edition of Cost of Doing Business in Pakistan 2018. It is a widely circulated document, which is distributed to Pakistan’s Commercials Consulates abroad, all Ministries/Divisions and attached departments of government, banks, chambers of commerce and major industries.

vi. Pakistan Auto Show 2018

EDB setup stalls in the Pakistan Auto Show 2018, which was held on 3rd March 2018. The show was the country’s largest gathering of leading auto parts suppliers and auto service providers from all over the country covering the full range of motor vehicles parts as well as components for the drive, chassis, body, electrics and electronic groups.

Automobile Industry

Automobile sector continued to maintain its growth momentum, during the current financial year Jul-Feb FY 2018, as evident from impressive growth in all sectors, except buses. This is on account of strong demand due to new model vehicles which keep the pace of growth. This was kept to maintain the position of the auto sector amongst the top sectors of large-scale manufacturing. Remarkable growth has been witnessed in jeeps which is recorded at 1430.7 percent, tractors 44.7 percent, trucks 24.4 percent, LCVs 19.7 percent, two/three wheelers 17.3 percent and cars 16.8 percent. The Table 3.13 below shows comparative position of the production during the year July-Feb FY 2018 and FY2017.

Table 3.13. Production of Automotive Industry — No of units produced

Category	Installed Capacity	2015-16 (July-Feb)	2016-17 (July-Feb)	2017-18 (Jul-Feb)	% Change
Cars	240,000	121,755	124,923	145,854	16.8
LCVs	43,900	27,458	16,627	19,907	19.7
Jeeps	5,000	580	580	8,878	1430.7
Buses	5,000	664	803	487	-39.4
Trucks	28,500	3,414	4,888	6,081	24.4
Farm Tractors	100,000	17,606	31,502	45,576	44.7
Two/Three Wheelers	2,500,000	882,235	1,071,454	1,257,095	17.3

Source: Pakistan Automotive Manufacturer Association

There has been steep fall in production of buses as the cumulatively growth come down to 39 percent during the period under review. It is on account of changing the preferences as public preferring to have a transport of their own as locally manufactures two wheelers are available at affordable rate. Further, in some cities, the availability of modern public transport facilities is an additional factor to dampen the demand for buses, besides allowing imports. On intercity routes, the demand for buses is not as much to affect the production volumes significantly. Notwithstanding the aforesaid, there is enormous potential of growth in local buses, waiting to unleash when serious measures taken on formulating and implementing urban transport schemes in the cities by replacing the old and dilapidated buses, presently plying on the roads of metropolitan areas.

In case of trucks, due to policy intervention by the government, the market share of used truck import, which once, in 2014, was 37 percent, came down to only 6 percent in 2018. Given that, if the existing policy continues, projected production figures for the forthcoming years for local trucks industry are far more.

There is strong demand for cars in the country due to prevailing three years rule for the used cars. However, still the import of used cars rule with imposing 24 percent share in the local market. During Jul-Feb FY 2018, Light Commercial Vehicles (LCVs) revived and recorded at 19.7 percent growth compared to negative growth of 39 percent during the same period last year on account of discontinuation of Punjab's Apna Rozgar Scheme.

The production of Jeeps recorded a phenomenal growth of 1430 percent on account of introduction of a new model in April 2017, which hugely uplifted the production figures of 580 units during Jul-Feb FY2017 to 8878 units recorded during Jul-Feb FY 2018.

The auto sector continues to stands out as one of the best performing amongst the large scale manufacturing sectors. The reason for this outstanding and sustained growth is little interference and clear policy direction by the government. Further government committed for expansion of auto sector as evident in the Auto Policy 2016-21. The policy was well responded in all context resulting new players would join the sectors by 2019, which gives enough time to the existing players to prepare for healthy competition.

Fertilizer Industry

Fertilizer industry is important for economic development and the prosperity of farming community. The industry produce, imports and distributes fertilizer throughout the country. As fertilizer is an important input for agriculture growth; the government's intervention in the shape of subsidy and tax relaxations has improved the performance of the agriculture sector.

There are ten urea manufacturing plants, one DAP, three NP, three SSP, two CAN and one plant of blended NPKs having a total production capacity of 8,983 thousand product tonnes per annum. Although, the installed production capacity for all products has attained the level of 8,983 thousand tonnes per annum, the actual production for year 2016-17 for all products remained at 8,245 thousand production tonnes. The estimated production for 2017-18 is about 7866 thousand product tonnes. The entire fertilizer products are manufactured by the private sector.

At the present, the installed production capacity (6,323 thousand tonnes) of urea fertilizer is more than national demand of about 6000 thousand tonnes per annum. The estimated annual production urea for 2017-18 is about 5700 thousand tonnes, which is less by 10 percent of the installed capacity of urea fertilizer.

The recommended level of fertilizer use in Pakistan for Nitrogen (N), Phosphate (P) & Potash (K) is 2:1:0.5. Current fiscal year 2017-18 estimates shows that Nitrogen (N) and Phosphate offtake has decreased by 5 and 1.4 percent respectively, while Potash (K) offtake has jumped by 31.5 percent as compared to the previous year. To support the domestic fertilizer industry, the government has allowed the export of 459 thousand tonnes of urea fertilizer up to March 2018.

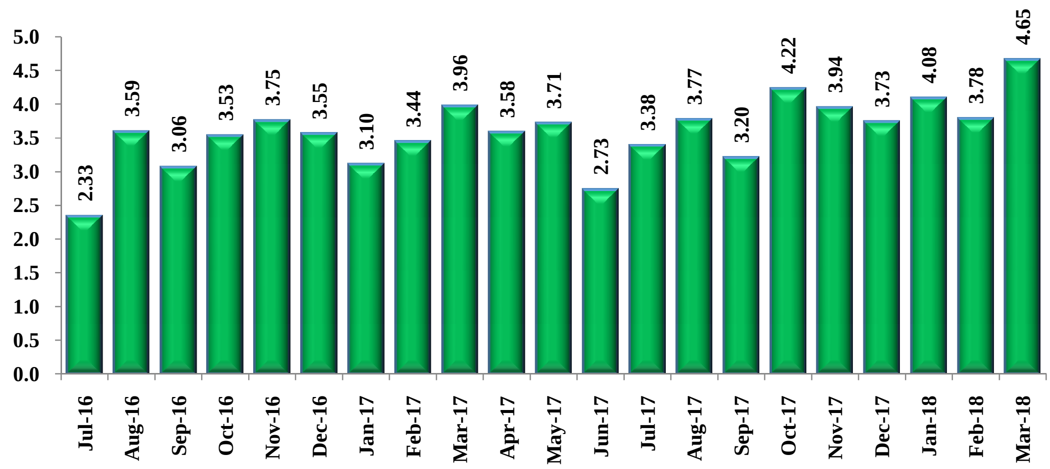
Cement Industry

The cement industry is among the highest contributors to the national exchequer. The sector continues to post healthy growth and continued to enhance its capacities.

The recent growth in domestic cement demand has been complemented by surging exports for the second consecutive months as cement export increased by a whopping 85 percent in March 2018. The exports started improving in February 2018 and have continued to improve in March 2018 as well on account of sudden surge to Afghanistan that increased from 0.037 million tons in March 2017 to 0.106 million tons in March 2018.

The total cement sales in March 2018 were historical high by 4.652 million tons. This was 17.33 percent higher than the sales of 3.965 million tons achieved in March 2017. Domestic consumption was 4.260 million tons out of which 3.543 million tons was consumed in the northern part and 0.717 million tons was consumed in the southern part of country showing a growth of 13.52 percent.

Figure 3.3: Cement Dispatches (M.tons)



During the first nine months of the current fiscal year, the industry sold 34.76 million tons of cement which is 14.70 percent higher than 30.30 million tons dispatches during the corresponding period last year. The domestic growth is mainly attributing the policies of the government and its thrust on mega infrastructure projects and will further increase the local production substantially if the smuggling from Iranian border is checked.

Table 3.14: Cement Production Capacity & Dispatches					Million tonnes
Years	Production Capacity	Capacity Utilization (%)	Local Dispatches	Exports	Total Dispatches
2006-07	30.50	79.23	21.03	3.23	24.26
2007-08	37.68	80.14	22.58	7.72	30.30
2008-09	42.28	74.05	20.33	10.98	31.31
2009-10	45.34	75.46	23.57	10.65	34.22
2010-11	42.37	74.17	22.00	9.43	31.43
2011-12	44.64	72.83	23.95	8.57	32.52
2012-13	44.64	74.89	25.06	8.37	33.43
2013-14	44.64	76.79	26.15	8.14	34.28
2014-15	45.62	77.60	28.20	7.20	35.40
2015-16	45.62	85.21	33.00	5.87	38.87
2016-17	46.39	86.90	35.65	4.66	40.32
July-Mar					
2016-17	46.39	87.64	26.18	3.75	30.30
2017-18	49.44	93.74	31.31	3.44	34.76

Source: All Pakistan Cement Manufacturers Association (APCMA)

Small and Medium Enterprises

Small and Medium Enterprises Development Authority (SMEDA) is the apex organization for development of the SME sector in Pakistan. It has broad service portfolio including human resource development through training, industry support for productivity enhancement, business development products and services as well as collaborative projects with national and international development partners. Salient activities/achievements of SMEDA during July-Feb FY 2018 are given below:-

i. SMEDA Over the Counter (OTC) services

SME facilitation (Helpdesk): 7701
Investment Facilitation ...... Rs 206.187 million
Training Programs/workshops 170
Execution of theme/sector
Specific helpdesk... 56
OTC documents/helpdesk material................ 34
Development of new pre-feasibility 10
Updating of pre feasibilities 3
Development of Business Plans : 16
Cluster/District profile 7
Diagnostic/value chain studies 5
SMEDA Newsletter : .... 2 issues
SME Observer .... 1 issue
SMEDA Annual Report...... Annual Publication

ii. Special projects with international development partners

a) Economic Revitalization of Khyber Pakhtunkhwa and FATA (ERKF)

The Multi Donor Trust Fund (MDTF) project Economic Revitalization of Khyber Pakhtunkhwa and Federally Administered Tribal Areas (FATA) was implemented to provide support for rehabilitation of business in the region. The first phase of the project was successfully implemented from 2012-17. Owing to the great success of the first round of the project; World Bank has approved second round of the project. Implementation of the 2nd phase was initiated in July 2017. During Jul-February FY 2018, total 89 grants worth Rs. 108.6 million have been approved and 34 grants worth of 40.2 million have been disbursed.

b) Industrial Support Program

SMEDA in collaboration with various international development agencies such as Japan International Cooperation agency (JICA), German International Cooperation (GIZ), Training and Development Centers of the Bavarian Employers Association (bfz), Germany and local experts, is providing technical assistance to SMEs across a range of industries to upgrade their skills and improve systems. During Jul-February 2017-18, energy audits of 6 industrial units were carried out and

13 training workshops/seminars on productivity & quality improvements, green productivity and energy efficiency were conducted.

c) **Technical support to auto parts manufacturing industry**

In order to broaden the scope of productivity and improvement activities across the value chain of auto sector and subsequently improving the share of localization of auto parts, SMEDA in collaboration with JICA is implementing a 4 year technical support program of Japanese way for improving the productivity and quality. During Jul-February 2017-18, technical facilitation to 39 factories (Sindh 20, Punjab: 19) has been initiated under 2nd phase of SMEDA-JICA project.

iii. **SME Development Projects under Public Sector Development Program (PSDP)**

Following ongoing PSDP projects of SMEDA were inaugurated by the Honourable Federal Minister for Industries & Production on October 26-27, 2017.

a) **Honey processing & packaging plant, swat:** The facility provides proper Honey extracting & processing, cleaning and packing facilities to the Honey Bee farmers, traders and exporters at their doorstep. The common facility centre offers services to increase export of Honey by providing following international standard facilities to the cluster stakeholders.

- Sophisticated equipment to process apiary as well as forest honey
- Production of refined high quality honey for bulk consumption
- Subsidized Modern processing and packaging facility
- Capacity to process approximately 2000 kg of honey in an 8 hour shift
- Capacity to package 1500-2000 bottles (1kg)

b) **Common Facility Centre for Silk Cluster, Swat:** The centre offers facilities to improve quality of silk cloth by provision of dyeing, washing and pressing facilities in the cluster.

c) **Women Business Development Centre (WBDC), Mingora, Swat:** WBDC provides a secure facility for women entrepreneurs promoting especially home based business to conduct business in more formal manner. The centre includes offices, display facility and training opportunities for women entrepreneurs of the region.

iv. **Institutional collaborations and partnerships developed for investment, business and export promotion of SME sector**

One of the core functions of the organization is to strengthen institutional ties with local and international agencies. SMEDA signed Memorandum of Understanding (MoU) with University of Science and Technology, Bannu, Shaheed Benazir Bhutto Women University (SBBWU) and Brain Institute Peshawar for establishment of Entrepreneurship Development Centres.

Mineral Sector

Mining is an important industry in Pakistan. Pakistan has deposits of several minerals including coal, copper, gold, chromite, mineral salt, bauxite and several other minerals. There are also a variety of precious and semi-precious minerals that are also mined.

The Mining and Quarrying sector grew by 3.04 percent in FY 2018 as against -0.38 percent last year. Quartz, Soap stone, Marble, Bauxite, Barytes, Lime stone, Magnesite, Gypsum, Coal and Crude oil posted a positive growth of 97.28 percent, 43.53 percent, 43.25 percent, 37.20 percent, 15.06 percent, 13.40 percent, 8.55 percent, 6.85 percent, 5.70 percent and 0.41 percent, respectively.

However, some witnessed negative growth during the period under review such as Chromite 20.15 percent, Ocher 16.61 percent, Calcite 6.92 percent, Sulphur 4.01 percent, Natural gas 1.16 percent and Rock salt 1.21 percent (Table 3.15).

Table 3.15: Extraction of Principal Minerals

Minerals	Unit of Quantity	2015-16	2016-17	2017-18 (Estimated)	%Change FY18/FY17
Coal	M.T	3,749,312	3,953,992	4,179,342	5.70
Natural Gas	MMCFT	1,481,550	1,471,854	1,454,840	-1.16
Crude Oil	JSB(000)	31,652	32,269	32,401	0.41
Chromite	M.T	69,333	105,238	84,031	-20.15
Magnesite	M.T	35,228	19,656	21,337	8.55
Dolomite	M.T	666,755	301,124	298,323	-0.93
Gypsum	M.T	1,871,716	2,079,629	2,222,061	6.85
Lime Stone	M.T	48,296,551	52,144,064	59,131,013	13.40
Rock Salt	M.T	3,552,984	3,534,075	3,491,246	-1.21
Sulphur	M.T	14,869	23,740	22,787	-4.01
Barytes	M.T	157,858	91,711	105,524	15.06
Calcite	M.T	1,610	4,448	4,140	-6.92
Soap Stone	M.T	125,985	152,279	218,564	43.53
Marble	M.T	4,747,113	4,904,400	7,025,400	43.25
Bauxite	M.T	57,024	75,375	103,412	37.20
Quartz	M.T	88,353	98,529	194,378	97.28
Ocher	M.T	68,352	86,080	71,779	-16.61

Source: Pakistan Bureau of Statistics (PBS)

Punjab:

Mines & Minerals Department, Punjab is responsible for grant, surveys, exploration and development of mineral resources in addition to collection of rents, royalties and fees from the mining concessionaires. Other responsibilities include infrastructure development in mining areas and safety, health, welfare of mine workers. Mines & Minerals aims to play a proactive role in the effective and safe exploitation of minerals, and sustainable development of the mineral sector in Punjab, in order to achieve self-sufficient growth and maximized benefit. It has contributed in various sectors like industrial sector, energy sector, service sector, development sector and mining sectors.

Achievements

Following are the landmark achievements of Mines & Minerals Department Government of the Punjab during the Financial Year 2017-18.

1. Land mark auctions of Leases and Revenue receipts

a) Land mark auctions:

In the present financial year, previous leases were auctioned against an amount of Rs. 2.31 billion have been re-auctioned against Rs. 6.93 billion, thus 200 percent increase in the auction amount of royalty of minerals.

b) Revenue Receipts:

Directorate General Mines & Minerals has collected Rs. 5.81 billion upto Feb 2018 of this financial year as compared to Rs. 4.24 billion of the same period of previous financial year in terms of royalty on minerals thus 37 percent increase in revenue receipts in seven months.

2. Promulgation of Punjab Mineral Policy

As per National Mineral Policy 2013, each province has to formulate its own provincial mineral policy; Punjab is the first province to have launched Punjab Mineral Policy. This policy will not only make the all processes more transparent but will also create new jobs.

3. Exploration of Iron Ore deposits at Chiniot-Rajoa and Sargodha

Phase I of Metallic Mineral Exploration at Chiniot (2014-2016) resulting in deposit of 150 million tons of iron ore on NI43101 standards has been completed. Phase II commenced (2017-18) for extension drilling on 15 new prospects in Punjab.

4. Underground Coal mines survey-Third party validation

For updating & validation of coal resources of 596 million tons in the Salt Range (SNoWDEN Study Report 2010-13), the Directorate General Mines & Minerals through competitive bidding process engaged SST & FUGRO consultant (German). The objective of study was to ensure availability of suitable coal in suitable areas, semi-mechanized mining techniques as well as planning for corporate mining model for sustained supply of coal to 330 MW power plant up till thirty years. The findings of the study upgraded already measured 18 million tons coal resource (SNoWDEN Report) into 94 million tons measured resource, thus ensuring supply of 5000 tons coal per day with minimum GCV of 3200 Kcal/Kg of for 330 MW coal power plant requirement subject to optimum mechanized mining techniques.

5. Study for delineation of negative and positive mining areas for installation of cement plants in the salt range

In order to safeguard environmental concerns and to promote new investment in cement sector through a well-crafted strategy, Director General Mines & Minerals engaged M/s NESPAK (consortium with M/s Sogreah Artelia Group-French) for completion of task. Consultants have submitted the final report along with recommendations and operational guidelines. In the light of this study report, an area of 979 square kilometers out of 8872 square kilometers in the salt range is notified as negative area for installation of cement plants whereas remaining area of 7893 square kilometres is conditionally positive area.

6. Safety and welfare of mines workers

One window facilitation for small, medium and large-scale operators been created along with 3 rescue stations upgraded and 2 new added to facilitate mine labour safety concerns apart from adding 10 bedded new hospital.

In FY 2017-18, Government of the Punjab provided free health facilities to 41000 mines workers and free education for 2495 children of mines workers in addition to providing stipend/scholarships to 2655 children. An amount of Rs. 82.656 million was distributed among 24000 children of mines workers.

Khyber Pakhtunkhwa

The Director General Mines & Minerals is a provincial department responsible for development of mineral sector. It has two divisions namely Licensing Division and Exploration Promotion Division.

The total area of Khyber Pakhtunkhwa is 74521 Sq. Km. Out of which 70 percent consist of mountains and rocks. The formation of these rocks contains huge prospects of different metallic, non-metallic minerals and various precious/semi-precious gemstones minerals. It has a large number of mineral resources which have not yet been exploited at all to its full potential. Based on the exploration done so far, excellent prospects of other valuable deposits exist. The function of the Licensing Division is to grant mineral title to the interested investors/entrepreneurs. At present, 1214 mineral titles stands granted for various mineral.

The vision of directorate is to focus intensively on social mobilization and poverty alleviation on through policy reforms and good governance. The provincial government has notified mineral policy 2014 in order to grant and regulate mineral sector in a well-organized manner. The Mineral Sector Governances Act 2017 has already been promulgated. Monitoring teams have also been notified to control and stop unauthorized mineral activities in province.

Sindh

The Sindh province has large quantities of minerals, coal, granite marble, limestone, travertine and sandstones deposits reserves. Huge deposits of dimension and cut stones are also found in Sari Singh area of Thano Bula Khan Taluka.

The granite area which was not accessible earlier are now connected with Karachi by constructing roads as well as rest house facilities owing to smooth the working of exploring the granite in these remote areas. A fine quality of marble such as golden and coral marble were also found in the province. The scattered outcrop of golden marble in Sonda area spread over nearly 100 sq.km and in Thatta district located on both sides of the national highway. The basic facilities such as electricity, telephone and water supply is also available in the villages of Sonda and Daduri , which are not far from the quarry sites.

The Directorate of Mines & Mineral Development, Sindh is sponsoring a scheme for feasibility study of granite deposits in Thar Parkar, Sindh. The department has now constituted a policy for judicious and transparent award of lease in this area. It will be ensured that 03 large granite factories will be set up by year 2030 in this remote area. This will not only generate employment opportunities for poor and downtrodden masses of this far flung area but will also get world class granite for local consumption and export quality which will help in poverty reduction and increase in government revenues.

Balochistan

Balochistan is the largest province (area wise) of the country constituting about 42 percent of the total national landmass. The country, in general, and this part/province of the country in particular, is endowed by the nature with the blessing of substantial mineral wealth. The provincial government has given prompt attention towards the development of minerals. Various national & multinational companies are involved in exploration of Balochistan minerals and have obtained areas for pre-feasibility studies and exploration of gold, copper, precious metals and associated minerals in Chagai and other districts. The licenses granted to various companies are given in Table 3.16.

Table 3.16: Licenses status

S#	Name of Company & address	Minerals
1	M/S.S.F.M Hassani Traders & Industries (Pvt) Limited	Gold Copper, Silver, Manganese & associated minerals
2	M/S Chagai Resources (Pvt Limited)	Precious Metals and Base metals
3	M/S Chagai Resources (Pvt Limited)	Precious Metals and Base metals
4	M/S Chagai Resources (Pvt Limited)	Precious Metals and Base metals
5	M/S PPL Bolan Mining Enterprises District Khuzdar	Lead Zinc
6	M/S Gulf Minerals Lasebella	Hematite, Rutile, Zircon, Garnet, iron & Associated Minerals
7	M/S Gulf Minerals Lasebella	Hematite, Rutile, Zircon, Garnet, iron & Associated Minerals
8	M/S Pak Chagai Quetta	Renewal application deferred by Mines Committee

Source: Mines & Mineral Development Department, Balochistan

Vast resources of copper have been discovered by the Geological Survey of Pakistan in Chagai district of Balochistan at Saindak, Koh-i-Dalil, Dash-i-Kain, Durban Chah, Kabul Koh, Ziarat Pir Sultan Rekodiq etc.

Several deposits of iron ore have been found in Chagai district of Balochistan. Most of these are fairly rich in iron but small in size. Notable deposits of iron ore occur at Pachin Koh, Chigendik and Chilgazi in Chagai district and Dilband area of Kalat district. Total estimated iron ore reserves are about 273 million tons.

Conclusion

During FY 2018, the performance of the manufacturing sector remained satisfactory on account of better performance shown in sub sectors especially Large Scale Manufacturing (LSM). The outlook is promising on the back of continued growth performance of LSM, expansion in credit to private sector, low policy rate, contained inflation along with benefits from the activities related to the China-Pakistan Economic Corridor (CPEC). The Census of Manufacturing Industries (CMI) survey was done in 2005-06 on which share of LSM is calculated. There is dire need to expedite the process of conducting latest CMI survey in order to capture the more realistic picture through adding more industries in LSM sector.

Chapter 4

Fiscal Development

Introduction

Fiscal policy has an effective role in promoting sustainable and inclusive growth. A well structured fiscal policy ensures the efficient allocation of public resources. It encourages effective public spending and creates fiscal space for priority investments thus creating a favorable environment for achieving higher economic growth. However, it is equally important to maintain fiscal discipline that is essential to boost economic performance and preserving macroeconomic stability.

Pakistan has made substantial progress in the last five years which is characterized by macroeconomic stability, improved fiscal indicators, low inflation, sustained growth rate, high forex reserves and significant performance of stock market. Prior to 2013, the economy was caught up in persistent energy shortages, double-digit inflation, low development spending, mounting fiscal deficit, low tax revenues, negative credit to private sector and deteriorating law and order situation. Nevertheless, the present government took all these challenges head-on and within five years achieved stabilization and higher economic growth.

The economic performance remained strong as growth accelerated significantly to 5.37 percent in FY2017, supported by a broad-based growth in Agriculture, Industrial and Services sectors, while inflation remained well below the target. The issue of power crises was taken on as a priority which consequently created an improved energy situation thus resulting in Industrial and Services sectors growth. Whereas, for FY2018 the GDP growth is estimated at 5.79 percent (Provisional). This shows that the growth prospects of Pakistan's economy from FY2018 onwards are encouraging given that vast infrastructure projects are under implementation along with capacity expansion of industries.

On fiscal side, unprecedented public expenditures and persistently low revenues undermined the stability of the fiscal accounts. However, during the past five years, this sector has witnessed a notable improvement on account of wide ranging reforms in the area of resource mobilization and expenditure management. The substantive measures taken in a challenging environment to control unproductive expenditures as well as increasing revenues helped in generating additional fiscal space for expenditure on development and social safety net.

Particularly, the restructuring plan of key Public Sector Enterprises (PSEs) as well as power sector reforms is in progress. These reforms are providing the needed support to reduce financial losses and related fiscal costs, thus creating more fiscal space for various growth-oriented projects. It is evidenced that during the past five years, total development expenditures (excluding net lending) increased from 3.5 percent of GDP during FY2013 to 5.3 percent of GDP during FY2017.

Overall, Pakistan's fiscal position improved considerably given that the consolidated fiscal deficit that averaged 7.2 percent of GDP between FY2009 and FY2013 registered a decline to an average of 5.8 percent between FY2013 and FY2017.The government remained focused on a gradual reduction of the fiscal deficit whilst being committed to fiscal consolidation. Overall, the fiscal deficit registered a persistent decline from 8.2 percent of GDP in FY2013 to 5.5 percent, 5.3 percent and 4.6 percent over the successive 3 years. However, during FY2017 the fiscal deficit increased to 5.8 percent against the revised target of 4.2 percent of GDP primarily due to low provincial surplus, a shortfall in FBR tax collection and increase in project loans on account of CPEC related activities.

Nevertheless, during the first half of FY2018, fiscal sector has performed reasonably well on account of higher growth in revenue collection and increase in provincial surplus. Encouragingly, the growth in revenue collection outpaced the increase in expenditure during the period under review.

Looking at the performance of the key fiscal indicators to the end of first half of current fiscal year, it is visible that total revenues grew by 19.8 percent, whereas in terms of GDP it increased to 6.9 percent. Within revenues, both tax and non-tax revenues grew by 16.4 percent and 43.4 percent respectively during first half of FY2018. While in terms of GDP, tax revenues contributed 5.9 percent and non-tax revenues 1.0 percent during the same period.

On the other hand, expenditures increased by 14.0 percent and in terms of GDP, it was recorded at 9.2 percent. Of total expenditures, growth in development expenditures (excluding net lending) remained robust as it stood at 23.4 percent, whereas current expenditures grew by 13.5 percent.

Hence, strong growth in revenues relative to expenditures helped in containing fiscal deficit to 2.3 percent of GDP during first half of FY2018 as compared to 2.5 percent of the corresponding period of last year. Likewise, revenue deficit reduced to 0.5 percent of GDP and primary deficit declined to 0.1 percent of GDP during July-December, FY2018 against 0.8 percent and 0.5 percent respectively in the comparable period of FY2017.

On positive side, with 17.5 percent growth, FBR tax collection increased to Rs 2,257.6 billion during July-February, FY2018 against Rs 1,921.7 billion in the comparable period of FY2017. The rise in FBR tax revenues is mainly attributed to various tax measures taken during the last few years along with increase in economic activity and strengthening of domestic demand.

Aforementioned developments and efforts are the testament of this fact that the fiscal position has improved significantly and the government is highly committed to furthering gains derived during the past five years.

Fiscal Policy Developments

A cursory look at table 4.1 indicates a change in pattern of both revenues and expenditures over the past decade. On revenue side, revenue-to-GDP ratio witnessed a declining trend between FY2008 and FY2012. Similarly, tax-to-GDP ratio remained within the narrow range of 9.1 percent to 10.2 percent of GDP between FY2008 and FY2012 largely due to structural weaknesses in the tax system. However, in recent years, tax-to-GDP and hence revenue-to-GDP ratios have witnessed a marked improvement, particularly since FY2013.

Total revenues as percentage of GDP increased from 13.3 percent in FY2013 to 15.4 percent during FY2017. Within total revenue, overall tax collection also grew from 9.8 percent in FY2013 to 12.4 percent of GDP during FY2017. On the other hand, non-tax revenues stood at 3.0 percent during FY2017 against 3.5 percent of GDP in FY2013.

Table 4.1: Fiscal Indicators as Percent of GDP

Year	Real GDP Growth	Overall Fiscal Deficit	Expenditure			Revenue		
			Total	Current	Development[/1]	Total Rev.	Tax	Non-Tax
FY2008	5.0	7.3	21.4	17.4	4.0	14.1	9.9	4.2
FY2009	0.4	5.2	19.2	15.5	3.5	14.0	9.1	4.9
FY2010	2.6	6.2	20.2	16.0	4.4	14.0	9.9	4.1
FY2011	3.6	6.5	18.9	15.9	2.8	12.3	9.3	3.0
FY2012	3.8	8.8	21.6	17.3	3.9	12.8	10.2	2.6
FY2013	3.7	8.2	21.5	16.4	5.1	13.3	9.8	3.5
FY2014	4.1	5.5	20.0	15.9	4.9	14.5	10.2	4.3
FY2015	4.1	5.3	19.6	16.1	4.2	14.3	11.0	3.3
FY2016	4.56	4.6	19.9	16.1	4.5	15.3	12.6	2.7
FY2017	5.37	5.8	21.3	16.3	5.3	15.4	12.4	3.0
FY2018 B.E	6.0	4.1	21.3	15.0	6.3	17.2	13.7	3.5

[/1] including net lending
Note: Estimated growth during FY2018 is 5.79 percent.

However, the pace of growth in revenues remained slow during FY2017 as compared to FY2016 primarily due to low FBR tax revenues and provincial taxes. During FY2017, overall tax revenues posted a growth of 8.4 percent against an impressive growth of 21.3 percent recorded in FY2016. In terms of GDP, tax revenues reduced to 12.4 percent in FY2017 from 12.6 percent recorded in FY2016.

While, FBR tax collection grew by 8.2 percent in FY2017 as compared to remarkable growth of 20.2 percent witnessed in FY2016. In fact, various tax incentives and relief measures to encourage investment, exports and domestic production added to the slower growth in tax revenues during FY2017.

Similarly, the taxes collected by the provincial governments grew by 13.6 percent during FY2017 against an impressive growth of 37.6 percent recorded in FY2016.

A strong reversal in growth of non tax revenues has been witnessed during FY2017 after a sharp decline in FY2016. Contrary to tax revenues, non tax revenues posted a significant growth of 23 percent during FY2017 over preceding year which is largely attributed to one-off receipts from disinvestment of government stakes in the Pakistan Security Printing Corporation and sale of two LNG power plants under the Pakistan Development Fund. Viewed from GDP perspective, non tax revenues increased to 3.0 percent during FY2017 from 2.7 percent in FY2016.

For FY2018, total revenues are expected to reach 17.2 percent of GDP on account of 13.7 percent and 3.5 percent target of tax and non-tax revenues respectively.

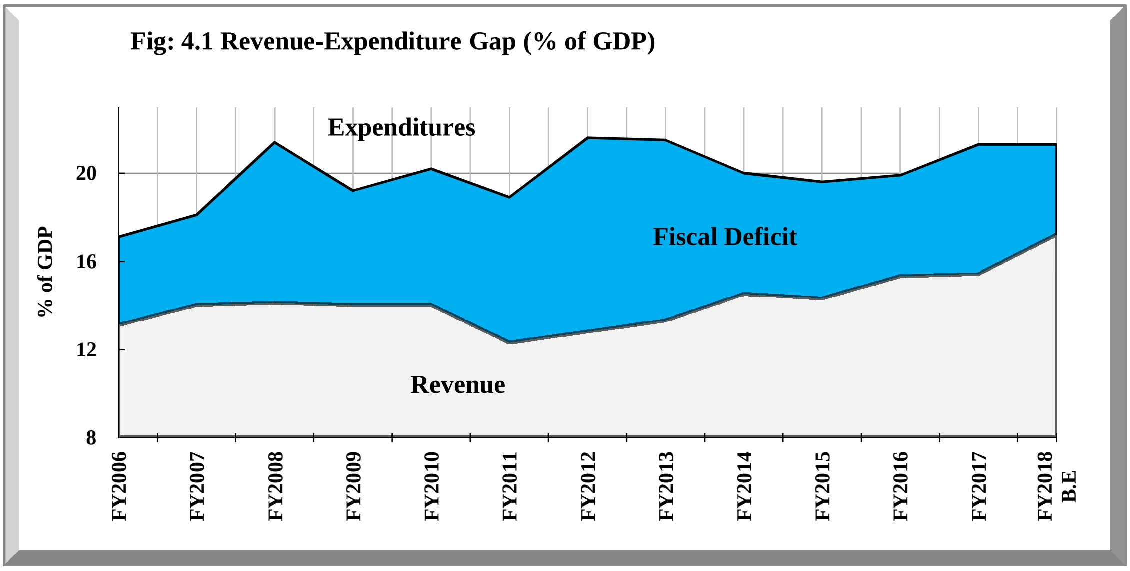
On expenditure side, total expenditures stood at 21.3 percent of GDP during FY2017 against 21.5 percent of GDP in FY2013. In total expenditures, current expenditures recorded at 16.3 percent of GDP in FY2017 against 16.4 percent of GDP recorded in FY2013. While the development expenditure and net lending edged above 5 percent in FY2017 and stood at 5.3 percent of GDP against 5.1 percent of GDP recorded in FY2013.

Total development expenditures (excluding net lending) grew by more than 100 percent to stand at Rs 1,693.5 billion in FY2017 from Rs 777.1 billion in FY2013. Expenditures under PSDP (Federal and Provincial) registered a significant rise as it increased from Rs 695.1 billion in FY2013 to Rs 1,577.7 billion in FY2017. Particularly, Federal PSDP (net excluding development grants to provinces) increased from Rs 323.5 billion during FY2013 to Rs 725.6 billion in FY2017. During FY2018, the size of PSDP has been increased to Rs 2,113 billion. Out of this Rs 1,112 billion has been allocated to provinces and Federal PSDP has been estimated at Rs 1,001 billion.

Encouragingly, the allocation under BISP (development expenditure outside PSDP) has also witnessed a substantial increase of 73 percent to reach Rs 121 billion during FY2018 from Rs 70 billion in FY2013.

During FY2017, total expenditures grew by 17.3 percent against 7.6 percent in FY2016 on the back of 10.7 percent increase in current expenditures and 30.1 percent growth in development expenditures (excluding net lending). It is expected that total expenditure would remain at 21.3 percent of GDP during FY2018 on account of expected decline in current expenditure. Conversely, development expenditure is budgeted to increase from 5.3 percent of GDP to 6.3 percent of GDP in FY2018.

Prior to FY2013, delays in key reforms for revenue mobilization and unprecedented rise in expenditures resulted in high fiscal deficit. However, the present government has not only taken various measures to promote stronger economic growth but it has also followed deficit reduction measures in the interests of the country’s long-term growth such as revenue collection and expenditure are being monitored, efforts are being made to avoid un budgeted expenditure, expenditures are being made in the light of flow of revenue receipts and other receipts through implementation of ways and means procedure and ban on purchase of all type of vehicles both for current as well as development expenditure except operational vehicles of law enforcing agencies. Consequently, the fiscal deficit has fallen from a peak of 8.2 percent of GDP in FY2013 to 5.8 percent in fiscal year 2017 and is expected to fall further during the current fiscal year.

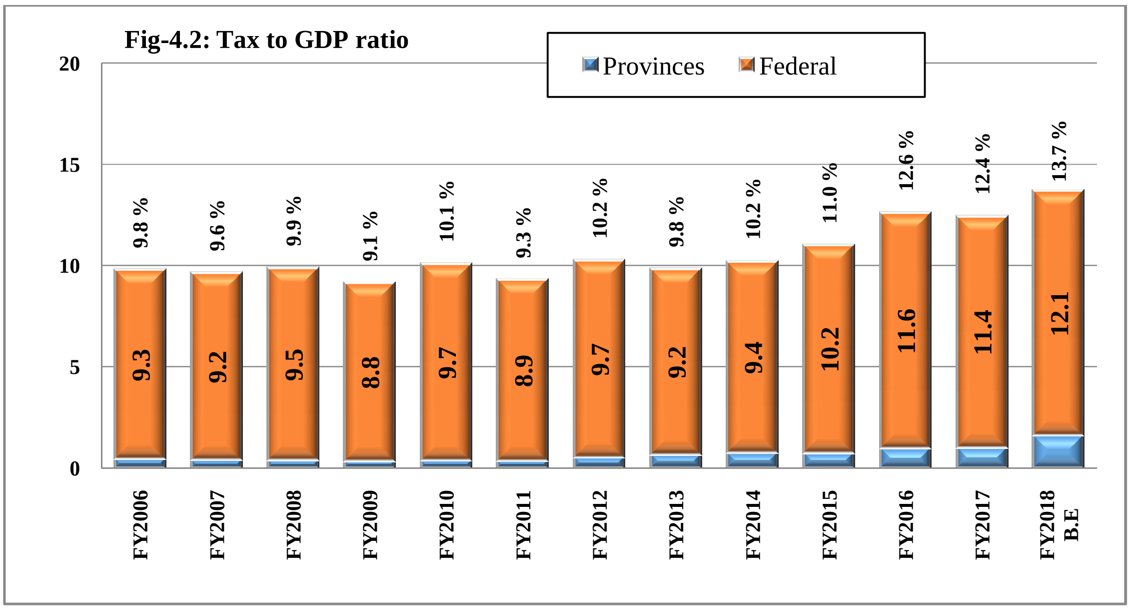


On the other hand, provinces could not maintain their strong fiscal position during FY2017 as compared to previous years. The provinces posted a cumulative deficit of Rs 15.9 billion during FY2017 against the surplus of Rs 207.4 billion in FY2016 on account of significant rise in provincial expenditure and slow pace in own revenue collection.

Structure of Tax Revenue

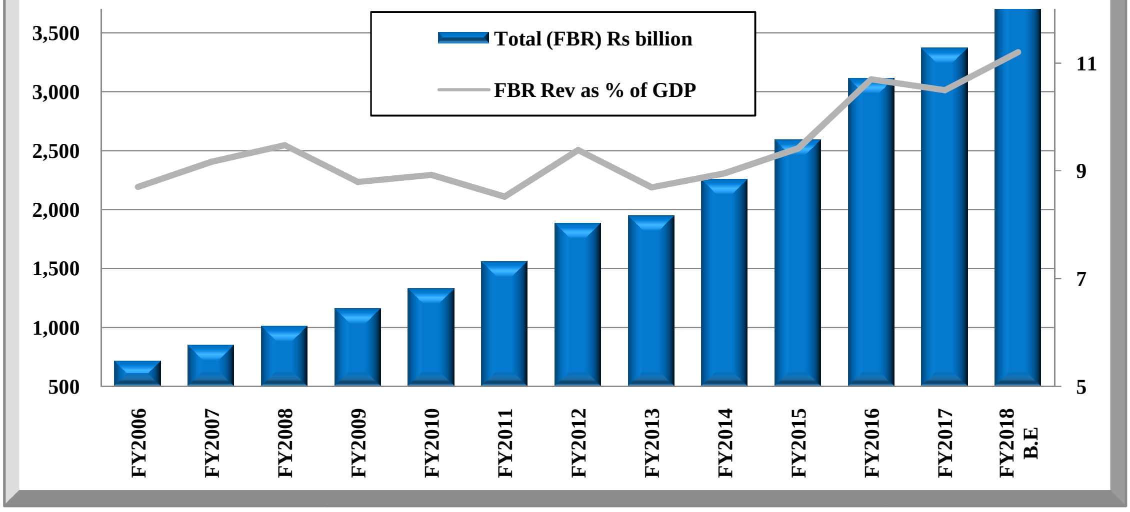
The present government has undertaken various policy and administration reforms in order to address low tax revenues with an aim to improve the effectiveness and fairness of tax administration, promote compliance and broadening the tax base**.** These measures have started paying dividends in shape of improved tax revenues in terms of GDP.

Overall tax- GDP ratio has increased from 9.8 percent during FY2013 to 12.6 percent during FY2016, however, it fell to 12.4 percent in FY2017 on account of relief measures and tax incentives introduced through the Federal Budget for FY2017.



Within tax collection, FBR Tax revenues increased from Rs 1,946 billion in FY2013 to Rs 3,368 billion in FY 2017, registering an overall growth of around 73 percent. While as percentage of GDP, it grew from 8.7 percent in FY 2013 to 10.5 percent of GDP during FY2017.

Fig-4.3: FBR Tax Collection



The tax structure in Pakistan is skewed towards indirect taxes. However, Pakistan has witnessed a visible improvement in its tax structure on account of efforts to control the unjustified balance between direct and indirect taxes. Consequently, the share of indirect taxes reduced from 68.5 percent in FY2006 to 60.1 percent of total FBR tax during FY2017 (Table 4.2).

Fig-4.4.a:- % of Total FBR Tax (FY2006)

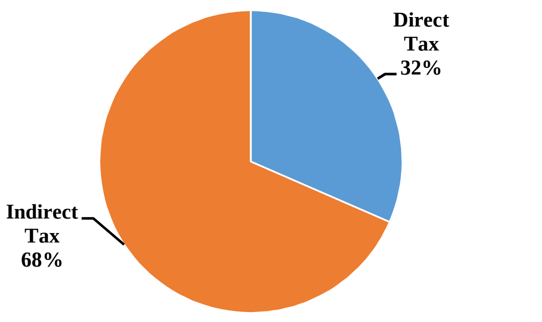
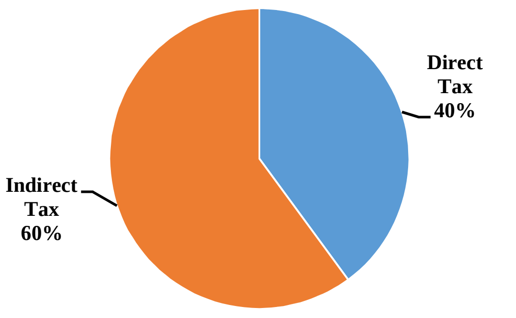


Fig-4.4b: % of Total FBR Tax (FY2017)



Within Indirect tax, the proportion of sales tax increased from 60.3 percent in FY2006 to 70.3 percent during FY2012. However, the share has witnessed a gradual decline since FY2013 and reduced to 65.7 percent in FY2017. During FY2018, the share of sales tax is budgeted at 66.4 percent of indirect taxes. On the other hand, in total FBR tax collection, the share of sales tax reduced from 41.3 percent in FY2006 to 39.5 percent during FY2017.

The base of indirect taxes particularly of sales tax has further contracted due to shifting of services to the provincial governments like telecommunication, banking and insurance services which were the major source of revenue of sales tax. Moreover, over a period of time the sales tax has been restructured as a tax on consumption, which is in line with the principle of equity and progressivity.

Likewise, Customs duty constituted 24.5 percent of indirect taxes during FY2017 against 28.3 percent recorded in FY2006. The share is likely to be 24.0 percent during current fiscal year. It is worth mentioning that the maximum statutory rates of customs duty have been gradually reduced from 125 percent in FY1988 to 20 percent in FY2016. Resultantly, the contribution of customs duty in total FBR collection has come down from 45.7 percent in FY1991 to 15 percent in FY2017.

Whereas, the share of federal excise duty (FED) reduced from 11.3 percent of indirect taxes in FY2006 to 9.8 percent during FY2017. During FY2018, its share is expected to reduce further to 9.6 percent. The tax base of FED contracted over the years and now is restricted to only few commodities like cigarettes, cement, beverages, international travel etc. The contribution of FED in the total collection has also dropped from 20 percent in FY1991 to 6 percent during FY2017.

On the other hand, the share of direct taxes in total taxes has increased over the years. Historically, the share of direct taxes has increased from 19 percent in FY1971 to 32 percent in FY2006. It has further jumped to 38.2 percent in FY2013 and now it is 40 percent in FY2017.

The improved performance of direct taxes is mainly due to a number of reform initiatives undertaken in the past like introduction of Universal Self-Assessment Scheme (USAS), promulgation of Income Tax Ordinance, 2001 where emphasis was shifted to voluntary compliance, automation of entire business processes and reduction of corporate tax rates from peak of 49 percent to 31 percent in tax year 2017 and 30 percent onwards by providing level playing field to the taxpayers. With the help of all these initiatives, tax revenue collection from direct taxes has increased substantially and will increase in future. A comparison of direct and indirect taxes in terms of contribution in overall federal taxes collected by FBR indicates that the reliance on indirect taxes has reduced to a great extent.

Table 4.2: Structure of Federal Tax Revenue **Rs billion**

Year	Total (FBR)	Tax Rev as % of GDP	Direct Taxes	Indirect Taxes			
				Customs	Sales	Excise	Total
FY2006	713.5	8.7	225.0	138.4	294.8	55.3	488.5
			[31.5]	{28.3}	{60.3}	{11.3}	[68.5]
FY2007	847.2	9.2	333.7	132.3	309.4	71.8	513.5
			[39.4]	{25.8}	{60.3}	{14.0}	[60.6]
FY2008	1,008.1	9.5	387.9	150.7	377.4	92.1	620.2
			[38.5]	{24.3}	{60.9}	{14.9}	[61.5]
FY2009	1,161.1	8.8	443.5	148.4	451.7	117.5	717.6
			[38.2]	{20.7}	{62.9}	{16.4}	[61.8]
FY2010	1,327.4	8.9	526.0	160.3	516.3	124.8	801.4
			[39.6]	{20.0}	{64.4}	{15.6}	[60.4]
FY2011	1,558.2	8.5	602.5	184.9	633.4	137.4	955.7
			[38.7]	{19.3}	{66.3}	{14.4}	[61.3]
FY2012	1,882.7	9.4	738.4	216.9	804.9	122.5	1,144.3
			[39.2]	{19.0}	{70.3}	{10.7}	[60.8]
FY2013	1,946.4	8.7	743.4	239.5	842.5	121.0	1,203.0
			[38.2]	{19.9}	{70.0}	{10.1}	[61.8]
FY2014	2,254.5	9.0	877.3	242.8	996.4	138.1	1,377.3
			[38.9]	{17.6}	{72.3}	{10.0}	[61.1]
FY2015	2,589.9	9.4	1,033.7	306.2	1,087.8	162.2	1,556.2
			[39.9]	{19.7}	{69.9}	{10.4}	[60.2]
FY2016	3,112.7	10.7	1,217.3	404.6	1,302.7	188.1	1,895.4
			[39.1]	{21.3}	{68.8}	{9.9}	[60.9]
FY2017	3,367.9	10.5	1,344.2	496.8	1,329.0	197.9	2,023.7
			[39.9]	{24.5}	{65.7}	{9.8}	[60.1]
FY2018B.E	4,013.0	11.2	1,594.9	581.4	1,605.2	231.5	2,418.1
			[39.7	{24.0}	{66.4}	{9.6}	[60.3]

[]as of total taxes *{} as % of indirect taxes*

Source: Federal Board of Revenue

The government has initiated various policy and administrative reforms measures including broadening of tax base, withdrawal of exemptions/concessions, differential taxation for non-filers, conversion of CNIC into NTN for individual taxpayers, behavioural change and strengthening of tax audit etc (Box-I). These measures would further increase the contribution of direct taxes in overall FBR tax revenues in coming years.

Review of Public Expenditures

The Government's commitment to promote inclusive and sustainable development by ensuring effective utilization of funds for priority areas is at the forefront of its reform agenda.

In the past, unprecedented rise in public expenditures together with weak revenue performance posed multifaceted challenges for better fiscal management. Unproductive and reckless spending owing to high interest payments, untargeted subsidies, loss making PSEs and security related expenses further intensified the challenges and exposed the country to high fiscal deficit of over 8 percent of GDP. However, the present government has not only contained the fiscal deficit but also put it on downward trajectory. The achievement was realized through higher revenue collection as a result of improved administration and broadening of the tax base, undoing decades-old concessionary SRO and restricting non-development expenditure.

Table 4.3 discloses the trend in composition of expenditure over the past few years. It reveals that earlier the increasing trend in total expenditure was on account of a rise in current expenditure, however, in later years particularly since FY2013, the rise in expenditures was on account of significant rise in development expenditure. The government's adherence to prudent expenditure management paved the way towards increasing expenditures on development and social security.

Table 4.3: Trends in Components of Expenditure (As % of GDP)

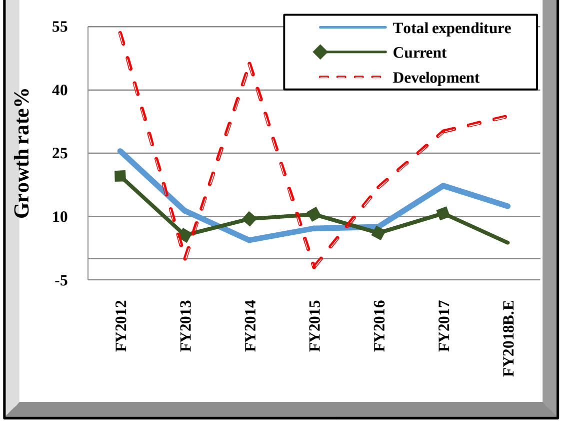
Year	Total Expen-diture (A)	Current Expen-diture	Mark-up Payments (C)	Defence (D)	Develop-ment Expen-diture*	Non Interest Non-Defence Exp (A-C-D)	Fiscal Deficit	Revenue Deficit/Surplus (TR-Total CE)	Primary Balance (TR-NI Exp)
FY2006	17.1	12.6	2.9	2.9	4.4	11.2	4.0	0.5	-1.1
FY2007	18.1	14.9	4.0	2.7	4.7	11.4	4.1	-0.8	-0.1
FY2008	21.4	17.4	4.6	2.6	4.2	14.2	7.3	-3.3	-2.7
FY2009	19.2	15.5	4.8	2.5	3.4	11.8	5.2	-1.4	-0.3
FY2010	20.2	16.0	4.3	2.5	4.1	13.4	6.2	-2.1	-1.9
FY2011	18.9	15.9	3.8	2.5	2.8	12.6	6.5	-3.5	-2.7
FY2012	21.6	17.3	4.4	2.5	3.9	14.6	8.8	-4.5	-4.3
FY2013	21.5	16.4	4.4	2.4	3.5	14.7	8.2	-3.0	-3.8
FY2014	20.0	15.9	4.6	2.5	4.5	12.9	5.5	-1.5	-1.0
FY2015	19.6	16.1	4.8	2.5	4.1	12.3	5.3	-1.8	-0.6
FY2016	19.9	16.1	4.3	2.6	4.5	13.0	4.6	-0.9	-0.3
FY2017	21.3	16.3	4.2	2.8	5.3	14.3	5.8	-0.8	-1.6
FY2018 B.E	21.3	15.0	3.8	2.6	6.3	14.9	4.1	2.2	-0.3

* excluding net lending

Source: Budget Wing, Finance Division and EA Wing's Calculations

A brief look into past year performance indicates that total expenditures increased by 17.3 percent and amounted to Rs 6,800.5 billion during FY2017 against Rs 5,796.3 billion in FY2016. In terms of GDP, total expenditures increased by 1.4 percentage point to reach 21.3 percent of GDP during FY2017 against 19.9 percent of GDP recorded in FY2016. Total expenditures are expected to remain at 21.3 percent of GDP during current fiscal year.

Fig-4.5: Growth in Total expenditure



Likewise, the growth in current expenditures increased by 10.7 percent to stand at Rs 5,197.9 billion (16.3 percent of GDP) during FY2017 against Rs 4,694,3 billion (16.1 percent of GDP) in the preceding year. Nevertheless, the proportion of current expenditures in total expenditures has declined from 80.1 percent during FY2016 to 76.4 percent in FY2017. It is expected to decline further to 70.5 percent in FY2018. The consistent decline in proportion is largely attributed to decreasing share of mark-up payments and subsidies in current expenditure.

Within current expenditures, markup payments grew by 6.7 percent and stood at Rs 1,348.4 (4.2 percent of GDP) billion during FY2017 against Rs 1,263.4 billion (4.3 percent of GDP) in FY2016. During FY2018, mark-up payments are expected to reach 3.8 percent of GDP. Going forward, the share of mark-up payments in total expenditure has declined noticeably. Accordingly, it has provided substantial space for higher development expenditures.

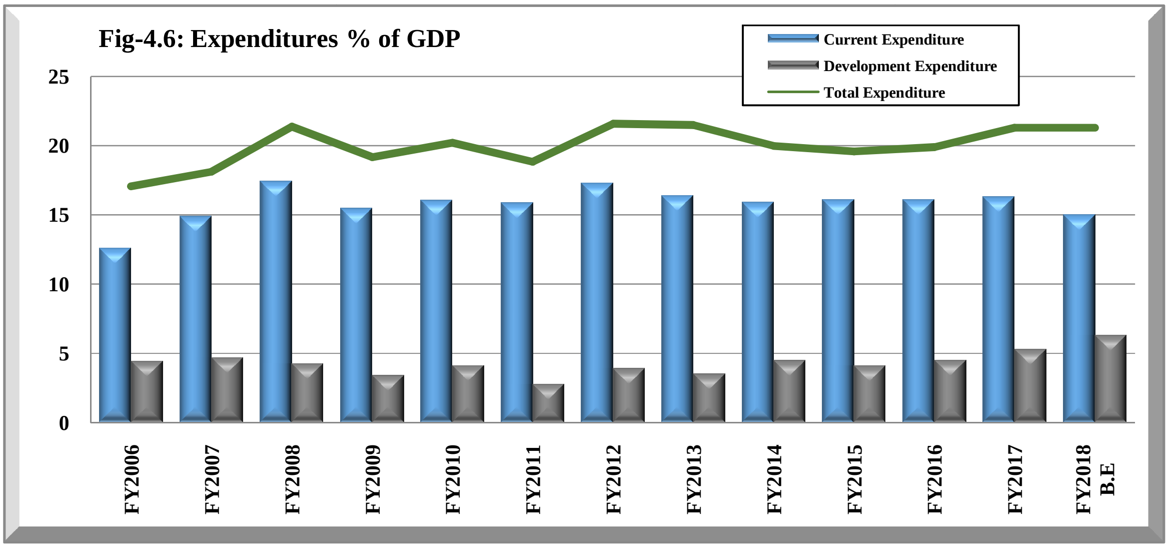
On the other hand, defence expenditure, posted a growth of 17.2 percent during FY2017 due to ongoing security related spending and stood at Rs 888.1 billion (2.8 percent of GDP) against Rs 757.7 billion (2.6 percent of GDP) in FY2016.

With regard to current subsidies, it has not only reduced in terms of growth but its share in current expenditure has also declined considerably. In absolute term, it stood at Rs 153.7 billion during FY2017 against Rs 207.2 billion during FY2016, posting a negative growth of 25.8 percent. In FY2018, current subsidies are budgeted to remain at Rs 138.8 billion.

There has been a consistent rise in development expenditures since FY2014. Overall development expenditures and net lending increased from Rs 1,314.1 billion during FY2016 to Rs 1,680.7 billion during FY2017, posting a growth of 27.9 percent.

Encouragingly, development expenditure (excluding net lending) grew sharply by 30.1 percent during FY2017 and outpaced the growth in current expenditure during the second consecutive year. In absolute term it stood at Rs 1,693.5 billion (5.3 percent of GDP) during FY2017 against Rs 1,301.5 billion (4.5 percent of GDP) during FY2016.

Within development expenditures, PSDP spending has witnessed a noticeable surge since FY2013. Overall, PSDP spending posted a growth of 33.1 percent and stood at Rs 1,577.7 billion during FY2017 against Rs 1,185.8 billion in FY2016. Of total, Federal PSDP (net excluding development grants to provinces) increased to Rs 725.6 billion during FY2017 against Rs 593.4 billion during FY2016, thus registered a growth of 22 percent. The size of Federal PSDP has been increased to Rs 1,001 billion for FY2018 which is 38 percent higher than last year's actual realization of PSDP spending. The rise in development expenditure implies that the economy is geared up to achieve higher inclusive growth.



Fiscal Performance (July-December, FY2018)

The consolidated Revenue and expenditure of the Government indicates a significant improvement in key fiscal indicators during the first half of current fiscal year. Revenues increased at faster rate than the growth in expenditures. As a result, fiscal deficit contained at 2.3 percent of GDP during first half of current fiscal year against 2.5 percent of GDP recorded in the comparable period of FY2017.

Table 4.4: Consolidated Revenue & Expenditure of the Government

	Budget Estimates FY2018	July-December (Rs billion)		Growth
		FY2018	FY2017	
A. Total Revenue	**6,167.2**	**2,384.7**	**1,990.6**	**19.8**
% of GDP	**17.2**	**6.9**	**6.2**	
a) Tax Revenue	**4,912.5**	**2,026.9**	**1,741.2**	**16.4**
% of GDP	**13.7**	**5.9**	**5.4**	
Federal	**4,330.5**	**1,850.5**	**1,595.5**	**16.0**
of which FBR Revenues	4,013	1,730.1	1,467.3	**17.9**
other Federal	317.5	120.4	128.1	**-6.0**
Provincial Tax Revenue	582	176.4	145.7	**21.1**
b) Non-Tax Revenue	**1,254.7**	**357.8**	**249.4**	**43.4**
% of GDP	**3.5**	**1.0**	**0.8**	
B. Total Expenditure	**7,646.8**	**3,181.0**	**2,789.7**	**14.0**
% of GDP	**21.3**	**9.2**	**8.7**	
a) Current Expenditure	**5,393.9**	**2,545.2**	**2,241.6**	**13.5**
% of GDP	**15.0**	**7.4**	**7.0**	
Federal	**3,451.1**	**1,656.0**	**1,473.5**	**12.4**
Markup Payments	1,363	751.4	647.4	**16.1**
% of GDP	3.8	2.2	2.0	
Defence	920.2	393.4	336.3	**17.0**
% of GDP	2.6	1.1	1.1	
Provincial	**1,942.8**	**889.3**	**768.1**	**15.8**
b) Development Expenditure & net	**2,252.9**	**615.9**	**490.9**	**25.4**

Table 4.4: Consolidated Revenue & Expenditure of the Government

	Budget Estimates FY2018	July-December (Rs billion)		Growth
		FY2018	FY2017	
lending				
% of GDP	**6.3**	**1.8**	**1.5**	
PSDP	**2,113**	**558.8**	**445.7**	**25.4**
Other Development	**152.2**	**55.0**	**51.7**	**6.5**
c) Net Lending	**-12.3**	**2.0**	**-6.4**	**-131.4**
e) Statistical discrepancy	**-**	**19.9**	**57.2**	**-65.2**
C. Overall Fiscal Deficit	**1,479.6**	**796.3**	**799.1**	**-0.4**
As % of GDP	4.1	2.3*	2.5	
Financing of Fiscal Deficit	**1,479.6**	**796.3**	799.1	**-0.4**
i) External Sources	511.4	384.1	240.9	**59.5**
ii) Domestic	**968.1**	**412.2**	**558.2**	**-26.2**
- Bank	390.1	331.8	407.1	**-18.5**
- Non-Bank	528	80.4	151.1	**-46.8**
Privatization Proceeds	50			
GDP at Market Prices	**35,919**	**34,396**	**31,963**	
*: on the basis of revised GDP				

Source: Budget Wing, Finance Division

Total revenues grew by 19.8 percent to reach Rs 2,384.7 billion (6.9 percent of GDP) during July-December, FY2018 against Rs 1,990.6 billion (6.2 percent of GDP) in the same period of FY2017. The impressive performance both in tax and non tax revenues attributed to this significant rise in total revenues.

Tax revenues amounted to Rs 2,026.9 billion (5.9 percent of GDP) during first half of FY2018 as compared to Rs 1,741.2 billion (5.4 percent of GDP) in the same period of FY2017, registering a growth of 16.4 percent. Tax revenues picked up sharply in response to increase in economic activity and strong domestic demand along with fiscal measures taken during the last few years.

Within tax revenues, federal and provincial tax revenues posted a growth of 16.0 percent and 21.1 percent respectively during the first half of FY2018. Of total federal tax revenues, FBR tax revenues witnessed a significant growth of 17.9 percent and stood at Rs 1,730.1 billion (5.0 percent of GDP) during July-December, FY2018 against Rs 1,467.3 billion (4.6 percent of GDP) in the same period of FY2017.

A strong recovery has been witnessed in non tax revenues as it grew at 43.4 percent during July-December, FY2018 against the negative growth of 31.8 percent seen in the same period of FY2017. In absolute term, it amounted to Rs 357.8 billion as compared to Rs 249.4 billion in the comparable period of FY2017.The major source of this rebound was dividends, mark-up payment, surplus profit of SBP, defence and PTA profit etc.

Total expenditure grew by 14.0 percent during July-December, FY2018 and stood at Rs 3,181.0 billion (9.2 percent of GDP) against Rs 2,789.7 billion (8.7 percent of GDP) in the same period of FY2017. Within total expenditure, development spending (excluding net lending) increased sharply and recorded at 23.4 percent to reach Rs 613.8 billion during July-December, FY2018 as compared to Rs 497.4 billion in the comparable period of FY2017.

The significant performance of development expenditure was realized on account of increased spending under PSDP which rose to Rs 558.8 billion during first half of FY2018 from Rs 445.7 billion in the comparable period of FY2017, posting a growth of 25.4 percent. Expenditures under federal PSDP amounted to Rs 242.1 billion (net excluding development grants of Rs 6.0 billion to provinces) while provincial government expenditures stood at 316.8 billion during the first half of current fiscal year.

Current expenditure grew by 13.5 percent during July-December, FY2018 on account of 12.4 percent increase in federal and 15.8 percent rise in provincial government current expenditures. In absolute term, current expenditures increased from Rs 2,241.6 billion in first six months of FY2017 to Rs 2,545.2 billion during the same period of current fiscal year. Under federal government current expenditures, mark-up payment grew by 16.1 percent and amounted to Rs 751.4 billion during July-December, FY2018 against Rs 647.4 billion in the same period of FY2017.

In addition, defence expenditure stood at Rs 393.4 billion during July-December, FY2018 against Rs 336.3 billion in the comparable period of FY2017, posting a growth of 17.0 percent.

During July-December, FY2018 subsidies amounted to Rs 53.5 billion against Rs 58.3 billion in the same period of FY2017 registered a decline of 8.2 percent. According to the breakup of subsidies, power sector has consumed Rs 36.7 billion during the first half of current fiscal year against Rs 52.5 billion in the comparable period of FY2017, posting a decline of 30 percent.

In order to finance the fiscal deficit, domestic and external resources generated Rs 412.2 billion and Rs 384.1 billion respectively during July- December, FY2018. Of domestic sources, financing from bank stood at Rs 331.8 billion and from non bank amounted to Rs 80.4 billion during the period under review.

FBR Tax Collection (July-February, FY2018)

FBR tax revenues grew by 8.2 percent to Rs 3,367.9 billion during FY2017 against an impressive growth of over 20 percent during FY2016. Accordingly, FBR tax to GDP ratio reduced to 10.5 percent in FY2017 against 10.7 percent recorded in FY2016.

During the first eight months of current fiscal year, FBR has been able to collect around Rs 2,257.6 billion against Rs 1,921.7 billion during the same period of FY2017, posting a growth of 17.5 percent. All the taxes have exhibited positive growth during the period July-February, FY2018**.** FBR annual revenue target for FY2018 has been fixed at Rs 4,013 billion which requires a growth of around 19.15 percent over and above the actual tax receipts of Rs 3,367.9 billion generated during FY2017.

Tax-wise details are presented in the following Table:

Table 4.5: FBR Tax Revenues Rs billion

Revenue Heads	FY2017	July-February		% Change
	Actual	FY2017	FY2018*	
A. DIRECT TAXES				
Gross		790.6	893.4	13.0
Refund/Rebate		37.3	44.5	
Net	1,344.2	**753.3**	**848.9**	12.7
B. INDIRECT TAXES				
Gross		1,202.2	1,460.1	21.5
Refund/Rebate		33.8	51.3	
Net	2,023.6	**1,168.4**	**1,408.7**	20.6
B.1 SALES TAX				
Gross		791.3	955.0	20.7
Refund/Rebate		25.8	40.8	
Net	1,329.0	**765.5**	**914.2**	19.4
B.2 FEDERAL EXCISE				
Gross		108.3	121.2	11.9
Refund/Rebate		0.0	0.0	
Net	197.9	**108.3**	**121.2**	11.9

Table 4.5: FBR Tax Revenues				Rs billion
Revenue Heads	FY2017	July-February		% Change
	Actual	FY2017	FY2018*	
B.3 CUSTOM				
Gross		302.6	383.9	26.9
Refund/Rebate		8.0	10.5	
Net	496.8	**294.6**	**373.4**	26.8
TOTAL TAX COLLECTION				
Gross		1,992.8	2,353.5	18.1
Refund/Rebate		71.1	95.9	
Net	3,367.9	**1,921.7**	**2,257.6**	17.5
***: Provisional**				
Source: Federal Board of Revenue				

Direct Taxes

The net collection of direct taxes has registered a growth of 12.7 percent during the first eight months of 2017-18. The net collection has gone up from Rs 753.3 billion to Rs 848.9 billion. Bulk of the tax revenues of direct taxes is realized from income tax. The major contributors of income tax are withholding tax, voluntary payments and collection on demand.

Indirect Taxes

Sales Tax

The gross and net collections of indirect taxes have witnessed growth of 21.5 percent and 20.6 percent respectively. It is accounted for around 62.4 percent of the total FBR tax revenues. Within indirect taxes, net collection of sales tax increased by 19.4 percent. The gross and net sales tax collection during July-February, FY2018 has been Rs 955.0 billion and Rs 914.2 billion respectively showing growths of 20.7 percent and 19.4 percent respectively. In fact, around 57 percent of total sales tax was contributed by sales tax on imports during July-February, FY2018, while the rest was contributed by domestic sector. Within domestic sales tax collection, the major contribution came from POL products, cement, natural gas, sugar, aerated water, cigarettes etc. On the other hand, mineral fuels, vehicles (other than railway), iron and steel, electrical machinery, plastic and articles, animal and vegetable oils, organic chemicals etc contributed significantly to collection of sales tax from imports.

Federal Excise Duty

The collection of federal excise duties (FED) during July-February, FY2018 has recorded 11.9 percent growth. The net collection has stood at Rs 121.2 billion during July-February, FY2018 as against Rs 108.3 billion during the same period last year. The major revenue spinners of FED are cigarettes, cement, services, beverages, natural gas and edible oil.

Customs Duty

Customs duty collection has registered growth of 26.9 percent and 26.8 percent in both gross and net terms respectively. The net collection has increased from Rs 294.6 billion during July-February, FY2017 to Rs 373.4 billion during July-February, FY2018. The major revenue spinners of customs duty have been vehicles, mineral fuels, iron and steel, electrical machinery, plastic, edible fruits etc.

Box: I- Major Initiatives taken by FBR

The comprehensive reform program covering major reform measures including both policy and administrative measures has been discussed below:

Policy Initiatives

1. Tax Reform Commission (TRC)

The Federal Government in year 2014, constituted a Tax Reform Commission (TRC) in order to review and rationalize direct and indirect taxes, rationalization of import tariff, review of autonomy and administrative structure of FBR along with creation of border force to deal with the illegal movement of persons and goods. The TRC has submitted its recommendation to the Government about bringing reforms in FBR in February, 2015. The Government has constituted a high powered Implementation Committee headed by Advisor to the Prime Minister on Revenue for reviewing the recommendations of TRC. In consultation with FBR, the TRC has broadly divided its recommendations into long-term, medium-term and short-term categories. On the TRC report the implementation committee is holding its meetings periodically in which recommendations of TRC are being evaluated so that these could be implemented. Various recommendations of the TRC have been accepted by the federal government by adopting various taxation proposals. The remaining proposals of TRC are under consideration for the approval of the Federal Government.

2. Elimination of SRO Culture

In order to ensure level playing field for all taxpayers, SROs/concessions worth of more than Rs 290 billion have been withdrawn during three years commencing from FY 2015. However, socially sensitive and essential concessions have been retained and transposed to the relevant laws. Currently, under the law, FBR does not have the power to issue any concessionary SROs. The power to issue SROs now rests with ECC of the Cabinet under very limited circumstances.

3. Rationalization of Import Tariff and Corporate Tax Rates

To rationalize the import tariff structure and to reduce the general tariff slabs peak tariff slab of 30 percent was reduced to 20 percent. The existing tariff slabs are 4, with the peak of 20 percent and base of 3 percent. In order to promote tax culture and corporatization in the country it was decided to gradually reduce the tax rates for corporate taxpayers other than banks in the following manner:-

Tax year 2013	35%
Tax year 2014	34%
Tax year 2015	33%
Tax year 2016	32%
Tax year 2017	31%
Tax year 2018 & onwards	30%

4. Benami Transaction Law

The Benami Transactions (Prohibition) Amendment Bill, 2016 has been passed by National Assembly and Senate. This will help enable the authorities to curb transactions and holding of property in the name of others to avoid proper incidence of tax.

5. Differential Taxation

The cost of business for non-filers has been significantly increased in the recent years. This step was taken to encourage people to file income tax returns. Differential taxation for filers and non-filers has helped increase number of filers from around 750,000 in FY2013 to more than 1.3 million in FY2017.

6. Adoption of CNIC as NTN

This initiative aims at facilitating individual taxpayer by absolving them to a large extent from cumbersome process of registration. It will further help in documentation of economy and broadening of tax base.

Administrative Initiatives

Broadening of Tax Base (BTB)

For broadening of tax base FBR has taken several initiatives including use of third party data. Initially, the objective was to register **300,000** new taxpayers in three years. The BTB drive has been successful. During the years 2013-14 to 2016-17, FBR issued 513,468 notices and enforced 203,701 income tax returns. As a result of these efforts the number of income tax return filers which was around 750,000 for the tax year 2012 has exceeded to 1.3 million in the tax year 2016 and would further increase in coming years. To broaden the tax net, different rates of adjustable withholding of income tax for the income tax filers and non-filers on certain transactions have been introduced. This includes sales and purchase of immovable property, registration and transfer of ownership of motor vehicle, cash withdrawal from banks and payment of profit on debt and dividend income. The higher rates of tax for non-filers compel non-filers to file returns.

BTB 4 Years Achievements

S.No.	Period from July 2013 to 31st August 2017	Total
1	Notices issued u/s 114 of the Income Tax Ordinance 2001	547,008
2	Total Income Tax Returns Enforced	216,765
3	Tax paid with returns (Rs Millions)	5440.2

Current initiatives

(1) Taxation of real estate sector
  i. Introduction of FBR valuation table against DC rates
  ii. Imposition of WHT on transfer of immovable property
  iii. Imposition of Capital Gains Tax
(2) Broadening of tax base: More than 216,765 returns have been enforced through policy and administrative measures
(3) Change in Audit Policy and Parametric selection of Audit Cases for TY 2015
(4) Rationalization of Jurisdiction for Optimal Output: Corporate cases consolidated under corporate RTOs/Zones and remaining jurisdiction organized on territorial basis
(5) Checks on fake invoicing through Sales Tax Real Time Invoice Verification System (STRIVe)
(6) Customized SAP application for ensuring proper monitoring of withholding sales tax from AG Offices
(7) Establishment of tobacco enforcement network to counter illicit trade in cigarettes
(8) Tariff Rationalization – from seven slabs to four slabs with maximum tariff rate @20%
(9) International agreements on Exchange of Information
  i. Signing of multilateral exchange convention (OECD)
  ii. Bilateral Agreement with Switzerland on Exchange of Information Regime
(10) Benami Transaction Law passed by the parliament
(11) Enhancement of Digital/E-Library from different sources
(12) Online access of Law Library Portal for Direct Tax Law and Sales Tax Law
(13) Online Verification Services (Notices, Exemption Certificates etc)
(14) Launch of ADC payment System
(15) VOSS (Automatic Verification of Companies and Directors) at the time of registration with SECP

The above noted reform measures have started paying dividends. On one hand tax revenues improved substantially, while on others, these reforms have brought significant improvements in the tax base. It is hoped that tax-GDP ratio will increase to a reasonable level in the coming years.

Source: Federal Board of Revenue (FBR)

Provincial Budget

Total outlay of all the provinces is estimated at Rs 3,548.7 billion for FY2018 which is 16.5 percent higher than the revised estimates of Rs 3,046.3 billion for FY2017.

Table 4.6: Overview of Provincial Budgets — **Rs billion**

Items	Punjab		Sindh		Khyber Pakhtunkhwa		Balochistan		Total	
	FY2017 RE	FY2018 BE	FY2017 RE	FY2018 BE	FY2017 RE	FY2018 BE	FY2017 RE	FY2018 BE	FY2017 RE	FY2018 BE
A. Tax Revenue	**1,168.0**	**1,384.7**	**595.0**	**733.0**	**336.2**	**387.5**	**189.5**	**210.0**	**2,288.7**	**2,715.2**
Provincial Taxes	155.4	231.0	114.5	185.6	15.7	22.3	6.3	7.3	**291.9**	**446.2**
GST on Services (transferred by federal Govt)									**0.0**	**0.0**
Share in Federal Taxes	1,012.6	1,153.7	480.5	547.4	320.5	365.2	183.2	202.7	**1,996.8**	**2,269.0**
B. Non-Tax Revenue	**39.4**	**78.6**	**88.9**	**79.1**	**57.5**	**47.6**	**27.8**	**22.3**	**213.6**	**227.6**
C. All Others	**45.7**	**161.9**	**36.4**	**92.1**	**16.0**	**48.0**	**16.9**	**21.1**	**115.0**	**323.1**
Total Revenues (A+B+C)	**1,253.1**	**1,625.2**	**720.3**	**904.2**	**409.7**	**483.1**	**234.2**	**253.4**	**2,617.3**	**3,265.9**
a) Current Expenditure	**899.6**	**1,020.8**	**607.0**	**666.5**	**338.6**	**388.0**	**179.8**	**200.3**	**2,025.0**	**2,275.6**
b) Development Expenditure	**532.5**	**635.0**	**248.7**	**344.1**	**172.1**	**208.0**	**68.1**	**86.0**	**1,021.4**	**1,273.1**
Total Exp (a+b)	**1,432.1**	**1,655.8**	**855.7**	**1,010.6**	**510.7**	**596.0**	**247.8**	**286.3**	**3,046.3**	**3,548.7**

Source: Provincial Finance Wing, Finance Division.

The proportion of current and development expenditure in total expenditure is 64 percent and 36 percent respectively. Whereas the allocation under development expenditure is 25 percent and current expenditure is 12.4 percent higher during FY2018 over last year.

Overall provincial revenue receipts estimated at Rs 3,265.9 billion during FY2018 which is 24.8 percent higher than the revised estimates of Rs 2,617.3 billion for FY2017. Tax revenues accounting for 83 percent of overall revenue and estimated at Rs 2,715.2 billion for FY2018 which is 19 percent higher than last year. While non tax revenues are budgeted at Rs 227.6 billion which is 7 percent higher than last year.

Allocation of Revenues between Federal Governments and Provinces

In accordance with the distribution of resources structured in 7th NFC award, the net transfers to the provinces are estimated at Rs 2,531.1 billion for FY2018 which is 16.2 percent higher than the revised transfers of Rs 2,177.6 billion for FY2017.

Table 4.7: Transfers to Provinces (NET) Rs billion

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 R.E	FY2018 B.E
Divisible Pool	1,063.1	1,117.5	1,287.4	1,476.6	1,751.5	1,996.3	2,269.0
Straight Transfer	145.6	103.5	124.4	97.4	100.4	125.1	115.2
GST on services	-	83.7	1.5	0.7	0.1		
Special Grants/ Subventions	53.9	61.2	53.8	33.7	32.6	23.4	26.0
Project Aid	47.8	71.3	85.2	61.9	60.2	77.9	177.8
Program Loans	4.6	4.2	59.1	18.1	29.6	15.9	9.0
Japanese Grant	0.1	0.0	0.0	0.0		0.0	0.1
Total Transfer to Province	**1,315.0**	**1,441.5**	**1,611.5**	**1,688.4**	**1,974.3**	**2,238.5**	**2,597.2**
Interest Payment	12.9	14.8	14.1	13.3	9.8	13.6	14.1
Loan Repayment	36.1	32.1	38.7	38.6	47.8	17.3	51.9
Transfer to Province(Net)	**1,266.0**	**1,394.5**	**1,558.8**	**1,636.6**	**1,916.8**	**2,177.6**	**2,531.1**

Source: Various issues of Budget in Brief.

Provincial Fiscal Operations

During FY2017, the provinces posted a cumulative deficit of Rs15.9 billion against the targeted surplus of Rs 339.0 billion owing to higher expenditures and slow pace in revenue growth.

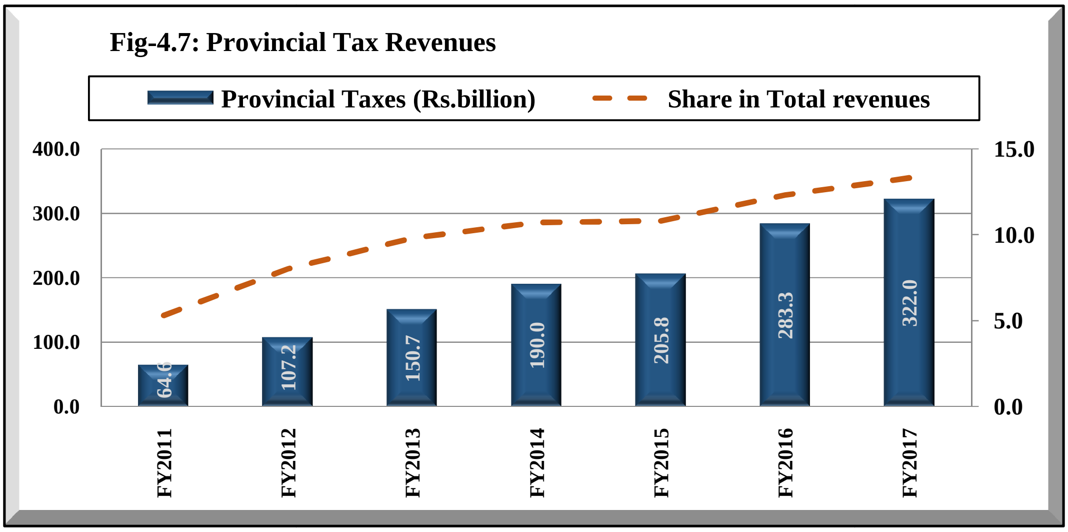
Table 4.8: Overview of Provincial Fiscal Operations Rs billion

							July-December	
Items	**FY2012**	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2017**	**FY2017**	**FY2018**
A. Tax Revenue	1,197.1	1,365.7	1,596.2	1,744.5	2,145.4	2,287.6	1,012.9	1,270.2
Provincial Taxes	107.2	150.7	190.0	205.8	283.3	321.8	145.7	176.4
Share in Federal Taxes	1,089.9	1,215.0	1,406.3	1,538.7	1,862.2	1,965.8	867.1	1,093.8
B. Non-Tax Revenue	48.0	71.3	49.4	75.6	93.3	79.5	35.4	64.5
C. All Others	88.6	107.4	121.8	82.3	55.1	61.2	15.9	29.1
Total Revenues (A+B+C)	1,333.7	1,544.4	1,767.4	1,902.4	2,293.9	2,428.2	1,064.2	1,363.8
a) Current Expenditure	980.6	1,110.0	1,187.4	1,400.1	1,559.8	1,739.3	774.6	896.3
b) Development Expenditure(PSDP)	375.4	371.5	430.5	498.8	592.4	852.2	247.4	316.8
Total Exp (a+b)	1,356.0	1,481.6	1,617.9	1,898.9	2,152.2	2,591.5	1,022.0	1,213.1

Source: Pakistan Fiscal Operations (various issues), Budget Wing

During FY2017, provincial expenditures increased to Rs 2,591.5 billion against Rs 2,152.5 billion in FY2016, posting a growth of 20.4 percent. Out of total expenditure, current expenditures grew by 11.5 percent almost the same level recorded in FY2016 and touched Rs1,739.3 billion against Rs1,559.8 billion in FY2016. The growth in development expenditure accelerated during FY2017 and stood at 43.8 percent to reach Rs852.2 billion compared to Rs 592.4 billion in FY2016.

The growth in revenues slowed down during FY2017 as compared with the preceding year. Total revenues posted a growth of 5.9 percent primarily due to decline in non tax revenues and slow pace in tax revenues. Tax revenue (provincial tax and federal transfers) grew by 6.6 percent during FY2017 and stood at Rs 2,287.6 billion against Rs2,145.4 billion in FY2016. Under provincial tax revenues major contribution came from property taxes followed by Sales tax on Services (GST), Motor vehicles tax and Stamp duties during FY2017.



Federal transfers to provinces grew by 5.6 percent in FY2017. In absolute term, it increased to Rs 1965.8 billion during FY2017 against Rs 1,862.2 billion in FY2016. The share of federal transfers and provinces own revenue receipts in total revenues remained at 81 percent and 13.3 percent respectively.

Performance during July-December, FY2018

Provincial governments witnessed a better fiscal performance during the first half of current fiscal year. Against the target of Rs347.3 billion, all the four provinces generated cumulative surplus of Rs203.9 billion against the surplus of Rs90.6 billion in the comparable period of FY2017. Higher surplus was achieved on the back of healthy growth in total revenues that recorded at 28 percent to reach Rs 1,363.8 billion during July-December, FY2018 against Rs 1,064.2 billion in the comparable period of FY2017.

Within total revenues, both tax and non tax revenues posted a significant growth of 25.4 percent and 82.2 percent respectively. In absolute term, tax revenue amounted to Rs 1,270.2 billion and non tax revenues stood at Rs 64.5 billion during July-December, FY2018 against Rs 1,012.9 billion and Rs 35.4 billion respectively in the same period of FY2017.

On the other hand, expenditures touched 18.7 percent growth during the first half of current fiscal year and stood at Rs 1,213.1 billion against Rs 1,022.0 billion in the same period of FY2017. The rise in growth over preceding year was largely stemmed from significant increase in development expenditures compared to the rise in current expenditure.

Development expenditures grew by 28.0 percent relative to 15.7 percent growth in current expenditures during July-December, FY2018. In absolute term, development spending stood at Rs 316.8 billion during first half of FY2018 compared to Rs 247.4 billion in the same period of FY2017. While current expenditures amounted to Rs 896.3 billion during July-December, FY2018 against Rs 774.6 billion during the same period of FY2017.

Public Financial Management Reforms in the Federal Government

The Ministry of Finance continues on the path to implement Public Financial Management (PFM) reforms with the aim to improve upon a sustainable fiscal policy, link government's strategic policies with the budget, and enhance productivity of public expenditure to improve delivery of public services. A PFM reform strategy has been drafted that incorporates various elements of the PFM system. The strategy envisages adoption of reforms over the next 10 years focusing on administrative, policy, legal, and systemic strengthening.

An important element of the PFM system, the Medium-Term Budgetary Framework (MTBF) reform has entered into its eight year of implementation. Through this initiative, macro-fiscal projections and politically endorsed budget strategy paper form the basis of budget ceilings that are communicated to Principal Accounting Officers. The budget ceilings are designed to enhance empowerment over budget allocations as per the policy priorities of the Ministries / Divisions.

In addition, performance orientation in the budgeting and monitoring systems is providing better understanding of productivity and use of resources to deliver public services. This year, policy and planning exercises are being carried out with a selected number of Ministries / Divisions in order to better align service delivery plans with the budgets. Furthermore, the technology-based planning and performance management system - known as 'Business Planning and Consolidation' is being rolled across the federal government.

An important component of PFM system is coordination between federal and provincial governments, to ensure consistency and harmony in the fiscal policies of federal and provincial governments. There was a coordination mechanism through meeting of finance secretaries. The Council of Common Interest has approved establishment of ministerial fiscal coordination committee to strengthen the existing coordination mechanism. The fiscal coordination committee has since been notified.

To strengthen legal and regulatory framework, a draft PFM law is being drafted. The purpose of the law is to provide legal force to the PFM system in vogue and clarify roles and responsibilities between different PFM institutions.

Conclusion

The performance review of Pakistan's fiscal sector reveals that there is a considerable improvement in fiscal accounts in recent years. The consolidated fiscal deficit that averaged 7.2 percent of GDP between FY2009 and FY2013 registered a decline to an average of 5.8 percent between FY2013 and FY2017.

In order to control unproductive expenditures as well as increasing revenues, the present government has taken various measures in a challenging environment. The aim was to generate additional fiscal space for expenditure on development and social safety net. Resultantly, total development expenditures (excluding net lending) increased from 3.5 percent of GDP during FY2013 to 5.3 percent of GDP during FY2017, particularly, Federal Public Sector Development Program (PSDP) increased from Rs 348.3 billion (including Rs 24.7 billion development grants to provinces) during FY2013 to Rs 733.3 billion (including Rs 7.8 billion development grants to provinces) in FY2017. While the allocation under BISP (development expenditure outside PSDP) has also witnessed a substantial increase of 73 percent to reach Rs121 billion during FY2018 from Rs70 billion in FY2013.

Fiscal sector continued to perform well during the first half of current fiscal year. Strong growth in revenues relative to expenditures helped in containing fiscal deficit to 2.3 percent of GDP during first half of FY2018 as compared to 2.5 percent of the corresponding period of last year.

The performance of fiscal sector is an indication of this fact that home grown programme of economic reforms particularly in the area of revenue mobilization and expenditure management helped the government to increase the tax revenues together with increasing the development spending. This will provide significant support in achieving economic stabilization and unleashing higher economic growth.

Chapter 5

Money and Credit

The global economic activity continued to improve since 2016 and is estimated to rise by 3.8 percent in 2017 and further 3.9 percent in 2018 and 2019. The pickup in growth is broad based and driven by stronger growth in Euro area and Asia, supported by improved external factors, favourable global financial conditions and a recovery in advanced economies.

In Pakistan, monetary policy stance remained broadly accommodative during FY2017 on the back of stability in the money and foreign exchange market. Consequently, private sector credit witnessed expansion in response to favorable monetary policy and broad based growth was observed in real sector.

The Credit to private sector (CPS) has increased to Rs 747.9 billion in FY2017 compared to Rs 446.5 billion in FY2016. On year on year (YoY) basis, it registered a growth of 16.8 percent. CPS in terms of GDP inched up to 5 years high during FY2017. Private businesses availed major financing for fixed investment and working capital during FY2017.

During FY2018 the economy continued to benefit from higher development spending, accommodative monetary policy and progress on CPEC related projects along with global economic recovery. The recent data shows that credit to private sector has seen expansion of Rs 469.2 billion during 01Jul-30Mar, FY2018 compared to the expansion of Rs 438.6 billion in the comparable period of last year, thus posted average growth of 9.03 percent during the period under review as compared to 9.9 percent last year. On (YoY) basis as on 30th Mar FY2018, CPS registered growth of 15.9 percent compared to 13.4 percent witnessed in the same period last year.

By type of finance, total loans to private sector businesses increased to Rs 344.8 billion during Jul-Feb FY2018 compared to Rs 301.0 billion in the same period last year. Credit demand for fixed investment contained to Rs147.9 billion against Rs158.0 billion in the comparable period of last year. Credit disbursement for working capital increased to Rs 151.5 billion during the period under review compared to Rs 92.9 billion during the corresponding period of last year.

A number of domestic developments including better energy supply, increase in manufacturing activity, improved security conditions, investors' confidence, contained inflation and increase in CPEC related activities remained instrumental for banking sector to follow a sustained growth path. The momentum continued in CY17 with the assets of the banking sector recording YoY growth of 15.9 percent to reach Rs 18.3 trillion. Capital Adequacy Ratio (CAR) at 15.8 percent as of end December 2017 is stronger and higher than the minimum required level of 11.275 percent. Similarly, asset quality has also improved and NPLs to loans ratio came down from 10.1 percent in CY16 to 10 years low 8.4 percent in CY17.

Monetary Policy Stance

Accommodative monetary policy played an effective role in Pakistan for conducive macroeconomic environment. The cautious monetary policy was centered on consolidating the gains from historic-low policy rate at 5.75 percent till January, FY2018 and striking a balance between subdued inflation and emerging pressures on external accounts. The SBP has changed the monetary policy stance in January 2018 by 25 bps to 6 percent to anchor expected rise in inflation in view of reversal of international oil and commodities prices and to address domestic demand pressure as well as exchange rate movement. In March 2018, the Monetary Policy Committee decided to maintain policy rate at 6.0 percent for the next two months to see impact of policy.

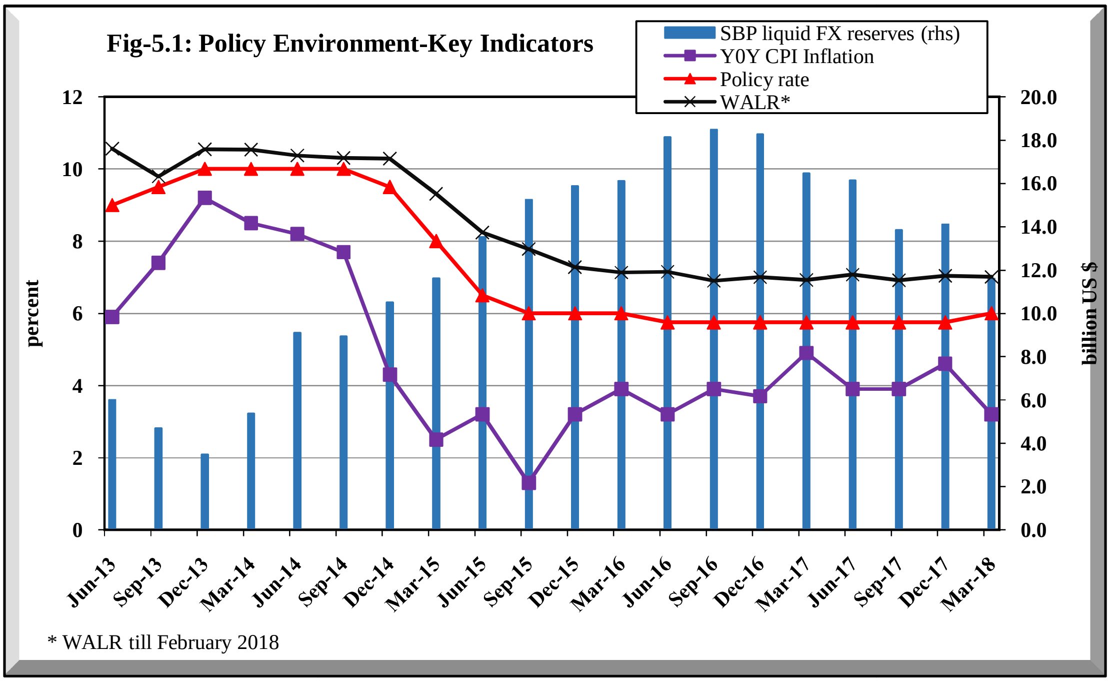


Table -5.1: Policy Rate

w.e.f	Policy rate
Jun-13	9.0
Sep-13	9.5
Nov-13	10.0
Nov-14	9.5
Jan-15	8.5
Mar-15	8.0
May-15	6.5
Sep-15	6.0
May-16	5.75
Jan-18 till Date	6.0

Source: State Bank of Pakistan

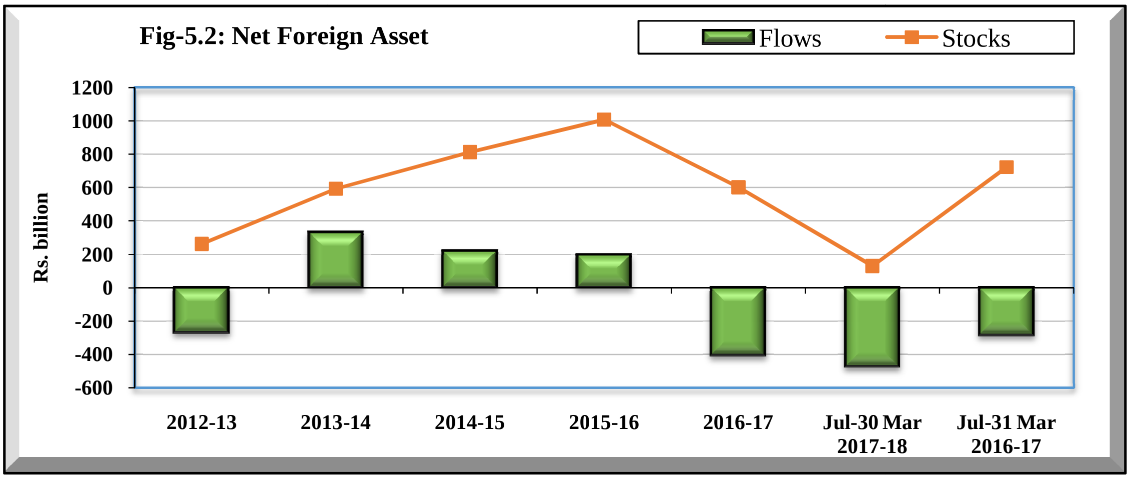
Recent Monetary and Credit Developments

During 01 Jul-30 Mar, FY2018 money supply (M_2) observed an expansion of Rs 770.9 billion (growth of 5.29 percent) compared to expansion of Rs 756.1 billion (5.9 percent) in the same period last year. Net Foreign Assets (NFA) point contribution in Broad money reduced to 3.24 percent during 01 Jul- 30 Mar, FY2018 against the contraction of 2.22 percent in the comparable period of FY2017. Net Domestic Assets (NDA) point contribution in broad money increased to 8.53 percent during the period under review against expansion of 8.12 percent recorded in the same period of FY2017. However, the overall money supply (M2) growth remained balanced during the period under review as compared to last year.

Similarly, reserve money growth contained at 5.6 percent during 01 Jul-30 Mar, FY2018 as compared to the growth of 7.9 percent during the comparable period of last year. The growth in SBP's NDA remained at 18.16 percent compared to 15.97 percent in the comparable period of last year whereas SBP's NFA contracted by 55.7 percent against the contraction of 24.8 percent during same period last year. Consequently, reserve money growth remained subdued during the period under review as growth in SBP's NDA was more than offset by a sharp contraction in NFA of the SBP.

Table 5.2: Profile of Monetary Indicators			Rs billion
	FY17 (Stocks)R	30-Mar-18	31-Mar-17
Net Foreign Assets(NFA)	602.0	-472.8	-284.8
Net Domestic Assets(NDA)	13,978.8	1,243.7	1,040.9
Net Government Borrowing	8,955.6	804.2	568.7
Borrowing for budgetary support	8,282.1	858.3	704.0
From SBP	2,350.1	2,236.7	801.6
from Scheduled banks	5,932.0	-1,378.5	-97.5
Credit to Private Sector (R)	5,197.5	469.2	438.6
Credit to PSEs	822.8	174.0	197.0
Broad Money	14,580.9	770.9	756.1
Reserve Money	4,868.0	272.0	314.3
Growth in M2 (%)	13.7	5.29	5.90
Reserve Money Growth (%)	22.5	5.6	7.9
Source: Weekly Profile of Monetary Aggregates, State Bank of Pakistan			

Within Broad Money, Net Foreign Assets (NFA) of the banking sector reduced to Rs 472.8 billion during 01 Jul-30 Mar, FY2018 as compared to the contraction of Rs 284.8 billion last year. Within NFA, NFA of SBP which was negative as on end-June 2017, declined further by Rs 461.5 billion during the period as compared to the decline of Rs 155.2 billion in last year. The NFA of scheduled banks declined by Rs 11.2 billion compared to contraction of Rs 129.7 billion during same period last year. NFA of SBP declined during the period under review due to high financing needs for current account deficit and foreign debt servicing payments.[1]



The NDA of the banking sector witnessed an expansion of Rs 1,243.7 billion (8.9 percent) during 01 Jul-30 Mar, FY2018 as compared to the expansion of Rs1,040.9 billion (8.8 percent) in the same period last year. Within NDA, NDA of SBP witnessed expansion of Rs 664.5 billion compared to expansion of Rs 375.7 billion in comparable period of last year. The NDA of scheduled banks increased by Rs 579.2 billion compared to Rs 665.2 billion during the same period last year.

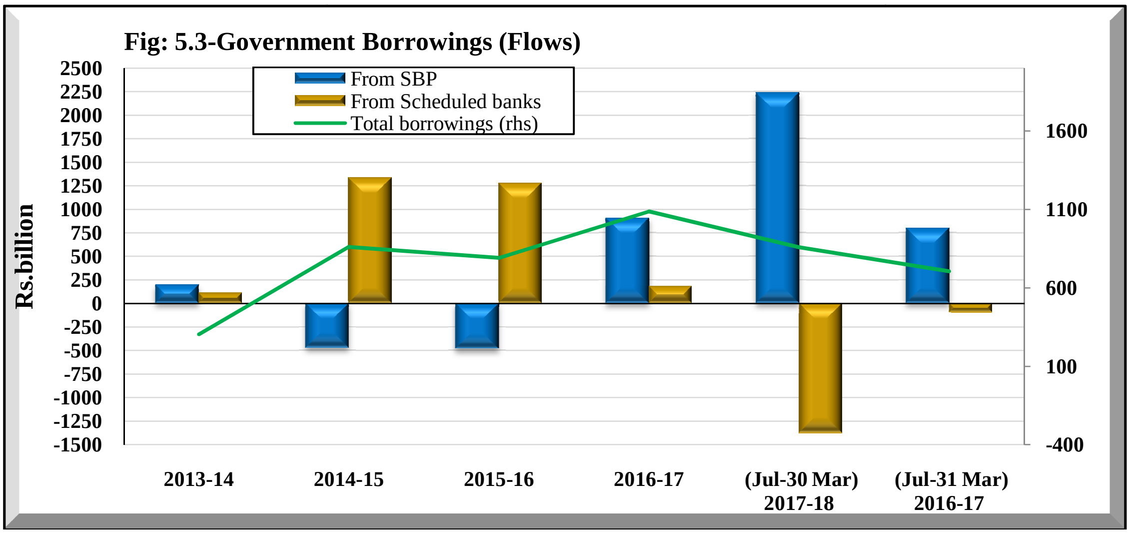
During 01 Jul- 30 Mar, FY2018 credit to Public Sector Enterprises (PSEs) increased by Rs174.0 billion compared to Rs196.9 billion in the comparable period of FY2017. PSEs borrowing during the period under review shows financing requirement for the completion of certain projects. Consequently, the overall NDA of the banking sector remained balanced due to steady demand for private sector and PSEs credit and increase in government borrowing from the banking sector.

[1] First Quarterly Report, FY18, SBP

Government Bank Borrowing

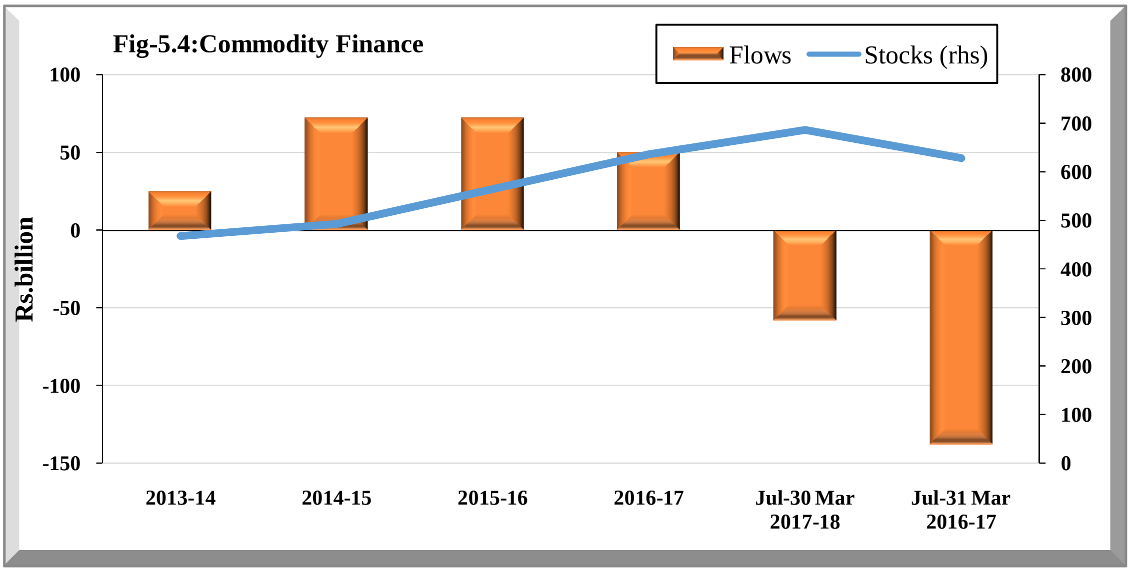
During the period 01 Jul-30 Mar FY2018, government borrowing for budgetary support stood at Rs 858.3 billion against the borrowing of Rs 704.0 billion in the corresponding period of FY2017. During the period under review, government borrowed Rs 2,236.7 billion from SBP as compared to the borrowing of Rs 801.6 billion in the comparable period last year. Conversely, government retired Rs 1,378.5 billion to Scheduled Banks during 01 Jul-30 Mar FY2018 against the retirement of Rs 97.5 billion last year. Whereas, net government borrowing from the banking system reached to Rs 804.2 billion during 01 Jul-30 Mar, FY2018 compared to Rs 568.7 billion over the previous year.

Following the pattern of last year, the government continued to borrow from SBP for budgetary support and retired to scheduled banks on net basis.



Commodity Finance

During the period 01 Jul- 30 Mar, FY2018 loans for commodity finance witnessed a net retirement of Rs 58.4 billion compared to the net retirement of Rs 137.9 billion in the comparable period of last year, the outstanding stock of commodity financing amounted to Rs 628.1 billion compared with Rs 498.7 billion during same period of last year.



In FY 2017, the outstanding stock of commodity financing increased significantly to Rs 686.5 billion from Rs 636.6 billion during the corresponding period of FY2016, and posted a growth 7.84 percent in FY2017 compared the growth of 12.8 percent in FY2016.

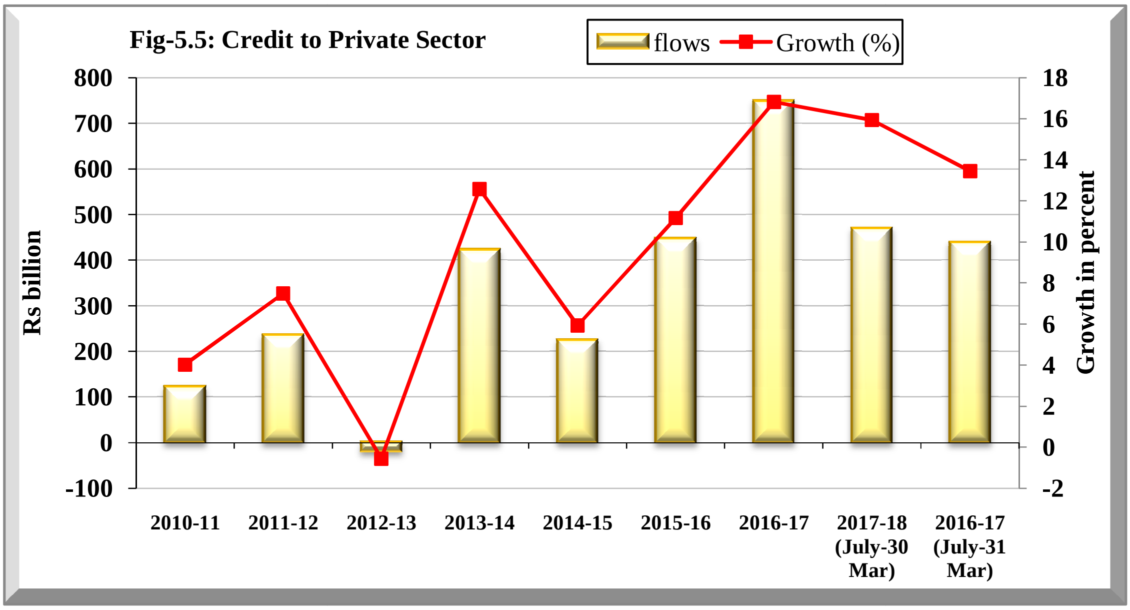
During the period 01 Jul-23 Feb, FY2018 loans for wheat financing observed a net retirement of Rs 42.9 billion against the retirement of Rs 126.8 billion during the corresponding period of FY 2017. The outstanding stock of wheat remained higher to Rs 549.3 billion compared to Rs 413.4 billion during the comparable period of last year.

The fertilizer financing witnessed the net retirement of Rs 1.4 billion during 01 Jul-23 Feb, FY2018 compared with the retirement of Rs 5.994 billion in the comparable period of last year. On the other hand, sugar sector retired Rs 0.861 billion during 01 Jul-23 Feb, FY 2018 compared to borrowing of Rs 4.249 billion during the same period of last year.

Credit to Private Sector[2]

During FY2017, favorable macroeconomic indicators, accommodative monetary policy and historic low policy rate remained instrumental in expansion of private sector credit cycle.

Private businesses availed major portion of financing for fixed investment and working capital during FY2017. Manufacturing sector remained the major beneficiary that borrowed credit both for fixed investment and working capital, of which the main active borrowers were the sugar, grain milling (wheat and rice), dairy, textiles, and cement sectors. Financing requirement for working capital increased during FY2017 due to increase in input prices of cotton and coal.



The recent data reveals that credit to private sector has seen expansion of Rs 469.2 billion during 01 Jul-30 Mar, FY2018 compared to the expansion of Rs 438.6 billion in the comparable period of last year, thus posted average growth of 9.03 percent during the period under review as compared to 9.9 percent last year. On YOY basis as on 30th Mar FY2018, CPS observed growth of 15.9 percent compared to 13.4 percent witnessed in the same period last year.

[2] Islamic Financing, Advances (against Murabahaetc), Inventories and other related Items previously reported under Other Assets have been reclassified as credit to private sector

Sectoral Analysis

Table - 5.3: Credit to Private Sector — Rs billion

Sectors	End Month Stocks				Jul-Feb (Flows)		Average (Jul-Feb) Growth Rates		YoY Growth	
	Jun-16	Feb-17	Jun-17	Feb-18	FY2017	FY2018	FY2017	FY2018	Jun-17	Feb-18
Overall Credit (1 to 5)	4,041.9	4,403.3	4,754.3	5,145.7	361.4	391.4	8.9	8.2	17.6	16.9
1. Loans to Private Sector Business	3,337.3	3,638.3	3,962.2	4,307.0	301.0	344.8	9.0	8.7	18.7	18.4
A. Agriculture	285.1	286.5	297.5	306.7	1.4	9.2	0.5	3.1	4.3	7.1
B. Mining and Quarrying	26.5	31.9	40.3	44.4	5.4	4.1	20.4	10.2	51.8	38.9
C. Manufacturing	1,915.3	2,122.5	2,299.6	2,506.0	207.2	206.3	10.8	9.0	20.1	18.1
Textiles	612.3	697.1	695.1	818.6	84.8	123.5	13.8	17.8	13.5	17.4
D. Electricity, gas and water supply	305.2	348.4	365.3	423.7	43.3	58.4	14.2	16.0	19.7	21.6
E. Construction	97.6	109.2	138.6	146.8	11.6	8.2	11.9	5.9	42.1	34.5
F. Commerce and Trade	265.5	281.3	308.2	341.5	15.8	33.2	5.9	10.8	16.1	21.4
G. Transport, storage and communications	181.8	177.1	211.0	224.0	-4.7	13.0	-2.6	6.2	16.0	26.5
I. Other private business n.e.c	42.2	50.5	54.5	43.6	8.3	-10.9	19.8	-20.1	29.1	-13.8
2. Trust Funds and NPOs	14.2	13.2	16.8	16.9	-1.0	0.0	-6.9	0.2	18.6	27.5
3. Personal	433.5	474.1	504.5	567.1	40.7	62.7	9.4	12.4	16.4	19.6
4. Others	8.2	4.4	6.2	2.4	-3.9	-3.8	-47.0	-61.1	-24.5	-44.6
5. Investment in Security & Shares of Private Sector	248.6	273.2	264.6	252.3	24.6	-12.3	9.9	-4.6	6.4	-7.7

Source: State Bank of Pakistan

Overall credit grew by 8.2 percent during Jul-Feb, FY2018 against 8.9 percent of the comparable period of last year. Sector wise growth demonstrates that loans to private sector business witnessed growth of 8.7 percent during Jul-Feb, FY2018 against 9.0 percent in same period of last year.

Credit to Private Sector Businesses (PSBs), which availed major share of PSC, reached Rs 344.8 billion during Jul-Feb, FY2018 as compared to Rs 301.0 billion in the corresponding period of FY2017. The expansion in PSBs during FY2018 mainly came from all major sectors such as: Electricity, Gas and Water supply grew by (16.0 percent), Commerce & Trade (10.8 percent), Mining and Quarrying (10.2 percent), Manufacturing (9.0 percent) of which Textile (17.8 percent) and Transport, Storage & Communications (6.2 percent).The broad based expansion in private sector loans during Jul-Feb FY2018 primarily in Manufacturing sector received a share 59.8 percent (Rs 206.3 billion), followed by textile (35.8 percent or Rs 123.5 billion), Electricity, Gas and Water supply (16.9 percent or Rs 58.4 billion), Commerce and Trade (9.6 percent or Rs 33.2 billion), and Transport, Storage & Communications (3.8 percent or Rs13.0 billion).

Table-5.4: Loans* to Private Sector Businesses — Rs billion

Description	Total credit		Working capital		Fixed investment		Trade financing	
	(Jul-Feb) FY17	(Jul-Feb) FY18	(Jul-Feb) FY17	(Jul-Feb) FY18	(Jul-Feb) FY17	(Jul-Feb) FY18	(Jul-Feb) FY17	(Jul-Feb) FY18
Total loans to private businesses	301.0	344.8	92.9	151.5	158.0	147.9	50.2	45.3
of which								
1) Manufacturing	207.2	206.3	67.9	85.1	92.9	82.2	46.4	39.0
i) Textiles	84.8	123.5	41.8	75.5	21.5	30.4	21.4	17.6

Table-5.4: Loans* to Private Sector Businesses **Rs billion**

Description	Total credit		Working capital		Fixed investment		Trade financing	
	(Jul-Feb) FY17	(Jul-Feb) FY18	(Jul-Feb) FY17	(Jul-Feb) FY18	(Jul-Feb) FY17	(Jul-Feb) FY18	(Jul-Feb) FY17	(Jul-Feb) FY18
Spinning, weaving and finishing	71.0	103.7	35.1	73.3	20.2	33.0	15.7	(2.7)
ii) Chemicals	(10.2)	(47.6)	(30.4)	(36.7)	19.9	(2.8)	0.2	(8.1)
Fertilizer	(26.2)	(60.7)	(35.1)	(48.6)	9.5	(5.3)	(0.6)	(6.8)
iii) Food products & beverages	83.1	29.1	56.9	(25.9)	23.0	31.6	3.2	23.5
Rice processing	11.1	33.7	5.2	26.5	0.7	0.8	5.2	6.3
Edible oil and ghee	(5.0)	18.3	(1.9)	8.7	1.4	3.0	(4.5)	6.6
Sugar	72.3	(8.7)	52.7	(27.1)	13.8	15.3	5.8	3.1
iv) Basic and fabricated metal	(5.6)	17.7	(4.5)	15.9	2.0	(0.7)	(3.1)	2.5
v) Rubber, plastics and paper	(3.2)	1.7	(3.6)	2.7	0.2	(1.5)	0.2	0.5
vi) Electrical equipment	4.4	26.0	3.4	22.2	1.5	2.6	(0.6)	1.3
vii) Cement	12.1	33.3	0.8	13.0	7.9	17.8	3.4	2.5
2) Electricity, gas & water supply	43.3	58.4	13.0	46.9	27.6	13.5	2.7	(2.0)
3) Transport, storage & Communicatons	(4.7)	13.0	(10.8)	(1.5)	6.8	16.3	(0.6)	(1.8)
Road transport	1.1	3.1	(0.0)	(0.3)	1.1	3.4	(0.0)	(0.0)
4) Construction	11.6	8.2	1.2	(1.6)	11.2	9.3	(0.8)	0.5
Road infrastructure	9.5	(0.3)	4.2	(0.2)	6.4	(0.2)	(1.1)	0.0
5) Real estate activities	9.1	16.3	(0.3)	7.7	6.1	7.5	3.3	1.0
6) Agriculture	1.4	9.2	4.6	1.6	(2.8)	8.6	(0.4)	(0.9)

*Loans include advances plus bills purchased & discounted excluding foreign bills.

Source: State Bank of Pakistan

By type of finance, total loans to private sector businesses increased to Rs 344.8 billion during Jul-Feb FY2018 as compared to Rs 301.0 billion in the same period last year. Despite some sector specific issues, such as delayed crushing of sugarcane and lower off-take of Urea, the businesses availed relatively higher credit for working capital. Credit demand for fixed investment contained to Rs 147.9 billion against Rs 158.0 billion in the comparable period of last year. Credit disbursement for working capital increased to Rs 151.5 billion compared to Rs 92.9 billion during the corresponding period of last year. Credit demand for fixed investment remained lower compared to last year on account of maturing of investment projects in power, construction and cement sectors which contained additional credit demand.

CPEC related activities and government's continued focus on bridging the infrastructure gap has attracted investments and reinvestments in allied industries resulting increase in credit demand in cement, transport & communication, iron and steel sectors. Textile and export oriented sectors' credit demand increased due to positive response on exports from the advanced economies, specifically the US and EU.

Within textiles sector, the spinning and weaving were the major beneficiaries availing fixed investment and working capital loan under the LTFF schemes, which were offered at very attractive rates.

Bank's portfolio for fixed investment loans continued to increase primarily due to favorable policy stance alongwith positive business sentiments over the medium term. This trend augurs well for credit growth in future.

Table-5.5: Consumer Financing **Rs billion**

	July-February (Flows)		Growth(%)	
Description	**FY2017**	**FY2018**	**FY2017**	**FY2018**
Consumer Financing	42.0	47.8	13.2	12.3
1) For house building	6.5	12.7	13.4	20.9
2) For transport i.e. purchase of car	23.5	31.1	21.0	20.7
3) Credit cards	3.2	4.7	12.5	15.6
4) Consumers durable	0.8	0.9	100.4	54.4
5) Personal loans	8.2	-1.6	6.2	-1.1
6) Other	-1.4	8.7	-24.9	209.3

Source: State Bank of Pakistan

During Jul-Feb, FY2018, Consumer financing posted a significant growth of 12.3 percent (Rs 47.8 billion) compared with 13.2 percent (Rs 42.0 billion) during the comparable period of last year. Of which, house building loans registered a considerable growth of 20.9 percent and stood at Rs12.7 billion during Jul-Feb, FY2018 against 13.4 percent (Rs 6.5 billion) during the comparable period of last year. House building finance witnessed a significant growth attributable to banks that diversified their portfolios in favor of high yielding assets. Moreover, consumer durable witnessed a phenomenal growth of 54.4 percent during Jul-Feb, FY2018 compared to 100.4 percent growth during the same period of last year. Conversely, auto financing observed highest share of consumer loans and increased to Rs 31.1 billion (20.7 percent) compared to Rs 23.5 billion (21.0 percent) during last year. Auto financing increased due to prudent monetary policy and historic low policy rate which contributed significantly to higher car sales in the country. Moreover, personal loan registered net retirement of Rs 1.6 billion during first eight months of CFY against the net expansion of Rs 8.2 billion in the comparable period of last year. The consumer financing momentum remained positive on account of consumer durable, house building and auto financing loans during the period under review.

Table-5.6: Indicative Targets and Actual Disbursement of Agriculture Loans **Rs billion**

Name Of Banks	**Target**		**Flows (July-February)**	
	FY2017	**FY2018**	**FY2017**	**FY2018**
5 Major Comm. Banks	342.0	516.0	204.4	292.0
ZTBL	102.5	125.0	46.7	51.9
Domestic Private Banks	137.6	200.0	78.1	112.9
P.P.C.B.L	12.5	15.0	5.9	6.1
Microfinance Banks	60.1	100.0	55.2	79.6
MFIs/RSPs	34.3	25.0	10.9	18.1
Islamic Banks	11.0	20.0	7.8	9.3
Total	700.0	1,001.0	409.0	570.0

Source: State Bank of Pakistan

For CFY2018, agriculture credit disbursement target has been kept at Rs 1,001.0 billion compared to the target of Rs 700.0 billion last year. The actual disbursement during FY2017 was Rs 704.5 billion. During the period Jul-Feb FY2018, overall credit disbursement increased by 39.4 percent to Rs 570.0 billion compared to Rs 409.0 billion in the same period of last year. The disbursement share remained 56.9 percent of the target during the period Jul-Feb of CFY. 5 Major commercial banks disbursed an amount of Rs 292.0 billion or 56.6 percent of its target thus remained 42.9 percent higher (Rs 204.4 billion) during the comparable period of last fiscal year.

Box-I: SBP initiatives for financial inclusion in Agriculture Financing during FY2018

Agriculture Financing

In line with Government's priority for agriculture, SBP continues to facilitate enhanced outreach of formal credit to farmers. SBP has been following a multifaceted approach to sensitize banks to adopt agri-financing as a viable business line. Developments under some of the initiatives undertaken for promotion of agricultural finance are provided below:

Credit Guarantee Scheme for Small and Marginalized Farmers (CGSSMF) was implemented to encourage financial institutions to provide working capital credit facilities to small ticket size holders without having adequate collateral (acceptable to banks). Under the scheme, Participatory Financial Institutions (PFIs) have been assigned credit disbursement targets of Rs 2 Billion. Since its inception, more than 50,000 borrowers have been financed under the scheme.

A Mandatory Crop Loan Insurance Scheme (for five major crops i.e. wheat, cotton, rice, sugarcane and maize) was introduced in 2008 in order to mitigate default risk of farmers and provide repayment assurance to banks especially in case of natural calamities. This scheme is mandatory for small farmers having land holding up to 25 acres and government is bearing the cost of premium on account of small farmers' of up to 2% per crop per season. Since its inception, more than 3.8 million borrowers have been benefitted from this scheme.

SBP, in collaboration with the Securities & Exchange Commission of Pakistan (SECP), banks, insurance companies, provincial livestock and dairy departments has developed Livestock Loan Insurance Scheme (LLIS). The scheme was launched on November 1, 2013 and covers all livestock loans up to Rs 5 million for purchase of animals. Under LLIS, the borrowers are covered against natural death of animals or mortality due to any disease, flood, heavy rains, windstorm and accidents. GoP is bearing cost of premium (up to 4% per annum) in case of small farmers obtaining credit from banks for up to 10 animals.

SBP is also promoting Value Chain (VC) Financing and has published reports of six main value chains in the country: i) Potato, ii) Tobacco, iii) Beef, iv) Dairy , v) Basmati Rice, and vi) Aquaculture and Inland Fishery. SBP successfully rolled out agri. value chain financing, wherein, credit disbursement targets and number of borrowers have been assigned to 11 banks/ MFBs. Under pilot project, Rs 5 billion were disbursed to around 4,500 farmers. Target of Agri. Value Chain Financing for FY2018 is Rs 10 billion.

Support towards innovations in agricultural financing: SBP has introduced various projects with the objective to introduce and implement the modern and innovative international best practices to support innovations in agricultural financing .These include:

SBP is facilitating the banks in developing the linkages with Land Revenue authorities for utilization of computerized land records for disbursements of agricultural financing. SBP has made remarkable efforts for system's integration for exchange of information, provide online access/issuance of passbook and creation of charge etc on individual basis. SBP is also facilitating a pilot project in Sindh with one bank and Sindh Board of Revenue for utilization of electronic land records for swift loan processing. Further, some of the large banks have finalized MOUs with Sindh BoR for using its automated record.

SBP has facilitated the Government of Punjab in designing and implementation of the E-Credit scheme wherein E-Passbook and other automated land revenue records, accessible through an online portal, are being used by 6 participating financial institutions to provide interest free loans to small farmers. So far over 250,000 loans have been provided to farmers in 03 cropping seasons starting from Rabi 2016.

SBP, in collaboration with University of Agriculture, Faisalabad (UAF), is supporting a pilot project wherein borrowers of three participating banks will be provided technical advisory for crop management and yield enhancement through the use of modern technology & quality inputs, precision agriculture, timely availability of money and guidance through service providers. The information gathered through Drone/UAV technology will also be beneficial for the banks in assessing their portfolio quality and taking timely corrective measures where necessary. Under this project, 3000 acres of 600 farmers of 22 villages were scanned and surveyed. Proposal for scaling up the project to other districts are underway.

Source: State Bank of Pakistan

Monetary Assets

Monetary asset (M2) comprises of currency in circulation, demand deposits, time deposits and resident's foreign currency deposits. During the period 01 Jul- 30 Mar, FY2018 Money supply (M2) observed a growth of 5.29 percent against the growth of 5.9 percent in the same period of last year. Whereas Y-o-Y basis it remained at 13.0 percent as on 30th March, FY 2018.

Currency in Circulation (CIC)

During the period 01 Jul-30 Mar, FY 2018, CIC increased to Rs 173.5 billion (4.4 percent) against Rs 151.1 billion (4.5 percent) in the comparable period of last year, however, it posted YoY growth of 17.2 percent as on 30th March, FY2018. The currency-to-M2 ratio increased to 26.6 percent as on 30th March, 2018 compared to 25.7 percent during the comparable period of last year.

Table-5.7: Monetary Aggregates — Rs million

Items	End June		01 July-30 March	
	2016	2017	FY2017	FY2018
A.Currency in Circulation	3,333,784	3,911,315	3,484,918	4,084,856
Deposit of which:				
B. Other Deposits with SBP	18,756	22,692	18,818	22,983
C.Total Demand &Time Deposits incl.RFCDs	9,472,313	10,646,875	10,077,180	11,243,949
of which RFCDs	587,258	655,340	602,089	741,541
Monetary Assets Stock (M2) A+B+C	12,824,853	14,580,882	13,580,916	15,351,788
Memorandum Items				
Currency/Money Ratio	26.0	26.8	25.7	26.6
Other Deposits/Money ratio	0.1	0.2	0.1	0.1
Total Deposits/Money ratio	73.9	73.0	74.2	73.2
RFCD/Money ratio	4.6	4.5	4.4	4.8
Income Velocity of Money	2.4	2.3	_	_

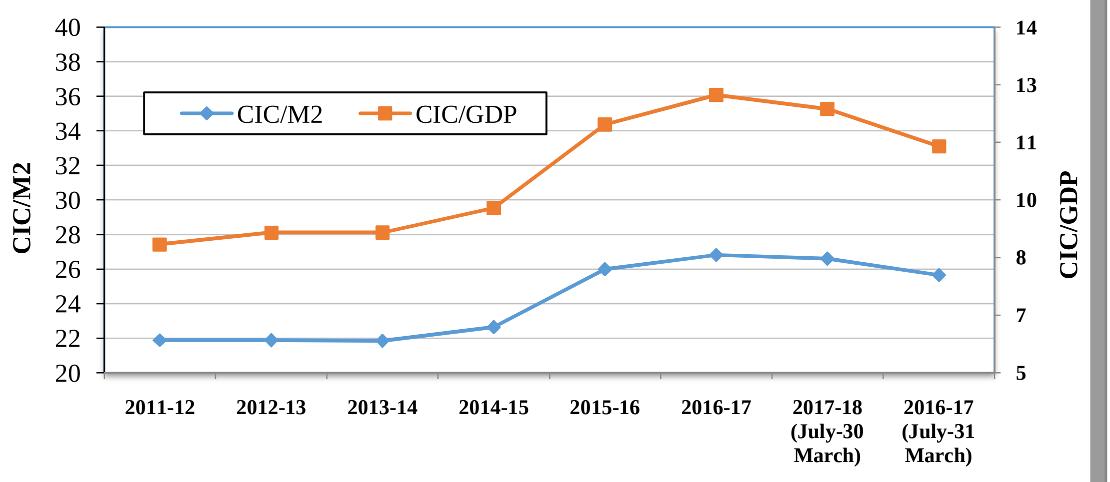
Source: State Bank of Pakistan

Deposits

During the period 01 Jul-30 Mar, FY2018 bank deposits reached to Rs 597.1 billion (5.6 percent) against Rs 604.9 billion (6.4 percent) in the comparable period of last year. Consequently, currency-to-deposit ratio increased to 36.3 as on March 30, 2018 compared to 34.6 in last year.

In contrast, Resident Foreign Currency Deposits (RFCD) increased by Rs 86.2 billion during 01 Jul-30 Mar, FY2018 compared with Rs14.8 billion during the same period last year.

Fig-5.6: Currency in Circulation% of M2 &GDP



Monetary Management

Table-5.8: Average Outstanding Open Market Operations1 Rs billion

	FY15	FY16	FY17	FY18*
Full Year	**418.6**	**1,268.9**	**1,045.8**	**1,385.5**
Q1	63	1,082.9	1,094.0	1,440.9
Q2	281	1,287.6	861.3	1,530.5
Q3	683.2	1,323.8	961.1	1,171.1
Q4	744.1	1,383.3	1,267.2	

1: The data does not include the impact of outright OMOs.
*: Updated upto March 27, 2018
Note: (+) amount means net Injections.
(-) amount means net mop-up.

During the period under review FY2018, liquidity conditions in the interbank market were relatively tight due to less retirement by private sector, government's fresh budgetary borrowing from scheduled banks and FX operations. In order to manage the liquidity pressures, SBP proactively intervened in the interbank market via open market operations to keep the overnight rates close to the policy rate. As a result, the average outstanding OMOs net injections increased to Rs 1.17 trillion during first nine months of CFY2018 compared to Rs 961.1 billion during the same period last year.

Table-5.9: Market Treasury bills Auctions Rs million

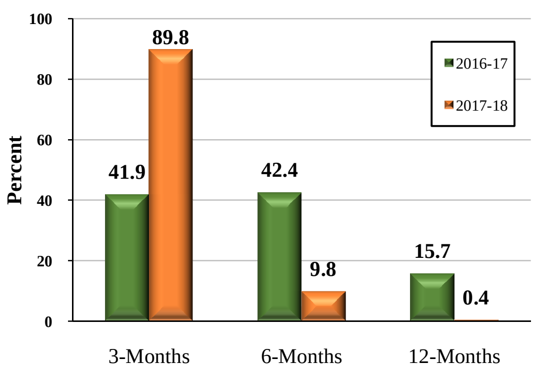
	Jul-Jun			Jul-Mar					
	FY2017			Offered		Accepted		W.A.Rate*	
	Offered	Accepted	W.A Rate*	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018
3-Months	5,287,269	3,824,534	5.9	3,756,514	13,339,720	2,441,329	10,976,213	5.9	6.1
6-Months	4,632,304	2,974,251	5.9	3,918,854	1,371,631	2,471,538	1,198,292	5.9	6.0
12-Months	1,708,636	936,611	5.9	1,628,197	86,054	915,996	47,687	5.9	6.0
Total	**11,628,209**	**7,735,396**		**9,303,565**	**14,797,405**	**5,828,863**	**12,222,192**		

Source: State Bank of Pakistan

During Jul-Mar, FY2018 market offered a total amount of Rs 14,797.4 billion for T-Bills against Rs 9,303.6 billion in the same period of FY2017. T-Bills witnessed large share of investment in 3 months as it contributed 89.8 percent of total accepted amount followed by 9.8 percent in 06 months and 0.4 percent in 12 months. Market offered total amount of Rs 218.7 billion during the first nine months of CFY2018 under PIB auction as compared to Rs 1,556.1 billion in the same period of last fiscal year. Heavy investment was seen in 3 years PIBs which constituted 42.0 percent of total accepted amount followed by 39.7 percent in 10 years and 18.2 percent in 5 years.

During the period under review, the entire mobilization from scheduled banks was against T-Bills of which market had a preference for the 3 months instrument which reflects the bank's profitability decision reliance on short term strategy. On the contrary, bank's appetite for PIBs remained out of favor. Market accepted under PIBs instruments just 0.45 percent of T-Bills accepted amount. This preference indicates the inflation expectation after Rs depreciation and anticipation of policy reversal in short run[3].

Fig-5.7:Contribution of T-bills



[3]Second Quarterly Report FY2018, SBP

Table-5.10: Pakistan Investment Bonds Auctions Rs million

PIBs	Jul-Jun			Jul-Mar				W.A Rate	
	Offered	Accepted	W.A Rate	Offered		Accepted			
	FY2017			FY2017	FY2018	FY2017	FY2018	FY2017	FY2018
3 Years	1,039,668	522,756	6.3	888,051	157,928	420,569	23,376	6.3	6.4
5 Years	451,788	239,114	6.8	419,533	24,085	230,375	10,150	6.8	6.9
10 Years	266,846	132,147	7.8	245,778	36,761	127,823	22,095	7.8	7.9
15 Years	-	-	-	-	-	-	-	-	-
20 Years	2,743	-	-	2,743	0	-	-	-	-
30 Years	-	-	-	-	-	-	-	-	-
Total	**1,761,045**	**894,017**		**1,556,105**	**218,774**	**778,767**	**55,621**		

Note: Accepted amount include non-competitive bids as well as short sell accommodation.

Source: State Bank of Pakistan

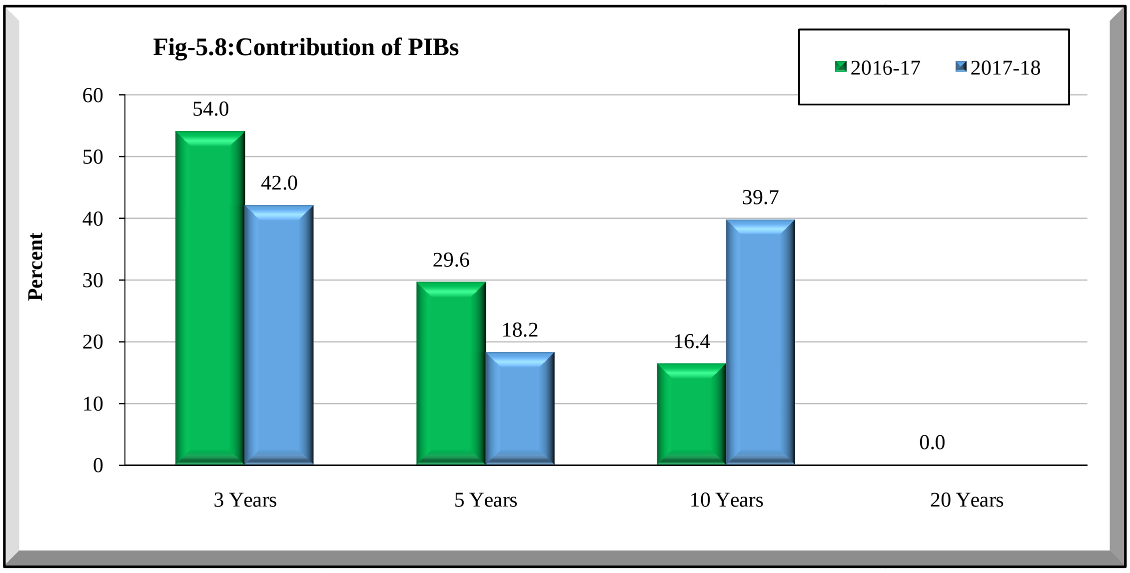
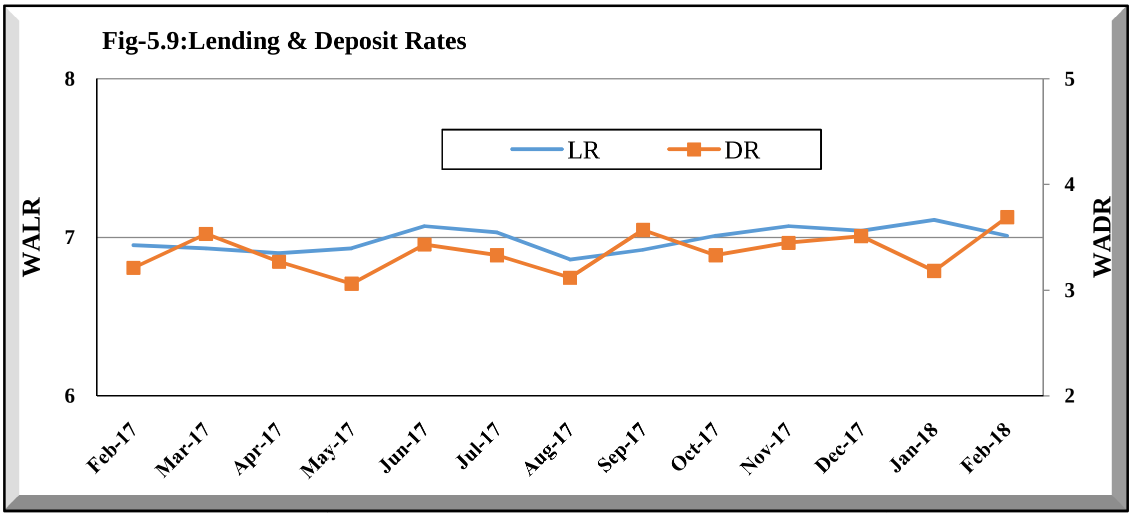


Table-5.11: Lending & Deposit Rates(W.A)

	LR	DR	Spread
Feb-17	6.95	3.21	3.74
Mar-17	6.93	3.53	3.40
Apr-17	6.90	3.27	3.63
May-17	6.93	3.06	3.87
Jun-17	7.07	3.43	3.64
Jul-17	7.03	3.33	3.70
Aug-17	6.86	3.12	3.74
Sep-17	6.92	3.57	3.35
Oct-17	7.01	3.33	3.68
Nov-17	7.07	3.45	3.62
Dec-17	7.04	3.51	3.53
Jan-18	7.11	3.18	3.93
Feb-18	7.01	3.69	3.32

Source: State Bank of Pakistan

Weighted Average Lending Rate (WALR) on gross disbursements increased by 6 bps during first eight months of CFY from 6.95 percent in Feb 2017 to 7.01 percent in Feb, 2018 due to expected increase in policy rate and liquidity conditions in the interbank market. Similarly, Weighted Average Deposit Rate (WADR) offered on fresh deposits increased from 3.21 percent in Feb, 2017 to 3.69 percent in Feb 2018. Consequently, banking spread which generally refers to the cost of channelling funds through intermediaries and is the difference of lending and deposit rates decreased by 42 bps from 3.74 percent in Feb 2017 to 3.32 percent in Feb 2018.



Similarly, the average lending rate on outstanding loans also reduced from 7.99 in Feb, 2017 to 7.69 percent in Feb, 2018. The average deposit rate reduced to 2.92 percent in Feb 2018 compared to 3.02 percent in Feb, 2017.

Financial Sector

Table-5.12: Highlights of the Banking Industry

	CY13	CY14	CY15	CY16	CY17
Key Variables (Rs billion)					
Total Assets	10,487	12,106	14,143	15,831	18,342
Investments (net)	4,313	5,310	6,881	7,509	8,729
Advances (net)	4,110	4,447	4,816	5,499	6,513
Deposits	8,311	9,230	10,389	11,798	13,012
Equity	943	1,207	1,323	1,353	1,381
Profit Before Tax (ytd)	162	247	329	314	266.8
Profit After Tax (ytd)	112	163	199	190	157.8
Non-Performing Loans	607	605	605	605	592.5
Non-Performing Loans (net)	139	122	91	90	75.6
Key FSIs (Percent)					
NPLs to Loans (Gross)	13.3	12.3	11.4	10.1	8.4
Net NPLs to Net Loans	3.4	2.7	1.9	1.6	1.2
Net NPLs to Capital	14.7	10.1	7.7	7.3	5.8
Provision to NPL	77.1	79.8	84.9	85	87.2
ROA (Before Tax)	1.6	2.2	2.5	2.1	1.6
Capital Adequacy Ratio (all banks)	14.9	17.1	17.3	16.2	15.8
Advances to Deposit Ratio	49.5	48.2	46.4	46.6	50.1

Note: Statistics of profits are on year-to-date (ytd) basis.

With the evolving financial landscape, SBP continues to bring improvements in its regulatory and supervisory framework. These changes aim at adopting international best practices and creating an enabling environment for the banking industry. SBP has collaborative arrangements with domestic financial sector regulators that supports its holistic supervision of the banking sector in the context of the overall financial sector. Further, it has signed Memorandums of Understanding (MOUs) with 20 jurisdictions for supervisory cooperation.

A number of domestic developments including better energy supply, increase in manufacturing activity, improved security conditions, investors' confidence, contained inflation and increase in CPEC related activities remained instrumental for banking sector to follow a sustained growth path. The momentum continued in CY17 with the assets of the banking sector recording YoY growth of 15.9 percent to reach Rs 18.3 trillion. Advances to the private sector have been dominant (75.9 percent of total advances in CY17) and witnessed YoY expansion of 18.4 percent in CY17.

Further, the alignment of regulatory capital requirements in Pakistan with best international practices coupled with high profitability also helped in achieving strong solvency. Capital Adequacy Ratio (CAR) of 15.8 percent as of end December 2017 which is stronger and higher than the minimum required level of 11.275 percent.

Similarly, asset quality has also improved and NPLs to loans ratio came down from 10.1 percent in CY16 to 10 years low of 8.4 percent in CY17. Net NPLs ratio reduced from 1.6 percent to 1.2 percent in December, 2017 on YoY basis.

Financial Development

The financial development is considered in general as a key to economic development and growth. Financial depth or deepening can be measured through many proxies, but M2-to-GDP ratio is considered as the most comprehensive and commonly used measure. Increasing M2/GDP ratio mainly indicates more developed and efficient financial sector.

In case of Pakistan, this ratio has shown positive and increasing trend since FY 2012 due to several regulatory reforms and policy initiatives by SBP to ensure an efficient and sound financial sector. Monetary assets which were 36.6 percent of GDP in FY 2011 increased to 45.6 percent in FY 2017. While as on 30th March, FY2018, M2/GDP ratio remained 44.6 percent compared to 42.5 percent observed in the same period of last year. However, the ratio is expected to increase further in future on account of ongoing financial reforms in financial sector with the objective to strengthen the financial depth.

Table 5.13: Financial Depth

Years	M2/GDP
2009-10	38.9
2010-11	36.6
2011-12	38.1
2012-13	39.6
2013-14	39.6
2014-15	41.1
2015-16	44.1
2016-17	45.6
01 July-30 March	
2016-17	42.5
2017-18	44.6

Aiming to this, SBP is constantly bringing improvement in the legal, regulatory and supervisory framework including Compliance Risk Management guidelines have been developed with best international practices, while Anti Money Laundering (AML)/Combating Financing of Terrorism (CFT) Regulations have been aligned with the Financial Acton Task force (FATF) recommendations, measures for improvement in foreign exchange regime including successful implementation of Electronic Import Form (EIF) called Web based One Customs (WeBOC), broadening and implementation of National Financial Inclusion Strategy, Financial Literacy Initiatives and strengthening of financial market infrastructure including provision of digital financial services etc.

Box-II: Financial Reforms

Key reforms/measures taken during the current period and further developments in the existing reforms are listed below:

➢ **Legal Reforms:**

- SBP proposed amendments in Section 15 of the **Financial Institutions (Recovery of Finances) Ordinance, 2001 (FIRO)** which were promulgated in August 2016. These amendments would facilitate early recovery of defaulted loans and minimize defaults. SBP is presently in the process of drafting rules for effective implementation of new amendments.
- Further, **Corporate Restructuring Companies Act 2016 (CRCA)**, which provides for establishment and regulation of corporate restructuring companies, was enacted in June, 2016. These companies would be

tasked with inter-alia resolution of NPLs in agreement with financial institutions and restructuring of distressed companies. SECP has notified draft CRCA rules for public comments.

- Subsequent to enactment of **Deposit Protection Corporation (DPC) Act 2016**, the preparatory arrangements to operationalize DPC are being carried out. In this respect, SBP has appointed its Managing Director while Federal Government has appointed members of Board of Directors (BoDs) of DPC recently. DPC has also initiated work on draft Deposit Protection Rules and Regulations which will be issued after necessary approvals from the Board.

➢ **Regulatory Reforms:**

- The State Bank of Pakistan, in line with best international practices, has developed guidelines on **'Compliance Risk Management'** to provide banking industry a uniform and systematic approach for identification, assessment and management of compliance risk.
- To support the growth of credit to the retail sector and small & medium enterprises (SMEs), the regulatory retail portfolio limit under Basel Capital Framework has been enhanced from Rs 75 million to Rs 125 million.
- SBP has been actively taking measures to prevent use of banking channel for money laundering/ terrorist financing. **Anti Money Laundering (AML)/Combating Financing of Terrorism (CFT) Regulations** have been aligned with the Financial Action Task Force (FATF) recommendations and covers all essential aspects of preventive and control measures as per risks involved
- In order to further improve the **foreign exchange regime** of the country, following measures were taken to facilitate importers/exporters as also to introduce online reporting:
  - With the successful implementation of Electronic Import Form (EIF) module called Web based One Customs (WeBOC) in August, 2016, SBP has done away with many paper-related submissions. To facilitate importers, it has been decided to do away with the requirement of submission of original shipping documents for making payment against goods imported on open account basis. Further, exporters have been allowed to directly dispatch shipping documents to the consignees or their agents in the country of final destination in case of exports other than against L/C or advance payment.
  - To further improve the trade related foreign exchange monitoring, submission of Form-E related data to SBP has been made electronic through the Data Acquisition Portal (DAP).

➢ **Supervisory Reforms:**

- Recognizing emerging technology related risks in the banking sector, the regular full scope inspection of banks/DFIs/microfinance banks and exchange companies was extended to include information system inspection of selected institutions. Further, thematic inspections involving assessment of human resource practices in banks, Foreign Direct Investments, compliance to FATF recommendations and inspection of Government accounts opening /operations have been conducted in FY FY2018. Special reviews of write-off cases in compliance of Section 25 AA of Banking Companies' Ordinance, 1962 were also conducted during the year.
- A revised framework for Inspection of Information Systems of banks, DFIs, MFBs and a new inspection manual for Branchless Banking Operations on Risk Based methodology are currently under development.
- SBP has taken significant leap in updating its existing supervisory methodology to a forward looking supervisory methodology i.e. **Risk Based Supervision (RBS).** The adopted approach aims to help SBP in better understanding the risk at the institution level. Development of Risk based supervision framework is underway and going forward it is expected to help SBP in prioritizing supervisory resources and articulating responses to financial stress besides enabling more structured profiling of financial institutions.

➢ **Financial Market Infrastructure**

SBP envisages provision of digital financial services especially through promoting development of a modern and robust payment system without compromising financial stability. SBP, in cooperation with representatives from internal stakeholders as well as World Bank, is formulating a National Payment Systems Strategy and developing key payment infrastructure.

Key achievements to strengthen and promote Payment System regime are **Designated Payment Systems framework (DPS)** to strengthen risk management of payment systems operators/providers in Pakistan**,** SBP in consultation with all stakeholders has revised the **Prism Operating Rules** to better align them with International Standards, SBP further intends to work on a multi-pronged strategy such as Micro

Payment Gateway (MPG) and Automated Clearing House (ACH) to promote digital financial services in the country for both retail and wholesale payments.

➢ **Broadening of Financial Net**

Promoting financial inclusion is one of the key strategic goals under SBP vision 2020, which will be achieved through focusing on: Implement the national financial inclusion strategy, Revise legal framework to remove obstacles to inclusion such as those that inhibit secured lending, Enable and promote alternative channels for delivery of financial services that meet consumer needs, Enable and promote Islamic banking and Implement financial literacy initiatives

➢ **National Financial Inclusion Strategy (NFIS)-Implementation Progress**

NFIS's governance and national coordination platform remained fully operational to implement reforms and initiatives documented under the strategy. To achieve the primary objective of increasing financial inclusion, focused efforts were undertaken to:

- Promote Digital Transaction Accounts (DTAs) and reach scale through bulk payments,
- Expand and diversify access points,
- Improve capacity of financial service providers and
- Increase levels of financial awareness.

Key achievements in the current period include:

a. On January 11, 2017 the **Digital Transaction Account Scheme – Asaan Mobile Account (AMA)** Scheme was approved by NFIS Council. The scheme aims to facilitate 2-minute account opening process and allow transactions with a basic/feature mobile phone from anywhere, at any time. Under this scheme, customers will remotely open Branchless Banking (BB) accounts of their choice and use all financial products & services available at AMA platform accessed through a unified USSD platform. The Scheme is currently in developmental phase and finalization of its governance, business and operational aspects and designing & execution of mass media campaign to build awareness is under progress.

b. In order to facilitate mass enrollment of Digital Transactional Accounts (DTAs), NADRA has reduced the verification cost to Rs10/- to meet low cost KYC requirements for opening of Branchless Banking (BB) accounts.

c. BB agents conduct banking transactions on behalf of their customers .Such transactions are being settled on daily basis and attract withholding tax when withdrawals exceed Rs 50,000 limit. It was, therefore, recommended to the NFIS Council that Federal Board of Revenue (FBR) may consider adjustment of withholding tax on cash withdrawals by the BB agents to the extent of disbursements made to their clients. The proposal was approved under Finance Bill FY2018 and the relaxation has been provided to the agents.

d. Under NFIS, State Bank of Pakistan has designed a scheme for promotion of home remittances through Mobile Wallet (MWallet) which was launched by the Prime Minister of Pakistan on 22-Dec-2017. The scheme incorporates a new category of branchless banking accounts titled **'Home Remittance Account - HRA'** to promote swift and cost-effective way of receiving remittances from abroad. The branchless banking providers have also been advised to upgrade their systems, controls and procedures to incorporate the requirements laid down for the Branchless Banking Home Remittances Accounts.

Source: State Bank of Pakistan

Islamic Banking

Islamic banking industry has grown considerably since its re-launch in 2001-02. As of December 31, 2017, the industry's asset base has reached to Rs 2.3 trillion, a growth of 22.6 percent (12.4 percent of the overall banking system assets) while deposits stand at Rs1.9 trillion, a growth of 19.8 percent (14.5 percent of the overall banking industry's deposits). In terms of number of providers, 5 full-fledged Islamic banks and 16 Islamic banking branches of conventional banks are providing Shariah compliant products and services through their network of 2,581 branches spread across 111 districts of the country. Further, Islamic Banking Divisions of conventional banks have increased their outreach for deposit mobilization through 1,277 Islamic Banking Windows.

Table - 5.14: Islamic Banking Industry							
	CY11	CY12	CY13	CY14	CY15	CY16	CY17
Total Assets (Rs billion)	641.0	837.0	1,014.0	1,259.0	1,610.0	1,853.0	2,272.0
Total Deposits (Rs billion)	521.0	706	868.0	1,070.0	1,375.0	1,573.0	1,885.0
Share in Banks' Assets (Percent)	7.8	8.6	9.6	10.4	11.4	11.7	12.4
Share in Banks' Deposits (Percent)	8.4	9.7	10.4	11.6	13.2	13.3	14.5

Source: State Bank of Pakistan

Investments (net) of Islamic banking industry increased by Rs 9.0 billion (1.8 percent) during the period under review and recorded at Rs 534 billion by end December, 2017. Financing and related assets (net) of Islamic banking industry increased by Rs 172 billion (16.6 percent) during the fourth quarter of CY17 and reached to Rs 1,207 billion compared to Rs 1,035 billion in the previous quarter. Profit before tax of IBI was recorded at Rs 23.0 billion by end December, 2017 compared to Rs 17.0 billion in the same quarter last year. Other profitability indicators including ROA (before tax) and ROE (before tax) were recorded at 1.1 percent and 17.1 percent, respectively.

Mode wise breakup of financing (gross) demonstrates that share of Diminishing Musharaka remained higher in overall financing of IBI followed by Musharaka and Murabaha. It is pertinent to mention that share of Musharaka increased from 15.6 percent in CY16 to 22.0 percent in CY17.

Table 5.14 (a): Financing Products by Islamic banks **Percent share**

Mode of Financing	CY11	CY12	CY13	CY14	CY15	CY16	CY17
Murabaha	43.8	39.7	40.6	30.1	24.5	15.8	13.2
Ijara	10.4	9.2	7.7	7.7	6.6	6.8	6.4
Musharaka	2.4	0.8	6.7	11	14	15.6	22
Mudaraba	0.1	0.2	0.2	0.1	0	0	0
Diminishing Muskaraka	32	35.7	30.8	32.6	31.7	34.7	30.7
Salam	2.4	3	4	4.5	5.3	4.4	2.8
Istisna	4.4	7.2	5.6	8.3	8.6	8.4	8.2
Qarz/Qarz-e-Hasna	0.0	0.0	0.0	0.0	0.0	0.02	0.1
Others	4.4	4.3	4.4	5.6	9.3	14.3	16.7
Total	100	100	100	100	100	100	100

Source: State Bank of Pakistan

Microfinance

During FY2018, the State Bank of Pakistan (SBP) continued to play its vital role for enhancing of financial inclusion in the country. Promotion of digital financial services is the top priority of SBP while implementing National Financial Inclusion Strategy (NFIS). Moreover, the Microfinance Banks (MFBs) have been encouraged to increase their outreach for greater usage of micro-banking services for under privileged segments especially those living in the rural and remote areas.

At the close of quarter ended December, 2017 around 51 institutions were involved in microfinance services which included eleven deposit taking microfinance banks (MFBs) while others were Non-Bank Microfinance Companies (NB-MFCs).

All together the microfinance sector witnessed 48.0 percent growth in its aggregate microcredit portfolio which grew by Rs 65.7 billion to Rs 202.7 billion as of December, 2017 from Rs 136.9 billion in corresponding period last year. The number of borrowers also registered a growth of 26.8 percent and increased to over 5.8 million.

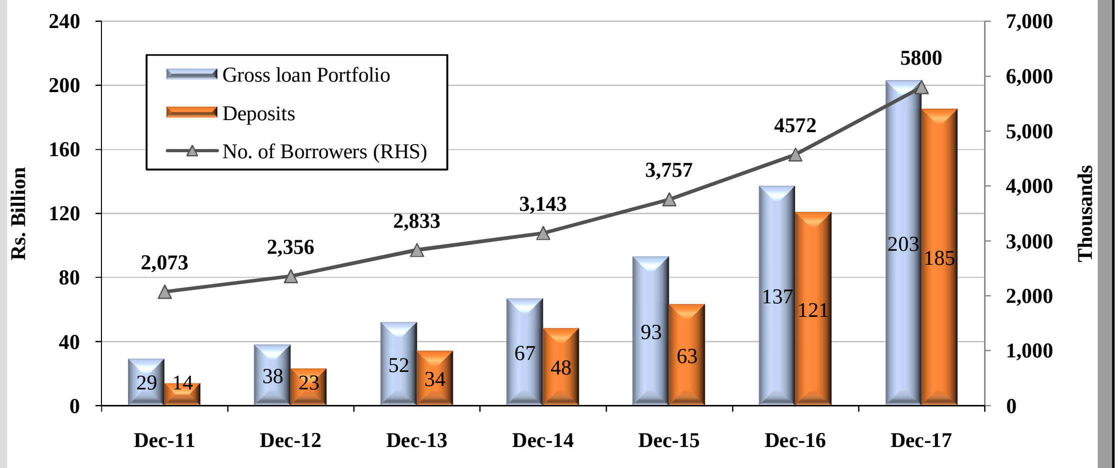
The NB-MFCs continued to serve a larger number of borrowers (56.1 percent), while

MFBs has taken a lead in terms of the aggregate value of loans (67 percent) with an average loan size of Rs 53,338/- which is more than twice the size of loans offered by their non- banking contestant (Rs 20,580/-).

On a YoY basis, the sector has been able in expanding its retail business network by including 453 new business locations and reached to 3,673 across the country as of December, 2017.

In order to enable MFBs to serve the microenterprise credit requirements, SBP has enhanced the loan size to Rs 1.0 million for microenterprises from Rs 0.5 million.

Fig-5.10: Growth of Microfinance Industry



At the close of 2nd quarter of FY18, eleven microfinance banks (MFBs) were involved in extending complete range of micro-banking services. The aggregate loan portfolio of MFBs grew by 50.2 percent to Rs 135.7 billion as compared to Rs 90.4 billion in the corresponding period last year. Likewise, the number of borrowers increased from 1.9 million to 2.5 million and registered an increase of 30.7 percent. Moreover, MFBs were able to restrict NPLs at 1.8 percent at the end of the reporting period.

The combined equity base of MFBs also witnessed 33.5 percent increment (i.e. Rs 8.2 billion) to reach Rs 32.5 billion at the close of the period. With regard to comprehensive asset base of the MFBs, it also registered a strong growth of 44.5 percent rising to Rs 246.2 billion with an increment of Rs 75.8 billion.

The deposit base of MFBs managed to reach Rs 185 billion, compared to Rs 120.6 billion in the same period last year with a corresponding increase of 53.4 percent in outreach of deposit services which was available to over 27.8 million depositors. At the close of the period MFBs were successfully operating through a network of 873 branches.

Branchless Banking (BB) Performance

During CY2017, the Branchless Banking (BB) indicators exhibited an encouraging growth. The number of accounts were opened 17.3 million, exhibiting 86.6 percent rise to reach 37.3 million accounts. The BB agents recorded 12.75 percent rise to reach 405,671 agents. These agents served as the points of presence for the previously excluded socio economic class to provide them access to basic financial services.

A total of 647.6 million transactions of Rs 2.8 trillion were conducted through the BB channel during CY2017.

To focus on the previously neglected dimension of financial inclusion, few MFBs were allowed to evaluate the feasibility of digital credit in the country. The MFBs are offering digital credit via pilot project, wherein small ticket sized loans (Rs 1000-3500) are being offered to the customers for short tenures of 7, 15 and 30 days. The findings of this project will pave a way in setting the course of action for digital credit in future.

SBP has initiated capacity building of BB agents nationwide scale. The agent's training curriculum offered by banks only covered limited areas of BB operations, and thus substantial knowledge gap exists among the BB agents. To address the issue, SBP has developed a universal curriculum for capacity building of the BB agents in consultation with the industry. Phase-1 of the project has been completed, in which two Train-the-Trainers sessions have been conducted and 73 officers from banks have been trained on this curriculum. These officers will further impart training to their respective agents nationwide under phase-2 of this program, which is due to start shortly.

Insurance Sector

The insurance sector in Pakistan comprises of 9 life insurers including two family takaful operators, 41 non-life insurers including three general takaful operators, and one state-owned national reinsurer. The largest share in life insurance market is occupied by the State Life Insurance Corporation of Pakistan (SLIC), which is a state-owned entity and National Insurance Company Limited (NICL) that is state-owned company has the largest share in non-life insurance market. The NICL enjoys the statutory monopoly of underwriting the risks related to public property under Section 166 of the Insurance ordinance, 2000. The only reinsurer of the industry, the government-owned Pakistan Reinsurance Company limited (PRCL) continues to benefit from a mandatory minimum 35 percent share in the area of non-life treaty reinsurance. Some of the SECP's major achievements in respect of the insurance sector during July 2017 to December 2017:

Issuance of Directive for Corporate Insurance Agents (excluding banks) and Technology Based Distribution Channels, 2018: The regulatory directive issued for corporate insurance agents (excluding banks) and technology-based distribution channels, which prescribe the regulatory requirements regarding conduct of business through these channels. The directive also tends to rationalize the Enhanced Due Diligence (EDD) requirement for insurance policies distributed through technology-based distribution channels and prescribes the maximum annual premium threshold under which, the insurance policies will be subject to simplified Customer Due Diligence (CDD) requirements. The directive also sets out guidance in respect of maintaining minimum consumer protection standards while distributing insurance through technology-based channels such as storage and safety of policyholder data, communication of all terms and conditions through mobile/ Internet, manner of exiting the agency agreement etc.

Local insurance companies allowed to issue dollar-denominated insurance policies: A circular has been issued stipulating the documentary requirements for insurers desirous to obtain recommendation letter from the SECP for issuance of US dollar-denominated insurance policies. The recommendation letter is a mandatory document required to be submitted to the SBP while submitting an application for issuance of dollar-denominated insurance policy through the authorized dealer. The circular requires submission of copy of bilateral agreement or any other document as evidence to bilateral agreement, in case such policies are required to be issued for projects undertaken in Pakistan, as a part of bilateral agreement between GoP and a foreign country/multilateral agency. In case of issuance of dollar-mandated policy required to meet the condition of foreign currency (FCY) loan, documentary evidence establishing permission given by the SBP in this regard, is required. Other requirements include minimum insurer financial strength rating of insurer and coinsurer, if any, proposed reinsurance solution and other details regarding the risk(s) to be insured.

Initiatives taken under National Financial Inclusion Strategy (NFIS): In order to implement the National Financial Inclusion Strategy (NFIS) adopted by the Government of Pakistan, a Technical Committee on Insurance (TCI) has undertaken various initiatives such as; consultation with the National Database Registration Authority (NADRA) for reduction in NADRA verification cost for micro-insurance policies, consultation with provincial education bodies for incorporation of insurance related content in academic curriculum, and follow up with the relevant ministries for legislative improvements in laws governing the compulsory group life insurance and motor third party liability insurance.

Resolution of policyholder complaints: From July to December 2017, the SECP received 402 complaints of which, 291 complaints have been resolved/ disposed of, 82 complaints were forwarded to alternative dispute resolution channels, i.e. Federal Insurance Ombudsman (FIO) and small dispute resolution committees (SDRCs), while 29 complaints were under process as on December 31, 2017. Through the complaints resolution function of the SECP, compensation of Rs 34.3 million were provided to aggrieved policyholders who had filed their complaints with the SECP.

Conclusion

Accommodative monetary policy played an effective role in Pakistan for conducive macroeconomic environment. The cautious monetary policy was centered on consolidating the gains from historic-low policy rate at 5.75 percent till January, FY2018 and striking a balance between subdued inflation and emerging pressures on external accounts. Prospects of high growth and inflation within comfortable bounds during FY2018 accompanied by some challenges as higher current account deficit alongwith high fiscal deficit create a challenge for monetary policy outcome. As a result, SBP has changed the monetary policy stance in January 2018 by 25 bps to 6 percent to anchor expected rise in inflation in view of reversal of international oil and commodities prices and to address domestic demand pressure as well exchange rate movement. Alongside SBP continued to proactively managed interbank liquidity to keep the overnight rates close to the policy rate that is supporting the availability of credit.

Indeed, the credit to the private sector grew by Rs 469.2 billion during first nine months of CFY2018 as compared to Rs 438.6 billion in the corresponding period last year.

However, active monetary management as well as visible improvements in exports and remittances due to recent adjustments stemming from greater exchange rate flexibility is expected to unfold gradually in the coming months. In March 2018, the Monetary Policy Committee decided to maintain policy rate at 6.0 percent for the next two months to see impact of policy. Current monetary policy stance will support in strengthening further gains going forward.

Chapter 6

Capital Markets

Capital markets plays a pivotal role in mobilizing domestic resources and channelling them efficiently for productive uses, thus raising national productivity. The level of capital market development is an important determinant of level of savings, efficiency of investment and ultimately rate of economic growth.

Earlier Pakistan's capital markets remained relatively narrow due to non-conducive economic environment but as the security situation improved and investors' confidence regained, the capital market started showing positive performance. During the regime of the present government significant developments in capital market and corporate sector took place. The Securities and Exchange Commission of Pakistan (SECP), being an apex regulator, has continued to push with the reform agenda to address the challenges of a fast growing market during the last five years (Box-1). Consequently, revival of investor's confidence has been captured by better returns on investment in the Karachi stock market. The market continued its upward trend reaching to all time high. KSE 100 witnessed its highest level of 52,876.46 on May 24, 2017 in the history.

Recently, the global capital market and financial industry have experienced a new wave of financial innovation, brought on by technological breakthroughs and digital disruption. The block chain is fundamentally changing the way people invest in companies thus we could be looking at the next incarnation of the stock market. In Pakistan, State Bank of Pakistan (SBP) has proven itself very progressive in the area of digital finance. The regulatory framework for financial services such as Payment System Operators, Payment Service Providers and Branchless banking regulations by the SBP acting as platforms for carefully controlled and regulated Fintech-led growth. Recently, for the past one and half years, IT-related achievements have been the game-changer for National Savings. Thus, Pakistan is an attractive market for Fintech companies to grow owing to the increasing youth population, high-speed internet, smartphone penetration and consumer preference for online commerce and digital payments.

Box-1: Securities and Exchange Commission of Pakistan (SECP) Key Achievements during (2013- 2017)

Under the leadership of current Government, the past few years has witnessed significant developments and reforms for capital market and corporate sector of Pakistan. The SECP, being the apex regulator, has continued to push with the reform agenda to address challenges of a fast growing market during the past five years. The reforms agenda include the following;

- **Demutualization of the stock exchanges:** Consequent to promulgation of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 the stock exchanges were successfully corporatized and demutualized on August 27, 2012. Demutualization resulted in segregation of commercial and regulatory functions and separation of ownership and trading rights of the stock exchange.
- **Integration of Stock Exchanges:** The three stock exchanges, i.e. Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange were integrated into a single, unified, national level, trading platform under the name of Pakistan Stock Exchange Limited (PSX). PSX became operational from Jan 11, 2016. Integration of stock exchanges has provided numerous benefits in terms of reducing fragmentation, increasing efficiency and improving governance standards.
- **Divestment of 40% shares of PSX to strategic investors:** The deal for strategic sale of 40% of PSX shares to an anchor investor consortium comprising leading Chinese exchanges and Pakistani financial institutions

was completed by Dec 23, 2016.

- **Sale of 20% stake of PSX and Self-listing of Pakistan Stock Exchange (PSX):** Public subscription of 20% shares of PSX was successfully completed, subsequent to completion of divestment process. With commencement of formal trading of PSX shares on its trading platform from June 29, 2017, PSX has become the first South Asian self-listed stock exchange.
- **Up-gradation of Pakistan to Morgan Stanley Capital International (MSCI) Emerging Markets Index:** Based on the country's improved macroeconomic indicators, government's investment friendly policies, and ongoing reform process, Pakistan was upgraded from MSCI's Frontier Markets to Emerging Markets in May 2017.

Promulgation of major laws:

- **The Securities Act, 2015** was promulgated with effect from May 2015. It acts as a comprehensive modern law, which caters for deficiencies in earlier law and incorporates global benchmarks of securities regulation and investor protection.
- **The Futures Market Act, 2016** was promulgated in April 2016, which contains dedicated provisions for derivatives markets and is designed to protect public interest through a system of effective self-regulation of futures markets/clearing systems.
- **Companies Act, 2017**: which has repealed the Companies Ordinance 1984, is one of the most significant legal reforms in the country. The major focus of the new company law is the facilitation to the corporate sector, strengthening of the regulatory framework, maximum emphasis on the use of technology, abolishing unnecessary requirements, protection of the interest of shareholders, and a softer regime for the companies having no stake of the general public.

Reforms for Risk Management, Investor Protection and Transparency

- Centralized Customer Protection and Compensation Fund: Investor Protection Fund (IPF) of PSX has been replaced with the Centralized Customer Protection and Compensation Fund as mandated under the Securities Act, 2015. The Fund is now operational in accordance with the rules and regulations framed under said Act.
- Revamp of Framework for Companies on PSX Defaulters' Segment: Amendments made to the PSX Regulations for a major overhaul of regulatory framework governing companies in violation/non-compliance of applicable laws, enabling earlier warning to investors, wider dissemination of defaults of such companies, stronger enforcement actions against such companies and their sponsors, directors and management, and earliest possible relief to investors. Various additional grounds for placement of a company on the PSX defaulters' segment have been introduced and the approved amendments address issues posed due to immediate suspension of companies' consequent to action by PSX under its regulations.
- Implementation of Financial Resource Requirements and Capital Benchmarking of NCCPL: The NCCPL, on the SECP's instructions, initiated the exercise of evaluating current and projected risks associated with its operations and recommend optimal levels of capital as per requirements of the Clearing Houses (Licensing and Operations) Regulations, 2016. Services from international as well as local institutions were employed to determine financial resource requirements and capital benchmarking of NCCPL. The optimal level of capital for NCCPL has accordingly been specified.
- Centralized KYC Organization and Customer Relationship Form: In line with the Centralized KYC Organization Rules, 2017, license of a Centralized KYC Organization (CKO) was granted to NCCPL along with approval of its regulations. Amendments relating to CKO have also been made to the PSX and CDC regulations, which entail replacing the existing PSX Trading Account Opening Form and CDC Sub-Account Opening Form with a single standardized Customer Relationship Form (CRF), which shall be used by brokers to open trading accounts, sub-accounts and investor accounts of their customers. CRF is to be used in conjunction with CKO Form, which contain no duplication.

Other Reforms

- Rules for establishment of a Bond Pricing Agency (BPA): The said rules, which will enable establishment of a BPA, were promulgated upon approval of the federal government after public consultation and Commission's approval. BPA will provide fair valuations of debt securities based on comprehensive data collection, validation, pricing, and dissemination to the stakeholders.
- Introduction of Category B for eligible securities in Margin Trading System (MTS) and Deliverable Futures Market (DFM): With the aim of increasing liquidity and activity in the MTS and DFM, a new Category B of eligible securities has been introduced and relevant regulatory amendments have been made for the purpose. After incorporating relevant system changes, Category B securities for DFM have started trading effective January 22, 2018; whereas, Category B securities in MTS shall also become available shortly.
- Sukuk (Privately Placed) Regulations, 2017: In order to facilitate issuance of Sukuk through private placement, the SECP has notified the Sukuk (Privately Placed) Regulations, 2017 thereby replacing the Issue

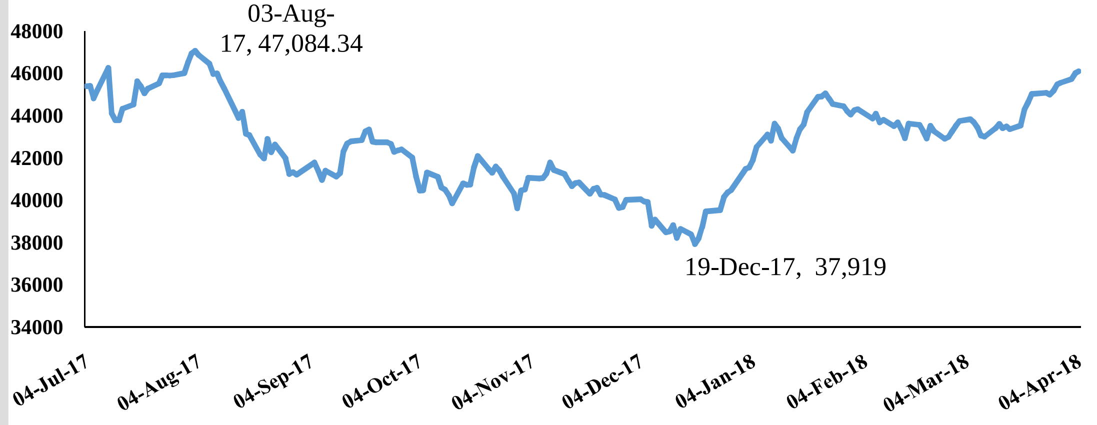
of Sukuk Regulations, 2015. Part of 2015 Sukuk Regulations relating to public offerings has been covered in the SECP's Public Offering Regulations, 2017, through amendments therein.

- Amendments in the Public Offering Regulations, 2017: In order to promote quality listing, to ensure fair price discovery through Book Building, and to cover part of the 2015 Sukuk Regulations relating to public offerings, the SECP has made certain amendments to the Public Offering Regulations, 2017.
- Introduction and implementation of Centralized E-IPO System (CES): In order to facilitate the general public during IPOs, ES has been developed through CDC, in collaboration with 1-Link (G) Limited. Through CES, investors can submit application electronically through the internet, ATMs and mobile phones for subscription of securities of companies offered to the public. The main objectives of CES are to:
  - i. Bring efficiency in IPOs;
  - ii. Reduce cost of IPOs;
  - iii. Increase outreach of IPOs;
  - iv. Make investment through IPOs hassle free;
  - v. Promote culture of holding securities in book-entry Form; and Increase investor base.

Since January 11, 2016, the earlier three Stock Exchanges at Karachi, Lahore and Islamabad were merged into Pakistan Stock Exchange (PSX), which is now providing a single platform to investors particularly the foreign investors. The fiscal year 2018 started well with some significant positive economic indicators, notably, the promising GDP growth, improved country perception, recognition of SMEs as the prime mover of country's economy and the continuity of the inflow of remittances by the Overseas Pakistanis. The period from July – March FY 2018, the capital market operated in a wide range. During the period under review, the market remained volatile. Till August 2017, it was rising reaching the peak point of 47,084 on August 03, 2017, after which it started moving down, reaching lowest closing point of 37,919 on December 19, 2017. The behaviour might apparently be linked to a few days earlier devaluation of Pakistani rupee which occurred due to market adjustment. However, in the start of new calendar year 2018, the market gained momentum and on March 30, 2018, PSX 100 index closed at 45,560.30 points whereas market capitalization was Rs 9,370.6 billion. The average daily value traded (T+2) in first nine months of FY 2018 was Rs 8.54 billion and the average daily turnover was 192.25 million shares. The average daily trade value in futures was 3.7 billion and the trading volume was 61.4 million shares.

The foreign investors offloaded securities worth USD 123.9 million during July 2017 – March 2018 which was absorbed by domestic individual investors, companies and insurance companies. This strong buying by local investors has shown the confidence of the investors in Pakistan equity market.

Fig-1: PSX-100 Performance July-March FY 2018



Source: PSX-100

Sector Wise Analysis

The performance of some of the major sectors listed Pakistan Stock Exchange as on March 30, 2018 is mentioned below:

Oil & Gas Exploration Companies

In this sector 4 companies are listed at Pakistan Stock Exchange with accumulated paid up capital of Rs 66,194.40 million. The market capitalization of this sector is Rs 1,485,484 million. The profit after tax of this sector is Rs 118,296.75 million.

Oil & Gas Marketing Companies

In this sector 8 companies are listed at Pakistan Stock Exchange with the paid up capital of Rs 23,144.20 million. The market capitalization of this sector is Rs 346,961 million. The profit after tax of this sector is Rs 37,479.14 million.

Refinery Companies

In this sector 4 companies are listed with the paid up capital of Rs 58,101.44 million. The market capitalization of this sector is Rs 144,309 million. The profit after tax of this sector is Rs 16,641.96 million

Cement

This sector comprises 20 companies, with total listed capital of Rs 72,618.94 million and the market capitalization of Rs 610,576.9 million. On the back of higher consumption and better exports, the sector showed tremendous growth which translated into good financial results. The sector recorded the profit after tax at Rs 59,933.97 million.

Power Generation and Distribution

Sector comprises 19 companies and the listed capital was Rs 148,042.3 million with market capitalization of Rs 449,531.9 million. The profit after tax of the sector is 31,602.50 million.

Chemicals

In this sector 27 companies are listed, having total paid up capital of Rs 38,413 million and the market capitalization is Rs 351,913 million. The profit after tax is Rs 14,429.93.

Automobile Assembler

The sector comprises of 12 companies with the total paid up capital of Rs 7694.03 million and the total market capitalization was Rs 451,501.7 million. The profit after tax of this sector is Rs 36,497.54.

Technology & Communication

The sector comprises of 10 companies which includes PTCL with capital of Rs 51,000 million. The market capitalization of this sector was Rs 103,526.7 million and the profit after tax is Rs 10,489.59 million.

Commercial Banks

The sector comprises 20 listed banks with the listed capital of Rs 379,851.45 million & Market Capitalization of Rs 1,625,052.6 million. The profit after tax of the sector is Rs 144,270.4

Pharmaceuticals

The sector comprises 11 listed pharmaceutical companies with the paid up capital of Rs 8,516.56 million & market capitalization of Rs 321,854.7 million. This total profit after tax of this sector is Rs 14,120.45

Textile Spinning

In this Sector 81 companies are listed at Karachi Stock Exchange, having total paid up capital of Rs 22,282.23 million and the market capitalization is Rs 47,655 million.

Textile Weaving

In this Sector 13 companies are listed at Karachi Stock Exchange, having total paid up capital of Rs 2,279.17 million and the market capitalization is Rs 25,564.7 million.

Textile Composite

In this Sector 52 companies are listed at Karachi Stock Exchange, having total paid up capital of Rs 14,721.07 million and the market capitalization was Rs 217,805.6 million.

Sugar & Allied

The sector comprises 32 companies with the total paid up capital is Rs 10,894.67 million and market capitalization is Rs 84,713.5 million.

The profit after tax of this sector was Rs 1168.2 million.

Fertilizer

The sector comprises 7 companies with the total paid up capital was Rs 71,004.69 million and market capitalization is Rs 561,170.4 million. The profit after tax of this sector is Rs 50,072.09 million.

Engineering

The sector comprises 17 companies with the total paid up capital is Rs 26,564.27 million and market capitalization is Rs 175,448.3 million. The profit after tax of this sector is Rs 9,576.38 million.

Performance of Selected Blue Chips

Profit after tax and Earning per Share (EPS) along-with necessary detail of some of the selected companies are given in the following table. It may be observed that corporate profitability improved in most of the cases during 2018.

Table 1: Performance of Selected Blue Chips

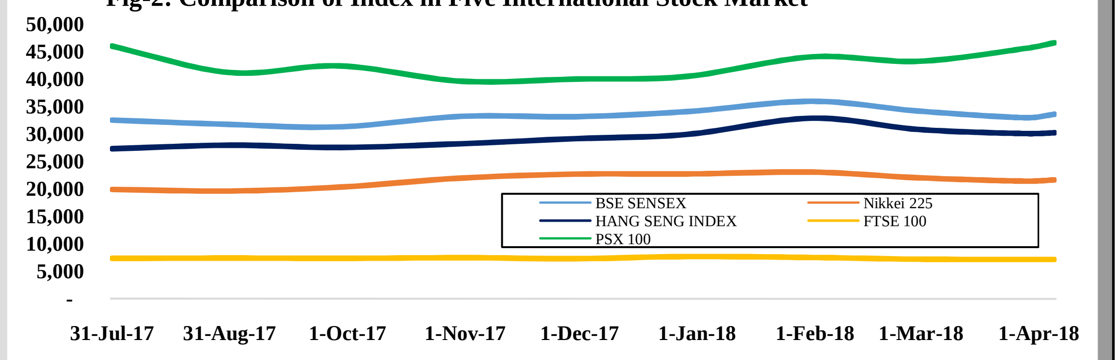
S.No.	Company Name	No. of Shares	Price March 30, 2018	Market Capitalization (Rs Million)	EPS	PE Ratio
1	Oil & Gas Dev. Co. Ltd	4,300,928,400	174.08	748,705.62	14.83	11.73
2	Nestle Pakistan Ltd	45,349,551	12650	573,671.82	322.86	39.18
3	Pak Tobacco Ltd	255,493,792	1956.33	499,830.17	37.47	52.21
4	Pak Petroleum Limited	1,971,715,615	212.84	419,659.95	18.1	11.76
5	Habib Bank Ltd	1,466,852,508	212.15	311,192.76	4.82	44.05
6	MCB Bank Ltd	1,185,060,006	220.13	260,867.26	18.95	11.62
7	United Bank Ltd	1,224,179,688	208.89	255,718.90	20.77	10.06
8	Lucky Cement Ltd	323,375,000	689.62	223,005.87	42.34	16.29
10	Philip Morris Pak. Ltd	61,580,341	2900	178,582.99	3.1	934.95
11	Mari Petroleum Co. Ltd	110,250,000	1480.56	163,231.74	82.87	17.87
12	Engro Corp Ltd	523,784,755	309.65	162,189.95	21.76	14.23
13	Pak Oilfields Ltd	236,545,920	650.56	153,887.31	40.92	15.9
14	Colgate Palmolive (Pakistan) Ltd	47,954,934	3149.13	151,016.08	67.91	46.37
15	Indus Motor Co Ltd	78,600,000	1742.25	136,940.85	165.41	10.53
16	FaujiFert. Co. Ltd	1,272,238,147	94.05	119,654.00	8.42	11.17

Source: PSX-100

Leading Global Stock Market Trends

Pakistan Stock Markets (PSX) was ranked 5th best performing market in the world in 2016. Following figure shows performance of international stock markets for period July-17 to April-18.

Fig-2: Comparison of Index in Five International Stock Market



Source: www.google.com/finance

Commodity Market Development[1]

The SECP approved future commodity contracts that includes Brent crude, crude oil (1,000 barrels); copper (25,000 pounds); silver (5,000oz) and international cotton (50,000 pounds). Furthermore, the contracts relating to cross currency pairs, i.e. EUR/Yen, GBP/EUR, GBP/Yen, CHF/Yen, AUD/Yen, EUR/AUD, EUR/CHF & AUD/CAD, as well as US Equity Indices – S & P, Dow and Nasdaq were also approved and successfully launched at the Pakistan Mercantile Exchange (PMEX) platform. In order to meet financing needs of financial institutions through the Shariah modes, the SECP, in collaboration with State Bank of Pakistan, has launched a three-month pilot project on the commodity murabaha product. On the regulatory side, the draft Future Brokers Regulations are under stakeholder consultation. In order to streamline exchange affairs of Pakistan Mercantile Exchange (PMEX) and its members, significant changes have been made to the Pakistan Mercantile Exchange (PMEX) Rule Book. It will be finalized after obtaining comments from relevant stakeholders. Furthermore, to explore possibilities of physical commodity infrastructure and management, the envisaged regulatory framework on collateral management is under the review of legal and subject area experts to advise the way forward in the matter.

Debt Capital Markets

A well-developed corporate bond market is essential for the growth of economy as it provides an additional avenue to the corporate sector to raise funds for meeting their financial needs. During the July-Feb FY 2018, 17 debt securities were issued. The break-up of which is given below:

Table 2: Debt Capital Markets

S.No	Type of Security	No. of Issues	Amount (Rs billion)
i.	Listed TFC	1*	7.00
ii.	Privately Placed Term Finance Certificates	5**	13.7
iii.	Privately Placed Sukuk	7***	23.53
iv.	Privately Placed Commercial Papers	4****	4.42
	Total	**17**	**48.65**

*by Bank Alfalah Limited (Rs 7.00 billion);
**(by (i) Jahangir Siddiqui and Company Limited (Rs 1.5 billion), (ii) Silk Bank Limited (Rs 2.0 billion), (iii) TPL Corporation Limited (Rs 1.2 billion), (iv) Bank Al Habib Limited (Rs 7.0 billion); and (v) JS Bank Limited (Rs 2.0 billion);
***(by (i)Dubai Islamic Bank Pakistan Ltd. (Rs 4.0 billion), (ii) Al Baraka Bank (Pakistan) Ltd. (Rs 1.5 billion), (iii) Aspin Pharma (Pvt.) Ltd. (Rs 1.5 billion), (iv) Dawood Hercules Corporation Ltd. (Rs 5.2 billion) (v) Pak Elektron Limited (Rs 1.5 billion) (vi) Pakistan Services Limited (Rs 7.0 billion) and (vii) International Brands Limited (Rs 2.830 billion); and
****(by (i) Crescent Steel & Allied Products Limited (Rs 0.720 billion), (ii) Pak Elektron Limited (Rs 1.2 billion), (iii) U Microfinance Bank Limited(Rs 1.0 billion) and (iv) Hascol Petroleum Limited (Rs 1.5 billion)

Source: Securities & Exchange Commission of Pakistan

As of February 28, 2018, 103 corporate debt securities were outstanding with an amount of Rs 761.61 billion as follows:

Table 3: Outstanding Corporate Debt Securities

Sr. No.	Name of security	No. of issues	Amount outstanding (In billion rupees)
i.	Listed Term Finance Certificates (L-TFCs)	13	20.60
ii.	Privately Placed Term Finance Certificates (PP-TFCs) and listed on OTC	42	107.26
iii.	Sukuk	42	627.97
iv.	Privately placed commercial papers	5	5.42
v.	Participation term certificates (PTCs)	1	0.36
	Total	103	761.61

Source: Securities & Exchange Commission of Pakistan

[1]Data used is for period July Feb FY 2018 as per latest information.

Mutual Funds

Assets under Management (AUM) of the mutual funds stood at Rs 678 billion on February 28, 2018. Equity funds dominated the AUMs of the industry with the largest share of the mutual fund industry i.e. 42.475%. Money market funds held the second largest industry share i.e. 18.710%, followed by Income funds with industry share of 18.587%.

Investment Advisory: At present, 19 Non-Bank Finance Companies (NBFCs) have licenses to conduct the business of investment advisory in addition to business of asset management services while two NBFCs have an exclusive license for conducting investment advisory services. As of February 28, 2018, the total discretionary/non-discretionary portfolio held by all of the NBFCs was Rs 142 billion.

As of February 28, 2018, the major highlights of the mutual fund industry were as under:

Table 4: Highlights of the Mutual Fund Industry

Description	February 28, 2018 (Rs in million)
Total Assets of Mutual Funds	678.57
Total number of funds/plans	245.00
Discretionary/non-discretionary portfolio	141.83
Total assets of asset management companies/investment advisory	38.82
Total number of AMCs/IAs	21.00
Total size of the industry	859.23

Source: Securities & Exchange Commission of Pakistan

To facilitate further growth of the mutual fund industry and to safeguard the investor's interest, the SECP has taken the following initiatives:

- **Product Diversification**
  - AMCs have been allowed to launch constant proportion portfolio insurance based collective investment schemes to enable the industry to diversify its products and offer investors more options to invest.
- **Liquidity Management of Mutual Funds**
  - In order to facilitate the mutual fund industry, requirement for minimum cash and cash equivalent for equity funds has been withdrawn.
  - Requirement for committed credit line for equity funds has also been withdrawn.

Leasing Companies: As of February 28, 2018, there were 8 leasing companies. An upward trend of 3.67% was witnessed in the asset size of leasing companies that increased to Rs 44.912 billion as on February 28, 2018 as against Rs 43.324 billion on June 30, 2017.

Investment Banks: The number of investment banks stood at 9 as on February 28, 2018. Investment Banks witnessed an upward trend in total assets, which increased from Rs 80.704 billion as of June 30, 2017 to Rs 89.498 billion as of February 28, 2018 registering a growth of 10.9% over the period.

Non-Bank Microfinance Companies: The total assets of NBMFCs increased by 19.63% from Rs 61.499 billion (20 entities) as of June 30, 2017 to Rs 73.573 billion (23 entities) as of February 28, 2018. During the period, permission was granted for formation of an NBFC to undertake micro financing. The afore-mentioned notable growth is attributed to the conducive regulatory and fiscal framework, which resulted in reversal of declining asset size of the investment banks and leasing companies. Various regulatory challenges and difficulties impeding the progress and growth of NBMFCs were either removed or modified, to help these institutions effectively contribute to the national economic agenda. The main objective of the reform process was to improve access to finance for the microfinance business as well as individual proprietors undertaking micro-businesses.

Real Estate Investment Trust Scheme (REITs): During the period under review, real estate proposed for REIT by two RMCs was inspected and RMCs were given permission to submit further information and documents with respect to launch of the proposed REIT scheme.

As of December 31, 2017, the fund size of Dolmen City REIT (DCR) was reported to be Rs 22.5 billion, which was launched by Arif Habib Dolmen REIT Management Company Limited (RMC). The property has been revalued by the values at Rs 40 billion, which previously stood at Rs 38.8 billion. The dividend yield on December 31, 2017, stood at 6%. The price of DCR stock remained stable at an average of Rs 11.55, touching a high of Rs 12.32 and a low of Rs 10.60.

The process of amending the REIT Regulations, 2015, has been initiated and in this regard, meetings with the REIT industry players and other stakeholders are underway.

Voluntary Pension Schemes: The Assets under Management (AUM) of the voluntary pension industry currently stand at Rs 25.3 billion as of February 28, 2018.

Highlights of the pension fund industry are as under:

Table 5: Highlights of the Pension Fund Industry

Description	February 28, 2018 (In billion rupees)	June 30, 2017 (In billion rupees)
Total assets of pension industry	25.3	25.8
Total number of pension funds	19	19
Total number of pension fund managers	10	10

Source: Securities & Exchange Commission of Pakistan

Amendments to the Voluntary Pension System Rules, 2005, have been completed and notified. These amendments will help the industry function effectively and efficiently. The table above highlights growth of the pension fund industry, which is steady. The SECP also issued a directive to rationalize the sales load/front end load charged from participants/investors to facilitate pension funds. In addition, the SECP has capped the sales load at 1.5% if the participants approach the fund managers or if the investment is made online.

Modarabas: The modarabas are the pioneering Islamic financial institutions in Pakistan. At present, the registered modarabas companies are 37 while 29 modarabas are in existence. During the period from July 1, 2017 to February 28, 2018, two new modarabas were floated.

As of February 28, 2018, the aggregated equity of modarabas was Rs 22.624 billion and total assets of the modarabas sector were Rs49.036 billion. Twenty one modarabas declared cash dividend for the year ending June 30, 2017.

National Saving Schemes

National Savings transformed itself from a retail debt raising arm and the source of infrastructure funding of the Government of Pakistan, into a formidable vehicle for Financial Inclusion and a provider of Social Security to the vulnerable sections of the society.

National Savings Schemes ("NSS") have traditionally been profit rate sensitive, the recent research suggest that almost 30% of the investors make the decisions based on interest rates and hence there has been an erratic trend in the product mix. This trend is; however, changing and the bigger idea of transformation is to achieve inelasticity of NSS demand with profit rates. The strength of the product bouquet of National Savings is such that it provides an inherent balancing act – when the demand for one product is down, the other becomes more attractive - e.g., in the low interest rate environment, traditional products of National Savings take a beating; whilst demand for prize bonds move up so as the appetite of the investors to take a chance on the prizes, and to forego the fixed return on their investments goes up.

National Savings remain the most effective and formidable vehicle to support financial inclusion, particularly women. More than 50% of the investors of National Savings are women vs merely less than 4% in the banking sector and average 25% in South Asia - a testament of true financial inclusion and women empowerment. This is evident from the State Bank data that the technology plays a vital role in women financial inclusion.

Pakistan has one of the lowest savings rate in the region which has direct relationship with the economic growth rates. Whilst National Savings, as an institution, contributes less than 1% towards the GDP and around 10% in the Domestic Savings to GDP Ratio of 7.5%; however, there's substantial room for improvement on these ratios over a period of time and perhaps this important Government vehicle shall continue take a lead on this. The supply-side - access points, marketing/ investor education and products - other than taxation and cultural aspects, are the main constrains for the subdued saving rates in Pakistan.

National Savings ("NS") have traversed a long journey on the IT front and the last one and half years have been game-changer for NS in terms of IT-related achievements. NS main application system has been deployed and 223 National Savings Centers ("NSCs") are now centrally connected through data center.

Achievements:

1) NIFT Membership

NS attained membership of Automated Clearinghouse of Pakistan (NIFT) and became the only non-banking member of the Clearinghouse System in Pakistan. Under this facility, the cheque clearance time has been reduced from 7-10 days to 1-3 days only.

2) Third-Party Payments

NS has taken the most fundamental milestone and allowed Third Party Payments/ Cheques through the Saving Accounts, using them as Operating Accounts like Commercial Banks, which will help in retaining the investments with NS and enhancing deposits in its Savings Accounts.

3) Launch of Rs 40,000 Premium Prize Bond (Registered)

NS launched first-ever registered bond of Rs 40,000 denomination called Premium Prize Bond (Registered) which has dual features of bi-annual profit and quarterly draws. Its first prize is the highest of all prizes which is Rs 80,000,000.

4) "QoumiBachat Digital"- Mobile App

NS has launched a non-financial version of mobile application called "QoumiBachat Digital" which has enabled customers to view their profits, investments in the certificates and accounts, get notifications on the transactions, view transaction history and also save prize bond numbers to be searched in the Prize Bond draws. NS is also launching a financial version of the mobile application along with the Card Management System and Mobile Valets for investors.

5) Call Center

NS has established a state of the art Call Center through which customers can register their complaints and seek any information related to NSS.

6) Computerized Complaint Resolution System

NS has also established a Computerized Complaint Resolution System through which complaints are monitored till their final resolution at all the management levels.

7) New Interactive Website

NS has revamped its old website and launched an interactive website which contains all the information at one place for ease of the investors and general public at large.

8) Upgrade of Main Application

NS Main Application system deployed in the computerized NSCs has been upgraded in order to meet the modern-day financial transactions requirements. It is also the secure system in terms of its data security.

9) Correlation of Profits in Linked Savings Account

NS customers have been facilitated in direct credit of different registration numbers/ accounts units profit into one linked Savings Account.

10) Agreement with World Bank

NS entered into an agreement with the World Bank to roll-out Core Bank System, Enterprise Resource Planning (ERP), Data Warehouse and Business Intelligence tools.

11) Agreement with Karandaaz Pakistan

NS also entered in agreement with Karandaaz Pakistan to develop all the Alternate Delivery Channels (“ADCs”) including the Biometric devices, Debit Cards, Financial Mobile App and the Internet Banking.

Conclusion

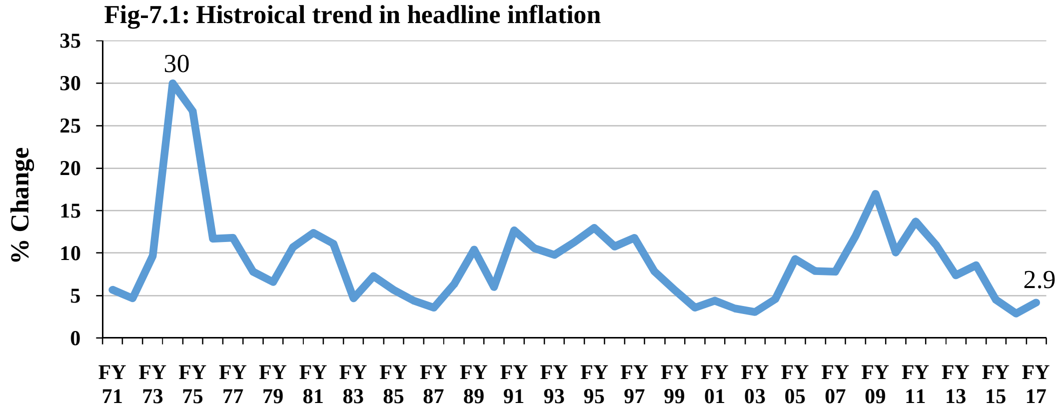
During FY 2018, the performance of stock markets presented a mixed trend between July and December; however, the PSX-100 index resumed its momentum from the start of January 2018. There are many factors which brought a swing in emotions of the investors which in turn changed pace of their buying or selling activity. Pakistan has entered a new era of equity trading; however, performance of Pakistan’s Capital Market will depend on domestic and international economic conditions in the future.

Chapter 7

Inflation

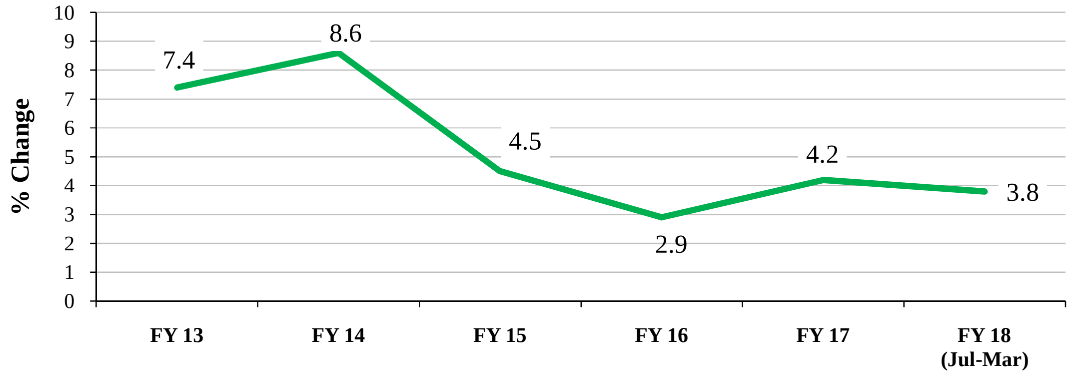
Inflation in Pakistan had always been highly volatile. The highest inflation was recorded in FY 1974 which was 30 percent and multi decade lowest 2.9 percent in FY 2016. Since July 1993, the monthly data suggests that CPI was highest in August 2008 at 25.3 percent and lowest in September 2015 at 1.3 percent. The following graph presents the historical trend of inflation.

Fig-7.1: Histroical trend in headline inflation



The maintenance of price stability has always remained high on the policy agenda of the government as to keep the prices of essential items at affordable level so that common man reap the benefits of low prices. To meet this objective, government pursue price stability both through demand and supply management. The average inflation during last five years recorded at 5.5 percent. The graph below presents the inflation trend during last five years as well as current year.

Fig-7.2: Inflation trend during last five years

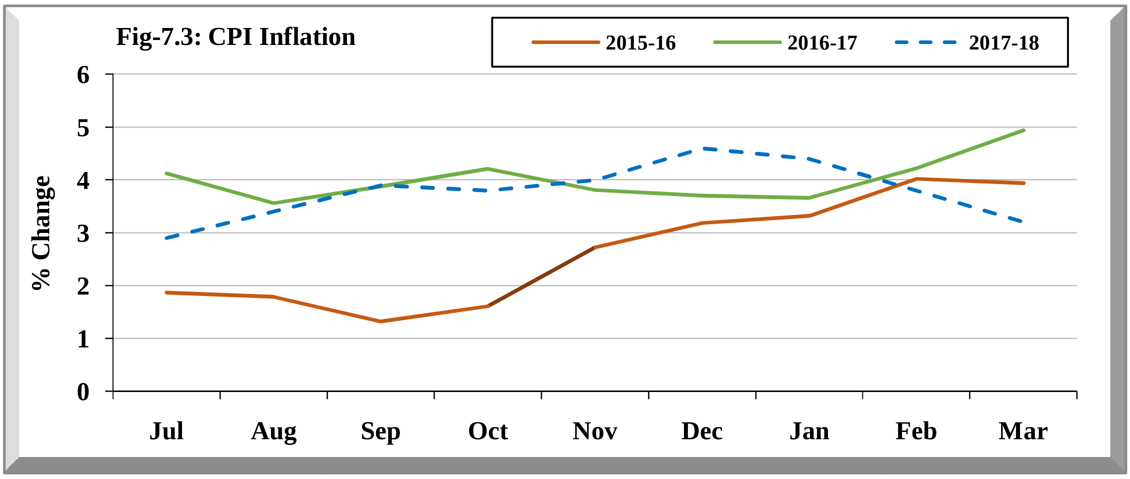


Following the recovery in global commodity prices as well as consolidating domestic demand, the headline inflation which is measured by Consumer Price Index (CPI) increased to 4.2 percent in FY 2017 but remained below the target 6 percent. The same trend continued during current fiscal year FY 2018, CPI reached level of 4.6 percent in December 2017 but on a downward trend since January 2018. During March 2018, it touched eight month low of 3.2 percent on account of subdued food prices which offset the impact of rise in petroleum rates. Month wise inflation during last two years and current year is given in table below.

Table 7.1: CPI Inflation

	2015-16	2016-17	2017-18
Jul	1.9	4.1	2.9
Aug	1.8	3.6	3.4
Sep	1.3	3.9	3.9
Oct	1.6	4.2	3.8
Nov	2.7	3.8	4.0
Dec	3.2	3.7	4.6
Jan	3.3	3.7	4.4
Feb	4.0	4.2	3.8
Mar	3.9	4.9	3.2
Average (Jul-Mar)	2.6	4.0	3.8

Source: Pakistan Bureau of Statistics



The current FY2018 started with headline inflation (CPI) at 2.9 percent in July which inched up to 3.4 percent in August 2017and 3.9 percent in September. The Q1 FY2018 witnessed average inflation at 3.4 percent compared to 3.9 percent of the corresponding Q1 FY2017. The decreasing trend during Q1 FY2018 can be attributed to decline in the prices of mash pulse 25.71 percent, gram pulse 18.52 percent, moong pulse 17.99 percent, masoor pulse 17.95 percent, sugar 17.50 percent and tomatoes 12.95 percent. International commodity and fuel prices during the same quarter indicates that prices of Sugar decreased by 28.4 percent, palm oil 3.9 percent and rice 1.6 percent while the prices of soyabean oil increased by 5.8 percent, crude oil 13.0 percent and tea 17.3 percent.

During Q2 FY2018 the CPI remained at 3.8 percent in October 2017, 4.0 percent in November 2017 and 4.6 percent in December 2017. Year-on-year inflation scaled up during all the three months of Q2 FY2018. As a result average inflation in Q2 FY2018 reached to 4.1 percent compared to 3.9 percent of Q2 FY 2017. This was due to increase in prices of onion 165.90 percent, tomatoes 75.93 percent, drug medicine 15.16 percent and rice 14.34 percent. During Q2 FY 2018, international commodity and fuel prices increased by 22.8 percent, wheat 21.4 percent, Rice 9.5 percent and Tea 9.0 percent while the items that recorded decline were sugar 28.1 percent, palm oil 6.5 percent and soyabean oil 1.2 percent over Q2 FY 2017.

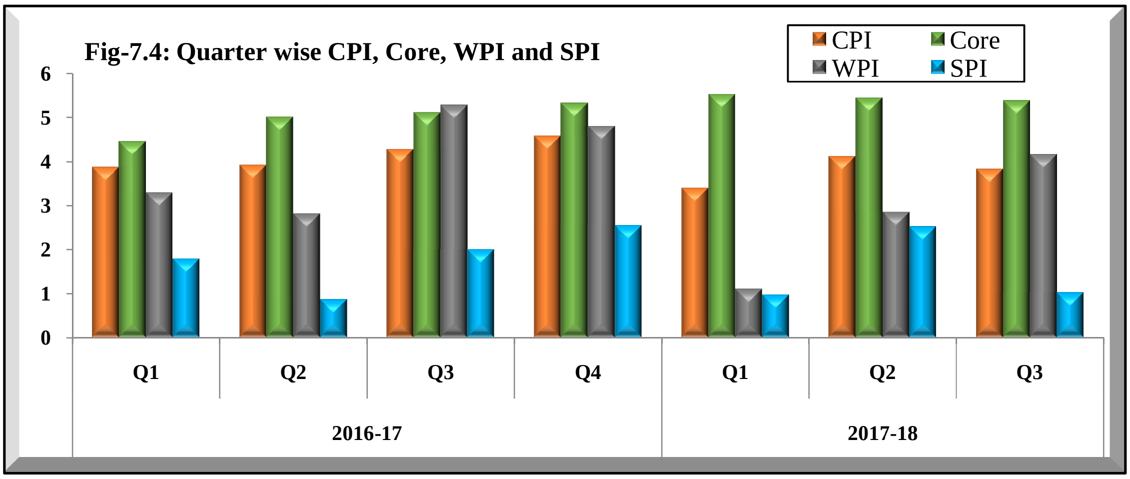
The headline inflation during Q3 FY2018, the CPI remained at 4.4 percent in January 2018, 3.8 percent in February 2018 and 3.2 percent in March 2018. The Q3 remained on average at 3.8 percent compared to 4.3 percent of FY 2017. This was on account of decrease in prices of commodities like mash pulse 23.82 percent, gram pulse 19.27 percent, moong pulse 13.92 percent, tomatoes 14.95 percent, cigarette 19.76 percent and sugar 16.59 percent. International commodity and fuel prices like sugar, palm oil and tea decreased by 30.8 percent, 12.8 percent and 5.0 respectively while the prices of crude oil, wheat and rice increased by 23.7 percent, 24.6 percent and 15.0 percent respectively during the same quarter.

Average inflation during first nine months of the current fiscal year, (July-March) has been contained at 3.78 percent which was lower than the level observed during the same period of last year recorded at 4.01 percent. The other inflation indicators like Sensitive Price Indicator (SPI) remained at 0.9 percent compared to 1.4 percent July- March FY 2017, whereas Wholesale Price Index (WPI) recorded at 2.7 percent in July-March FY 2018 compared to 3.8 percent in FY 2017.

Table 7.2: Quarter wise Analysis (%)

Years	Quarters	CPI	Core	WPI	SPI
2016-17	Q1	3.86	4.45	3.29	1.78
	Q2	3.91	5.00	2.81	0.86
	Q3	4.27	5.11	5.27	1.99
	Q4	4.58	5.32	4.80	2.54
2017-18	Q1	3.39	5.52	1.10	0.97
	Q2	4.11	5.44	2.84	2.51
	Q3	3.82	5.38	4.15	1.02

Source: Pakistan Bureau of Statistics



Consumer Price index (CPI)

The headline inflation measured by CPI during July-Mar FY2018 averaged at 3.78 percent against 4.01 percent in the same period last year. During this period the fuel prices in international market increased from $48.7 per barrel in July 2017 to $ 66.5 per barrel showing an increase of 36.6 percent. The government passed on this increase to domestic consumers. It was expected that increase in fuel prices will impact / increase the inflation, but stable food prices offset the impact of the rise in petroleum rates. The food group having 37.47 percent weight in CPI basket showed an increase of 2.0 percent. This was lower than the 3.80 percent observed in the corresponding period of last year. Based on the current trend, the contribution of food inflation to the overall CPI was estimated at 0.75 percentage points and non-food inflation at 3.14 percentage points against 1.42 percentage points and 2.60 percentage points, respectively, last year.

Table 7.3: Composition of CPI Inflation (July-Mar)

Commodity	Weights	% Change Inflation		Point Contribution	
		2016-17	2017-18	2016-17	2017-18
CPI	100.00	4.01	3.78	4.01	3.78
Food Group	**37.47**	**3.80**	**2.00**	**1.42**	**0.75**
a)Food Products, Non alcoholic Beverages	34.83	3.08	3.08	1.07	1.07
i) Non- perishable	29.84	2.67	1.80	0.80	0.54
ii) Perishable	4.99	5.48	10.45	0.27	0.52
b) Alcoholic Beverages & Tobbaco	1.41	15.03	-16.86	0.21	-0.24
c) Restaurant & Hotels	1.23	5.02	6.05	0.06	0.07
Non-Food	**62.53**	**4.16**	**5.03**	**2.60**	**3.14**
Clothing & Foot wear	7.57	4.26	4.08	0.32	0.31
Housing, Water,Elec.Gas & other Fuel	29.41	4.86	4.79	1.43	1.41
Furnishing& Household Equip	4.21	3.21	3.40	0.13	0.14
Health	2.19	9.46	9.10	0.21	0.20
Transport	7.20	-2.31	4.42	-0.17	0.32
Communication	3.22	0.72	1.30	0.02	0.04
Recreation & culture	2.03	1.39	0.61	0.03	0.01
Education	3.94	10.30	12.11	0.41	0.48
Miscellaneous	2.07	5.23	5.72	0.11	0.12

Source: Pakistan Bureau of Statistics

The Non-Food prices remained under pressure on account of education index which increased to 12.11 percent compared to 10.30 percent of the corresponding period last year. The other groups, Clothing & Footwear increased to 4.08 percent, Housing, Water, Electricity, Gas & other Fuel 4.79 percent, Furnishing & Household Equipment 3.40 percent, Health 9.10 percent, Transport 4.42 percent and Recreation & Culture 0.61 percent compared to 4.26 percent, 4.86 percent, 3.21 percent, 9.46 percent, -2.31 percent and 1.39 percent respectively, of the corresponding period last year.

Among the Food group, Food products, Non Alcoholic Beverages remained at the level of last year i.e. 3.08 percent while Alcoholic Beverages & Tobacco declined by 16.86 percent during the period under review.

Core Inflation

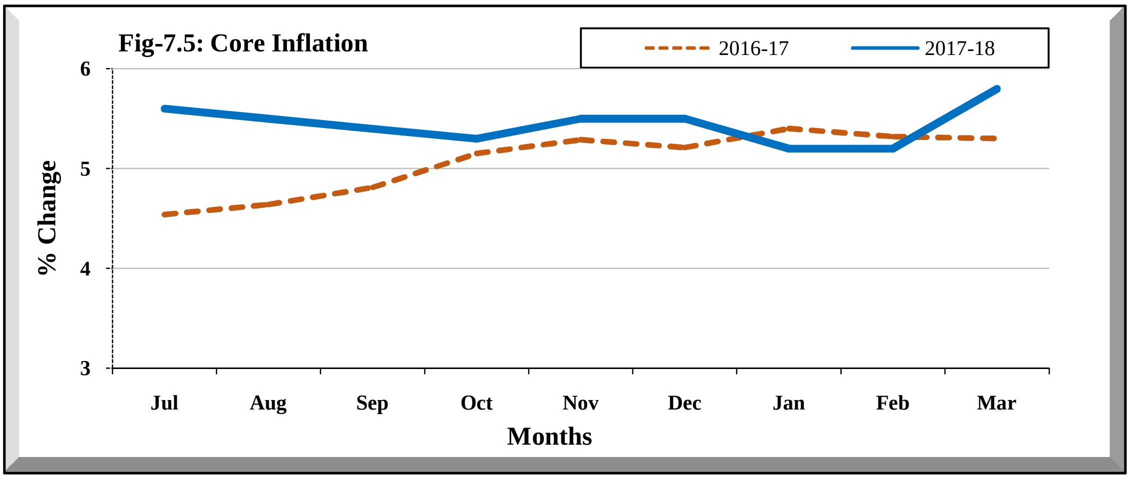
Core inflation is measured through the indices of 43 non-food and non energy items. Non-food non-energy (NFNE) inflation is calculated by excluding food group and energy items (Kerosene oil, petrol, diesel, CNG, electricity and natural gas) from the CPI basket. The State Bank of Pakistan (SBP) uses core inflation while formulating its monetary policy. Thus the effect of monetary policy on prices is reflected on core inflation with lag effect; making it a good predictor of future CPI inflation. Going forward, a sticky core inflation along with a moderate outlook of food prices amid abundant grain stocks and the recent increase in policy rate are expected to contain the average inflation well below the FY 2018 target of 6.0 percent.

The gradual build up of domestic demand is evident from rising core inflation to 5.78 percent in March 2018 and on average during July-Mar FY 2018, it was recorded at 5.45 percent compared to 5.07 percent of FY 2017. Due to the continuous increase in education and healthcare costs, core inflation remained higher on average compared to the same period last year. The Table 7.4 shows the core inflation trend year-on-year basis.

Table 7.4: Core Inflation

	2016-17	2017-18
July	4.5	5.6
August	4.6	5.5
September	4.8	5.4
October	5.2	5.3
November	5.3	5.5
December	5.2	5.5
January	5.4	5.2
February	5.3	5.2
March	5.3	5.8
Average (Jul-Mar)	5.1	5.4

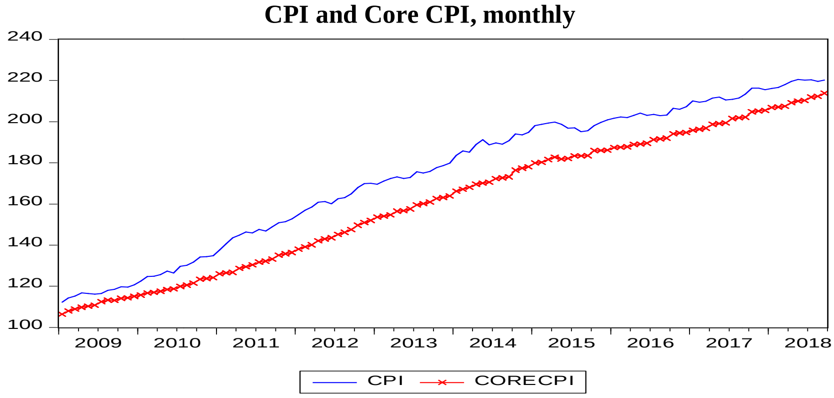
Source: Pakistan Bureau of Statistics



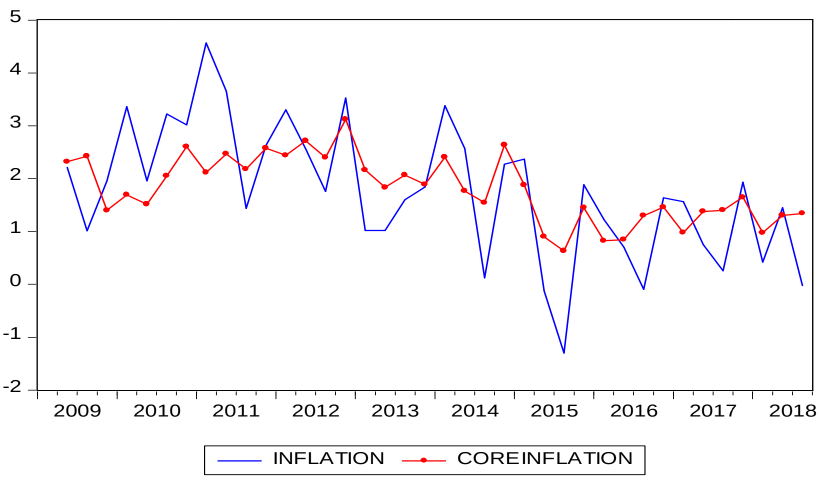
Box I: Inflation and Economic Growth in Pakistan

CPI and core CPI, which excludes volatile food and energy elements, have largely moved in tandem since FY 2009. One marked difference between both indices is that the headline CPI is more volatile than core CPI.

CPI and Core CPI, monthly



This higher volatility is apparent when comparing headline and core inflation, measured by the quarter-on-quarter rates of change of the monthly averages of both indexes.



Given its relative stability, core inflation is considered to be a main target of monetary and exchange rate policy, although monetary authorities also closely monitor headline inflation.

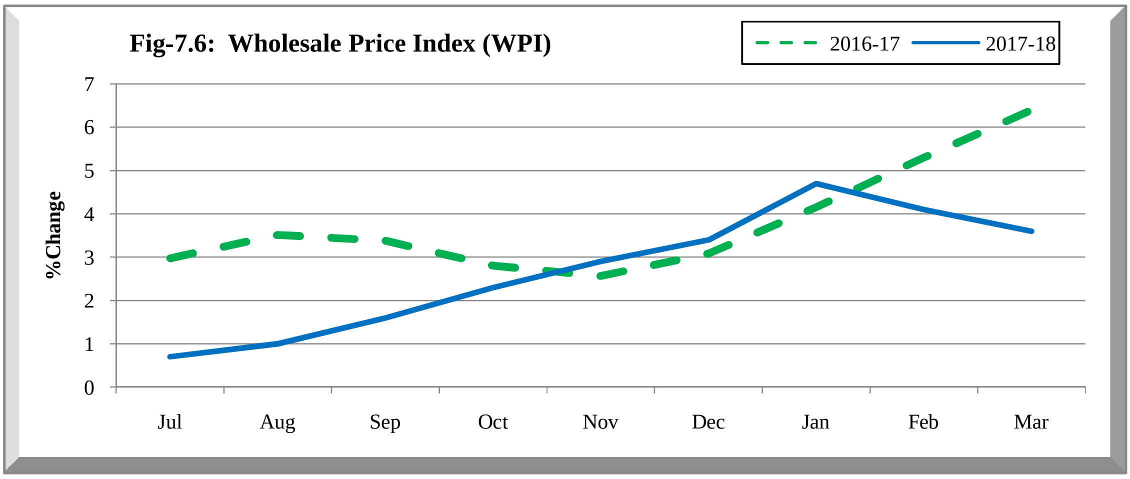
Wholesale Price Index (WPI)

The wholesale prices of 463 items are collected from 21 cities and 21 markets. These are divided into five (05) groups influenced by the import prices and local production. During the current fiscal year, there has been a constant increase in WPI due to upward movement in fuel and other commodity prices in global market which translated into domestic wholesale prices. The monthly trend of WPI is given in the Table 7.5 and Graph 7.6.

Table 7.5: Wholesale Price Index (WPI)

	2016-17	2017-18
July	3.0	0.7
August	3.5	1.0
September	3.4	1.6
October	2.8	2.3
November	2.6	2.9
December	3.1	3.4
January	4.2	4.7
February	5.3	4.1
March	6.4	3.6
Average (Jul-Mar)	3.8	2.7

Source: Pakistan Bureau of Statistics



During July-Mar FY 2018, the WPI is reported at 2.70 percent compared to 3.79 percent of the corresponding period last year. WPI groups shows mixed trends agriculture forestry & fishery increased by 3.09 percent as against 9.85 percent of the same period last year, ores and mineral increased by 0.35 percent against decline of 1.77 percent, other transportable goods increased by 7.08 percent against decline of 3.96 percent whereas metal products/ machinery increased by 2.27 percent against 1.44 percent of the same period last year. The Food products, beverages & tobacco, textiles, apparel & leather products are further divided into three sub groups i.e. food products, beverages & tobacco which decreased by 0.19 percent against increase of 5.21 percent, Textiles & Apparel increased by 4.11 percent against 8.36 percent and leather product declined by 1.32 percent against increase of 1.79 percent.

The following Table 7.6 shows the trend of various wholesale price groups.

Table 7.6: Wholesale Price Index

Commodity	Weights	(%) Change July –Mar		Impact	
		2016-17	2017-18	2016-17	2017-18
General(WPI)	100.00	3.79	2.70	3.79	2.70
Agriculture Forestry & Fishery	25.77	9.85	3.09	2.54	0.80
Ores & Minerals	12.04	-1.77	0.35	-0.21	0.04
Food Products, Beverages.....	31.11	6.06	1.08	1.89	0.34
i) Food Products and Bev.& Tobacco	20.07	5.21	-0.19	1.05	-0.04
ii) Textiles & Apparel	10.33	8.36	4.11	0.86	0.42
iii) Leather Products	0.71	1.79	-1.32	0.01	-0.01

Table 7.6: Wholesale Price Index

Commodity	Weights	(%) Change July –Mar		Impact	
		2016-17	2017-18	2016-17	2017-18
Other Transportable Goods	22.37	-3.96	7.08	-0.88	1.58
Metal Products Machinery	8.71	1.44	2.27	0.13	0.20

Source: Pakistan Bureau of Statistics (PBS)

Forty (40) Non-food items are distributed among various non-food groups of WPI have recorded increase in their prices and contributed 3.97 percent to the overall WPI increase. The details are given in Table 7.7.

Table 7.7: (%) Change in prices of non-food major items of WPI

Items	Weight	% Change Mar 18/Mar 17	Impact
Kerosene oil	0.22	74.00	0.16
Diesel oil	5.27	31.99	1.68
Motor sprit	1.53	20.67	0.32
Furnace oil	3.27	20.29	0.66
Chemicals	1.77	10.28	0.18
Motor vehicles	0.02	10.25	0.00
Steel bars & sheets	1.40	10.11	0.14
Cotton yarn	5.25	9.35	0.49
Quilts	0.00	9.09	0.00
Blankets	0.00	7.07	0.00
Timber	0.02	4.81	0.00
Refrige, wash & sew mach, iron	1.16	4.65	0.05
Fertilizers	2.87	4.48	0.13
Blended yarn	0.17	3.76	0.01
Matches	0.05	3.52	0.00
Woven fabrics	0.01	3.47	0.00
Readymade garments	1.06	2.70	0.03
Cotton fabrics	0.63	2.36	0.01
Paints & varnishes	0.19	2.24	0.00
Mobil oil	0.71	2.00	0.01
Hard board	0.16	1.89	0.00
Pesticides	0.28	1.88	0.01
Printing paper	0.43	1.79	0.01
Other glass articles	0.16	1.66	0.00
Bed foams	0.00	1.27	0.00
Medicines	1.14	1.24	0.01
Other fabrics	1.10	1.23	0.01
Glass sheets	0.21	1.10	0.00
Hosiery products	0.88	1.07	0.01
Bricks blocks and tiles	0.16	1.05	0.00
Silk and rayon fabrics	0.74	0.85	0.01
Electrical wires	0.09	0.69	0.00
Lighting equipments	1.44	0.39	0.01
Ceramics and sanitary	0.02	0.36	0.00
Bed sheets	0.09	0.31	0.00
Pipe fittings	0.08	0.17	0.00
Motor cycles	0.26	0.13	0.00
Soaps & detergent	0.82	0.07	0.00
Plastic products	0.46	0.05	0.00
Auto tyres	0.27	0.02	0.00
	34.39		3.97

Source: Pakistan Bureau of Statistics (PBS)

Sensitive Price Indicator (SPI)

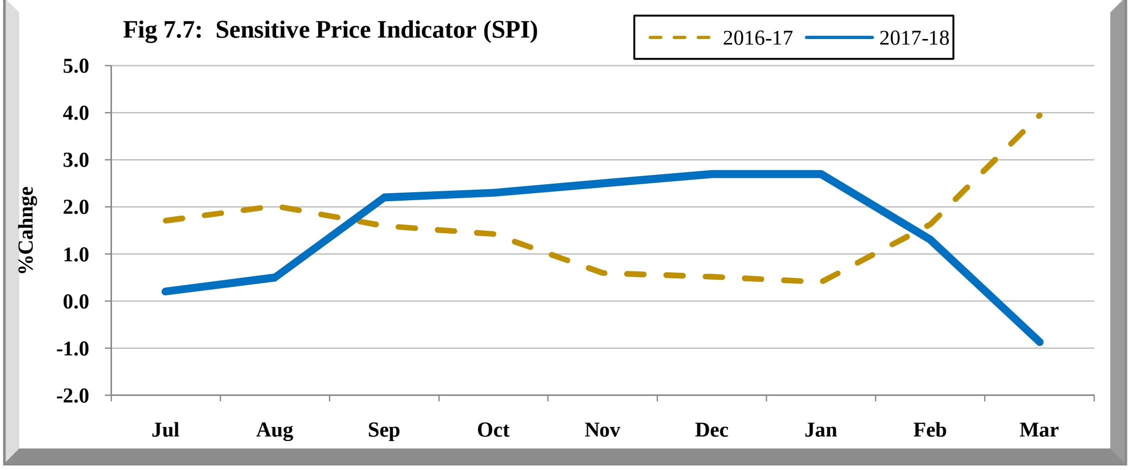
SPI monitors the prices of 53 most essential items taken from 17 different urban centers and is reported on weekly basis. The trend of this index is monitored regularly and immediate measures are taken to control the fluctuation in prices. The SPI year-on-year basis in FY 2018 remained volatile as presented in Table given below.

Table 7.8: Sensitive Price Indicator (SPI)

	2016-17	2017-18
July	1.7	0.2
August	2.0	0.5
September	1.6	2.2
October	1.4	2.3
November	0.6	2.5
December	0.5	2.7
January	0.4	2.7
February	1.6	1.3
March	4.0	-0.9
Average (Jul-Mar)	1.5	1.5

Source: Pakistan Bureau of Statistics (PBS)

Fig 7.7: Sensitive Price Indicator (SPI)



The SPI during July-Mar 2017-18 was recorded at 1.50 percent against 1.53 percent in the same period last year. Fifteen (15) major food items like tomatoes, onions, potatoes, masoor pulse, moong pulse, mash pulse chicken, sugar, red chillies etc, having weight of 28.56 percent contributed (-) 2.03 percent in SPI. The other 14 major food items included eggs, mutton, beef, cooking oil (tin) and rice etc, having combined weight of 37.40 percent contributed to 1.31 in SPI.

Table 7.9: (%) Change in prices of major items of SPI

Items	Weight SPI Comb.	(% change) Mar 18/Mar 17	Contribution
Decrease in Food Items			
Tomatoes	1.18	-60.58	-0.71
Garlic	0.36	-41.94	-0.15
Mash Pulse	0.55	-19.90	-0.11
Potatoes	1.25	-16.65	-0.21
Sugar	2.73	-15.03	-0.41
Gram Pulse	0.62	-11.70	-0.07
Masoor Pulse	0.49	-11.25	-0.06
Moong Pulse	0.61	-10.69	-0.07
Red Chilies Powdered	0.44	-2.42	-0.01
Chicken Farm	3.56	-2.22	-0.08
Wheat	0.91	-2.21	-0.02
Bananas	1.39	-1.51	-0.02
Tea (Packet)	2.15	-1.34	-0.03
Onions	1.42	-1.16	-0.02
Wheat Flour	10.90	-0.67	-0.07
Total	**28.56**		**-2.03**

Table 7.9: (%) Change in prices of major items of SPI

Items	Weight SPI Comb.	(% change) Mar 18/Mar 17	Contribution
Increase in Food Items			
Rice Basmati Broken	1.90	13.42	0.26
Cooked Beef (Plate)	0.36	11.37	0.04
Mutton	2.10	10.76	0.23
Beef	4.27	5.62	0.24
Rice Irri-6	0.19	5.29	0.01
Egg (Farm)	1.19	5.07	0.06
Bread Plain	1.23	3.50	0.04
Tea (Prepared)	0.79	2.86	0.02
Milk Powdered	0.12	2.77	0.00
Cooked Dal (Plate)	0.44	2.39	0.01
Milk Fresh	16.84	2.08	0.35
Veg.Ghee (Tin)	2.71	1.11	0.03
Cooking Oil (Tin)	2.30	1.06	0.02
Mustard Oil	0.25	0.96	0.00
Veg.Ghee (Loose)	2.71	0.01	0.00
Total	**37.40**		**1.31**

Source: Pakistan Bureau of Statistics (PBS)

Fig-7.8: Decrease in SPI Food Items

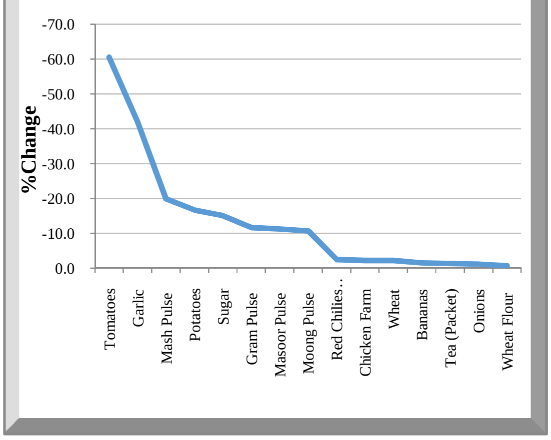
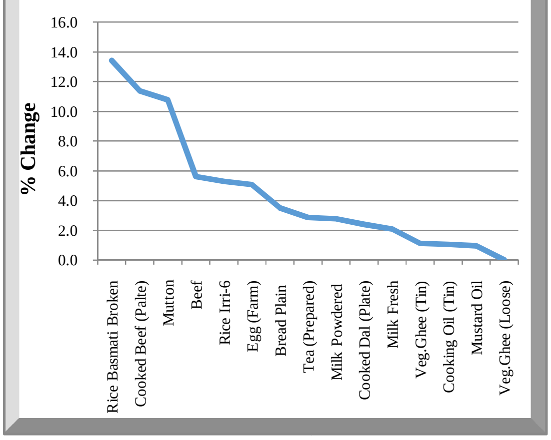


Fig-7.9: Increase In SPI Food Items



International Prices

An upward trend was observed in March 2018 over July 2017 in international commodity prices like crude oil, DAP, and palm oil increased by 36.6 percent, 20.1 percent and 2.7 percent while the prices of tea decreased by 27.6 percent and sugar 9.4 percent.

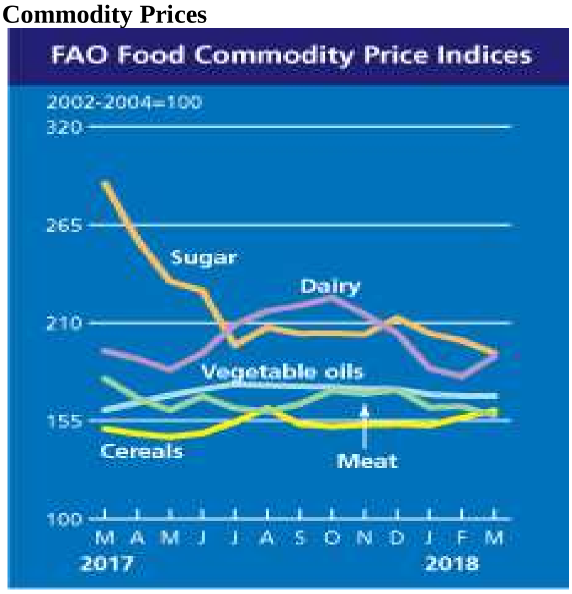
Table 7.10: International Prices of Major Commodities

	Sugar $/Ton	Palm Oil ($/Ton)	Soybean Oil ($/Ton)	Crude Oil ($/Brl)	Wheat ($/Ton)	Tea $/Ton	DAP $/MT
Jul-17	320.0	663.0	835.0	48.7	202.5	3190.0	343.0
Aug-17	320.0	674.0	855.0	51.4	171.2	3160.0	338.0
Sep-17	320.0	724.0	882.0	55.2	178.6	3220.0	339.0
Oct-17	320.0	721.0	867.0	57.6	175.6	3260.0	344.0
Nov-17	330.0	716.0	881.0	62.6	179.7	3170.0	370.0
Dec-17	320.0	672.0	866.0	64.2	184.1	3060.0	385.0
Jan-18	310.0	677.0	864.0	69.0	192.2	3050.0	395.0
Feb-18	300.0	663.0	842.0	65.4	na	2940.0	404.0
Mar-18	290.0	681.0	834.0	66.5	na	2310.0	412.0
%change							
Mar-18/Jul-17	-9.4	2.7	-0.1	36.6	..	-27.6	20.1

Source: Commodities Price Pink Sheet

FAO Food Index:

Fig-7.10: FAO Food Commodity Prices



FAO Food Price Index (FFPI) averaged 172.8 points in March 2018, up 1.1 percent from February, marking the second month of consecutive increase. The month-on-month increase in March was driven primarily by stronger international prices of cereals and dairy; whereas the prices of sugar and vegetable oils fell further and those of meat rose slightly.

The FAO Cereal index has been climbing continuously in recent months, reflecting firmer international prices of nearly all major cereals. In recent weeks, weather concerns, in particular prolonged dryness in the United States and cold wet conditions in parts of Europe, lifted wheat price quotations. However, the increase in maize prices proved even more pronounced, supported by deteriorating crop prospects, especially in Argentina, as well as continued robust world demand. Asian purchases kept international rice prices also generally firm.

The slight price drops for soy, rape and sunflower oils were largely offset by higher prices of palm oil (the most widely traded vegetable oil in the world). Despite expectations of seasonal production gains, palm oil prices remained firm in March on the back of robust international demand and consequent inventory drawdown in Malaysia and Indonesia.

Lower than anticipated milk production in New Zealand and continued strong global import demand led to higher butter, cheese and Whole Milk Powder (WMP) prices, while continued pressure from global stocks and higher production pushed down SMP prices.

Across the various meat categories that constitute the index, price quotations for ovine meat increased, pig meat gained slightly, poultry meat remained stable, while those for bovine meat eased. Strong import demand, especially by China, strengthened ovine meat prices. Sugar prices continued to fall on account of large export surpluses.

Regional Countries Inflation

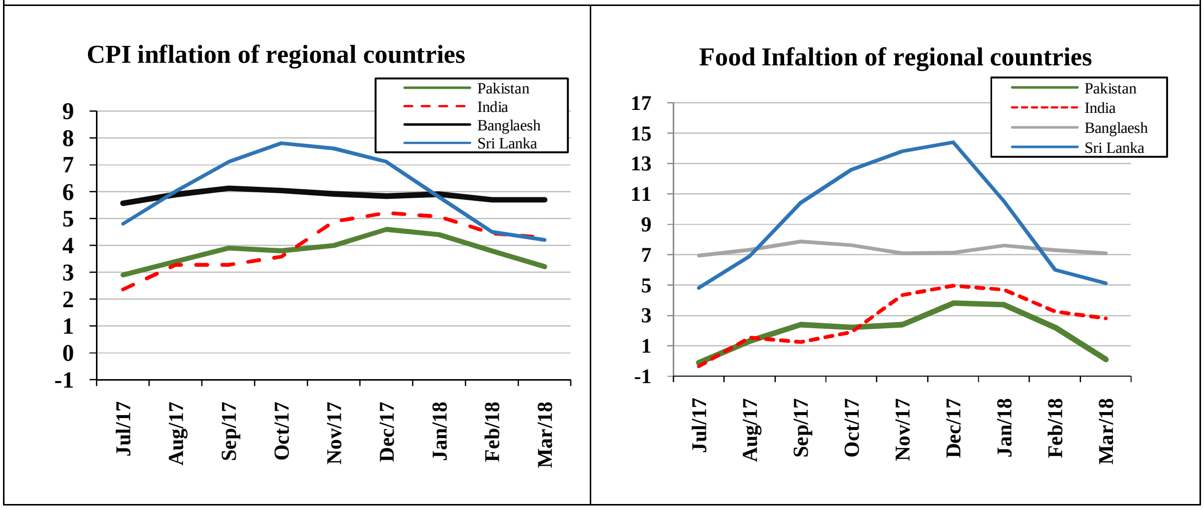
Inflation rates varied among regional countries. Pakistan's inflation is 3.2 percent recorded in March 2018 which is relatively lower among other regional countries such as Bangladesh 5.7 percent, India 4.3 percent and Sri Lanka 4.2 percent. Pakistan food inflation Stood at 0.1 percent compared with Bangladesh 7.1 percent, 2.8 percent in India and 5.1 percent in Sri Lanka. A comparison of inflation with regional countries is shown in Table 7.11.

Table 7.11: Regional Inflation

Period	Pakistan			India			Bangladesh			Sri-Lanka		
	CPI	Food	Non-Food	CPI	Food	Non-Food	CPI	Food	Non-Food	CPI	Food	Non-Food
Jul-17	2.9	-0.1	5.1	2.4	-0.4	4.9	5.6	7.0	3.5	4.8	4.8	4.7
Aug-17	3.4	1.3	5.0	3.3	1.5	5.0	5.9	7.3	3.8	6.0	6.9	5.7
Sep-17	3.9	2.4	4.9	3.3	1.3	5.6	6.1	7.9	3.4	7.1	10.4	5.5
Oct-17	3.8	2.2	4.9	3.6	1.9	6.4	6.0	7.6	3.6	7.8	12.6	5.8
Nov-17	4.0	2.4	5.1	4.9	4.4	8.2	5.9	7.1	4.1	7.6	13.8	5.0
Dec-17	4.6	3.8	5.1	5.2	5.0	7.9	5.8	7.1	3.9	7.1	14.4	4.2
Jan-18	4.4	3.7	4.9	5.1	4.7	7.7	5.9	7.6	3.2	5.8	10.5	3.8
Feb-18	3.8	2.2	4.9	4.4	3.3	6.8	5.7	7.3	3.4	4.5	6.0	3.8
Mar-18	3.2	0.1	5.4	4.3	2.8	5.7	5.7	7.1	3.5	4.2	5.1	3.7

Source: Statistics / Central Banks Statistics of respective countries

Fig-7.11: Inflation of Regional Countries



National Price Monitoring Committee:

National Price Monitoring Committee (NPMC) (i) assess the demand and supply of key commodities (ii) take / propose corrective measures as necessary. The Committee keeps a close watch on supply and price movement of essential consumer items for taking remedial measures.

The provincial governments through their price monitoring committees also monitor the prices and supply of essential items. The provincial governments have also activated their District Price Control Committees to check and maintain the prices and established Sasta Bazars for the consumer where they get essential food items at reasonable rates. The Table given below shows the price movement of 28 essential items monitored by the NPMC meeting.

Table 7.12: Prices of 28 Essential Food Items

S#	Items	Unit	Mar-17	Apr-17	May-17	June-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	% Change Mar-18/ Mar-17
1	Wheat	10 KG	349.63	337.46	326.05	323.68	321.83	318.66	322.85	327.74	335.64	340.53	342.25	341.62	341.90	-2.21
2	Wheat Flour	10 KG	386.74	379.40	371.02	366.77	365.47	360.86	367.90	374.81	385.74	388.45	388.39	385.91	384.15	-0.67
3	Rice Basmati Broken	KG	65.19	66.91	68.28	68.76	69.14	70.05	70.15	70.34	70.68	70.86	72.51	73.49	73.94	13.42
4	Rice Irri-6	KG	49.40	49.67	49.67	49.68	49.86	50.15	50.68	50.73	50.96	51.34	51.79	52.29	52.01	5.29
5	Bread Plain	EACH	41.12	41.12	41.12	41.12	41.12	41.12	41.12	41.12	42.44	42.56	42.56	42.56	42.56	3.50
6	Beef	KG	331.77	332.07	332.36	335.01	335.71	341.31	342.54	343.42	343.75	344.09	346.57	348.45	350.42	5.62
7	Mutton	KG	672.50	679.36	681.47	687.71	693.68	706.90	711.55	715.79	727.63	729.27	733.32	739.73	744.88	10.76
8	Chicken Farm	KG	172.70	167.88	159.33	152.69	151.45	136.95	121.25	125.23	130.25	166.84	177.54	165.36	168.85	-2.23
9	Milk Fresh	LTR	80.82	81.19	81.22	81.39	81.55	81.89	81.91	82.50	82.50	82.50	82.5	82.5	82.50	2.08
10	Milk Powdered	400GM	373.93	371.91	368.64	363.71	369.97	372.90	373.29	375.58	379.18	380.37	381.03	383.08	384.27	2.77

Table 7.12: Prices of 28 Essential Food Items

S#	Items	Unit	Mar-17	Apr-17	May-17	June-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	% Change Mar-18/ Mar-17
11	Egg (Farm)	DOZ	90.15	84.06	87.36	90.41	95.82	97.00	98.35	106.27	132.22	128.78	113.41	101	94.72	5.07
12	Mustard Oil	KG	181.81	181.49	181.42	181.45	181.97	182.54	182.40	183.98	184.95	184.71	184.18	184.08	183.55	0.96
13	Cooking Oil (Tin)	KG	466.07	466.94	467.24	469.59	470.16	470.53	468.38	468.38	469.47	469.71	469.97	469.07	471.00	1.06
14	Veg.Ghee (Tin)	2.5KG	459.24	460.18	460.40	462.53	463.18	463.53	461.03	459.63	462.71	462.94	462.93	462.14	464.35	1.11
15	Veg.Ghee (Loose)	KG	145.72	145.97	145.23	144.77	145.12	145.30	145.94	145.85	145.55	145.48	145.64	145.53	145.73	0.01
16	Bananas	DOZ	82.37	84.18	88.46	115.41	93.61	76.06	68.37	62.21	61.91	65.86	70.46	77.27	81.13	-1.51
17	Masoor Pulse	KG	130.04	127.50	127.53	127.41	125.33	122.13	121.59	121.82	120.73	118.80	120.42	118.26	115.42	-11.25
18	Moong Pulse	KG	130.12	128.46	129.41	127.94	126.32	123.88	123.04	120.38	116.97	113.99	117.13	118.09	116.21	-10.69
19	Mash Pulse	KG	188.72	190.40	194.02	193.24	191.29	187.04	185.11	178.53	169.44	160.21	158.26	154.94	151.17	-19.90
20	Gram Pulse	KG	129.96	128.14	131.47	129.08	124.78	122.04	123.14	123.04	120.77	118.51	119.14	117.04	114.75	-11.71
21	Potatoes	KG	28.77	29.36	34.77	38.07	38.39	38.72	40.58	40.46	42.08	41.45	32.96	26.99	23.98	-16.65
22	Onions	KG	33.50	32.44	29.48	29.02	31.62	46.37	72.76	79.08	73.16	58.52	53.67	43.03	33.11	-1.15
23	Tomatoes	KG	80.66	57.12	30.13	44.40	43.01	57.85	102.62	112.91	105.40	74.44	43.51	36.72	31.80	-60.57
24	Sugar	KG	60.41	59.97	58.46	56.48	55.04	56.88	55.45	54.28	53.68	53.91	53.12	51.5	51.33	-15.03
25	Red Chilies Powdered	KG	266.68	264.22	264.20	263.54	262.55	260.16	258.46	256.73	258.52	259.58	258.1	257.75	260.23	-2.42
26	Garlic	KG	300.49	251.81	228.90	212.30	202.60	192.96	187.37	170.34	163.07	161.46	168.29	172.04	174.44	-41.95
27	Cooked Beef (Palte)	EACH	93.30	93.51	93.51	93.51	93.51	93.52	95.59	95.93	98.80	99.93	102.2	103.49	103.92	11.38
28	Tea (Prepared)	CUP	20.60	20.68	20.75	20.75	20.97	21.10	21.19	21.19	21.19	21.19	21.19	21.19	21.19	2.86

Source: Pakistan Bureau of Statistics

The items which recorded decline in March 2018 over March 2017 are masoor pulse 11.25 percent, moong pulse 10.69 percent, mash pulse 19.90 percent, gram pulse 11.71 percent, tomatoes 60.57 percent, sugar 15.03 percent, garlic 41.95 percent, chicken farm 2.23 percent and wheat 2.21 percent. While the items that recorded increased in their prices are rice basmati 13.42 percent, mutton 10.76 percent, beef 5.62 percent and eggs 5.07 percent. The increase in meat and rice prices is on account of rise in export which put pressure on domestic prices.

Sasta Bazar Prices

The Sasta Bazars are held in Islamabad and Four provinces on weekly basis. The table given below shows the prices of 19 items recorded in Sasta Bazars and open market which suggests that most items were found to be lower in Sasta Bazars.

Table 7.13: Comparison of Prices of Kitchen Items in Sasta Bazar and Open Market

SL. No.	Commodity	Unit	Islamabad			Punjab			Sindh			Khyber Pakhtunkhwa			Balochistan		
			Sasta/Itwar/ Sahulat Bazar Price 01.04.18	Open Mareket Prices 29.03.2018	Difference (Sasta bazar -Open market) (in Rs.)	Sasta/Itwar/ Sahulat Bazar Price 01.04.18	Open Market Prices 29.03.2018	Difference (Sasta bazar-Open market) (in Rs.)	Sasta/Itwar/ Sahulat Bazar Price 01.04.18	Open Market Prices 29.03.2018	Difference (Sasta bazar-Open market) (in Rs.)	Sasta/Itwar/ Sahulat Bazar Price 01.04.18	Open Market Prices 29.03.2018	Difference (Sasta bazar-Open market) (in Rs.)	Sasta/Itwar/ Sahulat Bazar *	Open Market Prices 29.03.2018	Difference (Prices Notified by DC - Open market)
1	WHEAT FLOUR AV. QLT.	10 KG	377.50	386.88	-9.38	365.00	375.39	-10.39	N.A	434.62	**N.A**	375.00	377.50	**NA**	N.A	400.00	**N.A**
2	RICE BASMATI BROKEN	KG	87.50	89.38	-1.88	66.37	75.09	-8.73	80.00	80.38	-0.38	72.50	82.33	-9.83	N.A	90.00	**N.A**
3	RICE IRRI-6	KG	57.50	60.00	-2.50	42.50	52.10	-9.60	50.00	52.12	-2.12	47.50	47.50	0.00	N.A	50.00	**N.A**
4	CHICKEN FARM	KG	143.00	150.63	-7.63	147.80	146.25	1.55	N.A	157.50	**N.A**	168.00	154.00	14.00	N.A	170.00	**N.A**
5	EGG (FARM)	DOZ	85.00	95.63	-10.63	77.00	88.33	-11.33	N.A	96.23	**N.A**	90.00	98.33	-8.33	N.A	120.00	**N.A**
6	COOKING OIL (TIN)	2.5 Ltr.	480.00	480.00	0.00	N.A	476.71	**N.A**	N.A	478.00	**N.A**	470.00	470.00	0.00	N.A	445.00	**N.A**
7	VEG. GHEE (TIN)	2.5 KG	475.00	475.00	0.00	N.A	469.57	**N.A**	N.A	473.00	**N.A**	457.50	470.00	-12.50	N.A	440.00	**N.A**
8	VEG. GHEE (LOOSE)	KG	148.75	152.81	-4.06	143.49	146.30	-2.81	150.00	150.58	-0.58	160.00	160.00	0.00	N.A	130.00	**N.A**
9	BANANAS	DOZ	90.00	156.25	-66.25	74.57	86.67	-12.10	67.50	71.15	-3.65	70.00	83.33	-13.33	N.A	75.00	**N.A**
10	MASOOR PULSE WASHED	KG	120.00	128.75	-8.75	105.00	123.60	-18.60	100.00	104.04	-4.04	75.00	82.00	-7.00	N.A	125.00	**N.A**
11	MOONG PULSE WASHED	KG	125.00	133.13	-8.13	95.56	113.72	-18.16	120.00	121.54	-1.54	92.50	98.33	-5.83	N.A	155.00	**N.A**
12	MASH PULSE WASHED	KG	152.50	163.13	-10.63	125.70	149.49	-23.80	122.50	124.23	-1.73	117.50	119.33	-1.83	N.A	185.00	**N.A**
13	GRAM PULSE WASHED	KG	125.00	133.75	-8.75	100.90	108.60	-7.69	120.00	121.54	-1.54	107.50	116.00	-8.50	N.A	145.00	**N.A**
14	POTATOES	KG	19.20	36.88	-17.68	17.00	21.62	-4.62	20.00	22.50	-2.50	17.50	26.67	-9.17	N.A	30.00	**N.A**
15	ONION	KG	28.00	43.75	-15.75	25.07	29.18	-4.11	22.50	23.65	-1.15	35.00	40.00	-5.00	N.A	35.00	**N.A**
16	TOMATOES	KG	40.00	56.25	-16.25	37.86	42.59	-4.73	20.00	21.15	-1.15	35.00	30.83	**4.17**	N.A	30.00	**N.A**
17	SUGAR	KG	54.75	56.94	-2.19	51.19	52.60	-1.41	51.00	51.85	-0.85	52.00	52.17	-0.17	N.A	54.00	**N.A**
18	RED CHILLIES	KG	295.00	305.63	-10.63	227.50	250.77	-23.27	280.00	295.48	-15.48	222.50	241.67	-19.17	N.A	310.00	**N.A**
19	Garlic	KG	120.00	218.75	-98.75	132.43	157.67	-25.24	150.00	170.00	-20.00	160.00	191.67	-31.67	N.A	210.00	**N.A**

Punjab	Open Market	1- R.Pindi, 2- Gujranwala, 3- Sialkot, 4- Lahore, 5- Faisalabad, 6- Multan, 7- Bahawalpur.		Khyber Pakhtunkhwa	Open Market	1- Peshawar
	Sasta Bazar	1- R.Pindi, 2- Gujranwala, 3- Sialkot, 4- Lahore, 5- Faisalabad, 6- Multan, 7- Bahawalpur.			Sasta Bazar	1- Peshawar
Sindh	Open Market	1- Karachi		Balochistan	Open Market	1- Quetta
	Sasta Bazar	1- Karachi			Sasta Bazar	DC Quetta notification prices

Source: Pakistan Bureau of Statistics

Regional Situation of Prices:

Prices of essential consumer items prevailing on 29th March 2018 in Pakistan indicates that in comparison with the regional countries Pakistan was the lowest in 14 items out of 23 items like Wheat, Wheat Flour, Chicken farm, Petrol, Rice Basmati, Vegetable ghee, Eggs, Gram Pulse, Beef, Sugar, Masoor pulse, Moong Pulse, Red chilli and Onions than regional countries. Second lowest in 5 items like Mutton, Diesel, Milk Fresh, Mash Pulse, Potatoes and third lowest in 4 items like Tomatoes, DAP, Tea and Urea. The variations in 23 items in Pakistan as compared to regional countries are presented in the Table below. The large variation in prices of some specific items like meat and poultry products is due to different consumption pattern and socio cultural variation.

Table 7.14: Regional Prices Comparison (Pak Rs)

Items	Units	Islamabad	New Delhi	Dhaka	Ranking
		29/03/2018	14/03/2018	13/03/2018	
Wheat	Kg	34	61	40	1
Wheat Flour	Kg	39	69	46	1
Chicken farm	Kg	151	347	188	1
Petrol	Ltr	89	133	119	1
Rice Basmati	Kg	89	191	343	1
Vegetable ghee	Kg	153	225	--	1
Eggs	Doz	96	104	142	1
Sugar	Kg	57	83	78	1
Gram Pulse	Kg	134	260	153	1
Beef	Kg	403	416	637	1
Masoor Pulse	Kg	129	139	150	1
Moong Pulse	Kg	133	147	210	1
Red Chilies	Kg	306	347	558	1
Onion	Kg	44	52	72	1
Mutton	Kg	895	849	985	2
Diesel	Ltr	99	111	87	2
Milk Fresh	Ltr	103	95	107	2
Mash Pulse	Kg	163	156	--	2
Potatoes	Kg	37	26	47	2
Tomatoes	Kg	56	35	27	3
DAP	50 Kg	3,058*	2166	1676	3
Tea	Kg	974	762	530	3
Urea	50 Kg	1,428*	606	1072	3

Source: Pakistan Bureau of Statistics (PBS) *National Average

Conclusion

The government has set the target for CPI inflation at 6.0 percent. SBP foresees the average inflation to remain within this target. Main assumptions include expectations of better supply conditions of food items. However, a major risk to the inflation outlook is exchange rate depreciation whose impact will be realised after a time lag through higher import prices which will translate into domestic prices. A second risk relates to global commodity prices which may cause both upward and downward unexpected movements. Some emerging market economies like Sri Lanka, Bangladesh and India felt the burden of increase in global prices which were reflected in their high domestic inflation rates. In short, the authorities of the country may need to be vigilant and opt for appropriate policies in time to address any expected high inflation on a lasting basis.

Chapter 8

Trade and Payments

The recovery in the advanced economies during 2017, like US, Germany, Japan and Korea led to increased demand for exports of emerging countries including Pakistan. Moreover, the OECD an economies also witnessed higher GDP growth during 2017. Furthermore, the recovery in global commodity prices pushed up export prices of non- basmati rice, manufactured products such as cotton yarn, hosiery, bed wear, readymade garments and leather and of petroleum products.

The recovery in the global trade during 2017 is likely to continue in 2018, based on strong export orders, strong air freight and container shipping and recovery in global oil prices. During the year, world merchandise trade grew at its highest rate on account of stronger import demand in East Asia and increased domestic demand along with accommodative policy measures. The recovery in international trade was followed by a rise in world industrial output and an increase in the Global Manufacturing Purchasing Managers' Index to a six-year high according to UN world economic situation and prospects.

China would change the global trade perspective. In particular, a decline in demand for commodities in China could adversely affect commodity exporters, especially exporters of metals. Several ongoing structural shifts remain constraints to trade growth in the medium term.

Exports

During last few years, Pakistan's exports recorded a negative growth.The main reasons for declining of exports was attributed to a global slowdown in demand but now the global economy is on the track of recovery. Pakistan's exports are also on the increasing trend and the negative growth is bottoming out as during the FY2017 the exports declined by only 1.76 percent compared to negative growth of 12.2 percent a year early. Exports posted a double digit growth after a long period of seven years.

The exports target for FY2018 was set at US$ 23.09 billion.Exports during July-February FY2018 reached to US$ 14.8 billion as compared to US$ 13.3 billion in July- February FY2017, registered a remarkeable growth of 11.6 percent.

The rising exports can be attributed to a number of initiatives, announced by the government like export package of Rs 180 billion, improvement in the energy supply (import of LNG) and significant recovery in the global commodity prices.

The State Bank of Pakistan gradually reduced its mark-up rate on Export Refinancing Facility (EFR) from 9.0 percent in 2010 gradually reduced to 3.0 percent in July 2016 till date. Similarly Long Term Financing Facility (LTFF) for 3-10 years duration from around 11.4 percent gradually reduced to 6.0 percent in July 2015 till date, to allow export sector industries to make investments on competitive basis.

The above mentioned measures are announced in general and in particular for textile sector are duty free import of textile machinery, uninterrupted supply of electricity and gas, introduction of Technology Up-gradation Fund (TUF) Scheme 2016-19 for the textile sector, five export oriented sectors - including textile, leather, sports goods, surgical goods and carpets - as part of zero rated sales tax regime.

The Prime Minister's Package of Incentives for Exporters in order to provide duty drawback of taxes collected from garments, home textiles, processed fabric, greige fabric and yarn manufacturing cum-exporter units and "Duty Drawback of Taxes Order 2017-18".

The duty drawbacks shall be allowed for exports goods declaration (GDs) filed on or after July 1, 2017 to 30th June 2018 as; 50 percent of the rate of drawback shall be provided without condition of increment; remaining 50 percent of the rate of drawback shall be provided, if the exporter achieves an increase of 10 percent or more in exports during FY 2018 as compared to the base year. An additional 2 percent drawback shall be allowed for exports to non-traditional markets i.e Africa, Latin America, non-EU European countries, Commonwealth of Independent States and Oceania.

Merchandise Exports

During July – February FY2018, the exports reached to US$14.8 billion dollars as compared to US$ 13.3 billion of the same period last year, which shows an impressive growth of 11.62 percent as compared to the decline of 4.01 percent same period last year.

Broad categories of exports suggest that all groups including food group, textile group, petroleum group & coal and other manufactured goods performed well during the current year whereas Exports of food group posted a positive growth of 21.7 percent; Textile Manufactures export increased by 7.2 percent, petroleum group exports registered a growth of 131.6 percent and other manufactures group posted an impressive growth of 10.4 percent during comparable period last year.

Exports of food group accounting 19.1 percent in total exports posted a growth of 21.7 percent as compared to same period last year. Within food group, export of rice alone accounting 44.4 percent, registered an impressive growth of 22.1 percent. This can be attributed to various factors, particularly exporters adopted enhanced processing quality techniques, better marketing strategies and explored new markets. Therefore, Pakistan's rice exports to the Middle East, Australia, Canada and Europe increased significantly.

Pakistan would also benefit from the price competitiveness against its competitors, Thailand, Vietnam etc. As Indian rice has lost its market in European countries due to excessive pesticide residue, Pakistani rice exporters has the opportunity to capture EU market. A remarkable increase of non- basmati rice exports came from Bangladesh, as floods in Bangladesh has damaged local crops and led domestic prices to reach record high.

The other important component of food group which registered impressive growth includes oilseeds, nuts & kernals and vegetables, tobacco, fish and fish preparations and sugar. Due to surplus production of sugar, the government has lifted the export ban and announced a subsidy which led to US $ 278.8 million of sugar exports. However, exports of fruits, meat and meat preparations, spices and wheat witnessed a decline during first eight months of current financial year. (Table: 8.1)

Table 8.1: Structure of Exports ($ Million)

	Particulars	July-February Values in Dollars			July-February Quantity		
		2016-17	2017-18 P	% Change in Values	2016-17	2017-18 P	% Change in Quantity
	Total	13,302.9	14,848.8	11.6			
A.	**Food Group**	2,334.6	2,842.0	21.7			
	Rice	1,033.2	1,261.9	22.1	2,395,029	2,669,935	11.48
	Basmati	246.3	272.4	10.6	256,848	258,568	0.67
	Other Rice	786.9	989.5	25.7	2,138,181	2,411,367	12.78
	Sugar	8.8	278.9	3078.5	15,908	761,254	4685.35
	Fish & Fish Preparation	239.8	264.2	10.2	89,032	108,262	21.60
	Fruits	301.4	294.5	-2.3	516,901	438,211	-15.22
	Vegetables	98.5	137.7	39.8	363,506	418,775	15.20
	Spices	51.7	50.1	-3.1	14,246	13,967	-1.96

Table 8.1: Structure of Exports ($ Million)

	Particulars	July-February Values in Dollars 2016-17	July-February Values in Dollars 2017-18 P	% Change in Values	July-February Quantity 2016-17	July-February Quantity 2017-18 P	% Change in Quantity
	Meat & Meat Preparation	140.8	127.6	-9.3	40,769	35,319	-13.37
	Other Food items	421.9	362.6	-14.0			
B.	**Textile Manufactures**	8,205.2	8,793.7	7.2			
	Cotton Yarn	844.0	859.7	1.9	302,652	332,325	9.80
	Cotton Cloth	1,425.0	1,425.6	0.0	1,391,436	1,380,282	-0.80
	Knitwear	1,550.1	1,756.3	13.3	68,563	70,406	2.69
	Bed wear	1,413.5	1,477.2	4.5	236,011	240,896	2.07
	Towels	520.9	519.2	-0.3	124,900	135,128	8.19
	Readymade Garments	1,499.5	1,695.6	13.1	22,708	25,621	12.83
	Made-up articles	421.8	452.7	7.3			
	Other Textile Manufactures	266.0	274.4	3.2			
C.	**Petroleum Group**	114.4	264.9	131.6			
	Petroleum Crude	38.0	120.6	216.9	107,781	274,929	155.08
	Petroleum Products	47.6	105.0	120.6	92,449	169,189	83.01
	Petroleum Top Naphtha	28.7	39.3	36.8	80,967	90,699	12.02
D.	**Other Manufactures**	2,010.1	2,218.9	10.4			
	Carpets, Rugs & Mats	55.8	50.7	-9.2	1,258	1,179	-6.28
	Sports Goods	201.8	202.8	0.5			
	Leather Tanned	221.4	212.3	-4.1	13,093	19,048	45.48
	Leather Manufactures	338.0	349.5	3.4			
	Surgical Goods. & Med. Inst	221.8	248.8	12.2			
	Chemical & Pharma. Pro.	528.4	697.0	31.9			
	Engineering Goods	110.8	125.6	13.3			
	Cement	180.1	149.7	-16.9	3,442,210	2,982,415	-13.36
	All Other Manufactures	151.9	182.5	20.1			
E.	**All Other items**	638.6	729.3	14.2			

Source : PBS

Export of textile manufactures, which account for around 60 percent of total exports, registered a growth of 7.2 percent during first eight months of current financial year. All the sub-groups in this category witnessed a positive growth with the exception of cotton cloth, cotton carded and tents, canvas & tarpulin during current financial year. Exports of value added textile like bed wear, knit wear and readymade garments, towel and made-up articles (excluding towels) was up substantially during this period due to the growth in quantum terms.

Exports of textile items like knitwear which comprises 11.8 percent of total exports and 19.9 percent of textile group increased in both quantity and value by 2.7 and 13.3 percent, respectively. Readymade garments with share of 11.4 percent in exports and 19.3 percent share in textile group increased in quantity by 12.8 percent and in value by 13.1 percent.

Cotton cloth which represents 9.6 percent of share in exports and 16.2 percent in textile group, decreased in quantity by 0.8 percent and its value meagerly by 0.04 percent, respectively. One of the reasons for the drop was sluggish Chinese demand for cotton cloth and yarn.

Bed wear with a handsome share of 9.9 percent in exports and 16.8 percent in textile group, increased in both quantity and value by 2.1 percent and 4.5 percent, respectively. Cotton yarn has 5.8 percent share in total exports and 9.8 percent in textile group, increased in both quantity and value by 9.8 percent and 1.9 percent, respectively. Towels having share of

3.5 percent in total exports and 5.9 percent share in textile group, increased in quantity by 8.2 percent but in value decreased by 0.3 percent. Raw cotton having a share of 0.4 percent in total exports and 0.6 percent in textile group, increased both in quantity and value by 43.5 percent and 38.0 percent, respectively.

Petroleum group with a negligible share of 1.8 percent registered a growth of 131.6 percent. Within Petroleum group, export of petroleum crude posted a growth of 216.9 percent in value and 155.0 percent in quantity .

Exports of other manufactures group accounting for 14.9 percent witnessed a positive growth of 10.4 percent in the current fiscal year (Jul-Feb period).

Export of carpets, rugs and mats registered a negative growth in value by 9.2 percent whereas its exports quantity declined by 6.3 percent during July- February FY2018 compared to the same period last year suggesting that decline in international prices played the major role in its exports. Further, Pakistani exporter has lost the market share to Turkey as the recent imposition of 42 percent additional custom duty on Pakistan's hand knitted carpet. Further in FTA concession list, handmade carpets were excluded and there is no demand for machine made carpets. Shortage of skilled labor force and failure to cope with the changing trends in world markets has affected the carpets demand and exports.

A decline of around 4.1 percent is witnessed in Leather Tanned in value but it increased to 45.5 percent in quantity. On the other hand, surgical goods and medical instruments posted a positive growth of 12.2 percent in value during July – February FY2018 over the same period last year. Sports goods posted a slight increase of 0.5 percent in value during July- February FY2018 against the same period last year. Footballs with a share of 0.7 percent in total export increased both in quantity and value by 15.8 percent and 7.8 percent, respectively, on account of an innovation driven football making company which has maintained the largest global presence with renowned global brands, organizations and Pakistani football will be used in FIFA World Cup 2018.

Exports of Footwear registered a positive growth of 8.4 percent in value, however, its quantity declined by 0.4 percent during July- February FY2018 comparable same period last year. Canvas footwear and other footwear registered a negative growth of 59.2 percent and 17.9 percent in value and 53.1 percent and 18.4 percent in quantity during July- February FY2018 against the same period last year.

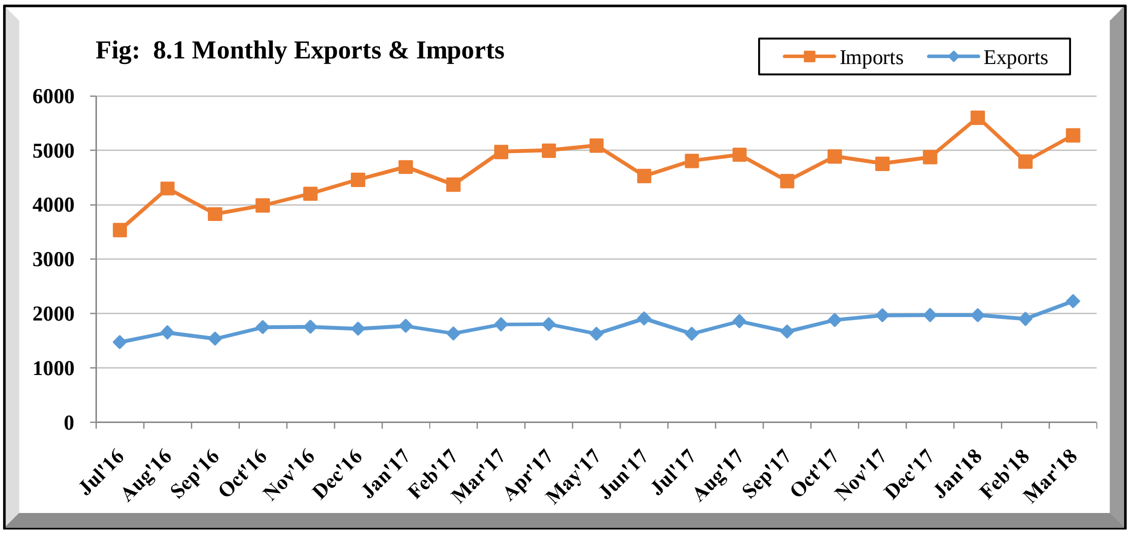
The other non-traditional items like plastic material witnessed an increase of 14.8 percent in value and 17.9 percent in quantity during July- February FY2018 against the same period last year.

Under other items, the Gems during the period July- February FY2018 increased both in value and quantity by 19.8 percent and 100 percent, respectively. The cement although witnessed a decline in both quantity and value by 13.4 percent and 16.9 percent during the period under review. Guar and Guar products improved both in quantity and value by 19.3 percent and 42.0 percent during July- February FY2018.

Trends in Monthly Exports and Imports

The monthly average of exports remains unbeaten and records a highest growth of 24.4 percent in the month of March 2018. The monthly exports for the period July-March, FY2018 is on the growing trajectory as compared to the corresponding months of last year, averaging $ 1898 million per month as against an average of $ 1677 million last year. During July-March FY2018 the exports reached to US $ 17080 million as against US $ 15097 million, registered a growth of 13.1 percent.

The monthly imports during July-March FY2018 witnessed rising trend. Import averaged US $ 4931 million per month. On average the monthly import increased by US $ 669 million per month. During July-March FY2018 import reached to US$44379 million as against US $ 38369 million, register a growth of 15.7 percent



Concentration of Exports

Pakistan's exports are highly concentrated in few items like cotton & cotton manufactures, leather, rice, and few more items. The first three categories of exports accounts for 70.8 percent of total exports during July-January FY2018 with cotton & cotton manufacture alone contributing 58.7 percent. Traditionally, the contribution of these three categories was 71.8 percent during the same period last year, and 68.7 percent during FY 2016.The bifurcation of these items in Table 8.2 shows that exports in these few items are the major factor for lower export earnings.

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

Commodity	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	July-January	
							2016-17	2017-18 P
Cotton Manufactures	49.9	51.7	53.1	54.5	55	59.4	60.3	57.9
Leather**	4.4	4.7	5.1	4.8	4.9	4.5	8.2	4.3
Rice	8.7	8.4	7.6	8.5	8.8	7.9	7.5	8.3
Sub-Total of three Items	**63**	**64.8**	**65.8**	**67.8**	**68.7**	**71.8**	**76.0**	**70.5**
Other items	37.3	35.2	34.2	32.2	31.3	28.2	24.0	29.5
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

P : Provisional,
**** Leather & Leather Manufactured**

Source: Pakistan Bureau of Statistics

Direction of Exports

Although Pakistan trades with a large number of countries, its exports are highly concentrated in few countries. About 55 percent of Pakistan's exports go to ten countries namely, USA, China, UAE, Afghanistan, UK Germany, France, Bangladesh, Italy and Spain. Furthermore, the USA has largest share in export by 16 percent followed by European countries 11 percent, in total exports. The table suggests that our exports to China has dropped from 9 percent in FY 2015 to 7 percent in FY 2018. The share of exports to Afghanistan also witnessed a decline in recent years from 8 percent in 2016-17 to 7 percent during current year, whereas, the share of exports to UAE remained stagnant. The share of exports to EU countries like France, Italy, Spain, etc. also remained relatively stagnant. Major export markets of Pakistan and their share is given in Table: 8.3

Table 8.3 : Major Exports Markets										(Rs billion & Percentage share)
Country	**2014-15**		**2015-16**		**2016-17**		**July-January**			
							2016-17		**2017-18 P**	
	Rs	**% Share**	**Rs**	**% Share**	**Rs**	**% Share**	**Rs**	**% Share**	**Rs**	**% Share**
USA	374.4	16	364.8	17	361.1	17	205.3	17	222.5	16
CHINA	219.9	9	174.0	8	153.8	7	96.7	8	96.3	7
AFGHANISTAN	198.8	8	149.9	7	133.1	6	79.0	6	95.4	7
UNITED KINGDOM	160.2	7	164.7	8	163.1	8	93.4	8	102.7	7
GERMANY	119.0	5	118.0	5	125.1	6	71.7	6	82.2	6
U.A.E	102.9	4	85.5	4	83.0	4	43.2	4	50.3	4
BANGLADESH	70.7	3	72.3	3	65.4	3	38.0	3	41.9	3
ITALY	67.6	3	67.7	3	68.6	3	38.1	3	44.2	3
SPAIN	81.7	3	84.3	4	85.5	4	49.8	4	61.7	4
FRANCE	38.2	2	36.0	2	38.8	2	22.0	2	24.5	2
All Other	**964.1**	40	**849.6**	39	**860.7**	40	**484.2**	40	**576.2**	41
Total	**2,397.5**	100	**2,166.8**	100	**2,138.2**	100	**1,221.4**	100	**1,397.9**	100
P : Provisional										
Source: Pakistan Bureau of Statistics										

Box-1 :Evaluation of Pakistan's exports to European Union (EU) under the GSP Plus regime Impact of GSP Plus on Pakistan's exports to EU

As a result of duty free access granted to Pakistan by EU under its GSP+ Scheme, Pakistan's exports to EU have increased by 47.25% in 2017 over 2013. Pakistan's exports to EU have increased from 4.53 billion Euros in 2013 to 6.67 billion Euros in 2017. Pakistan's exports of textile products have increased by 66.6 % in value terms during the same period.

Impact of GSP+ on Pakistan's Exports to EU							(Billion Euros)
Partner/Period	**2013**	**2014**	**2015**	**2016**	**2017**	**Impact over 2013 (%)**	**Trade Arrangement**
Pakistan	4.53	5.51	6.05	6.28	6.67	**47.25**	GSP+ (unilateral duty free)
Source: Eurostat							

The duty free access is helping Pakistani products to compete with products originating from Bangladesh, Vietnam and Turkey and many other countries. As these countries are benefitting from EU's Customs Union with Turkey, FTA with Vietnam and Bangladesh being an LDC is a beneficiary of Everything But Arms (EBA) arrangement of the European Union.

Textiles sector has been a major beneficiary of EU's GSP+ scheme. Pakistan's exports of textile products have increased by 66.6 % in value terms in 2017 over 2013. Pakistan's exports also registered increase in terms of quantity during the same period. The following table gives a breakdown of the sector wise exports from within the textiles.

Sector	**2013**	**2014**	**2015**	**2016**	**2017**	**Impact of GSP+ (%)**
Textile Garments and Hosiery	1,398.6	1,830.5	2,281.6	2,467.3	2,685.2	92.00
Home Textiles	980.0	1,270.9	1,456.3	1,564.1	1,682.4	71.66
Cotton & Intermediary Goods of Textiles	738.8	765.1	792.4	805.1	840.8	13.80
Carpets	30.3	31.6	37.2	37.9	35.6	17.34
Grand Total	3,147.7	3,898.0	4,567.4	4,874.5	5,243.9	66.60
Source: Eurostat						

European Parliament's Committee on International Trade (INTA's) 2nd Biennial Review of EU's GSP+ Scheme

Meetings of International Trade Committee (INTA) and European Council were held in Brussels at the European Parliament on 20th and 21st Feb, 2018 respectively to discuss the 2nd Biennial Assessment Report of GSP+. The parliament expressed satisfaction on the progress achieved by Pakistan in enacting new laws and developing new institutions for implementation of 27 core conventions of GSP+ specially the National Action Plan for Human Rights. The parliament hoped that Pakistan would continue to engage with the EU and ensure to bridge implementation gaps during the next two years of reporting on GSP+. The Committee on International Trade also agreed to deliberate upon possibility of up-scaling relationship with Pakistan from a beneficiary of GSP+ Scheme to an FTA partner in future.

Source: Ministry of Commerce

Pakistan and United States Trade:

United States of America (USA) is a major destination for Pakistan's exports. The volume of trade for the year 2016-17 between Pakistan and United States is US $ 6,007.68 million with positive trade balance of US $ 891.00 million in favor of Pakistan.

The U.S. Generalized System of Preferences (GSP), a program designed to promote economic growth in the developing world, provides preferential duty-free treatment for over 3,500 products from 128 designated beneficiary countries and territories. However, for the 44 Least Developed Countries (LDCs), enhanced market access is provided by allowing an additional 1500 tariff lines for duty free treatment. On 1st July 2017, the US Government has included 134 tariff lines into GSP scheme like travel bags, travel goods related to {HS 42 (two digits)} export interest to Pakistan.

Pakistan's Multilateral Trade Engagements

Pakistan is focusing on reducing trade transaction costs that would have positive bearing upon export enhancement. Thus, it is proactively implementing WTO's Trade Facilitation Agreement that is expected to reduce trade costs by an average of 14.3 percent after its full implementation. Trade Facilitation Agreement has offered both public and private sector stakeholders in the country an opportunity to revisit and revamp trade procedures to induce efficiency and cost reduction in the trade operations. It is in line with the present government's vision for domestic reforms, facilitating businesses and international trade. This would pave the way for diversification of exports and would include new products/services and partners, increased involvement in global value chains, expanded participation of small and medium-sized enterprises in international trade, increased foreign direct investment as well as greater revenue collection and transparency in trade transactions.

Pakistan has entered the advance stage of operationalization of TIR (Transports Internationaux Routiers, International Road Transport) Convention which would translate Pakistan's strategic location into trade and economic gains. Containers originating from Pakistan would have time and cost effective access to their final destinations. Thus offering enhanced opportunities to our businessmen to flourish and expand their business operations in the region

Digital Trade

Cognizant of the global developments in digital trade, Ministry of Commerce is finalizing a Policy Framework for development of e-Commerce/digital trade in the country. The Framework is being developed to deal with Regulatory regime, Payment Infrastructure, Logistics and Taxation issues related to E-Commerce. Digital platforms have changed the economics of doing business across borders by reducing costs of international transactions enabling Micro, Small and Medium Enterprises (MSMEs) to connect with customers and suppliers around the world. Pakistan needs digitalization of its marketplace for maintaining its growth and upgrading the production processes and selling practices. E-Commerce holds the potential to unlock accelerated growth, conducive business, regulatory and legal environment in Pakistan. E-Commerce is not only a growing global industry, it is also one of the important pillars on which an increasing share of future business, financial and trading transactions will depend and there is a dire need to develop it in Pakistan. Global B2C sales through E-commerce have been US$ 2.2 trillion and they are expected to be doubled by 2021.

E-Commerce will facilitate Pakistan's integration in the regional and global value chains which are the new drivers of global trade. E-Commerce is expected to expand the job market especially for the youth who are well versed with internet and mobile applications. The vibrant regulatory reforms in the arena of E-Commerce will enable the country to improve its participation in the negotiations at the bilateral and multilateral forums.

Box-2: Initiatives in The Pipelines

Pakistan's exports remained under stress in 2016-17 due to disconnect between Domestic Competiveness and International Trade Competiveness. The Domestic Commerce Wing of Commerce Division is working to improve regulatory and policy frameworks of different provinces and administrative units. For this purpose the Domestic Commerce Wing is preparing State of Domestic Commerce provincial reports. The wing has helped the provincial governments in drafting the provincial Strategies for improving business environment. After approval of these strategies by the competent authorities in provinces and administrative units, a policy framework of domestic commerce will be developed. The commerce division through these initiatives is working towards creating an enabling environment for "Enterprise Development".

1. The services sector plays an important role in Pakistan's economy, contributing around 60 percent to the GDP, creating employment opportunities, and providing crucial inputs for the rest of the economy. The sector witnessed a robust growth of 6.43 percent during 2017-18 as compared to over all GDP growth of 5.79 percent. Also, Services represent the fastest growing sector of the global economy, accounting for two thirds of global outputs, one third of global employment and nearly 20 percent of global trade. Pakistan's share in the global export of services is 0.07 percent which is considerably lower than country's potential warrants

2. Keeping in view the growing significance of the Services sector, Commerce Division took certain initiatives, which include the establishment of Services Trade Development Council (STDC) and Trade in Services Wing. The aim is to initiate and lead the services sector reforms aiming domestic liberalization and facilitation for enhanced exports.

3. Pak-China Trade in Services Negotiation: The 9th meeting of 2ndPhase negotiations of China-Pakistan FTA (CPFTA) was held in Beijing on 6-7thFebruary, 2018. Both countries agreed that Trade in Services negotiation be excluded in the 2ndPhase CPFTA outcome in order to continue discussion on Trade in Services separately after the conclusion of 2ndPhase CPFTA (Trade in Goods).

4. Draft E-Commerce Policy

With the advent of modern technology, the significance of Electronic Commerce has increased manifold. The inherent complexities of e-commerce has prompted the government to put in place appropriate policy/regulations to create a conducive environment for foreign investment, increase competitiveness of domestic business entities, and at the same time safeguard consumer interests. Following the conclusion of long drawn out consultation process with the stakeholders spanning over two years, Commerce Division is now finalizing the draft *"Policy Framework for e-commerce"*. The draft policy framework will be approved by the Prime Minister.

Source : Ministry Of Commerce

Box-3: Free Trade Agreement (FTA)

Pak-China FTA

China-Pakistan Free Trade Agreement (CPFTA) on trade in goods was signed on 24th November, 2006 and implemented on 1st July, 2007. FTA on Trade in Services was signed on 21st February, 2009 and is operational from 10th October, 2009. The FTA covers more than 7000 tariff lines at the 8 digit level of HS Code. Both sides are currently negotiating Phase-II of the FTA, for which 8th and 9th rounds were held in 2017-18.

The Sino-Pakistan volume of trade, which was around US$ 4 billion in the year 2006-07, reached an all-time high of US$ 15.60 billion in 2016-17 showing an increase of 290 percent. Pakistan's exports have jumped to US$ 1.46 billion in 2016-17 from US$ 575 million in 2006-07. Correspondingly, China's exports to Pakistan have increased to US$ 14.13 billion in 2016-17 from US$ 3.5 billion in 2006-07.

Pak-Malaysia FTA

The Comprehensive Free Trade Agreement (FTA) for Closer Economic Partnership between Pakistan and Malaysia was signed on 08-11-2007 at Kuala Lumpur Malaysia. It is operational from 1st January 2008. Pakistan exports to Malaysia have increased from US$ 81 million in FY2007 to US$ 139.7 in FY2017 and registered a growth of 72.5 percent as a result of FTA.

Pak-Thailand FTA

Pakistan is Thailand's second largest trade partner in South Asia and there is tremendous potential to increase bilateral trade. During the 3rd Session of Pak-Thai JTC, held on 12-13th August, 2015, it was agreed by both sides to enter into Free Trade Agreement. The negotiations on FTA were started in 2015 and so far 9 rounds have been held. At present, both sides are engaged in negotiation on tariff concessions, Pakistan's exports to Thailand have increased by 45.6 percent from US$ 95 million in FY2011 to US$ 138 million in FY2017.

Pakistan-Sri Lanka FTA

Pakistan-Sri Lanka FTA became operational from 12th June 2005. The Sixth Secretary Commerce Level Technical Talks between Pakistan and Sri Lanka were held on 6th January, 2016. During this meeting, talks were held on broadening the scope of FTA by inclusion of chapters on services and investments. Accordingly, Pakistan side presented draft chapters on services and investments to Sri Lankan side. Sri Lankan response is awaited. The second meeting of the Pak-Sri Lanka Joint Working Group on Trade will be held in the first quarter of 2018. The volume of bilateral trade between Pakistan and Sri Lanka during the last three (03) years has increased from US $ 324.9 million in FY2015 to US $ 354.7 million in FY2017.

Agreement on South Asian Free Trade Area (SAFTA)

The Agreement on South Asian Free Trade Area (SAFTA) was signed during the 12th SAARC Summit held at Islamabad on 6th January, 2004. The first tariff reduction under the Trade Liberalization Programme (TLP) was enforced w.e.f. 1st July 2006.

Pakistan hosted Third SAARC – ADB Special Meeting on Regional Economic Integration in April, 2017 in Islamabad wherein the implementation of the previous decisions in identified priority areas for moving towards South Asian Economic Union was discussed.

Impact of TLP on Pakistan's Trade with SAARC Region As a result of the successful completion of SAFTA TLP, Pakistan's trade in the SAARC region has increased substantially. For the past three consecutive fiscal years i.e. from FY 2014 till FY 2017, Pakistan's exports to the SAARC region were US $ 2510.71million and Pakistan's imports were US $ 2216.9 million

Source: Ministry of Commerce

Imports

The imports target for current financial year was set at US $48.82 billion for FY2018. Pakistan imports were up by 17.1 percent in the first eight months of the current fiscal year, rising from US $33,392 million during FY2017 (July-February) to US $39,099 million during first eight months of current financial year, showing an increase of $ 5707 million in absolute terms. To slow down the imports, an additional regulatory duty has been imposed to curtail the inflated imports.

Group-wise data on imports shows that the petroleum, transport and agriculture imports, food, textile and metal, imports recorded an increase during July- February, FY2018, except machinery group which decreased meagerly.

Food group generally constitutes around 10.8 percent of the total import bill. Food Group imports stood at US $ 4216.5 million during first eight months of current fiscal year as against import of US$ 3965.8 million during comparable period last year. The import bill growth of Palm Oil, the heaviest item in this group witnessed an increase of 8.8 percent in quantity and its value increased by 13.5 percent as compared to same period last year due to appreciation in Malaysian Ringgit and increased demand from non-traditional segments (such as tea whitener). Soyabean oil imports grew by 84.6 percent in value during July-February FY2018. Significantly higher production of soyabean lead to lower international prices of the commodity. Owing to low prices the importers substituted other soft oils such as canola and sunflower with soyabean, thus pushed up its imports.

Other mentionable items in this group are the import of tea, milk & related items and pulses, the import of tea and milk & related items surged by 10.2 percent and 1.5 percent, respectively. The import of pulses declined by 41.1 percent in value and 41.4 percent in quantity. Production of pulses is erratic due to many reasons mainly because less area is now available for cultivating them as growers keep shifting to more profitable, major cash crops, such as rice, wheat, maize, cotton and sugar cane. Besides, gains made in recent years in average yields of pulses are not high enough to make up for the loss in the area under cultivation

Surge in import bill of tea is due to increase in the international prices as the quantity demanded decline by 5.9 percent. Import bill of Milk products, however, increased mostly due to higher quantity demanded as quantity increased by 3.7 percent and in value terms. It increased by 1.5 percent during Jul-Feb FY2018 as against same period last year.

Despite high growth in overall import bill, import of Machinery group remained lower at 3.2 percent during July-February, FY2018 over the same period last fiscal year. It seems that the CPEC related projects are advancing to maturity as partially evident in the slowdown in machinery imports. Import bill of power generating machinery declined by 18.7 percent as compared to same period last year. Similarly import growth of textile machinery remained higher by 10.7 percent. However, import of construction machinery and Electrical machinery & Apparatus remained sluggish and witnessed a decline of 29.1 and 0.05 percent, respectively during July- February FY2018. Within machinery group import, telecom sector import increased by 13.8 percent during first eight months of current fiscal year compared with corresponding period last year. The imports of mobile handsets increased to US$ 526.0 million during the period of July-February FY2018 from US$ 459.4 million during same period last year, a surge of 14.5 percent. Import bill of other apparatus of telecom sector also increased by 12.9 percent during this period from US$ 422.8 million during July- February FY2017 to US$ 477.5 million during current year. Other sub items in machinery group such as other machinery, agricultural machinery, etc. also witnessed positive growth in their imports. (Table 8.4)

Transport group import bill remained higher by 46.6 percent rising to US$ 2,905.4 million during July- February FY2018 from US $ 1,981.1 million during July- February FY2017. Import of road motor vehicle, CKD/SKD (Completely Knocked Down/ Semi Knocked Down) of buses, motor cars and motor cycles increased by 19.7 percent and 3.4 percent respectively during first eight months of current fiscal year over corresponding period last year showing manufacturing activity in the country. The significant growth in the imports of auto parts correspond with strong sales of locally assembled vehicles. Besides surging imports of these items points to carmakers expectation of sustained high demand going forward as the industry tends to import kits and accessories on the basis of advance booking orders.

Complete Built Unit (CBU) of, motor cars and motor cycles increased by 32.2 and 140.5 percent, respectively, during July-February FY2018 as compared to same period last year. Passenger vehicles, including motor cycles, are witnessing a burgeoning demand due to growing ride- hailing business in the country and a sharp rise in auto financing by commercial banks.

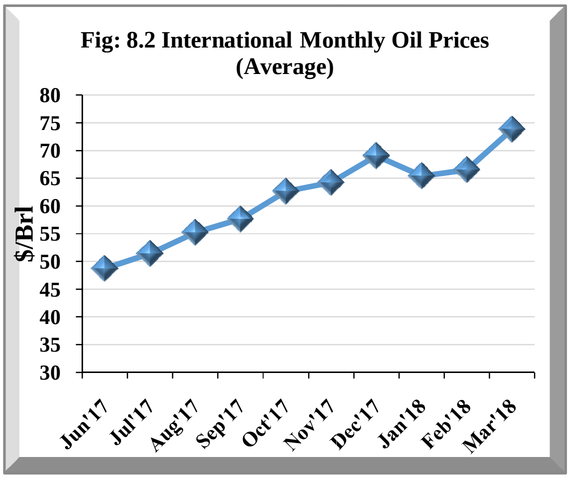
Import bill of all other major items in this group also remained on higher side. Import of aircraft, boats & ships increased by 161.5 percent during July- February FY2018 period against corresponding period last year.

Table 8.4: Structure of Imports							($ Million)
Particulars		July-February Values in Dollars		% Change in Value	July-February Quantity		% Change in Quantity
		2016-17	2017-18 P		2016-17	2017-18 P	
	Total	33,392.17	39,098.64	17.09			
A.	**Food Groups**	3,965.85	4,216.55	6.32			
	Milk & Milk food	165.70	168.13	1.46	55,884	57,961	3.72
	Wheat Unmilled	0.00	0.00	0.00	0	0	0.00
	Dry Fruits	112.63	93.61	-16.88	89,829	68,342	-23.92
	Tea	361.29	398.06	10.18	139,522	131,335	-5.87
	Spices	89.11	106.59	19.63	78,915	88,875	12.62
	Edible Oil (Soybeans& Palm)	1,244.27	1,453.24	16.79	1,713,211	1,944,475	13.50
	Sugar	3.39	3.60	6.16	6,201	6,000	-3.24
	Pulses	600.13	353.43	-41.11	746,226	437,067	-41.43
	Other food items	1,389.33	1,639.88	18.03			
B.	**Machinery Group**	7,811.92	7,559.22	-3.23			
	Power generating Machines	2,185.12	1,776.26	-18.71			
	Office Machines	318.90	318.43	-0.15			
	Textile Machinery	344.41	381.38	10.73			
	Const. & Mining Machines	334.76	237.21	-29.14			
	Aircrafts, Ships and Boats	278.60	728.49	161.48			
	Agriculture Machinery	76.43	86.07	12.60			
	Other Machinery items	2,240.32	2,327.23	3.88			
C.	**Petroleum Group**	6,683.10	9,014.94	34.89			
	Petroleum Products	4,193.35	4,912.45	17.15	10,514,569	10835905	3.06
	Petroleum Crude	1,584.17	2,507.19	58.27	5,277,324	6797832	28.81
D.	**Consumer Durables**	3,015.83	3,328.12	10.35			
	Road Motor Vehicles	1,586.02	1,899.02	19.73			
	Electric Mach. & Appliances	1,429.81	1,429.10	-0.05			
E.	**Raw Materials**	4,804.97	5,968.46	24.21			
	Raw Cotton	327.62	390.46	19.18	191,476	221046	15.44
	Synthetic Fiber	294.96	344.62	16.84	144,906	161016	11.12
	Silk Yarn (Synth &Arti)	432.78	440.78	1.85	218,213	216313	-0.87
	Fertilizer Manufactured	471.09	583.33	23.83	1,256,379	1578292	25.62
	Insecticides	97.16	107.18	10.31	10,846	15396	41.95
	Plastic Material	1,209.12	1,505.24	24.49	795,391	980509	23.27
	Iron & steel Scrap	650.14	1,035.37	59.25	2,516,782	3566123	41.69
	Iron & steel	1,322.13	1,561.48	18.10	2,078,082	2335315	12.38
F.	**Telecom**	882.18	1,003.56	13.76			
G.	**All other items**	2,594.17	3,252.76	25.39			

P : Provisional

Source : PBS

The Import of petroleum group products grew by 34.9 percent during July- February FY2018 against the 20.9 percent growth in the corresponding period last year reflecting mainly the impact of higher international oil prices. The value has increased on account of increase in global crude oil prices in February 2018 to $ 65.4 per barrel from $ 55.5 per barrel of the same period last year. Moreover, during July-February FY2018, the petroleum group import bill increased by $ 2331.8 million in absolute term over the same period last year. The increase in the petroleum import bill is also evident from the international monthly average prices of oil. These surged from $ 42.6 per barrel in July 2016 to $ 62.8 per barrel in February 2018. Moreover, the quantity of petroleum product imports increased by 3.1 percent and quantum imports of crude oil increased by 28.8 percent during July-February FY2018.



In textile group, import of raw cotton increased both in quantity and value by 15.4 percent and 19.2 percent respectively, during July-February FY2018 as compared to same period last year.

Agricultural and other chemical group increased by 17.2 percent. The import bill of fertilizer increased both in value and quantity by 23.8 and 25.6 percent, respectively, during first eight months of current financial year as compared to last year.

Metal group bill also surged by 27.4 percent during July-February, FY2018 over the same period last year. Iron & steel import bill increased by 18.1 percent due to increase in the construction activity led to the higher demand for imported iron and steel products. Iron and steel scrap imports increased considerably by 59.3 percent during July-February FY2018. The imposition of regulatory and anti dumping duties on finished products, along with growing demand from construction and transport sectors are the prime reasons behind elevated scrap imports.

Direction of Imports

Pakistan's imports are mostly concentrated in a few markets. Pakistan imports from countries like China, Saud Arabia, UAE, and Indonesia constitutes more than 50 percent of the total imports. During current fiscal year, share of imports from China has decreased from 32 percent in last fiscal year to 25 percent during July-January 2017-18. However share of import from U.A.E, has fallen by 2 percent during July-January 2017-18 as compared to same period last year. Change in Pakistan's import pattern is shown in (Table 8.5,)

Table 8.5 : Major Import Markets (Rs billion & Percentage Share)

Country	2014-15		2015-16		2016-17		July-January 2016-17		July-January 2017-18 P	
	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share	Rs	% Share
CHINA	1,053.0	23	1261.9	27	1584.3	29	973.4	32	917.2	25
UAE	681.9	15	572.7	12	774.5	14	438.0	14	445.1	12
SAUDI ARABIA	365.5	8	237.2	5	227.7	4	120.7	4	188.6	5
KUWAIT	250.9	5	139.5	3	141.9	3	80.9	3	97.0	3
INDONESIA	209.6	5	222.7	5	240.4	4	124.8	4	159.1	4
INDIA	172.2	4	185.8	4	178.2	3	92.3	3	95.3	3
U.S.A	180.7	4	185.3	4	267.9	5	139.9	5	163.6	4
JAPAN	170.6	4	190.3	4	217.4	4	122.6	4	148.6	4
GERMANY	97.5	2	97.6	2	114.3	2	67.3	2	74.3	2
MALAYSIA	96.3	2	96.5	2	100.2	2	57.7	2	75.0	2
All Other	**1,366.0**	29	**1,469.2**	32	**1,692.9**	31	**819.9**	27	**1,290.5**	35
Total	**4,644.2**	100	**4,658.7**	100	**5,539.7**	100	**3,037.5**	100	**3,654.3**	100

P : Provisional

Source: Pakistan Bureau of Statistics

Balance of Payments

Pakistan's balance of payments remained under stress due to rising imports of capital equipment and fuel during July-March FY2018. Recovery in global oil prices also played a role in pushing up the import bill. The remarkable growth in exports earnings and remittances inflows was not sufficient to overcome the widening current account gap. Although higher financial inflows (both foreign investment and external financing) could not completely offset the increase in the current account deficit growth. The SBP's liquid foreign exchange reserves declined by US $ 4.5billion during the said period.

Import bill surged by 16.6 percent during July-March FY2018 as compared to last year, on account of higher oil imports. Whereas, non-oil imports are on decline from second quarter of current financial year as compared to the first quarter.

Portfolio investment is dominated by official inflows, after realization of floating of Sukuk and Eurobond worth of US $ 2.5 billion inflows in December 2017.

The current account deficit reached to US$ 12,029 million during July-March, FY2018 compared to a deficit of US$ 7,990 million in the corresponding period last year. The higher current account deficit was largely caused by the widening of trade and services account deficits.

Table 8.6: Summary Balance of Payments US $ Million

Items	July-June		July-March P	
	2015-16	2016-17	2016-17	2017-18
Current Account Balance	-4867	-12621	-7990	-12029
Trade Balance	-19,283	-26,680	-18479	-22302
Exports of Goods FOB	21972	22003	16314	18267
Imports of Goods FOB	41,255	48,683	34793	40569
Service Balance	-3,406	-4,339	-2879	-3848
Exports of Services	5,459	5,555	4314	3861
Imports of Services	8865	9894	7193	7709
Income Account Balance	-5347	-5048	-3424	-3550
Income: Credit	608	662	520	558
Income: Debit	5955	5710	3944	4108
Balance on Secondary Income	23169	23446	16792	17671
Of which:				
Workers' Remittances	19917	19351	14104	14608
Capital Account Balance	273	375	284	285
Financial Account Balance	-6790	-10198	-6314	-7591
Direct Investment in Pakistan	2305	2749	2006	2096
Portfolio Investment in Pakistan	-329	-251	631	2358
Net Incurrence of Liabilities	5029	8965	3859	3051
Net Errors and Omissions	456	102	-222	-216
Overall Balance	-2652	1946	1614	4369
P: Provisional				

Source: State Bank of Pakistan

Current Account

Pakistan's current account deficit shrank by 9.2 percent on month on month basis in March 2018 and reached to US $ 1.16 billion as compared to US $ 1.28 billion in February 2018. However, the current account deficit widened by 50.5 percent and reached to US$ 12.0 billion (3.8 percent of GDP) during July-March FY2018. This was mainly due to 20.6 percent widening in the trade deficit, which amounted US$ 22.3 billion. The widening of trade deficit is mainly due to surge in import bill by 16.6 percent and reached to US $40.6 billion which overshadowed the increase in exports and workers' remittances.

On month on month basis the import bill declined during first quarter and then started increasing in the second quarter of the current fiscal year , thus showing that cushion of low international prices has ended now. The increase in machinery group is mainly due to power generation equipment, corresponding

CPEC-related activity in power and infrastructure development. The surged in machinery and POL imports bodes well for overall economic activity.

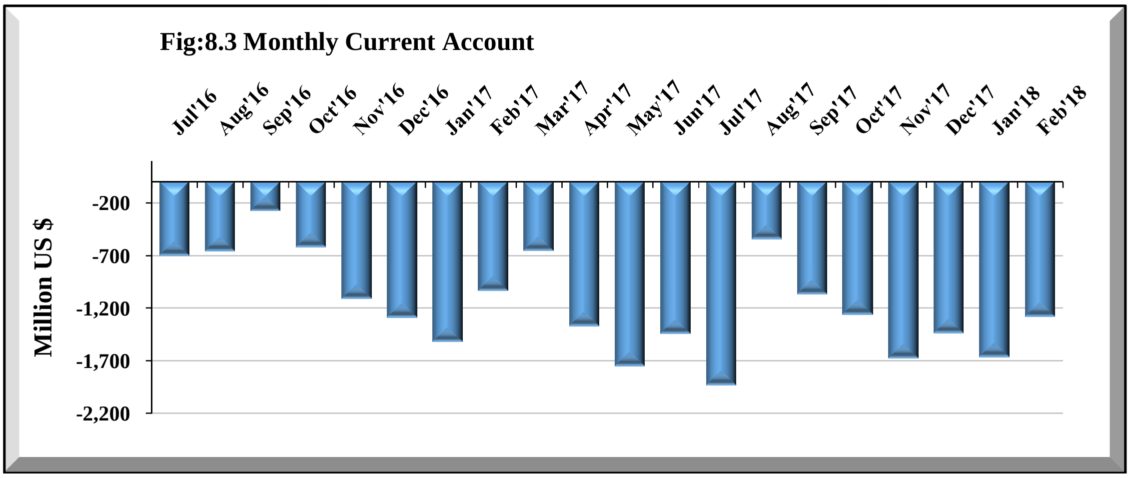
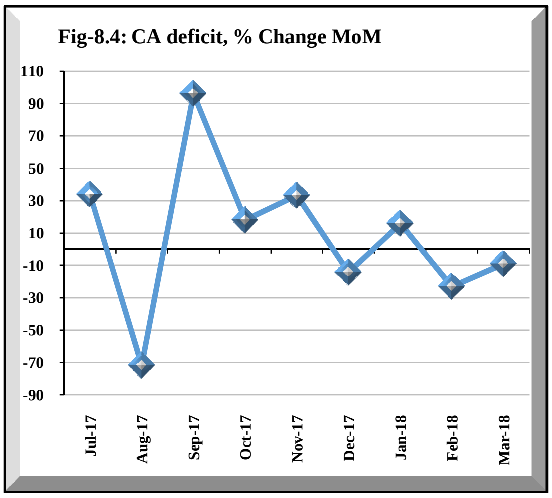
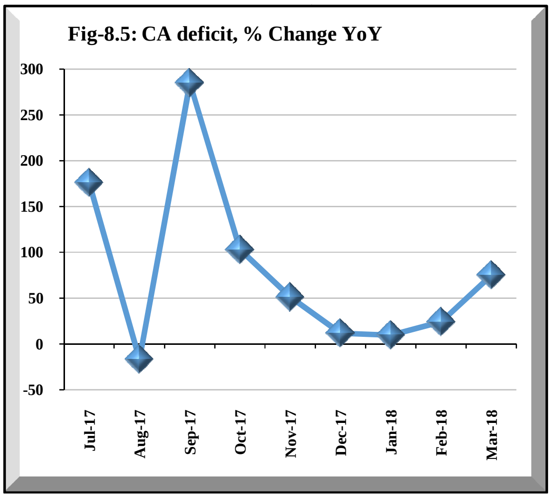


Table 8.7 Current Account Deficit ($ Billion)

Jun-17	1.445	CA deficit, % Change MoM	Jun-16		CA deficit, % Change YoY					Average Growth in CA deficit
Jul-17	1.932	33.7	Jul-16	0.701	175.61	Jul-17	2.053	Jul-16	0.662	210.12
Aug-17	0.545	-71.8	Aug-16	0.658	-17.17	Jul-Aug-17	2.601	Jul-Aug-16	1.287	102.10
Sep-17	1.069	96.1	Sep-16	0.278	284.53	Jul-Sep-17	3.557	Jul-Sep-16	1.637	117.29
Oct-17	1.26	17.9	Oct-16	0.622	102.57	Jul-Oct-17	5.013	Jul-Oct-16	2.259	121.91
Nov-17	1.677	33.1	Nov-16	1.112	50.81	Jul-Nov-17	6.430	Jul-Nov-16	3.371	90.74
Dec-17	1.437	-14.3	Dec-16	1.289	11.48	Jul-Dec-17	7.413	Jul-Dec-16	4.660	59.08
Jan-18	1.665	15.9	Jan-17	1.522	9.40	Jul-Jan-18	9.156	Jul-Jan-17	6.182	48.11
Feb-18	1.281	-23.1	Feb-17	1.034	23.89	Jul-Feb-18	10.826	Jul-Feb-17	7.216	50.03
Mar-18	1.163	-9.2	Mar-17	0.665	74.89	Jul-Mar-18	12.029	Jul-Mar-17	7.99	50.55

Source : State Bank of Pakistan





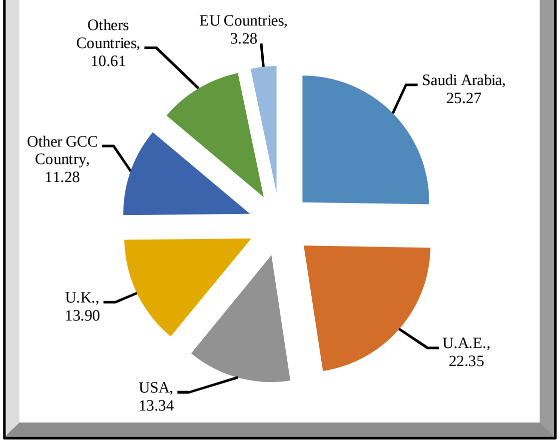
Workers' Remittances

The remittances registered a significant growth of 3.6 percent during July-March FY 2018 as against the decline of 2.0 percent last year, and reached to US$ 14.6 billion during first nine month of current financial year as compared to 14.1 billion during the same period last year. The trend will continue in coming months and is expected that the target of US$ 20.6 billion for FY 2018 is likely to be achieve.

The major share of remittances are from Saudi Arabia 25.3 percent(US $ 3.690.57 million), U.A.E 22.4 percent (US $ 3264.73 million), U.K 13.9 (US $ 2030.62 million) , USA 13.3 percent (US $ 1948.0 million) ,other GCC countries 11.3 percent (US $ 1648.13 million), EU 3.3 percent (US $ 478.9 million) and other countries 10.3 percent. The remittances during July-March FY2018 have declined by 9.5 percent from Saudi Arabia, 3.5 percent from other GCC countries. The decline from Saudi Arabia is offset by the higher inflows from U.K and USA. The remittances from USA increased by 12.03 percent, 22.45 percent from UK, 3.87 percent from UAE, and 43.97 percent from EU countries compared to same period last year. Robust economic growth in US and low unemployment has supported the growth in remittances from US. Moreover, strong growth in UK and a sharp appreciation of the British Pound against US dollar led to significant rise in the dollar value of the remittances originated from the UK.

Decline in remittances from Saudi Arabia was on account of economic reform like job nationalization drive to replace foreign worker with Saudi citizens. Furthermore, Saudi Arabia along with UAE has introduced value added tax imposed on wholesale, retail sale which increased the cost of living for unskilled lower income workers. Majority of the Pakistani manpower proceeds abroad in unskilled/ labourer trade. The overall decline in unskilled occupation is 28.51 percent during July-December FY 2018 as compared to same period last year.

Fig: 8.6 Worker's Remittances Jul-March FY2018

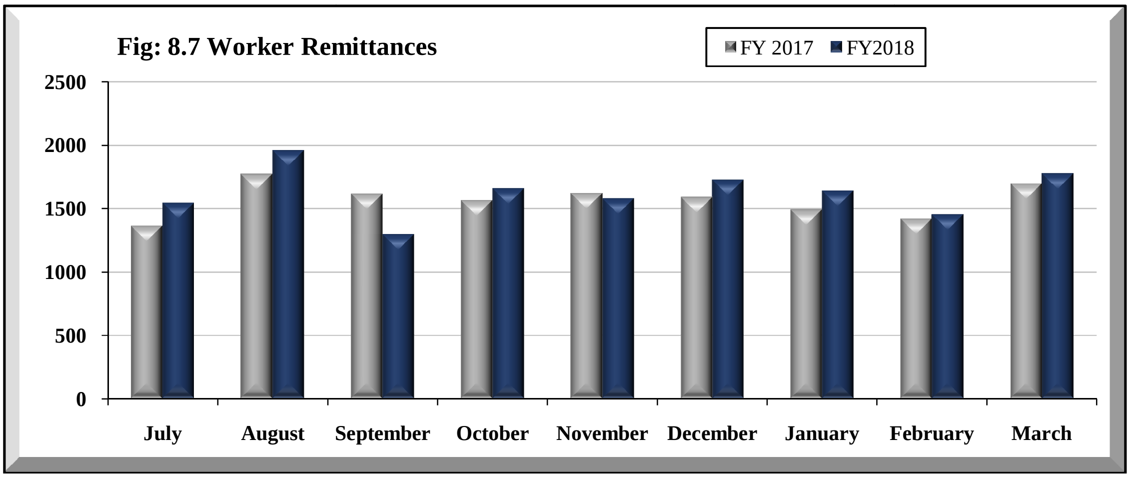


During current fiscal year two policy initiatives have been undertaken i.e. Asaan Remittance Account and the promotion of home remittances through M-wallets which would help to boost in the remittances. Asaan Remittance Account aims to encourage beneficiaries to receive remittances in a secured banking environment, M-Wallets aims to increase financial inclusion along with reduction in the cost of remittances delivery.

Table 8.8: Country/Region Wise Cash Worker's Remittances

Country/Region	July-March		($ billions)	
	2016-17	2017-18	% Change	Share
Saudi Arabia	4.08	3.69	-9.50	25.27
U.A.E.	3.14	3.26	3.87	22.35
USA	1.74	1.95	12.08	13.34
U.K.	1.66	2.03	22.47	13.90
Other GCC Country	1.71	1.65	-3.45	11.28
Others Countries	1.45	1.55	6.90	10.61
EU Countries	0.33	0.48	43.97	3.28
Total	14.11	14.61	3.57	100.0

Source : State Bank of Pakistan



Financial Account

The financial account recorded a surplus of US$ 7.6 billion in July-March FY2018, which was significantly higher than the surplus of US$ 6.3 billion recorded in July-February FY2017.

The improvement is mainly due to floatation of Sukuk and Eurobond worth US $ 2.5 billion in December 2017 which significantly increased the FPI inflows.

Foreign Direct Investment

Foreign investment picked up pace from last year's levels, with both direct and portfolio investment contributing to the gains. Net FDI inflows rose 4.4 percent to US$ 2.1 billion in July- March FY2018, against US$ 2.0 billion of the same period last year. While China continued to have a major share (accounting for 55 percent of overall inflows), significant FDI from other countries like the Malaysia and UK was also witnessed this year.

Going forward, in order to attract foreign investment in other sectors, Pakistan needs to improve its position in doing business as the country falls behind most of its regional peers. The World Bank's Doing Business Report 2018 ranked Pakistan 147 out of total 190 economies, behind Bhutan (75), India (100), Nepal (105), Maldives (136), Srilanka (111), only ahead of Bangladesh (177) and Afghanistan (183).

In terms of sectors, the power sector attracted the highest net FDI of US$ 711.1 million in-line with CPEC-related sectoral activity. Similarly, as infrastructure projects under CPEC are also in process, the construction sector saw net FDI of US$ 525.4 million. Oil & gas explorations attracted net FDI of 154.6 million.

Foreign portfolio investment

In portfolio investment, net inflows amounted to US$ 2357 million in July-March FY2018, as compared to US$ 631 million posted a growth of 273.5 percent during the same period of last year. The government successfully issued Sukuk of US $ 1.0 billion and Eurobond of US $ 1.5 billion in international capital markets at relatively low risk premium indicating the confidence of foreign investors on performance of Pakistan's economy. These inflows not only offset the outflow of foreign funds from domestic equity market, but also helped the government to retire some of its external commercial borrowings.

The foreign selling pressure seen by the emerging equity markets during end-2016 (due to US elections and anticipation of Fed rate hike), eased since the start of 2017. In particular, downward trend in some of the Asian equity markets during second quarter of FY2017 was reversed in second quarter of FY2018. However, China and Pakistan were not among the beneficiaries of this comfort. China's deleveraging reforms appeared to have triggered the equity sell-off in November 2017.

The Pakistan Stock Exchange (PSX), supported by local investors, outperformed the emerging equity markets in second quarter of FY2017.

However, the momentum gained until May 2017 began to lose steam, when the local investors stepped back mainly due to the country's looming political uncertainty. More recently, Pakistani equities are back on the radars of foreign investors, driven by two major developments in Dec 2017.

First, the country successfully raised US$ 2.5 billion through issuance of Eurobond and Sukuk at relatively competitive rates. Secondly, the rupee-dollar exchange rate adjustment in December 2017 and March 2018 seems to have attracted foreign investors, who had put their investments on hold.

Meanwhile, public flows continued to dominate foreign portfolio investment in Pakistan. A massive inflow of US$ 2.5 billion in second quarter of FY2018 more than offset net foreign outflows of US$ 90 million in the country's equity market.

Table 8.9: Foreign Investment **($ Million)**

	FY 2016	FY 2017 R	July-March	
			FY 2017 R	FY 2018 P
A. Foreign Private Investment	1985.6	2234.0	1658.7	2000.8
Foreign Direct Investment	2305.3	2746.8	2005.0	2094.1
Inflow	3165.2	3451.0	2522.3	2631.1
Outflow	859.9	704.2	517.3	537.0
Portfolio Investment	-319.7	-512.8	-346.3	-93.3
Equity Securities	-319.7	-512.8	-346.3	-93.3
Debt Securities				
B. Foreign Public Investment	-8.8	262.1	977.5	2450.5
Portfolio Investment	-8.8	262.1	977.5	2450.5
Total Foreign Investment (A+B)	1976.8	2496.1	2636.2	4451.3

Source: State Bank of Pakistan

Fig: 8.8 Country-Wise FDI (JulyMarch FY 2018)

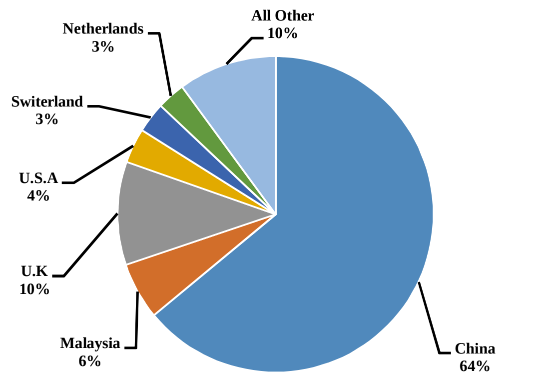
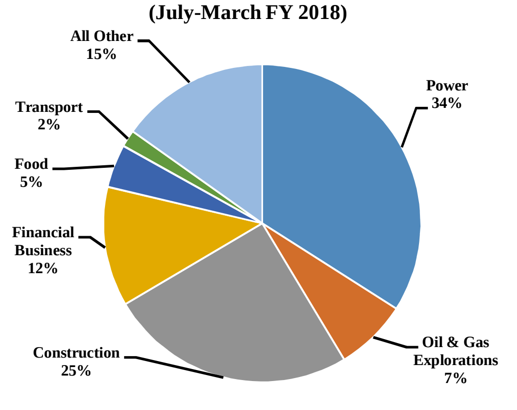


Fig:8.9 Sector-Wise FDI (July-March FY 2018)



Reserves and Exchange Rate

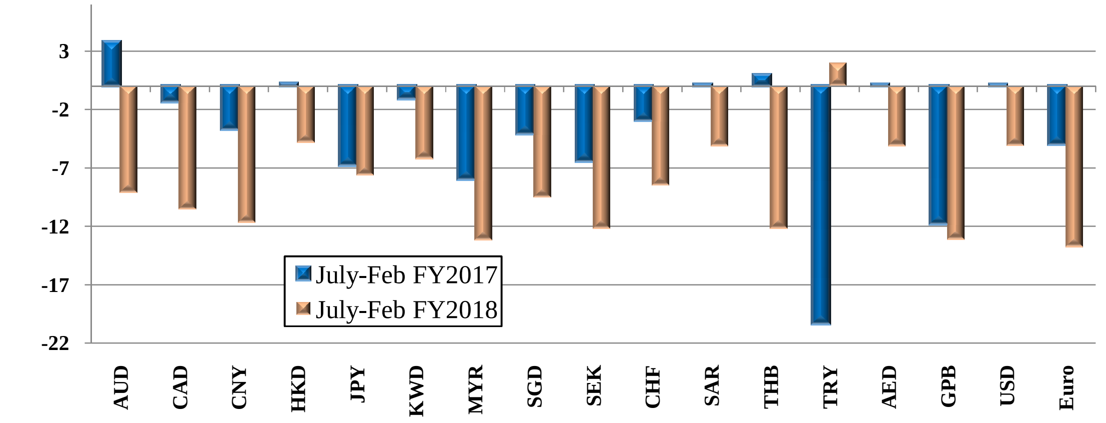
With the current account deficit widening and not being fully offset by financial inflows, the country's total liquid FX reserves fell by US $ 4.5 billion during July-March FY2018.

The drop was higher in the first five month of FY2018, when official reserves decreased by US $ 3.9 billion. The issuance of US $ 2.5 billion worth of Eurobond and Sukuk partially slowed this downfall in the SBP's reserves. The decline came mainly in SBP's liquid reserves (which at April 18, FY2018 was US$ 11.09 billion), and reserves held by commercial banks are US$ 6.1 billion during the period.

Despite the pressure on SBP reserves, the commercial bank reserves increased by US $936.3 million during July-March FY2018. In anticipation of PKR depreciation, retail investors and the general public, purchased dollars from the kerbs market and deposited them in foreign currency accounts.

The PKR depreciated against the US Dollar by 4.5 percent during second quarter of FY2018, it then dropped by a further 4.3 percent in March 2018, bringing the cumulative depreciation of 9.2 percent during Jul-March FY2018. Notably, the PKR depreciation came at a time when most currencies of developed and developing economies were strengthening against the USD, mainly due to dollar's weakness and favorable economic conditions in these countries.

Fig: 8.10 Movement of PKR Against Major Currencies



The significant depreciation against most important currencies, Pakistan's nominal effective exchange rate (NEER) depreciated by 9.6 percent during July-February FY18. The real effective exchange rate (REER), on the other hand depreciated by 9.3 percent, driven mainly by NEER, as the RPI remained relatively unchanged during the period ; this suggest that the Rupee's competitiveness in real terms viz a viz currencies of other trading partners has improved.

Fig: 8.11 Foreign Exchange Reserve (US $ Million)

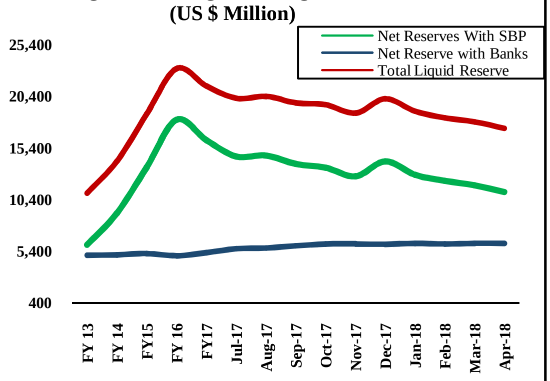


Fig: 8.12 Trend in PKR's NEER, RPI and REER

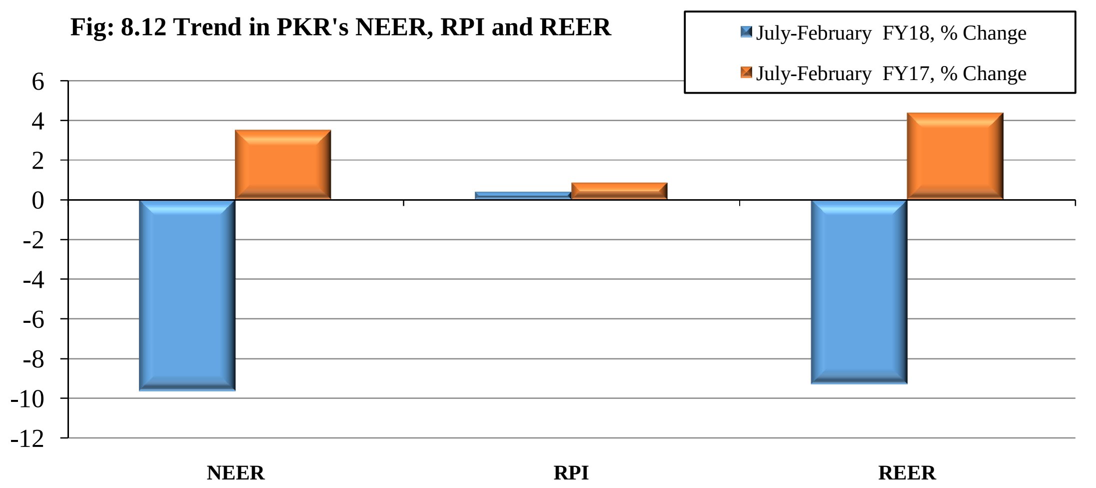


Table: 8.10 Liquid Foreign Exchange Reserve (Million US $)

End Period	Net Reserves With SBP	Net Reserve with Banks	Total Liquid Reserve
FY 11	14,783.60	3,460.20	18,243.80
FY 12	10,803.30	4,485.30	15,288.60
FY 13	6,008.40	5,011.20	11,019.60
FY 14	9,097.50	5,043.60	14,141.10
FY15	13,525.70	5,173.50	18,699.20
FY 16	18,142.60	4,955.90	23,098.50
FY17	16,144.80	5,258.10	21,402.90
Jul-17	14,587.40	5,635.60	20,223.00
Aug-17	14,681.40	5,719.50	20,400.90
Sep-17	13,857.20	5,918.00	19,775.20
Oct-17	13,491.40	6,092.30	19,583.70
Nov-17	12,660.70	6,113.00	18,773.70
Dec-17	14,106.90	6,070.20	20,177.10
Jan-18	12,793.70	6,162.00	18,955.70
Feb-18	12,227.30	6,089.00	18,316.30
Mar-18	11,776.10	6,172.30	17,948.40
*Apr-18	11088.7	6170.4	17,299.20

*: 16th April, 2018

Source: State Bank of Pakistan

Conclusion

The recovery in global economy has manifold effects on Pakistan's economy. On the positive side the export registered a double digit growth after a long period of seven years. This provides motivation for production and investment in key exporting sectors but also provides support to worsening current account. On going global economic recovery, PKR depreciation and government initiatives would provide support to the export growth.

Imports surged by 16.6 percent during July-March FY2018, mainly due to rising global oil prices and vibrant domestic demand. As a result trade deficit surged by 20.6 percent, which is partly offset by the worker's remittances. Worker remittances registered a modest growth on the back of higher inflows from U.K and U.S.

Financial account balance posted a growth of 20.2 percent during July-March FY2018. The improvement is mainly due to floatation of Sukuk and Eurobond worth US $ 2.5 billion in December 2017 which significantly increased the FPI inflows.

Foreign investment picked up pace from last year's levels, with both direct and portfolio investment contributing to the gains. Net FDI inflows rose 4.4 percent to US$ 2.1 billion in July- March FY2018, against US$ 2.0 billion during the same period last year.

Chapter 9

Public Debt

9.1 Introduction

Developing prudent and sound debt management strategy is paramount especially when debt flows are being channeled to pursue accelerated development goals. Over long term horizon, efforts are geared towards increasing the country's economic footprint in-line with macro-economic objectives which eventually provide support towards debt re-payment capacity through modernized infrastructure. Given the current paradigm, Pakistan has to maintain a delicate balance – it needs to borrow in order to facilitate its development process while ensuring that debt level is prudently managed keeping in view the country's repayment capacity.

Pakistan's public debt dynamics witnessed various positive developments during the ongoing fiscal year, some of them are highlighted below:

- Government continued to adhere to the targets set forth in Medium Term Debt Management Strategy (MTDS) to ensure public debt sustainability;
- Weighted average interest rate on the domestic debt portfolio has reduced further while cost of external loans contracted by the government are mostly concessional as well as dominated by long term funding;
- Government successfully raised US$ 2.5 billion in December 2017 through a 5-year Sukuk and 10-year conventional bond with the latter issued at the lowest rate for a Pakistan bond;
- In order to facilitate the investors, Central Directorate of National Savings (CDNS) has launched a non-financial version of mobile application called "Qoumi Bachat Digital" which enable customers to view their profits, investments in the certificates and accounts, receive notifications on transactions, transaction history and also save prize bond numbers to be searched in the Prize Bond draws. CDNS is also in the process of launching a financial version of the mobile application along with the Card Management System and Mobile Wallet for investors.

9.2 Public Debt

Total public debt is defined as debt of the government (including Federal Government and Provincial Governments) serviced out of consolidated fund and debts owed to the International Monetary Fund. Total Debt of the Government is public debt less accumulated deposits of the Federal and Provincial Governments with the banking system. Public debt has two main components, namely domestic debt (incurred principally to finance fiscal deficit) and external debt (raised primarily to finance development expenditures).

Total public debt stood at Rs 22,820 billion at end December 2017 while Total Debt of the Government was Rs 20,878 billion. Total public debt recorded an increase of Rs 1,413 billion during first six months of current fiscal year. The bifurcation of this increase is explained below:

- Domestic debt registered an increase of Rs 582 billion while government borrowing for financing of fiscal deficit from domestic sources was Rs 412 billion, indicating an increase in government credit balances with the banking system during the period under review; and
- Increase in external debt contributed Rs 830 billion to the public debt while government borrowing for financing of fiscal deficit from external sources was Rs 384 billion. Therefore, the increase in external debt signifies both borrowings for financing of fiscal deficit as well as revaluation losses due to Pak Rupee depreciation against US

Dollar as well as appreciation of other currencies against US Dollar. It is worth noting that depreciation of Pak Rupee increases the rupee value of external debt, but does not add much to foreign currency liability of the country i.e. any negative revaluation impact is spread over many years depending on the life of any given loan, therefore, immediate cash flow impact is limited.

The trend in total public debt since 1971 is depicted in Box-I.

Box-I: Trend in Public Debt

Table-9.1: Year Wise Public Debt Position

Year	Domestic Debt	External Debt	Public Debt	Year	Domestic Debt	External Debt	Public Debt	Year	Domestic Debt	External Debt	Public Debt
(Rs billion)											
1971	14	16	30	**1987**	248	209	458	**2003**	1,895	1,800	3,694
1972	17	38	55	**1988**	290	233	523	**2004**	2,028	1,839	3,866
1973	20	40	60	**1989**	333	300	634	**2005**	2,178	2,034	4,211
1974	19	44	62	**1990**	381	330	711	**2006**	2,322	2,038	4,359
1975	23	48	70	**1991**	448	377	825	**2007**	2,601	2,201	4,802
1976	28	57	85	**1992**	532	437	969	**2008**	3,275	2,852	6,126
1977	34	63	97	**1993**	617	519	1,135	**2009**	3,860	3,871	7,731
1978	41	71	112	**1994**	716	624	1,340	**2010**	4,654	4,352	9,006
1979	52	77	130	**1995**	809	688	1,497	**2011**	6,017	4,750	10,767
1980	60	86	146	**1996**	920	784	1,704	**2012**	7,638	5,057	12,695
1981	58	87	145	**1997**	1,056	939	1,995	**2013**	9,522	4,797	14,318
1982	81	107	189	**1998**	1,199	1,193	2,392	**2014**	10,920	5,071	15,991
1983	104	123	227	**1999**	1,389	1,557	2,946	**2015**	12,199	5,182	17,381
1984	125	132	257	**2000**	1,645	1,527	3,172	**2016**	13,627	6,051	19,678
1985	153	156	309	**2001**	1,799	1,885	3,684	**2017**	14,855	6,552	21,407
1986	203	187	390	**2002**	1,775	1,862	3,636	**2018 (Dec)**	15,437	7,382	22,820

Fig-9.1: Trend in Domestic and External Debt
(Rs in billion)

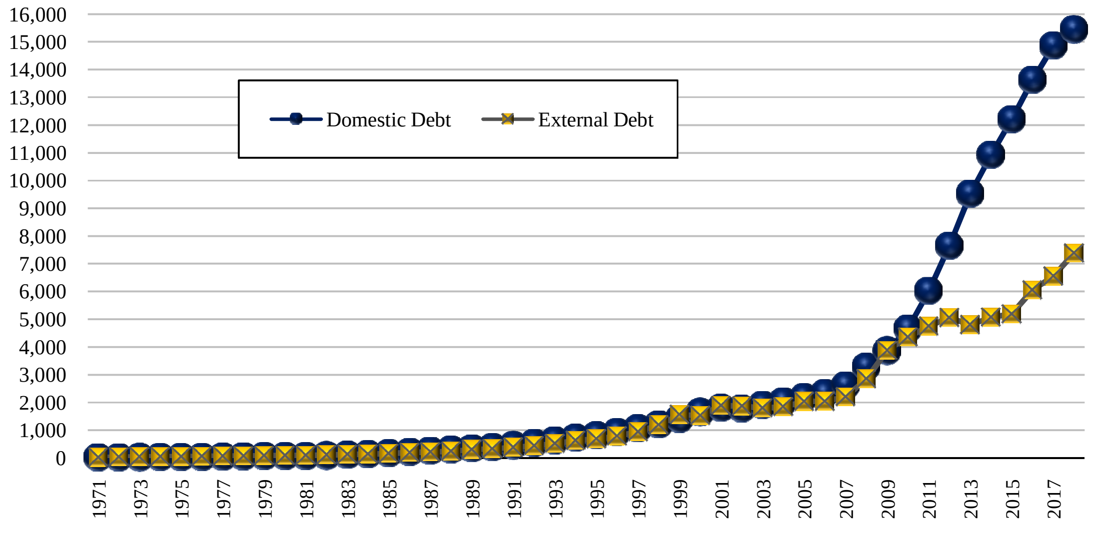


Table-9.2: Public Debt

	2013	2014	2015	2016	2017(P)	2018(P)**
(Rs in billion)						
Gross Domestic Debt	9,521.9	10,920.0	12,198.9	13,626.9	14,855.0	15,437.4
*Net Domestic Debt	8,686.2	9,551.3	10,804.8	11,773.5	13,081.7	13,495.8
External Public Debt	4,796.5	5,071.5	5,181.8	6,051.1	6,552.1	7,382.4
Total Public Debt	14,318.4	15,991.5	17,380.7	19,678.1	21,407.1	22,819.8
***Total Government Debt**	13,482.7	14,622.8	15,986.6	17,824.6	19,633.8	20,878.2
(In percent of GDP)						
Gross Domestic Debt	42.5	43.4	44.5	46.9	46.5	44.9
*Net Domestic Debt	38.8	37.9	39.4	40.5	40.9	39.2
External Public Debt	21.4	20.1	18.9	20.8	20.5	21.5
Total Public Debt	64.0	63.5	63.3	67.7	67.0	66.3
***Total Government Debt**	60.2	58.1	58.3	61.3	61.4	60.7
Memo:						
External Public Debt (US$ in billion)	48.1	51.3	50.9	57.7	62.5	66.9
Exchange Rate (Rs /US$, End of Period)	99.7	98.8	101.8	104.8	104.9	110.4
GDP (Rs in billion)	22,385.7	25,168.8	27,443.0	29,075.6	31,962.6	34,396.5

*Net of government deposits with the banking system
P: Provisional, **: end-December, 2017

Source: State Bank of Pakistan, Economic Affairs Division, Budget Wing and Debt Policy Coordination Office

The composition of public debt in terms of maturity profile continued to witness changes during first half of current fiscal year. Both demand and supply factors contributed towards the change in composition of public debt. Demand for medium to long term government securities was relatively lower in anticipation of change in the interest rates, inflation and liquidity conditions while the government was cautious about the cost-risk trade off as market participants were seeking higher than usual rates on long-term securities.

Encouragingly, cost and most of the risk indicators of public debt portfolio improved over last four years. Average cost of gross public debt reduced by over 100 basis points owing to smooth execution of the Medium Term Debt Management Strategy. Refinancing Risk of domestic debt portfolio reduced from 64.2 percent in 2013 to 55.6 percent in 2017. Exposure to interest rate risk also reduced, as the percentage of debt re-fixing in one year decreased to 47.8 percent in 2017 compared to 52.4 percent in 2013. Similarly, share of external loans maturing within one year was equal to around 27.7 percent of official liquid reserves in 2017 compared with around 68.5 percent in 2013, indicating improvement in foreign exchange stability and repayment capacity.

One of the objectives of MTDS is to facilitate development of debt capital markets. A well-developed debt market is essential to reduce financial risks of the overall economy, provide the government with a non-inflationary source of finance, create a well-balanced financial environment and promote economic growth. Government is taking various steps to provide an efficient and liquid secondary debt markets to the investors (Box-II).

Box-II: STEPS TAKEN FOR THE DEVELOPMENT OF DEBT CAPITAL MARKETS

Sukuk (Privately Placed) Regulations, 2017: In order to facilitate issuance of Sukuk through private placement, SECP has notified the Sukuk (Privately Placed) Regulations, 2017 thereby replacing the issue of Sukuk Regulations, 2015. Part of 2015 Sukuk Regulations relating to public offerings has been covered in the SECP's Public Offering Regulations, 2017, through amendments therein.

Accounting and Shariah Standards: To bring harmonization and standardization in the business practices of Islamic financial institutions, SECP has been gradually adopting Accounting and Shariah Standards issued by

Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). In February 2018, SECP has notified three Shariah Standards of AAOIFI for adoption in Pakistan, i.e.

Shariah Standard No. 17 - Investment Sukuk, Shariah Standard;
Shariah Standard No. 18- Possession (Qabd); and
Shariah Standard No. 23 - Agency and the Act of an un-commissioned agent (Fodooli).

Introduction and implementation of centralized E-IPO System (CES): In order to facilitate general public during IPOs, Centralized E-IPO System (CES) has been developed through CDC, in collaboration with 1-Link (G) Limited. Through CES, investors can submit applications electronically via internet, ATMs and mobile phones for subscription of securities of companies offered to the public. The main objectives of CES are to:

(i) bring efficiency in IPOs;
(ii) reduce cost of IPOs;
(iii) increase outreach of IPOs;
(iv) make investment through IPOs hassle free;
(v) promote culture of holding securities in book-entry form; and
(vi) increase investor base.

So far, eight (08) banks have been integrated with CES whereas 03 banks are providing E-IPO services through their own independent E-IPO facilities.

Future plans with regard to development of debt capital markets:

Revamping of the Companies (Asset Backed Securitization) Rules, 1999;
Formulation of regulations for listing and trading privately placed debt securities; and
Facilitation of Pakistan Mortgage Refinance Company (PMRC) in fund raising from debt capital markets.

Source: Securities and Exchange Commission of Pakistan

Comprehensive public debt analysis may fall short of full disclosure without review of government's contingent liabilities. These liabilities originate out of guarantees issued on behalf of Public Sector Enterprises (PSEs) and by their contingent nature, do not form part of country's overall debt. Therefore, to ensure utmost fiscal transparency, information regarding these contingent liabilities remains an essential component of public disclosure. During first half of current fiscal year, the government issued fresh/rollover guarantees aggregating to Rs 66 billion or 0.2 percent of GDP. The outstanding stock of government guarantees at end December 2017 was Rs 1,004 billion.

9.3 Progress on Medium Term Debt Management Strategy (2015/16 - 2018/19)

Government has updated its Medium Term Debt Management Strategy (2015/16-2018/19) which contains a policy advice on appropriate mix of financing from different sources with the spirit to uphold the integrity of the Fiscal Responsibility and Debt Limitation Act, 2005. Accordingly, the government needs to lengthen the maturity profile of its domestic debt and mobilize sufficient external inflows in the medium term keeping in view cost risks trade-off while remaining within the indicative risk ranges.

Table-9.3: Public Debt Cost and Risk Indicators*

Risk Indicators		Indicative Ranges (MTDS 2015/16 - 2018/19)	External Debt		Domestic Debt		Public Debt	
			2013	2017	2013	2017	2013	2017
Refinancing Risk	Average Time to Maturity (ATM) - Years	1.5 (minimum) and 2.5 - DD 3.0 (minimum) and 4.5 – PD	10.1	8.4	1.8	2.0	4.5	3.8
	Debt Maturing in 1 Year (% of total)	50% and 65% (maximum) - DD 35% and 50% (maximum) - PD	8.9	8.0	64.2	55.6	46.0	42.1
Interest Rate Risk	Average Time to Re-Fixing (ATR) - Years	1.5 (minimum) and 2.5 - DD 3.0 (minimum) and 4.5 – PD	9.2	7.5	1.8	2.0	4.2	3.5

Table-9.3: Public Debt Cost and Risk Indicators*

Risk Indicators		Indicative Ranges (MTDS 2015/16 - 2018/19)	External Debt		Domestic Debt		Public Debt	
			2013	2017	2013	2017	2013	2017
	Debt Re-Fixing in 1 year (% of total)	50% and 65% (maximum) - DD 40% and 55% (maximum) - PD	22.2	26.0	67.2	56.4	52.4	47.8
	Fixed Rate Debt (% of total)	**	83.4	77.7	39.6	54.6	54.0	61.2
Foreign Currency Risk (FX)	Foreign Currency Debt (% of total debt)	20% (minimum) and 35%					32.9	28.4
	Short Term FX Debt (% of reserves)	**					68.5	27.7

* As per modalities of MTDS (2015/16 - 2018/19)
**Not Applicable
PD: Public Debt, DD: Domestic Debt

Source: Debt Policy Coordination Office, Ministry of Finance

It is evident from the above table that all public debt risk indicators were within the indicative ranges as specified under MTDS at end June 2017. Importantly, cost and most of the debt risks indicators have significantly improved when compared with fiscal year 2013 as illustrated below:

Cost of Public Debt Portfolio

Average cost of gross public debt reduced by over 100 basis points owing to smooth execution of the MTDS and yet the indicators have witnessed improvement over the medium term. It is important to note that interest cost over last two years has remained broadly constant despite increase in the absolute quantum of public debt.

Refinancing Risk

Refinancing risk of domestic debt reduced at the end of 2016-17 as domestic debt maturing in one year reduced to 55.6 percent compared with 64.2 percent at the end of 2012-13. This improvement contributed towards improvement in average time to maturity of domestic debt to 2 years at the end of 2016-17 compared with 1.8 years at the end of 2012-13 while average time to maturity of external debt decreased to 8.4 years at the end of 2016-17 compared with 10.1 years at the end of 2012-13, primarily due to running off the existing long term external debt portfolio over last four years.

Interest Rate Risk

Exposure to interest rate risk reduced as evident from the fact that the percentage of debt re-fixing in one year decreased to 47.8 percent at the end of 2016-17 compared with 52.4 percent at the end of 2012-13, which reduced the average time to re-fixing to 3.5 years at the end of 2016-17 compared with 4.2 years at the end of 2012-13. The reduction in interest rate exposure can also be gauged from the fact that fixed rate debt as a percentage of total debt increased to 61.2 percent at the end of 2016-17 compared with 54 percent at the end of 2012-13.

Foreign Currency Risk

Share of external loans maturing within one year was around 27.7 percent of official liquid reserves at the end of 2016-17 compared with around 68.5 percent at the end of 2012-13, indicating improvement in foreign exchange stability and repayment capacity of the country.

9.4 Dynamics of Public Debt Burden

Debt burden of a country can be assessed through multiple parameters while one dimensional approach may not be suitable for delineating the “bad” from the “good”. Therefore, various solvency and liquidity indicators are employed to assess the debt burden of the country.

Table-9.4: Selected Public Debt Indicators (in percentage)

	2013	2014	2015	2016	2017
Revenue Balance* / GDP	(2.9)**	(0.7)	(1.7)	(0.8)	(0.7)
Primary Balance* / GDP	(3.6)**	(0.2)	(0.5)	(0.2)	(1.5)
Fiscal Balance / GDP	(8.2)**	(5.5)	(5.3)	(4.6)	(5.8)

Table-9.4: Selected Public Debt Indicators (in percentage)

	2013	2014	2015	2016	2017
Gross Public Debt / GDP	64.0	63.5	63.3	67.7	67.0
Total Government Debt / GDP	60.2	58.1	58.3	61.3	61.4
Gross Public Debt / Revenue	480.1	439.7	442.1	442.5	433.6
Total Government Debt / Revenue	452.1	402.0	406.7	400.8	397.7
Debt Service / Revenue	40.5	40.1	40.4	35.9	38.3
Interest Service / Revenue	33.2	31.6	33.2	28.4	27.3
Debt Service / GDP	5.4	5.8	5.8	5.5	5.9

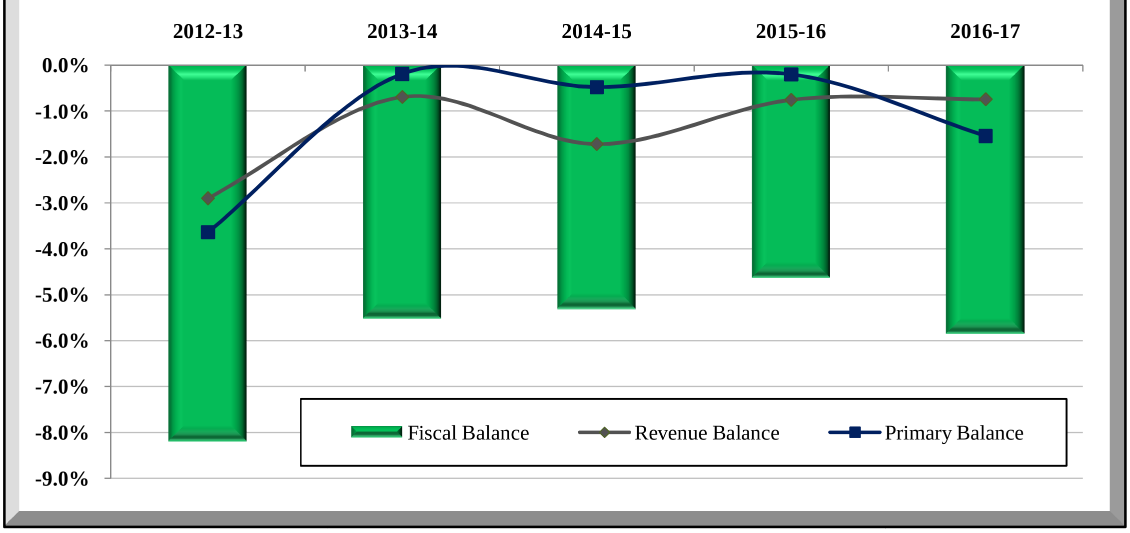
*Adjusted for grants

** includes payment for the resolution of the circular debt amounting to Rs 322 billion or 1.4 percent of GDP

Source: Debt Policy Coordination Office Staff Calculations, Ministry of Finance

The revenue deficit[1], which excludes development expenditure, recorded at 0.7 percent of GDP during 2016-17 compared with 0.8 percent during 2015-16. This improvement was supported by higher growth in revenues which outpaced growth in current expenditures during 2016-17. Thus, from expenditure side, fiscal deficit was driven largely by increase in development expenditures and recorded at 5.8 percent of GDP during 2016-17 compared with 4.6 percent during 2015-16. Similarly, the primary deficit[2], which excludes interest payments, increased to 1.5 percent of GDP during 2016-17 from 0.2 percent during 2015-16 owing to the same reason. The consolidated development expenditures increased significantly during last few years owing to number of ongoing infrastructure projects. Accordingly, actual PSDP spending at federal level and annual development plan at provincial level cumulatively grew from Rs 695 billion in 2012-13 to Rs 1,577 billion in 2016-17. This increase in development expenditures was also supported by relatively contained interest payments during last few years which created additional fiscal space for development spending. During first half of current fiscal year, revenue deficit was recorded at 0.4 percent of GDP while primary deficit was recorded at 0.1 percent of GDP. The trends in fiscal, revenue and primary balance are depicted in the graph below:

Fig-9.2: Trends in Fiscal, Revenue and Primary Balance (In percent of GDP)

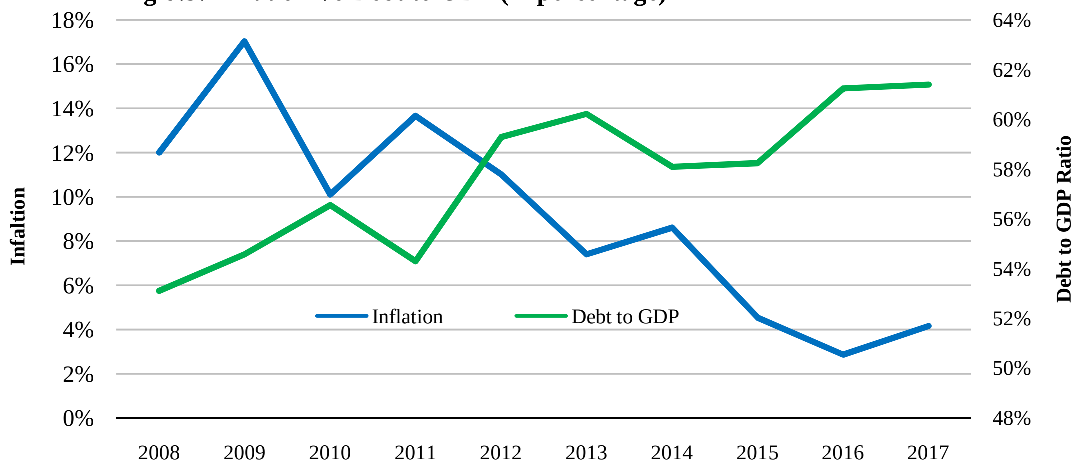


[1]Revenue balance is the total revenues minus current expenditure. The persistence of revenue deficit indicates that the government is not only borrowing to finance its development expenditure, but partially to finance its current expenditure.

[2]Primary balance is the total revenues minus non-interest expenditure or fiscal deficit before interest payments. Primary balance is an indicator of current fiscal efforts since interest payments are predetermined by the size of previous deficits.

Pakistan witnessed a marginal increase of 1.2 percent (from 60.2 percent in 2013 to 61.4 percent in 2017) in its Total Government Debt to GDP ratio during last four years while during the same period, global debt to GDP ratio went up by about 8 percent[3]. The analysis of debt to GDP ratio over past few years reveals that during periods of high inflation, debt to GDP ratio performs relatively better as the denominator becomes larger and this ratio was accordingly contained below 60 percent even when real GDP growth was merely half a percent e.g. 2008-09. While higher inflation could help reduce debt-to-GDP ratio, yet it has other repercussions for the economy. Therefore, economic managers would always prefer high real GDP growth coupled with low inflation rather than low real GDP growth with high inflation. During 2016-17, actual inflation stood at around 4 percent against target of 6 percent, causing nominal GDP at Rs 31,963 billion against target of Rs 33,509 billion. Therefore, debt to GDP ratio inched slightly up mainly owing to lower than anticipated inflation.

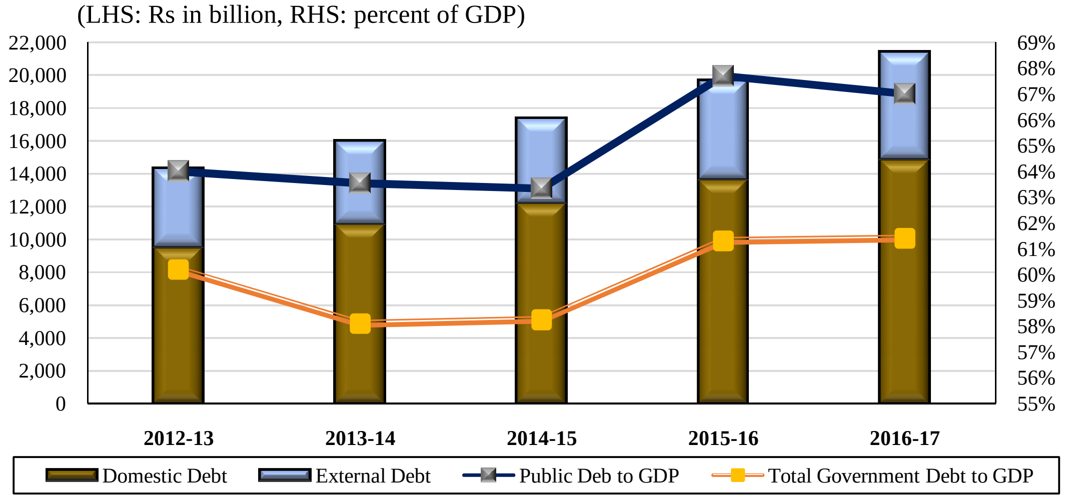
Fig-9.3: Inflation Vs Debt to GDP (in percentage)



*Correlation coefficient (ρ) between inflation and debt to GDP ratio = - 0.82

The public debt position since fiscal year 2013 (both in absolute and GDP terms) are depicted in the following graph:

Fig-9.4: Profile of Public Debt
(LHS: Rs in billion, RHS: percent of GDP)



[3]Source IMF World Economic Outlook

The table below shows summary of debt to GDP ratio of few developed and developing economies:

Table-9.5: Country Wise Total Government Debt to GDP Ratio (in percentage)

Country	2013	2014	2015	2016	2017
United States	81.5	80.9	80.5	81.4	82.4
United Kingdom	77.7	79.6	80.4	80.7	80.4
Japan	117.3	118.9	118.3	119.7	119.9
India	68.5	68.5	69.5	69.5	67.7
Srilanka	70.8	70.7	76.0	77.3	79.5
Egypt	73.7	77.1	78.8	88.1	93.6
Pakistan	60.2	58.1	58.3	61.3	61.4

Source: IMF World Economic Outlook

It is evident from the table above that developed countries like USA, UK and Japan also carry significant debt and maintain levels as high as 80 to over 100 percent of their GDPs, well over Pakistan's debt to GDP levels. Even in the developing country peer group, Egypt, Srilanka and India carry higher debt to GDP levels than that of Pakistan.

Comparing debt service to a country's repayment capacity yields the best indicator for analyzing whether a country is likely to face debt servicing difficulties in a given period. Public debt servicing consumed nearly 38 percent of total revenues out of which interest servicing consumed around 27 percent of the same during 2016-17 compared with 33 percent during 2012-13.

Public debt levels against actual government revenues provide important insight into debt repayment capacity of the country. There was around 9 percentage point reduction in public debt to government revenues ratio which stands at 434 percent in 2016-17 compared with 443 percent in 2015-16, while total government debt to government revenues reduced by around 3 percentage point during 2016-17 as compared with previous fiscal year, indicating some easing in government indebtedness. Encouragingly, growth in revenues outstripped growth in public debt and accordingly debt repayment capacity improved during 2016-17. Government is committed to reduce this ratio to generally acceptable threshold of 350 percent to further improve debt carrying capacity of the country.

9.5 Servicing of Public Debt

Public debt servicing was recorded at Rs 980 billion during first half of current fiscal year against the annual budgeted estimate of Rs 1,689 billion. Public debt servicing consumed nearly 41 percent of total revenues during first half of current fiscal year, remaining at the same level recorded during the corresponding period last year.

Table-9.6: Public Debt Servicing (Rs in billion)

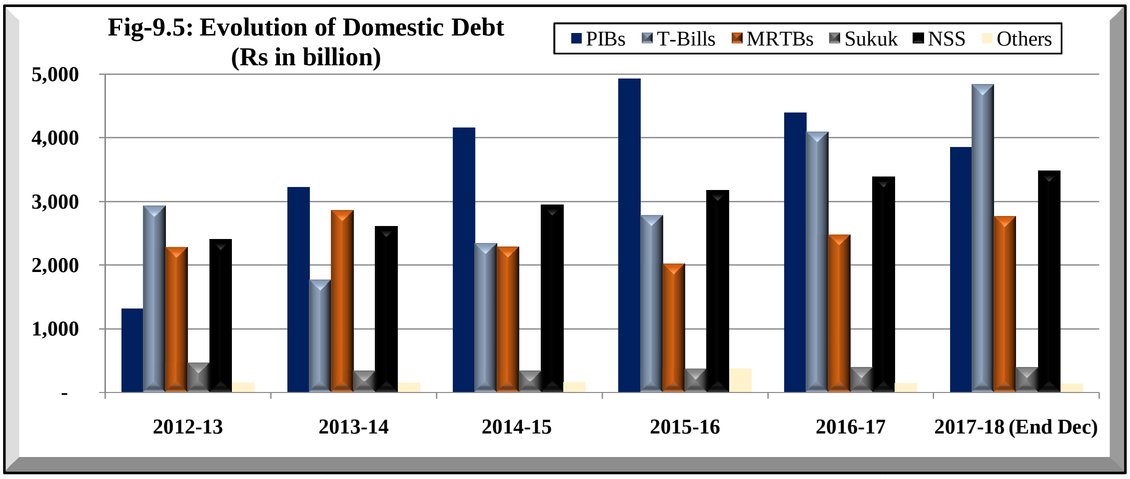
	2017-18*			
	Budgeted	Actual	Percent of Revenue	Percent of Current Expenditure
Repayment of External Debt	326.4	228.2	9.6	9.0
Total External Principal Repayment (A)	**326.4**	**228.2**	**9.6**	**9.0**
Servicing of External Debt	132.0	73.5	3.1	2.9
Servicing of Domestic Debt	1,231.0	678.0	28.4	26.6
Total Interest Servicing (B)	**1,363.0**	**751.4**	**31.5**	**29.5**
Total Servicing of Public Debt (A+B)	**1,689.4**	**979.7**	**41.1**	**38.5**
*: July-December				

Source: Budget Wing and Debt Policy Coordination Office Staff Calculations, Ministry of Finance

Domestic interest payments constituted around 69 percent of total debt servicing due to higher volume of domestic debt in total public debt portfolio. Domestic interest payments were recorded at Rs 678 billion during first half of the current fiscal year primarily driven by payments made against Pakistan Investment Bonds (Rs 229 billion), National Savings Schemes (Rs 169 billion), Market Treasury Bills (Rs 151 billion) and Market Related Treasury Bills (Rs 87 billion).

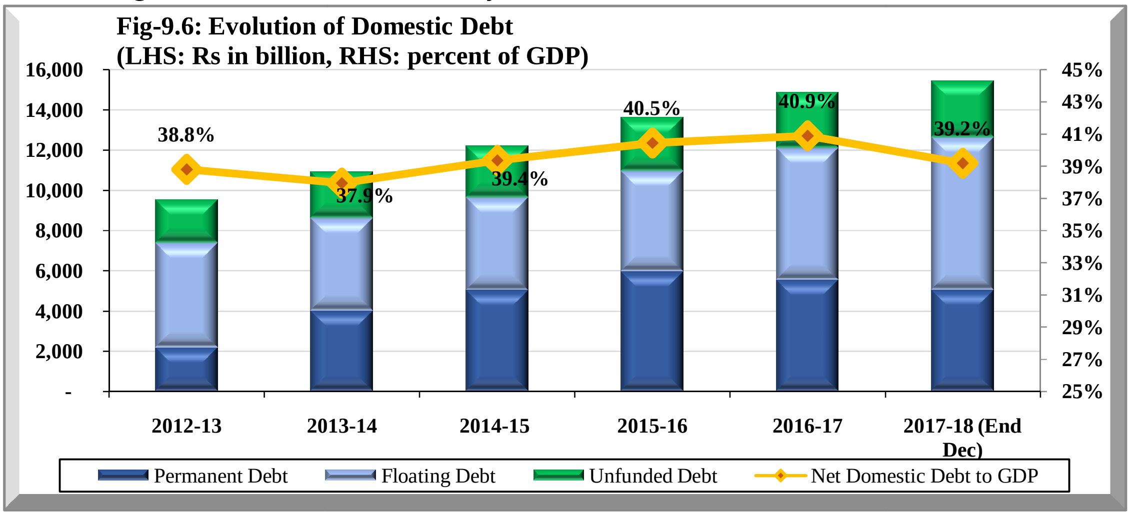
9.6 Domestic Debt

Pakistan's domestic debt comprises permanent debt (medium and long-term), floating debt (short-term) and unfunded debt (primarily made up of various instruments available under National Savings Schemes). During first half of the current fiscal year, composition of domestic debt continued to witness changes as most of the domestic borrowing was mobilized from short-term sources while net retirement was witnessed in medium to long term debt. Accordingly, share of floating debt in total domestic debt increased to 49 percent at end December 2017 compared with 44 percent at the end of last fiscal year, while share of permanent debt in total domestic debt reduced to 33 percent at end December 2017 compared with 37 percent at the end of last fiscal year.



9.6.1 Outstanding Domestic Debt

Gross domestic debt was recorded at Rs 15,437 billion while net domestic debt remained at Rs 13,496 billion at end December 2017. Gross domestic debt registered an increase of Rs 582 billion during first half of current fiscal year while government borrowing from domestic sources for financing of fiscal deficit was Rs 412 billion during the said period. This differential is mainly attributed to increase in government credit balances with the banking system.



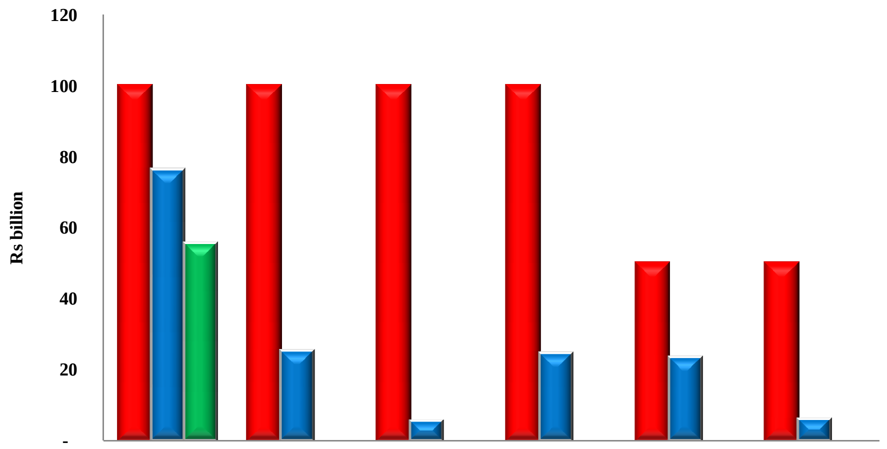
The following section highlights the developments in various components of domestic debt during first six months of current fiscal year:

I. Permanent Debt

Permanent debt mainly consists of medium to long term instruments (Pakistan Investment Bonds (PIBs), Government Ijara Sukuk (GIS), Prize Bond etc.). PIBs are non-callable instruments with fixed and semi-annual coupon payment with tenors of 3, 5, 10 and 20 years. Whereas, Government Ijara Sukuk are medium term Shariah compliant bonds currently issued in 3 years' tenor to raise money from Islamic financial institutions which have grown substantially in Pakistan in the past few years.

Permanent debt was recorded at Rs 5,038 billion at end December 2017, representing a decrease of Rs 495 billion during first half of ongoing fiscal year. Over this period, the government set the auction target of Rs 500 billion against the sale of PIBs in anticipation of upcoming maturities. These auctions attracted subdued response from market participants as the market was expecting monetary tightening, however, policy rate remained unchanged during the said period i.e. except for July 2017, all bids received against PIBs auctions during first half of the ongoing fiscal year were rejected as the rates quoted by commercial banks were on a higher side as well as amounts were not substantial. Any acceptance in these PIBs auctions may have signaled reversal in long term interest rates, which, in turn, would have had implications for the market's short term interest rate expectations.

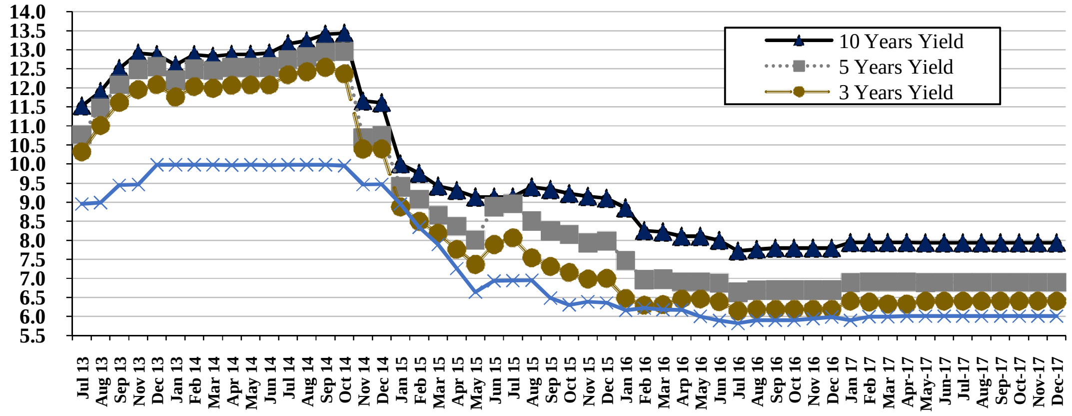
Fig-9.7: PIBs Auction Profile 2017-18 (July - December)



	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Auction Target (Rs. in billion)	100	100	100	100	50	50
Auction Participation (Rs. in billion)	76	25	6	25	24	6
Amount Accepted (Rs. in billion)	56	-	-	-	-	-

As depicted in the graph above, against the target of Rs 500 billion, government received participation of Rs 162 billion out of which government accepted only Rs 56 billion during first half of the current fiscal year. The yields (6 months T-bills, 3, 5 and 10 year PIBs) from July 2013 to December 2017 are depicted through following Graph:

Fig-9.8: T-Bills PIBs Yields (6 Months, 3, 5 & 10 Years) - In Percent



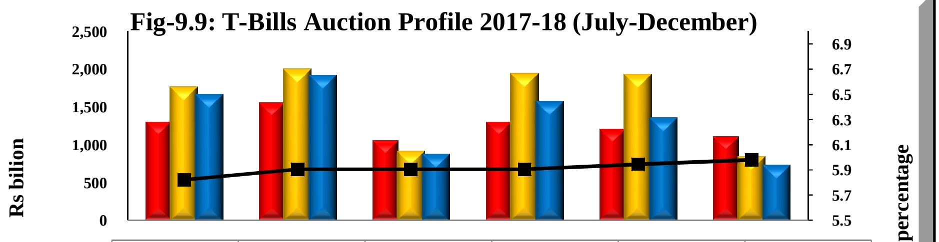
II. Floating Debt

Floating debt comprises short term domestic borrowing instruments such as Market Treasury Bills (MTBs) and State Bank borrowing through purchase of Market Related Treasury Bills (MRTBs). MTBs are zero coupon or discounted instruments issued in tenors of 3 months (introduced in 1997), 6 months (introduced in 1990) and 12 months (introduced in 1997). In order to raise short term liquidity, the government borrows from the domestic banks through auction of MTBs which is arranged by SBP twice a month.

Floating debt recorded an increase of Rs 1,032 billion during first half of current fiscal year and stood at Rs 7,589 billion at end December 2017. The increase in floating debt was higher than the overall change in domestic debt as the government retired medium to long-term debt during first half of current fiscal year. The share of floating debt in overall public debt and domestic debt stood at 33 percent and 49 percent respectively at end December 2017 while it was 36 percent and 55 percent respectively at the end of 2012-13.

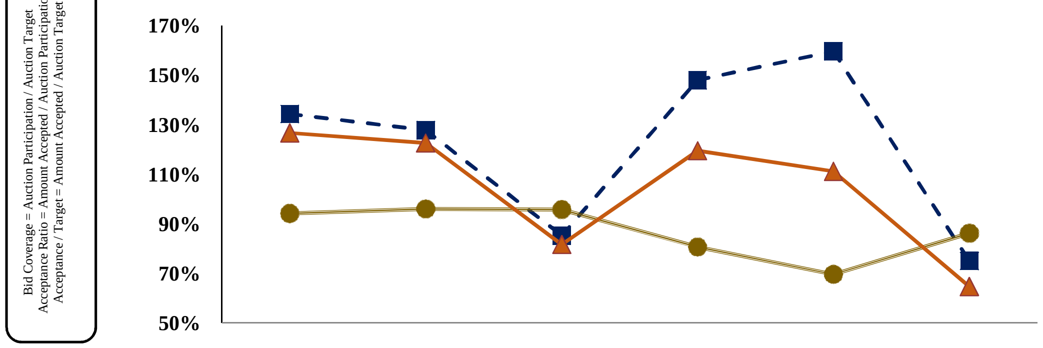
The interest rate cycle exhibited some reversal after bottoming out of policy rates and flattening of the yield curve which led the banks to reduce the duration of their fixed income portfolio to contain the effects of repricing risk while keeping intact their preference to invest at higher rates. Therefore, banks opted to tilt their portfolio towards short term MTBs. Government received significant participation of Rs 9,288 billion in the auctions of MTBs against the target of Rs 7,500 billion, however, the government mobilized Rs 8,007 billion. The auction wise details and relevant ratios related to MTBs are depicted through following graphs:

Fig-9.9: T-Bills Auction Profile 2017-18 (July-December)



	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Auction Target (Rs. in billion)	1,300	1,550	1,050	1,300	1,200	1,100
Auction Participation (Rs. in billion)	1,747	1,981	896	1,924	1,916	825
Amount Accepted (Rs. in billion)	1,646	1,902	858	1,554	1,335	712
6 month T-Bill Yield (%)	5.82	5.90	5.90	5.90	5.94	5.98

Fig-9.10: T-Bills Auction Ratios 2017-18 (July-December)



	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Bid Coverage	134%	128%	85%	148%	160%	75%
Acceptance Ratio	94%	96%	96%	81%	70%	86%
Acceptance/ Target	127%	123%	82%	120%	111%	65%

III. Unfunded Debt

The stock of unfunded debt (primarily made up of various instruments available under National Savings Schemes) stood at Rs 2,810 billion at end December 2017, constituting around 18 percent of domestic debt portfolio. The profit rates on National Savings Scheme (NSS) have remained unchanged since February 2017. Unfunded debt recorded net mobilization of Rs 45 billion during first six months of current fiscal year compared with Rs 53 billion mobilized during the same period last year. Most of the incremental mobilization came from Bahbood Savings Certificates (Rs 21 billion) and Pensioners' Benefit Account (Rs 9 billion).

Over period of time, the government has taken various measures to transform CDNS from merely a retail debt raising arm of the government to an effective vehicle for financial inclusion and provider of social safety net to the vulnerable sections of the society. In this regard, following measures are worth mentioning:

- CDNS is planning to introduce innovative products in order to increase financial inclusion of small savers and contribute towards social safety net of deserving segments of the society. In this respect, extension of Bahbood Savings Certificates ("BSCs") to disabled persons, launch of Shuhadas' Family Welfare Accounts ("SFWAs") for family members of martyrs and introduction of Overseas Pakistanis Certificates ("OPCs"), an exclusive scheme for non-resident Pakistanis are under consideration.
- Shariah compliant products are taking firm roots in Pakistani society and accordingly CDNS is working on the possibility of launching Shariah Compliant Savings Certificates.
- CDNS also became the only non-banking member of National Institutional Facilitation Technologies (Pvt.) Limited ("NIFT") – the Banking Clearinghouse. With this initiative, profits can be credited directly into investor's bank accounts, thereby offering safety and security along with access to other banking services.
- A non-financial mobile application "Qoumi Bachat Digital" has been launched which enable customers to view their profits, investments, transaction history and also save prize bond numbers to be searched in the Prize Bond draws. CDNS also entered into an agreement with the World Bank to roll-out Core Bank System, Enterprise Resource Planning (ERP), Data Warehouse and Business Intelligence tools to streamline operations going forward.

Table-9.7: Outstanding Domestic Debt						(Rs billion)
	2013	2014	2015	2016	2017(P)	2018(P) *
Permanent Debt	**2,179.2**	**4,005.3**	**5,016.0**	**5,944.2**	**5,533.1**	**5,038.0**
Market Loans	2.9	2.9	2.8	2.8	2.8	2.8
Government Bonds	0.7	0.7	0.7	0.7	0.7	0.7
Prize Bonds	389.6	446.6	522.5	646.4	747.1	792.7
Foreign Exchange Bearer Certificates	0.1	0.1	0.1	0.1	0.1	0.1
Bearer National Fund Bonds	0.0	0.0	0.0	0.0	0.0	0.0
Federal Investment Bonds	0.0	0.0	0.0	0.0	0.0	0.0
Special National Fund Bonds	0.0	0.0	0.0	0.0	0.0	0.0
Foreign Currency Bearer Certificates	0.0	0.0	0.0	0.0	0.0	0.0
U.S. Dollar Bearer Certificates	0.0	0.0	0.1	0.1	0.1	0.1
Special U.S. Dollar Bonds	4.2	4.4	4.4	4.5	4.5	4.7
Government Bonds Issued to SLIC	0.6	0.6	0.6	0.6	0.6	0.6
Pakistan Investment Bonds (PIBs)	1,321.8	3,223.5	4,158.3	4,925.0	4,391.8	3,850.8
GOP Ijara Sukuk	459.2	326.4	326.4	363.9	385.4	385.4
Floating Debt	**5,196.2**	**4,610.9**	**4,612.6**	**5,001.8**	**6,556.6**	**7,589.1**
Treasury Bills through Auction	2,921.0	1,758.6	2,331.3	2,771.6	4,087.7	4,829.7
Rollover of Treasury Bills discounted SBP	0.5	0.5	0.5	0.5	0.5	0.5
Market Related Treasury Bills (MRTBs)	2,274.7	2,851.8	2,280.9	2,017.1	2,468.4	2,551.6
Outright Sale of MRTBs to Banks	-	-	-	-	-	207.3
Bai Muajjal	-	-	-	212.6	-	-
Unfunded Debt	**2,146.5**	**2,303.8**	**2,570.3**	**2,680.9**	**2,765.3**	**2,810.4**
Defence Savings Certificates	271.7	284.6	300.8	308.9	325.5	331.6
Khas Deposit Certificates and Accounts	0.6	0.6	0.6	0.6	0.5	0.5
National Deposit Certificates	0.0	0.0	0.0	0.0	0.0	0.0
Savings Accounts	22.3	22.6	26.4	29.2	34.9	35.9
Mahana Amdani Account	2.0	1.9	1.8	1.8	1.7	1.7
Postal Life Insurance	67.1	67.1	67.1	67.1	45.8	46.1
Special Savings Certificates and Accounts	734.6	738.8	867.5	896.5	922.4	926.3
Regular Income Scheme	262.6	325.4	376.0	359.8	338.8	343.9
Pensioners' Benefit Account	179.9	198.4	214.1	234.7	253.4	262.7
Bahbood Savings Certificates	528.4	582.4	628.3	692.1	749.5	770.7
National Savings Bonds	0.2	0.2	0.1	0.1	0.1	0.1
G.P. Fund	73.1	80.5	85.8	88.3	88.8	87.2
Short Term Savings Certificates	4.0	1.3	1.7	1.9	3.7	3.6
Total Domestic Debt	**9,521.9**	**10,920.0**	**12,198.9**	**13,626.9**	**14,855.0**	**15,437.4**

P: Provisional, *end-December, 2017

Source: Budget Wing, Finance Division and State Bank of Pakistan

9.6.2 Secondary Market Activities in the Marketable Government Securities:

Pakistan has a mature and vibrant secondary market for marketable government debt securities. During first eight months of 2017-18, the secondary market trading volumes witnessed significant increase. Overall, trading volume of government securities was Rs 18,612 billion during July-February, 2017-18 as against Rs 14,779 billion during complete year in 2016-17. Consequently, average daily trading volume increased to Rs 113 billion in July-February 2017-18 from Rs 60 billion in 2016-17. Accordingly, the turnover ratio also surged to 2.01 in 2017-18 (July-February) from 1.64 in 2016-17. The significant increase in secondary market trading volumes and turnover ratio is explained primarily by higher issuances of liquid 03-months MTBs and lower issuances of PIBs and GIS, which exhibits greater buy-and-hold behavior of long-horizon investors.

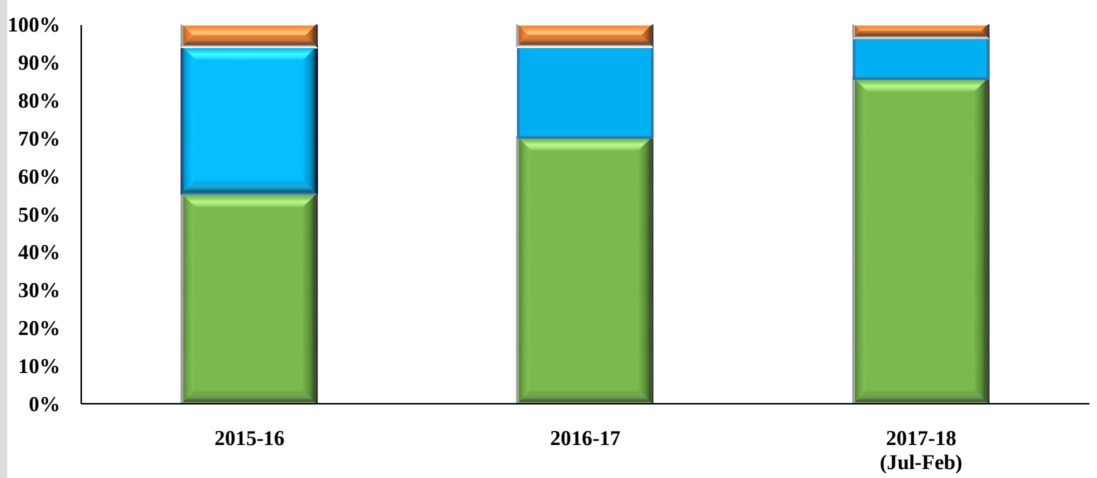
Table 9.8: Secondary Market Trading Volumes — Rs billion

Government Security	2015-16	2016-17	2017-18 (Jul-Feb)
Treasury Bill - 3 Months	1,369	4,954	12,974
Treasury Bill - 6 Months	2,142	3,069	2,769
Treasury Bill - 12 Months	2,720	2,361	232
Sub Total	**6,230**	**10,384**	**15,975**
Pakistan Investment Bonds - 3 Years	2,387	1,480	755
Pakistan Investment Bonds - 5 Years	959	1,193	621
Pakistan Investment Bonds - 10 Years	1,018	853	588
Pakistan Investment Bonds - 15 Years	3	4	10
Pakistan Investment Bonds - 20 Years	10	19	11
Sub Total	**4,378**	**3,549**	**1,986**
Government Ijara Sukuk	653	846	651
Grand Total	**11,261**	**14,779**	**18,612**
Daily Average volume	**44.9**	**60.3**	**112.8**
End Period Stock	8,199	8,991	9,281
Turnover ratio	1.37	1.64	2.01

Source: State Bank of Pakistan

Encouragingly, the share of outright trading in the overall trading volumes, which include repo and outright trades has increased to 55 percent in 2017-18 (July-February) from 43 percent in 2016-17. Among the securities, MTBs comprised of about 86 percent (Rs 15,975 billion) of the overall secondary market trading in marketable government securities during July-February, 2017-18. It is worth noticing that nearly 81 percent (Rs 12,974 billion) of trading in MTBs was in 3-month alone. On the other hand, the secondary market trading in both PIBs and GIS recorded at Rs 1,986 billion and Rs 651 billion in 2017-18 (July-February) compared with Rs 2,528 billion and Rs 615 billion respectively in corresponding period of 2016-17. This fall in trading volumes in PIBs is mainly attributed to lack of fresh issuances.

Fig-9.11: Share of Government Securities in Overall Trade Volume



Repo Market

The trend of rising trade volumes of repo in the secondary market continued in 2017-18 (July-February) as Rs 14,950 billion were traded for liquidity management in the interbank market compared with Rs 12,450 billion during the same period of 2016-17. Among the repo trades, 77 percent of the volume was generated in the overnight repo market. The significantly large trade volumes and high liquidity in the repo market for government securities mean that investors can efficiently meet their temporary liquidity needs from domestic money market.

Table 9.9: Government Securities Based Transactions

Type	Volumes (PKR billion)			Market Share (%)		
	2015-16	2016-17	2017-18 (Jul-Feb)	2015-16	2016-17	2017-18 (Jul-Feb)
Repo	13,469	19,609*	14,950	54	57	45
Outright	11,261	14,779	18,612	46	43	55
Total	**24,730**	**34,388**	**33,562**	**100**	**100**	**100**

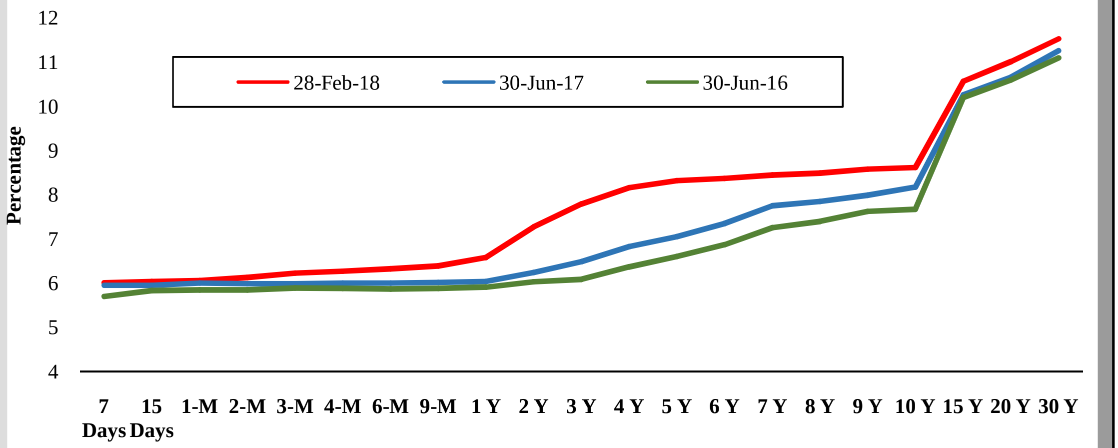
*The table provides full year data for 2016-17. Please note that in 2016-17 (Jul-Feb), Rs 12,450 billion were traded in repo market.

Source: State Bank of Pakistan

Secondary Market Yield Curve:

The market views that the interest rates have bottomed out and the 25 basis points policy rate hike by SBP in January 2018 led to an overall upward shift in the yield curve in February 2018 compared with the yield curves as of end-June 2015-16 and 2016-17. While the yield curves at end-June 2015-16 and 2016-17 were largely similar, the slight upward shift, particularly up to one-year horizon, in the end-February, 2017-18 yield curve indicates effective translation of 25 basis points policy hike by SBP.

Fig-9.12: Yield Curves



9.7 External Debt and Liabilities

Pakistan's External Debt and Liabilities (EDL) include all foreign currency debt contracted by the public and private sector as well as foreign exchange liabilities of SBP. Out of EDL, external public debt is defined as debt which is serviced out of consolidated fund and owed to the International Monetary Fund.

EDL stock stood at US$ 88.9 billion at end December 2017 out of which external public debt was US$ 66.9 billion. External public debt increased by US$ 4.4 billion during first half of the current fiscal year. In addition to net external inflows, translational losses on account of depreciation of US Dollar against other international currencies contributed towards increase in external public debt during the said period.

Encouragingly, within external public debt, the largest component is multilateral and bilateral debt, constituting around 81 percent. The loans from multilateral and bilateral development partners are primarily aimed at removing structural bottlenecks from Pakistan's economy. These concessional and long term loans are primarily utilized towards implementing structural reforms in areas of energy, taxation, doing business, trade facilitation, education and promotion of small and medium enterprises (SMEs). Such concessional lending programs are instrumental in enhancing Pakistan's potential output by promoting efficiency and productivity. These development loans are, thus, simultaneously adding to the debt repayment capacity of the country.

Table-9.10: Pakistan External Debt and Liabilities (US Dollar in billion)

	2013	2014	2015	2016	2017 (P)	2018 (P)*
PUBLIC EXTERNAL DEBT						
1. Public Debt (i+ii+iii)**	**48.1**	**51.3**	**50.9**	**57.7**	**62.5**	**66.9**
i). Medium and Long Term(>1 year)	**43.5**	**47.7**	**45.8**	**50.0**	**55.5**	**59.4**
Paris Club	13.5	13.6	11.7	12.7	12.0	11.9
Multilateral	24.2	25.8	24.3	26.4	27.6	27.9
Other Bilateral	2.9	3.4	3.9	4.4	5.8	6.5
Euro Bonds/Saindak Bonds	1.6	3.6	4.6	4.6	4.8	7.3
Military Debt	0.1	0.0	-	-	-	-
Commercial Loans/Credits	-	0.2	0.3	0.9	4.8	5.3
Local Currency Bonds**	0.0	0.0	0.0	0.0	-	-
Saudi Fund for Development	0.2	0.1	0.1	0.1	0.0	0.0
SAFE China Deposits	1.0	1.0	1.0	1.0	0.5	0.5
NBP/BOC Deposits	-	-	-	-	-	-
ii). Short Term (<1 year)	**0.3**	**0.7**	**1.0**	**1.7**	**0.9**	**1.2**
Commercial Loans/Credits	-	0.2	-	0.6	-	0.3
Multilateral	0.3	0.4	1.0	1.1	0.8	0.9
Local Currency Securities**	0.0	0.1	0.0	0.0	0.1	-
iii). IMF	**4.4**	**3.0**	**4.1**	**6.0**	**6.1**	**6.3**
of which Central Government	1.5	0.7	0.1	-	-	-
Monetary Authorities	2.9	2.4	4.1	6.0	6.1	6.3
PUBLICLY GUARANTEED DEBT						
2) Publicly Guaranteed Debt	**0.6**	**0.5**	**1.0**	**1.3**	**1.2**	**1.4**
i). Medium and Long Term(>1 year)	0.6	0.5	1.0	1.3	1.2	1.4
Paris Club	-	-	-	-	-	-
Multilateral	0.0	0.0	0.0	0.0	0.0	0.0
Other Bilateral	0.6	0.5	1.0	1.3	1.2	1.2
Commercial Loans/Credits	-	-	-	-	-	0.2
Saindak Bonds	-	-	-	-	-	-
ii). Short Term (<1 year)	-	-	-	-	-	-
NON PUBLIC DEBT						
3. Private Sector Debt	**3.1**	**3.1**	**3.0**	**4.1**	**6.5**	**7.2**
4. Public Sector Enterprises (PSEs Debt)	**1.2**	**1.5**	**1.5**	**1.5**	**1.5**	**1.5**
5. Banks	**1.6**	**2.0**	**2.3**	**2.7**	**4.5**	**4.7**
Borrowing	0.7	1.1	1.3	1.6	3.3	3.5
Non-resident Deposits (LCY & FCY)	0.8	0.9	1.0	1.1	1.2	1.2
6. Debt liabilities to direct investors - intercompany debt	**3.1**	**3.4**	**2.7**	**3.0**	**3.3**	**3.5**
Total External Debt (1 through 6)	**57.8**	**62.0**	**61.5**	**70.3**	**79.5**	**85.2**
FOREIGN EXCHANGE LIABILITIES						
7. Foreign Exchange Liabilities	3.1	3.3	3.7	3.6	3.6	3.7
Total External Debt & Liabilities (1 through 7)	**60.9**	**65.3**	**65.2**	**73.9**	**83.1**	**88.9**

P: Provisional *end-December, 2017 **excluding local currency bonds/securities since they are already included in domestic debt

Source: Economic Affairs Division &State Bank of Pakistan

Gross external loan disbursements recorded at US $5,692 million during first half of the current fiscal year, registered an increase of 44 percent compared with corresponding period of last year. The details of gross external inflows from main creditors during first half of 2017-18 are as follows:

- Disbursements from multilateral and bilateral development partners were US$

2,028 million. Within multilateral loans, inflows were largely for the purpose of energy and infrastructure projects while inflows from bilateral loans were mainly received from China against CPEC projects.

- Government raised US$ 2,500 million in December 2017 through a 5-year Sukuk and 10-year conventional bond;
- Remaining funds were mobilized from commercial banks aimed at diversifying avenues for future funding needs.

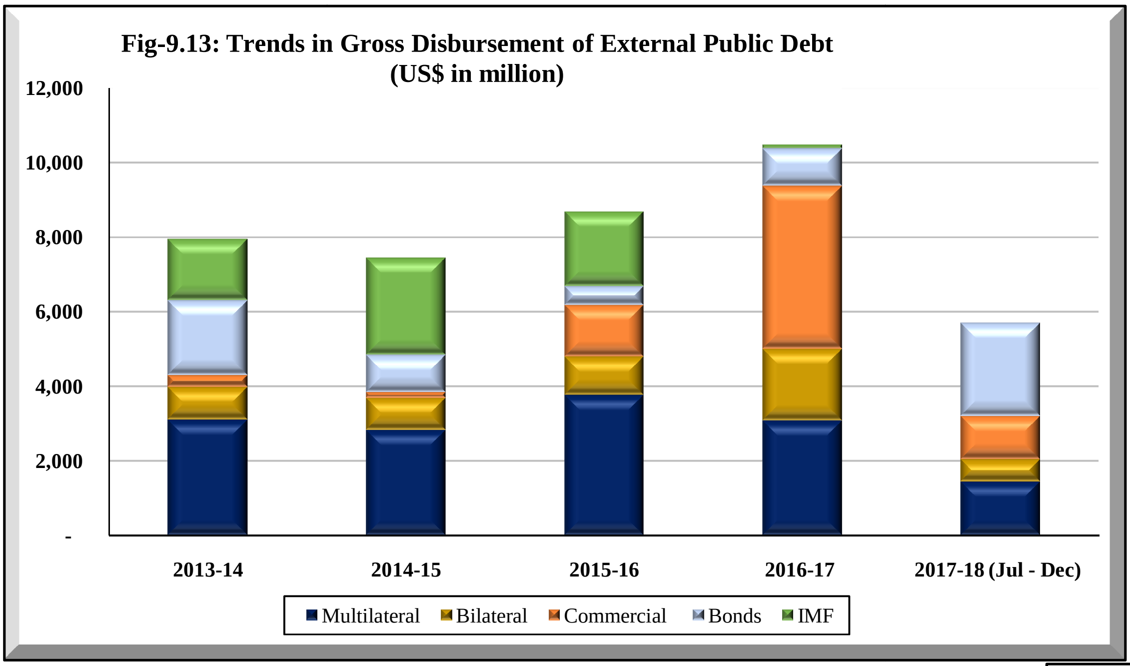
The creditor wise disbursements are presented in the table below:

Table-9.11: Creditor Wise Disbursements Details (July-December, 2017-18)

Financing Source	Donor	Disbursements (US$ in million)
Multilateral	Islamic Development Bank	750
	Asian Development Bank	443
	International Development Association	132
	International Bank for Reconstruction and Development	87
	Others	25
Multilateral Total (A)		**1,437**
Bilateral	China	507
	Japan	47
	Saudi Arabia	23
	Others	14
Bilateral Total (B)		**591**
Eurobonds/Sukuk (C)	**Eurobond/Pakistan International Sukuk**	**2,500**
Commercial Banks	ICBC-China	500
	Citi Bank	267
	SUISSE AG,UBL,ABL	255
	SCB (London)	142
Commercial Banks Total (D)		**1,164**
Grand Total (A+B+C+D)		**5,692**

Source: Economic Affairs Division

The trends in gross disbursement of external loans from 2014 are shown in the graph below:



9.7.1 External Debt Servicing

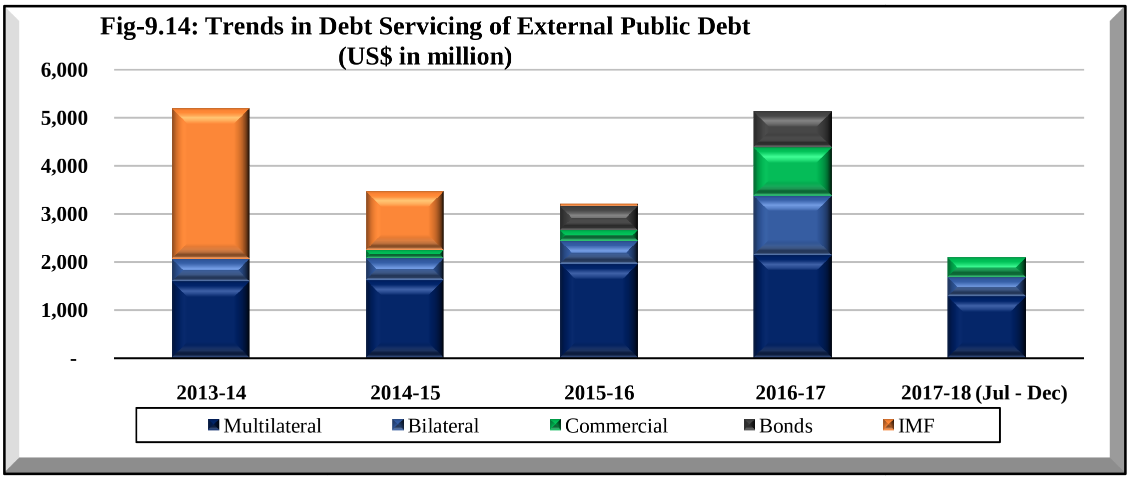
External public debt servicing went up by 48 percent to settle at US$ 6,440 million during 2016-17 compared with US$ 4,340 million during the preceding fiscal year. The higher repayments against multilateral loans, Eurobonds, Paris Club Countries and commercial loans mainly led to this increase. In addition, the government repaid Safe China Deposits amounting US$ 500 million.

Table-9.12: External Public Debt Servicing

Years	Principal	Interest	Amount Rolled Over	Total
(US Dollar in million)				
2012-13	4,794.6	800.4	500.0	6,095.1
2013-14	5,220.0	774.6	1,000.0	6,994.5
2014-15	3,500.3	974.5	1,000.0	5,474.8
2015-16	3,213.1	1,126.7	1,248.3	5,588.1
2016-17	5,126.7	1,313.2	500.0	6,939.9
2017-18*	2,082.5	782.6	-	2,865.1
*July-December, 2017				

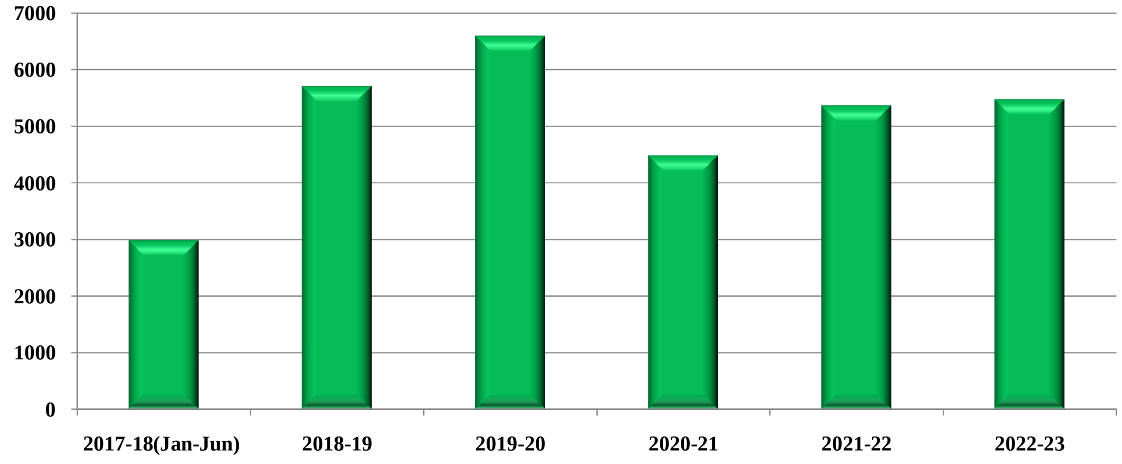
Source: Source: SBP, Economic Affairs Division and Debt Policy Coordination Office , M/o of Finance

During first half of the current fiscal year, servicing of external public debt was recorded at US$ 2,865 million. Segregation of this aggregate number shows repayment of US$ 2,083 million towards maturing external public debt stock while interest payments were US$ 783 million. The main components of debt servicing were repayment against multilateral and bilateral loans which amounted to US$ 1,069 million during the period. The trends in external debt servicing from 2014 are shown in the graph below:



A country can achieve external debt sustainability if it can meet its current and future external debt service obligations, without debt rescheduling or accumulation of arrears and without compromising growth. External public debt repayment obligations of Pakistan are not more than an average of US$ 5.5 billion per annum until 2023. Keeping in view the track record of the country, the repayments should not raise any concern as Pakistan has successfully met higher repayment obligations even with much lower volume of foreign exchange reserves. Furthermore, external inflows are expected to be sufficient to meet these repayment obligations. Government is cognizant of developing trends in balance of payments and has taken several remedial measures to keep current account deficit within manageable limits. The projected external public debt repayment based on outstanding at December 31, 2017 is presented through the graph below:

Fig-9.15: External Public Debt Repayment Projections (US$ in million)
(Based on Outstanding at December 31, 2017)



9.7.2 Impact of Exchange Rate Fluctuations

In Pakistan, external loans are contracted in various currencies, however, disbursements are effectively converted into Pak Rupee. Since Pak Rupee is not an internationally traded currency, other international currencies are bought and sold via selling and buying of US Dollar. Hence, the currency exposure of foreign debt originates from two sources: US Dollar/other foreign currencies and Pak Rupee/US Dollar. Thus, any movement in international currencies (in which debt is contracted) and PKR vis-à-vis US Dollar can change the dollar and Pak Rupee value of external debt respectively. While it must be taken into account that domestic debt does not carry currency risk since it is denominated in Pak Rupee.

In addition to net external inflows, depreciation of US Dollar against other international currencies resulted in increase in US Dollar value of external public debt, primarily driven by depreciation of US Dollar against Euro and SDR by 4.9 percent and 2.3 percent respectively. In Dollar terms, external public debt recorded at US$ 66.9 billion at end December 2017, registering a growth of 6.9 percent over June 2017 while in Pak Rupee terms, the external public debt increased by 12.6 percent to reach at Rs 7,382 billion at end December 2017. This difference in growth is primarily attributed to Pak Rupee depreciation against US Dollar during first half of current fiscal year.

9.7.3 External Debt Sustainability

The external debt sustainability can be assessed through two types of indicators; (i) solvency indicators and (ii) liquidity indicators. Solvency indicator such as external debt-to-GDP ratio shows debt bearing capacity while liquidity indicators such as external debt servicing to foreign exchange earnings ratio shows debt servicing capacity of the country.

Table-9.13: External Debt Sustainability Indicators

(In percent)	2013	2014	2015	2016	2017
ED/FEE (times)	1.0	1.0	1.0	1.1	1.2
ED/FER (times)	4.4	3.6	2.7	2.5	2.9
ED/GDP (Percentage)	20.8	21.0	18.8	20.7	20.5
ED Servicing/FEE (Percentage)	11.1	11.7	8.5	8.5	12.4

FEE: Foreign Exchange Earnings; ED: External Public Debt; FER: Foreign Exchange Reserves
Note: The above ratios are calculated based on US Dollar amounts.

Source: Debt Policy Coordination Office, Ministry of Finance

External public debt to GDP ratio decreased to 20.5 percent at the end of 2016-17 from 20.7 percent at the end of 2015-16 while it was 20.8 percent at the end of 2012-13, indicating relative reduction in external debt burden of the country. Higher repayments coupled with translational gain on account of appreciation of US Dollar against other international currencies resulted in reduction of this ratio at the end of 2016-17. By end December 2017, this ratio stood at 21.4 percent.

ED to FEE ratio increased marginally and settled at 1.2 times during 2016-17 compared with 1.1 times during 2015-16. Similarly, ED Servicing to FEE ratio increased to 12.4 percent in 2016-17 from 8.5 percent in 2015-16 while this ratio stood at around 10.7 percent during first half of current fiscal year. The lower growth in FEE during 2016-17 led to increase in these ratios which can be mainly attributed to:

- Stagnation in exports largely due to global economic conditions, low commodity prices and bottlenecks in the energy and infrastructure sectors of the economy; and
- Workers' remittances remained marginally lower than the preceding fiscal year due to adverse economic conditions in the Middle East, stringent USA regulations and impact of Brexit.

Reduction in external debt in relation to foreign exchange reserves reflects consolidation of foreign exchange reserves and general improvement in country's repayment capacity. This ratio started improving since 2012-13 from 4.4 times towards 2.9 times at the end of 2016-17. While moderate decline in foreign exchange reserves on account of increase in current account deficit during 2016-17 led to a slight decline in this ratio during the said period. It is important to note that increase in current account deficit was mainly due to increase in imports of machinery, industrial raw material and petroleum products. These imports are enhancing the productive capacity of the economy for higher output and exports in future. At end December 2017, this ratio increased and recorded at 3.3 times.

9.8 Pakistan's Link with International Capital Market

The issuance of Eurobonds has had great significance for Pakistan as it not only introduced Pakistan back into international capital market but has also allowed access to foreign sources for building country's reserves that paved the way for exchange rate stability. Further, the proceeds from Eurobonds were utilized to retire the expensive domestic debt.

Pakistan tapped the international capital markets in December 2017, raising US$2.5 billion via a dual tranche issuance which included a US$1 billion 5-year Sukuk and a landmark US$1.5 billion 10-year conventional bond. The conventional issuance was important, being the largest single tranche ever raised by Pakistan at the lowest coupon rate of 6.875 percent for a 10-year bond. The order book for Pakistan's sovereign paper was over US$ 8 billion. However, the government decided to pick up only US$ 2.5 billion in order to ensure low final yields on Sukuk and Eurobond. Such oversubscription and overwhelming response of global investors is evidence of trust and confidence of international capital markets in the economic policies of the government. The orders were placed by numerous blue chip institutional international investors from all across the globe. Around 44 percent of the orders were placed by investors from Europe, 24 percent from Asia, 20 percent from North America, 8 percent Middle East and 12 percent from other regions.

Pakistan's international Eurobonds and Sukuk have generally traded well since 2015 till end 2017, with Pakistan 2016, 2017, 2019, 2024 and 2036 bonds broadly trading at a premium during this period. Since February 2018, there has been a change in global markets, with 10-year UST benchmark briefly touching a 4-year high and subsequent increase in rates by the US Fed adding to the volatility. As a result of contractionary monetary policy environment and other market factors coupled with macro-economic developments, there has been an increase in yields of Pakistan bonds and Sukuk in the secondary market with all instruments apart from Pakistan 2024 and 2025 are currently trading at a discount. However, Pakistan Eurobond market is moving towards stability after witnessing some volatility both from domestic and international fundamentals. It is evident from the fact that the yield on 10-year bond with a maturity of 2027 has reduced by 75 basis points after incorporating recent impact of FED rate hike and PKR depreciation.

International Yield Environment:

The US Federal Reserve raised rates in March 2018 for the sixth time since the policy making Federal Open Market Committee began raising interest rates in December 2015. This was accompanied by a more bullish economic forecast for the US economy. Despite increase in benchmark rates, EM issuances have continued to remain strong with several sovereigns in the single B rating category accessing markets in first quarter of 2018.

Table-9.14: Secondary Trading Levels:

Bond	Ratings			Maturity	Size ($ in million)	Coupon (%)	Price	Yield (%)
	M	S&P	F					
EM Sovereign Bonds								
Pakistan	B3	B	--	Apr-19	1,000	7.25	101.9	5.4
Pakistan (Sukuk)	B3	B	--	Dec-19	1,000	6.75	101.9	5.6
Pakistan (Sukuk)	B3	B	B	Oct-21	1,000	5.50	98.1	6.1
Pakistan	B3	B	--	Apr-24	1,000	8.25	105.0	7.2
Pakistan	B3	B	B	Sep-25	500	8.25	105.1	7.3
Pakistan	B3	B	--	Mar-36	300	7.875	96.4	8.3
Pakistan (Sukuk)	B3	B	--	Dec-22	1,000	5.625	95.6	6.7
Pakistan	B3	B	--	Dec-27	1,500	6.875	95.1	7.6

Source: Reuters, 13th March 2018

9.9 Recent Developments in Public Debt

Total public debt provisionally stood at Rs 23,608 billion at end February 2018 while Total Debt of the Government was Rs 21,552 billion. Gross Domestic debt recorded an increase of Rs 1,093 billion during first eight months of current fiscal year while external debt increased by Rs 1,107 billion. In addition to financing of fiscal deficit, (i) increase in credit balances of the government with banking system; (ii) depreciation of Pak Rupee against US Dollar; and (iii) depreciation of US Dollar against other international currencies contributed towards the increase in debt.

In-line with trends witnessed during first half of current fiscal year, increase in domestic debt was dominated by mobilization from short term floating debt while permanent debt and unfunded debt continued the same trajectory during January-February, 2018. EDL stock provisionally stood at US$ 91 billion at end February 2018 out of which external public debt was US$ 69.3 billion. Disbursements against external public debt were cumulatively recorded at around US$ 7,300 million during first eight months of current fiscal year while external public debt servicing was US$ 3,338 million during the said period. Segregation of this aggregate external debt servicing number shows repayment of US$ 2,420 million in respect of maturing external public debt stock and interest payments of US$ 918 million.

9.10 Conclusion

Government is committed to accomplish objectives outlined in the Fiscal Responsibility and Debt Limitation Act, 2005. Going forward, the prime objectives of public debt management remain: (i) fulfilling the financing needs of the government at the lowest possible cost, consistent with prudent degree of risk; (ii) broadening the investor base and having well-functioning domestic debt capital markets; (iii) lengthening of maturity profile of its domestic debt portfolio to reduce re-financing and interest rate risks; and (iv) mobilization of maximum available concessional external financing to enhance potential output of the economy by promoting efficiency and productivity, thus, simultaneously adding to the debt repayment capacity of the country. Further, it is important for the government to adopt an integrated approach for economic revival and debt reduction. Thus, implementing structural reforms that boost potential growth remain key to ensure public debt sustainability.

Chapter 10

Education

Education lays the foundation of a developed and progressive society. It empowers and creates ability among the individuals and the societies to utilize their human capabilities and builds a strong correlation with socio-economic development. In this regard, the development of a widely accessible quality and equitable education system is a critical requirement.

A National Framework has been devised for localization of Sustainable Development Goals (SDGs) at district level to improve public social service delivery for implementation of the global agenda. Goal 4 of SDGs covers the education related framework to improve the education system; the federal government has decided to enhance working relationship with the provinces by providing all possible support to ensure successful implementation of all SDGs including those related to education.

Box-I: Sustainable Development Goals (SDGs) National Framework

Goal 4: Quality Education (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all)

National Priority Targets	National Priority SDG Indicator	National Baseline 2014-15	Target 2030
By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	Proportion of children and young people: (a) in grades 2/3; (b) at the end of primary; and (c) at the end of lower secondary achieving at least a minimum proficiency level in (i) reading and (ii) mathematics, by sex	Total=57% Girls=53.0% Boys=60.0%	Total=100% Girls=100.0% Boys=100.0%
By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	Parity indices (female/male, rural/urban, bottom/top wealth quintile and others such as disability status, indigenous peoples and conflict affected, as data become available)for all education indicators on this list that can be disaggregated	GPI Primary=0.87	GPI Primary=1.0
By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy	Percentage of population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, by sex	Total=60.0% Female=49.0% Male=70.0%	Total=80.0% Female=69.0% Male=90.0%
Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all	Proportion of schools with access to : (a) electricity: (b) the Internet for pedagogical purposes; (c) computers for pedagogical purposes; (d) adapted infrastructure and materials for students with disabilities; (e) basic drinking water; (f) single sex basic sanitation facilities; and (g) basic hand washing facilities (as per the WASH indicator definitions)	Primary School Infrastructure: Electricity=53.0%; Drinking Water= 67.0%; Sanitation=67.0%	Primary School Infrastructure; Electricity= 53.0%; Drinking Water=67.0%; Sanitation=67.0%
By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States	Proportion of teachers in; (a) pre-primary; (b) Primary; (c) lower secondary; and (d) upper secondary education who have received at least the minimum organized teacher training (e.g. pedagogical training) pre-service or in-service required for teaching at the relevant level in a given country	-	-

Source: Ministry of Planning, Development & Reform

i) Pre-Primary Education

At the national level, an increase of 16.8 percent is observed in pre-primary enrolment which went up to 11,437 thousand in 2016-17 compared to 9,792 thousand in 2015-16. Enrolment is estimated to increase further by 7.8 percent i.e. from 11,437 thousand to 12,328 thousand in 2017-18. [Table10.1].

ii) Primary Education (Classes I-V)

At the national level, a total of 169.6 thousand primary schools with 475.2 thousand teachers were functional in 2016-17. An increase of 0.6 percent in primary enrolment was witnessed which increased to 21,686 thousand in 2016-17 against 21,551 thousand in 2015-16. Primary enrolment is estimated to increase to 22,521 thousand in 2017-18 [Table 10.1].

iii) Middle Education (Classes VI-VIII)

During academic year 2016-17, a total of 49.1 thousand middle schools with 455.4 thousand teachers were functional in the whole country. At national level, an increase of 1.1 percent in middle enrolment has been observed as it went up to 6,996 thousand in 2016-17 against 6,922 thousand in 2015.16. Middle enrolment is estimated to have increased by 2.8 percent i.e. from 6,996 thousand to 7,189 thousand in 2017-18 [Table 10.1].

iv) Secondary/ High School Education (Classes IX-X)

A total of 31.6 thousand high schools with 560.6 thousand teachers were functional in the country. A decrease of 1.9 percent in high school enrolment has been observed as dropped to 3,583.0 thousand in 2016-17 against 3,652.5 thousand in 2015-16. It is estimated to increase by 5.1 percent i.e. from 3583.1 thousand to 3765.2 thousand in 2017-18 [Table 10.1].

v) Higher Secondary / Inter Colleges (Classes XI-XII)

A total of 5.1 thousand higher secondary schools/inter colleges with 120.3 thousand teachers were functional in 2016-17. A decrease of 6.1 percent in higher secondary enrolment has been observed as it dropped to 1,594.9 thousand in 2016-17 against 1,698.0 thousand in 2015-16. It is estimated to increase by 9.8 percent i.e. from 1,594.9 thousand to 1750.6 thousand in 2017-18. [Table 10.1].

vi) Technical & Vocational Institutes

A total of 3.8 thousand technical & vocational institutes with 18.2 thousand teachers were functional in 2016-17. A rise of 9.4 percent in enrolment was witnessed as it increased to 344.8 thousand in 2016-17 against 315.2 thousand in 2015-16. It is projected to increase by 3.9 percent i.e. from 344.8 thousand to 358.3 thousand during 2017-18. [Table 10.1].

vii) Degree Colleges (Classes XIII-XIV)

A total of 1.4 thousand degree colleges with 37.9 thousand teachers were functional in 2016-17. An increase of 2.1 percent in enrolment was observed as it hiked to 956.4 thousand in 2016-17 against 937.1 thousand in 2015-16. It is further to increase by 13.9 percent i.e. from 956.4 thousand to 1,089.7 thousand in 2017-18. [Table 10.1].

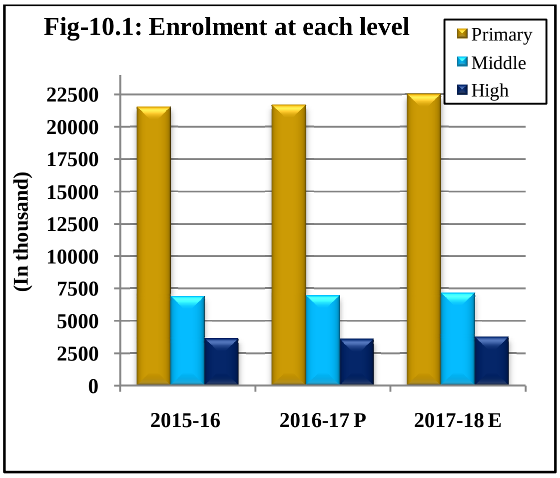
viii) Universities (Classes XV onwards)

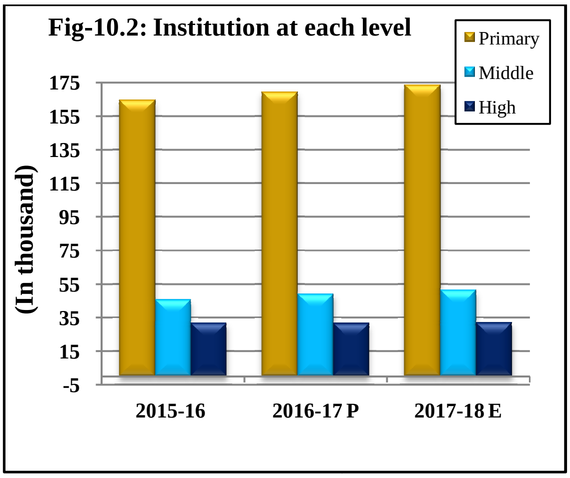
A sum of 185 universities with 58.7 thousand teachers were functional in higher education in 2016-17. An increase of 7.9 percent in enrolment was observed as it surged to 1,463.3 thousand in 2016-17 against 1,355.6 thousand in 2015-16. It is likely to decrease by 2.7 percent i.e. from 1,463.3 thousand in 2016-17 to 1,423.1 thousand in 2017-18.

Overall Assessment

The overall education condition is based on key performance indicators such as enrolment rates, number of institutes and teachers which have experienced minor improvement. The total number of enrolments at national level during 2016-17 stood at 48.062 million as compared to 46.223 million during 2015-16. This shows a growth of 3.97 percent and it is estimated to further rise to 50.426 million during 2017-18. The total number of institutes stood at 260.8 thousands during 2016-17 as compared to 252.8 thousands during last year and the number of institutes are estimated to increase to 267.7 thousands during 2017-18.

The total number of teachers during 2016-17 were 1.726 million compared to 1.630 million during last year showing an increase of 5.9 percent. This number of teachers is estimated to rise further to 1.808 million during the year 2017-18. [Table 10.1].





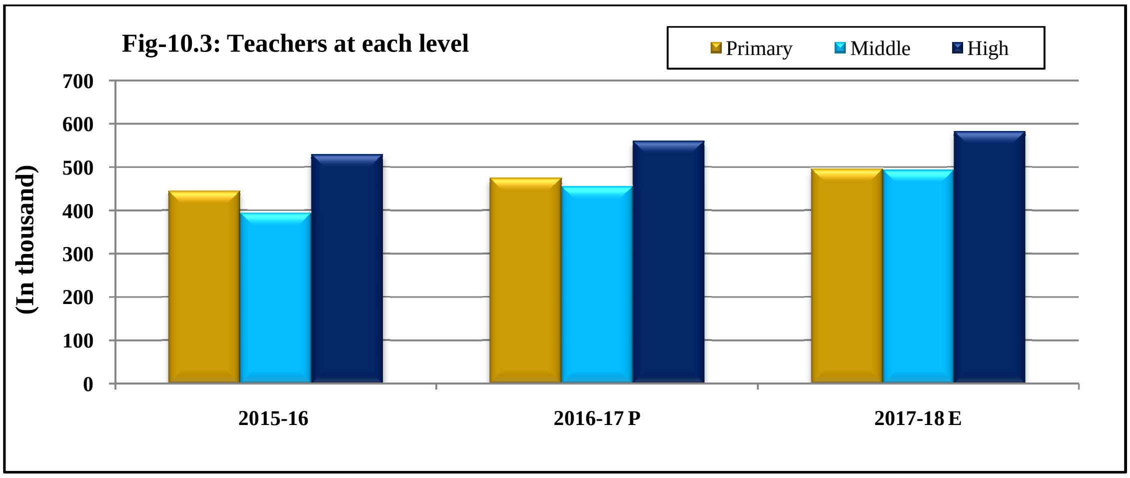


Table 10.1: Number of Mainstream Institutions, Enrolment and Teachers By Level (Thousands)

	Years	Pre-Primary	Primary^	Middle	High	Higher Sec./ Inter	Degree Colleges	Technical & Vocational Institutes	Universities	Total
Enrolment	2012-13	9284.3	18790.4	6188.0	2898.1	1400.0	641.5	302.2	1594.6	41099.1
	2013-14	9267.7	19441.1	6460.8	3109.0	1233.7	674.5	308.6	1594.6	42090.0
	2014-15	9589.2	19846.8	6582.2	3500.7	1665.5	1144.8	319.9	1299.2	43948.3
	2015-16	9791.7	21550.6	6922.3	3652.5	1698.0	937.1	315.2	1355.6	46223.0
	2016-17*	11436.6	21686.5	6996.0	3583.1	1594.9	956.4	344.8	1463.3	48061.6
	2017-18**	12328.7	22521.3	7189.1	3765.2	1750.6	1089.7	358.2	1423.1	50425.9
Institutions	2012-13	-	159.7	42.1	29.9	5.0	1.5	3.3	0.147	241.6
	2013-14	-	157.9	42.9	30.6	5.2	1.1	3.3	0.161	241.2
	2014-15	-	165.9	44.8	31.3	5.4	1.4	3.6	0.163	252.6
	2015-16	-	164.6	45.7	31.7	5.5	1.4	3.7	0.163	252.8
	2016-17*	-	169.6	49.1	31.6	5.1	1.4	3.8	0.185	260.8
	2017-18**	-	173.7	51.4	31.9	5.1	1.6	4.0	-	267.7
Teachers	2012-13	-	428.8	362.6	489.6	132.0	48.8	16.1	77.6	1555.5
	2013-14	-	420.1	364.8	500.5	124.3	26.0	16.4	77.6	1529.7
	2014-15	-	430.9	380.8	514.2	118.1	36.6	19.4	88.3	1588.3
	2015-16	-	444.6	394.2	529.5	123.1	37.1	18.2	83.4	1630.1
	2016-17*		475.2	455.4	560.7	120.3	37.9	18.2	58.7	1726.4
	2017-18**	-	496.0	493.1	583.1	119.0	43.6	18.9	54.0	1807.7

*: Provisional, **: Estimated, ^: Including Pre-Primary, Mosque Schools, BECS and NCHD

Source: Ministry of Federal Education & Professional Training, AEPAM, Islamabad

Literacy, GER and NER

During 2017-18, PSLM survey was not conducted due to Population & Housing Census 2017. Therefore, the figures for the year 2015-16 may be considered for the current year.

Table 10.2: Literacy Rate (10 Years and Above)-Pakistan and Provinces (Percent)

Province/Area	2013-14			2015-16		
	Male	Female	Total	Male	Female	Total
Pakistan	**70**	**47**	**58**	**70**	**48**	**58**
Rural	63	36	49	63	36	49
Urban	81	66	74	81	68	74
Punjab	**71**	**52**	**61**	**72**	**54**	**62**
Rural	65	43	53	66	44	55
Urban	82	71	76	82	73	77
Sindh	**67**	**43**	**56**	**67**	**44**	**55**
Rural	53	21	37	51	19	36
Urban	80	63	72	80	65	73
KPK	**72**	**36**	**53**	**72**	**36**	**53**
Rural	70	32	49	70	33	50
Urban	81	55	68	77	52	64
Balochistan	**59**	**25**	**43**	**56**	**24**	**41**
Rural	54	17	36	48	15	33
Urban	74	45	59	76	44	61

Source: PSLM Section, Pakistan Bureau of Statistics

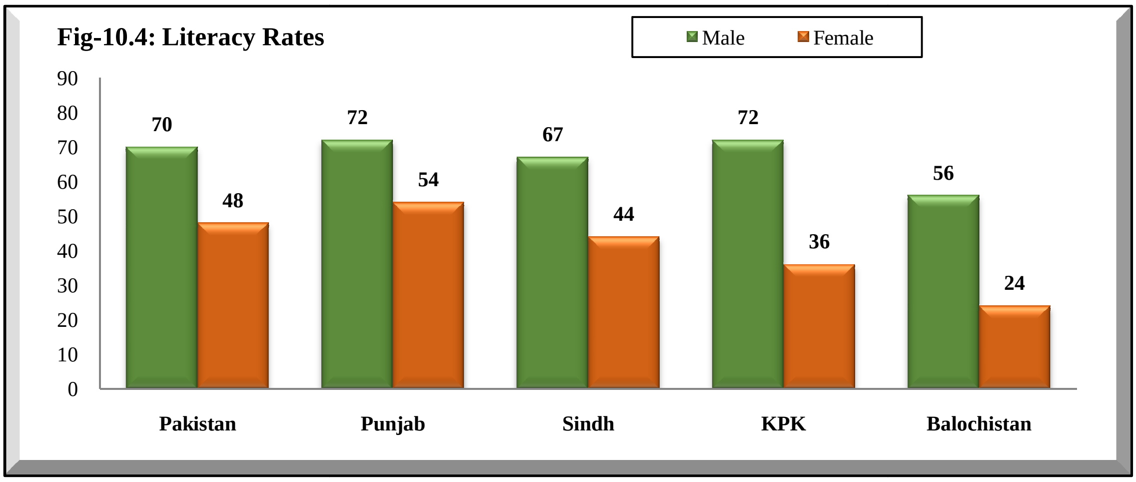


Table 10.3: National and Provincial GER (Percent)

Province/Area	2013-14			2015-16		
	Male	Female	Total	Male	Female	Total
Pakistan	**98**	**81**	**90**	**94**	**79**	**87**
Punjab	106	94	100	99	88	93
Sindh	85	67	76	85	69	78
Khyber Pakhtunkhwa	102	76	89	98	76	88
Balochistan	83	49	67	75	42	60

Source: PSLM Section, Pakistan Bureau of Statistics

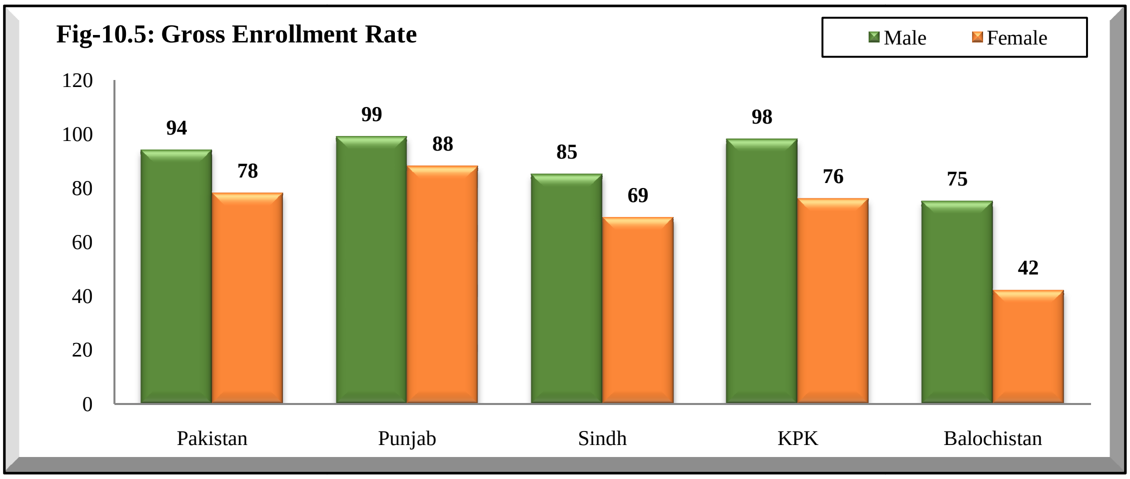
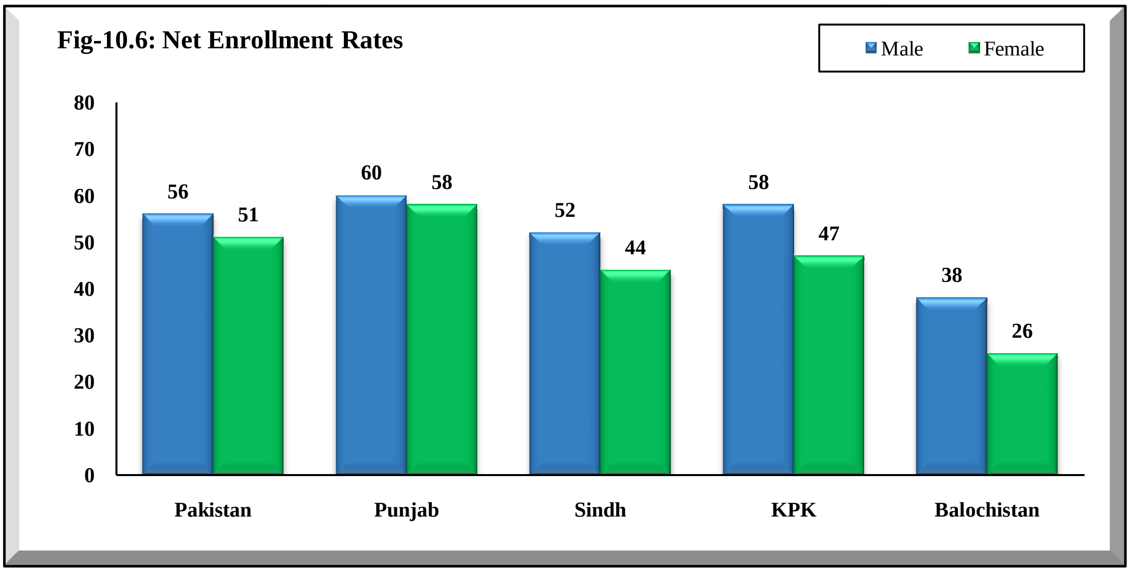


Table 10.4: National and Provincial NER at Primary Level (Percent)

Province/Area	2013-14			2015-16		
	Male	Female	Total	Male	Female	Total
Pakistan	**60**	**53**	**57**	**56**	**51**	**54**
Punjab	66	63	64	60	58	59
Sindh	53	43	48	52	44	48
Khyber Pakhtunkhwa	62	46	54	58	47	53
Balochistan	46	30	39	38	26	33

Source: PSLM Section, Pakistan Bureau of Statistics



Expenditure on Education

Public Expenditure on education as a percentage of GDP is estimated to be 2.2 percent in FY 2017 as compared to 2.3 percent of GDP in FY 2016. The education related expenditure increased by 5.4 percent to Rs 699.2 billion in FY2017 from Rs 663.4 billion in FY2016. The provincial governments are also spending sizeable amount of their Annual Development Plans (ADPs) on education.

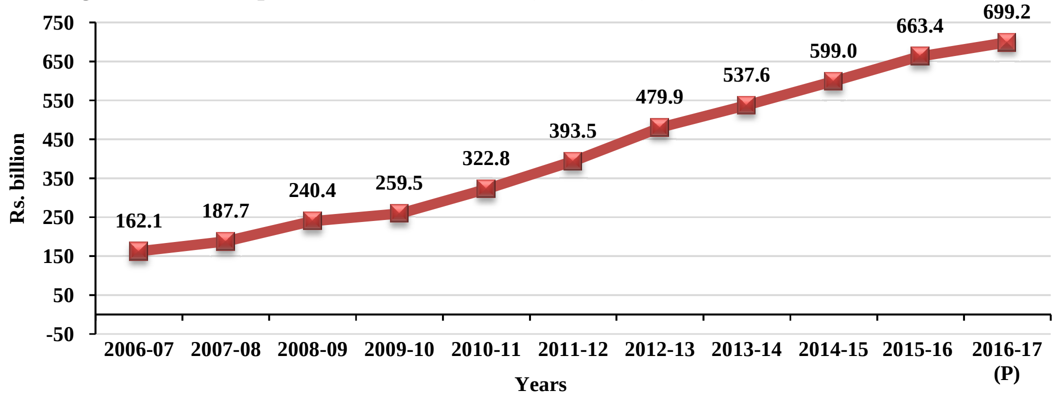
Table 10.5: Total Expenditure on Education (Rs million)

Years		Current Expenditure	Development Expenditure	Total Expenditure	As % of GDP
2013-14	Federal	65,497	21,554	87,051	2.1
	Punjab	187,556	30,485	218,038	
	Sindh	99,756	6,157	106,093	
	Khyber Pakhtunkhwa	7,0948	18,756	89,704	
	Balochistan	29,978	6,911	36,889	
	Pakistan	**453,735**	**83,863**	**537,598**	
2014-15	Federal	73,729	28,293	102,022	2.2
	Punjab	201,882	25,208	227,090	
	Sindh	109,275	7,847	117,122	
	Khyber Pakhtunkhwa	83,205	28,506	111,711	
	Balochistan	32,299	8,803	41,102	
	Pakistan	**500,390**	**98,657**	**599,047**	
2015-16	Federal	84,496	34,665	119,161	2.3
	Punjab	224,608	26,863	251,471	
	Sindh	123,855	11,153	135,008	
	Khyber Pakhtunkhwa	92,306	19,925	112,231	
	Balochistan	36,121	9,364	45,485	
	Pakistan	**561,386**	**101,970**	**663,356**	
2016-17(P)	Federal	91,139	16,890	108,029	2.2
	Punjab	221,049	39,593	260,642	
	Sindh	134,650	12,082	146,732	
	Khyber Pakhtunkhwa	109,482	26,639	136,121	
	Balochistan	40,571	7,127	47,698	
	Pakistan	**596,891**	**102,331**	**699,222**	
2017-18*	Federal	40,595	10,695	51,290	-
	Punjab	129,216	18,827	148,043	
	Sindh	69,338	2,529	71,867	
	Khyber Pakhtunkhwa	33,345	5,390	38,735	
	Balochistan	20,802	539	21,341	
	Pakistan	**293,296**	**37,980**	**331,276**	

P: Provisional , *:July-December

Source: PRSP Budgetary Expenditures, External Finance Policy Wing, Finance Division, Islamabad

Fig-10.7: Total Expenditure on Education (Rs billion)



Development Programmes FY 2018

Federal Public Sector Development Programme (PSDP)

The Federal Public Sector Development Programme FY 2018 has allocated an amount of Rs 2.96 billion for 10 on-going and 3 new projects of the Ministry of Federal Education & Professional Training. An amount of Rs 3.18 billion has also been provided for 13 on-going & new education related projects to Finance and Capital Administration & Development Divisions. The implementation of PSDP funded projects will have a lasting impact on the inclusive socio-economic development.

Provincial Annual Development Programmes (ADPs) FY2018

The provincial governments have prioritized the sectors such as provision of missing facilities, up gradation of girls and boys primary schools to middle, high and secondary levels, construction of new boys and girls schools and colleges, provision of scholarship through endowment funds and scholarship schemes, provision of stipends to girls students up to Matriculation, improvement of the physical infrastructure, establishment of IT/Science labs in secondary and higher secondary schools, Early Childhood Education (ECE) at Primary level and strengthening of Provincial Institutes of Teacher Education (PITE). All the provinces have allocated budget for the education foundations and development budget has allocated for capacity building of teachers to provide quality education and for the establishment of the cadet colleges to meet the prerequisites of education.

Punjab

During FY2018, Punjab government has allocated Rs 74.10 billion against last year's Rs 67.82 billion showing an increase of 9.26 percent for 534 on-going and 989 new development projects for education. This includes Rs 53.36 billion for school education, Rs 18.03 billion for higher education, Rs 1.06 billion for special education and Rs 1.65 billion for literacy.

Sindh

During FY2018, Sindh government has allocated Rs 24.03 billion compared to Rs 20.07 billion last year showing an increase of 19.73 percent for 329 on-going and 132 new development projects for education. This includes Rs 19.15 billion for Education & Literacy, Rs 0.21 billion for Special Education, Rs 1.06 billion for Sindh TEVTA and Rs 3.60 billion for Universities & Boards.

Khyber Pakhtunkhwa

Government of Khyber Pakhtunkhwa has increased funds allocation to Rs 20.3 billion in FY2018 from Rs 17.3 billion in FY2017 showing a rise of 17.34 percent for 103 on-going and 46 new development projects for development of education. It includes Rs 1.92 for primary education, Rs 12.08 billion for secondary education and Rs 6.32 billion for higher education.

Balochistan

Balochistan government has allocated Rs 9.16 billion for FY 2018 against Rs 6.65 billion last year, showing an increase of 37.7 percent for 190 ongoing and 141 new development projects for education. Out of the total allocation, an amount of Rs 0.855 billion has been allocated for primary education, Rs 0.535 billon for middle education, Rs 3.26 billion for secondary education, Rs 2.65 billion for college education, Rs 0.693 billion for university education, Rs 1.05 billion for General education and 0.121 billion for technical education.

Technical and Vocational Education

NAVTTC

National Vocational and Teaching Training Commission (NAVTTC) is a national regulatory authority established to address the challenges facing the Technical and Vocational stream in the country. It is involved in policy making, strategy formulation and regulation and revamping of TVET system. The Commission is establishing and promoting linkages among various stakeholders nationally and internationally. Since the inception of the Commission, high priority has been accorded to TVET sector and maximum initiatives have been taken for timely addressal of issues faced by TVET Sector across the country.

Achievements

Prime Minister's Youth Skill Development Programme (PMYSDP)

The present government has initiated programmes across the country for youth development. As per the directives of the Prime Minister, NAVTEC is entrusted to execute PMYSDP. This programme envisages the provision of hands-on skill to unemployed and less educated youth and also ensures the provision of equal opportunities for skill development to the inhabitants of under-developed areas at their door steps.

PMYSDP is a nation-wide programme which circumferences the whole country including far flung areas of Balochistan, Rural Sindh, Southern Punjab, Azad Jammu & Kashmir, Gilgit-Baltistan & FATA. Training is being imparted in the developed as well as in less developed areas of the country by giving the special priority to the less developed areas from Sui to Astore and from Bajur to Bahawalnagar. The programme is being implemented in collaboration with Provincial TEVTAs, Provincial Labour & Manpower Departments, Social Welfare Departments, Private Technical & Vocational Training Providers, Armed Forces Institutes and private industry. All the training expenses are being borne by the Government of Pakistan and the trainees are being paid monthly stipend @ Rs 3,000 per trainee (in case of FATA Rs 4,000). The seats under the programme are distributed keeping in view the province-wise population; however, the disadvantaged areas like Balochistan, FATA, Gilgit-Baltistan and Rural Sindh have been given high share.

Since the inception of the programme, 100,000 youth has been benefited from the programme, primarily for middle, lower middle class and deprived segments of society. NAVTTC has allocated a special quota of minimum 30% for female enrolment for skill development courses. The programme is focused to prepare skilled manpower for National Mega Projects like CPEC and other energy related projects as CPEC is expected to generate approximately 2 million jobs for skilled manpower.

In continuation to above, Prime Minister's Youth Skill Development Programme (Phase-IV) has targeted imparting hands-on skills training to 100,000 individuals in 02 batches. It has already been approved by ECNEC with a project cost of Rs 6,196.5 million and under process. The training classes of 1st Batch comprising of 50,000 youth have commenced from 1st of November, 2017 to 30th of April, 2018 and the training classes of 50,000 in second batch under the same phase will progressively commence in May, 2018.

In addition to skill development of 100,000 trainees, formal certification of 25,000 informally skilled individuals under NAVTTC's Recognition for Prior Learning (RPL) programme is also being undertaken to expand the pool of skilled manpower in the country. Under the PMYSDP, NAVTTC is providing the facility of boarding and lodging to 10,000 individuals belonging to far flung and under developed areas of the country for their skill development at appropriate places where state of the art skill development facilities are available. Other features of this programme include: implementation of Competency Based Training (CBT) aligned with International standards for skill development, job fairs/Skill competitors to encourage Employer-Trainee Interaction and enhancing employment chances of skilled individuals and up-gradation of workshops/labs of public sector institutes located in deprived and under developed areas of the country. Further, NAVTTC has framed a comprehensive mechanism for the assessment of the trainees after completing their training courses through employer (industry) and academia to ensure the utmost compliance of acquired skills of trainees in line with the demands of local and international job markets.

TVET Accreditation System in Pakistan

NAVTTC is also mandated with setting up an internationally acceptable accreditation system to oversee the growth and quality of TVET in Pakistan.

NAVTTC is an instrument to create public trust in institutions and/or programmes. The aim of accreditation is to enhance the quality of TVET institutions, their capability to deliver TVET programmes and to support TVET institutions to set up their own internal quality assurance processes to sustain quality development. “Quality” in this context means that a programme is fit for the purpose, and it guarantees that trainees will receive qualifications at the right level while acquiring competencies relevant to the expectation of employers.

The countries in Asia and the Pacific Region are recognizing the critical role played by TVET in economic development. The significant changes in the global environment, particularly, the emergence of a worldwide labor market, in one way or another, bear heavily on the role, functions, shape and mode of operation of TVT systems all over the world. Accreditation of training programmes and institutions is an established practice all over the world. This practice has roots in developed countries whereas the developing countries are in different stages of its establishment in Quality Assurance of training programmes and institutions.

The Commission apart from other reforms has established a national accreditation systems for TVET sector in Pakistan i.e. both for technical and vocational stream under the provision of NAVTTC Act 2011. For the purpose of assessment of TVET institutes for accreditation, NAVTTC’s first Accreditation Manual was developed in 2012 after extensive consultations with all relevant stakeholders, national and international best practices. The Manual has been revised three times, since then keeping in view the evolving TVET landscape in Pakistan.

TVET Accreditation System in Pakistan is governed by Accreditation Manual(s), Guidelines, Assessor/Expert Pool, the Feedback system. It describes the aims and objectives as well as the set up and procedures of accreditation system. The Manual is further divided into two performance areas i.e. Programme Accreditation and Institutional Accreditation.

TVET Accreditation & Quality Evaluation Committee (TA&QEC) is a forum consisting of senior most experienced technical and professional experts (both public & private) to guide and monitor the accreditation process, resolve conflicts, if any, guide on regulations and procedures and approve accreditation status.

After the successful implementation of Accreditation Programme in TVET sector, NAVTTC is now shifting to the Institute of Accreditation. It is expected that Institute Accreditation will enhance the employability of skilled manpower in the region. In this regard, several in-house meetings have been held and orientation sessions have been conducted with all the relevant stakeholders including experts, assessors. Assessment tool has been prepared on international standards/best practices and first draft of Institute Accreditation is ready for launch.

Development of Competency Standards

NAVTTC has established competency based training regime, modern occupational/ competency standards. CBT is based on set of nationally endorsed standards, qualifications and guidelines used to recognize and assess the skills and knowledge people need to perform effectively in the workplace. NAVTTC has developed 8 competency standards with the consultation of relevant industry i.e. Welding, HVACR, General Electrician, Auto Mechanic , Auto CAD, Mason and TVET trainers.

Development of TLMs

Under PMYSDP, to facilitate the trainers and institutions, NAVTTC took initiative of developing Teaching Learning Materials (TLMs) in demand driven trades. TLM is a generic term used to describe the resources, teachers use to deliver instruction. Teaching materials can support student learning and increase student success. Ideally, the teaching materials can be tailored to the content in which they are being used. Teaching materials have in common the ability to support student learning. NAVTTC developed 64 LTMs for PMYSDP phase-IV (Batch-I).

Competency Based Training & Assessment

Introduction of CBT&A is an important element of the National Skills Strategy (NSS), which is the basis of the ongoing TVET sector reform in Pakistan. It also provides the basis for the implementation of the National Vocational Qualifications Framework (NVQF).

Under this paradigm shift, the CBT programmes are designed and delivered by adopting a systematic approach, focusing on better employability of the trainees with strong market linkages. Through competency based assessment, the trainees will be assessed after completing the programmes and awarded high quality national vocational certificates.

NAVTTC implemented 12 CBT Qualifications in 22 Institutes in ICT, Punjab, Sindh, Baluchistan, Khyber Pakhtunkhwa, FATA |& AJK under PMYSDP Phase-III (Batch-II).

National Certified Assessor

The quality training and qualified teachers/assessors are the key elements of successful TVET delivery. For quality assurance of CBT training and standardization of RPL activities, NAVTTC has trained over 200 assessors to conduct assessment of the CBT from ICT, Punjab, Khyber Pakhtunkhwa, Sindh, Baluchistan, AJK & GB region. These assessors are also included in the National Pool of Assessors which are further utilized by Qualification Awarding Bodies (QABs), Provincial Trade Testing Boards (PTTB) for final assessment of TVET trainees. The quality training and qualified teachers/assessors are the key elements of successful TVET delivery.

NAVTTC, keeping in view the reform Agenda of the Government of Pakistan- Vision 2025, has taken the initiative of new and innovative practices such as encouraging linkages with the informal sector by providing assessment and certification opportunities to the skilled and semi-skilled workers under Pakistan's NVQF. This programme bridges the gap between formal and informal sectors by allowing the recognition and certification of skills through Recognition of Prior Learning (RPL) that may have been gained through life experiences and employment in informal or non-formal sectors. RPL uses a very simple and straightforward approach for assessing one's knowledge and skills, regardless where and how these were learnt. RPL is accessible to any people who possess the requisite knowledge and skills for performing a job with or without having a formal qualification.

Higher Education Commission

Higher education plays a critical role in generation and transmission of knowledge, critical to achieving a high growth rate and a competitive position in the global knowledge economy. The financial support of the Government of Pakistan towards Higher Education has resulted in a dramatic revival of the sector, led through the activities of the Higher Education Commission (HEC). The policies of the HEC - for improving the higher education system and its contribution to economic prosperity are geared towards facilitating development in key areas relating to faculty development, improving access and increased participation in higher education, promoting excellence in learning and research, and ensuring relevance to the economy through increased stakeholder participation.

The new knowledge-based society and its economic growth are completely dependent on the generation of intellectual capital. This leads to dramatic rise in the demand for higher education. The youth are the biggest stakeholders in the process. There is thus a dire need to enable the higher education sector to lead the processes of learning, governance, innovation, creativity, research and commercialization for a synergistic way forward. Focusing on soft power will enable knowledge creation and transfer and benefit the nation at large by building strong communities and economies.

Currently, 188 public and private sector Higher Education Institutes (HEIs) are operating in the country having an enrolment of 1.46 million students approximately.

Performance Review 2017-18

Under the PSDP 2017-18, the government has allocated Rs 35.663 billion for 181 development projects (112 ongoing & 69 un-approved projects) for universities. During FY 2018 , twenty one (21) projects with a total cost of Rs 46.713 billion have been considered and approved by the competent forum i.e. CDWP/ECNEC. Thus total number of approved projects have increased to 133.

However, the remaining 48 un-approved projects are at different stages of approval.

During 2017-18 (July-December), the government has released Rs 11.628 billion (33 percent of the total budget) to ongoing development projects of Universities/HEC whereas, the 3rd quarter amount Rs 4.233 billion is being released.

In addition, HEC has been given the responsibility of designing, implementation and execution of the project titled “Prime Minister’s Laptop Scheme-HEC (Phase-II)”. The case for release of an amount of Rs 5.287 billion for PM’s Laptop Scheme-HEC (Phase-II) is under process at Ministry of Finance.

Similarly, the case for release of supplementary grant of Rs 0.600 billion for the project titled “Award of 3,000 Scholarships to students from Afghanistan under the Prime Minister’s Directive” is also under process at Ministry of Finance. Under this scheme, the Government of Pakistan offers scholarships to 3000 Afghan students in various field including medicine, engineering, agriculture, management and computer sciences.

Conclusion:

The government plans to create a knowledge based society for accelerating on-going development process and by allocating more financial resources for capacity building, research & development, provision of education access to low social strata children, decreased disparity, increased quality to strengthen retention and decrease dropout rate at all levels. Reduction of regional and gender disparity in human development is necessary to improve social indicators. The development of plans and strategies are under consideration with the federal and provincial governments to improve access, equity and quality of the basic and college education. For improving access, equity and quality education, investment is being made in the physical infrastructure, assurance of teacher’s attendance, up-gradation of educational institutions and opening of new educational facilities for boys and girls. Standards for assessment and examination system are being improved to harmonize the systems of education at regional and international level. Real time monitoring system is being introduced in the education sector for quality assurance and achieving goals under Vision 2025 and Five Year/Annual Plans.

Chapter 11

Health and Nutrition

It is unarguably true that health and nutrition make important contribution to economic development. Healthy people are more lively, energetic and effectively contribute in economic progress, whereas, malnutrition, ill-health and diseases are considered as barriers to economic growth. Delivering better health services has continuously been the prime objective of the government. Pakistan has a mix of public and private health service delivery system. Under 18th Constitutional Amendment, health service delivery has been transferred to the provinces, though, Pakistan Vision 2025, which was prepared in consultation with provinces provide a road map which includes reducing the widespread prevalence of communicable diseases, disease surveillance, addressing inadequacies in primary/secondary health care facilities, correcting rural/urban biases, bridging basic nutritional gaps and improving the pharmaceutical sector to ensure the availability, affordability and quality of medication drugs. An inter-sectoral cooperation and sector wide approaches are required to achieve the pioneering goals in the years ahead for which, there is a dire need to increase resource allocation, strengthening primary health care services and motivating the human resources employed in health sector by good governance. The country's ownership of the SDGs would be a prerequisite for health and development in future.

Health Expenditure

Cumulative health expenditures of federal and the provinces are estimated at Rs 384.57 billion for fiscal year 2017-18 which is 31.75 percent higher than the actual expenditures of Rs 291.90 billion realized during fiscal year 2016-17. A brief look into previous year's performance reveals that total health expenditures increased both in terms of growth and as percentage of GDP. It grew by 29.54 percent to stand at Rs 291.90 billion during fiscal year 2016-17 against Rs 225.87 billion in 2015-16. Encouragingly, health expenditures surpassed the budget allocation of Rs 273.34 billion set for 2016-17.

While in terms of GDP, health expenditure increased to 0.91 percent during fiscal year 2016-17 from 0.77 recorded in 2015-16.

During the months of Jul-February, 2017-18 health expenditures consumed 43.5 percent of budget allocation to reach Rs 167.16 billion against the expenditure of

Rs 121.57 billion in the comparable period of fiscal year 2016-17. In terms of growth it increased by 37.51 percent. Viewed from GDP, it increased to 0.49 percent during July-February, 2017-18 from 0.38 percent recorded in the same period of fiscal year 2016-17.

Table 11.1: Health & Nutrition Expenditures (Rs billion)

Fiscal Years	Public Sector Expenditure (Federal and Provincial)			Percentage Change	Health Expenditure as % of GDP
	Total Health Expenditures	Development Expenditure	Current Expenditure		
2007-08	59.90	27.23	32.67	19.80	0.56
2008-09	73.80	32.70	41.10	23.21	0.56
2009-10	78.86	37.86	41.00	6.86	0.53
2010-11	42.09	18.71	23.38	-46.63	0.23
2011-12	55.12	26.25	28.87	30.96	0.27

Table 11.1: Health & Nutrition Expenditures (Rs billion)

Fiscal Years	Public Sector Expenditure (Federal and Provincial)			Percentage Change	Health Expenditure as % of GDP
	Total Health Expenditures	Development Expenditure	Current Expenditure		
2012-13	125.96	33.47	92.49	128.51	0.56
2013-14	173.42	58.74	114.68	37.68	0.69
2014-15	199.32	69.13	130.19	14.94	0.73
2015-16	225.87	78.50	147.37	13.32	0.77
2016-17	291.90	101.73	190.17	29.54	0.91
2017-18 B.E	384.57	130.19	254.38	31.75	1.12
Jul-Feb					
2016-17*	121.57	30.40	91.17	-	0.38
2017-18*	167.16	40.66	126.50	37.51	0.49

*Expenditure figure for the respective years are for the period (July-Feb)

Source: Finance Division (PF Wing)

It is worth mentioning that the current fiscal year has witnessed a considerable increase in budget allocation for health expenditures showing 40.7 percent growth by allocating Rs 384.57 billion during fiscal year 2017-18 compared with Rs 273.34 billion during fiscal year 2016-17 (Table 11.2).

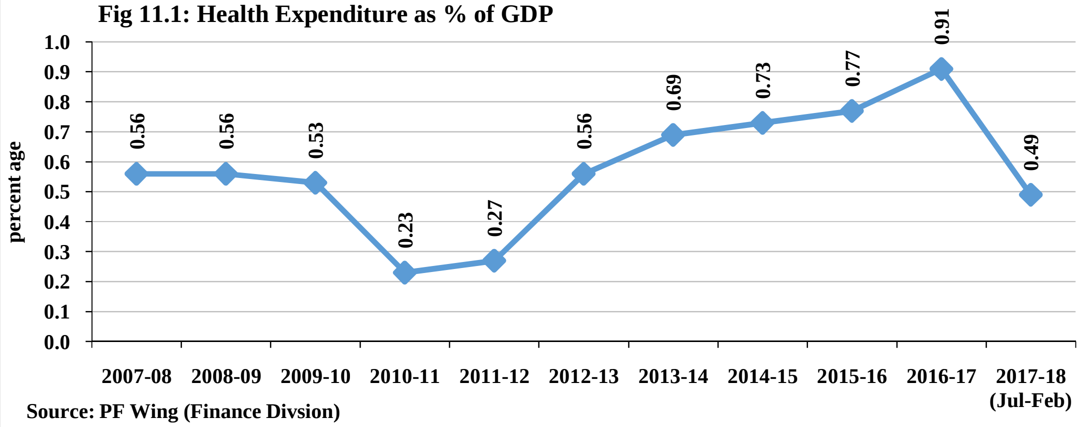
Table 11.2: Budget Allocation Health (2015-16 to 2017-18) (Rs million)

	Current Expenditure			Development Expenditure			Total		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Punjab	61,762	70,060	111,026	29,295	31,774	42,149	91,057	101,834	153,175
Sindh	54,091	61,760	85,304	12,413	15,000	15,431	66,504	76,760	100,735
Khyber Pakhtunkhwa	16,701	19,775	26,898	12,782	16,362	15,543	29,483	36,137	42,441
Balochistan	15,482	17,368	18,307	3,840	3,536	6,013	19,322	20,904	24,320
Federal	12,108	12,379	12,847	25,874	25,324	51,051	37,982	37,703	63,898
Total	160,144	181,342	254,382	84,204	91,996	130,187	244,348	273,338	384,569

Annual Budget Statement 2017-18

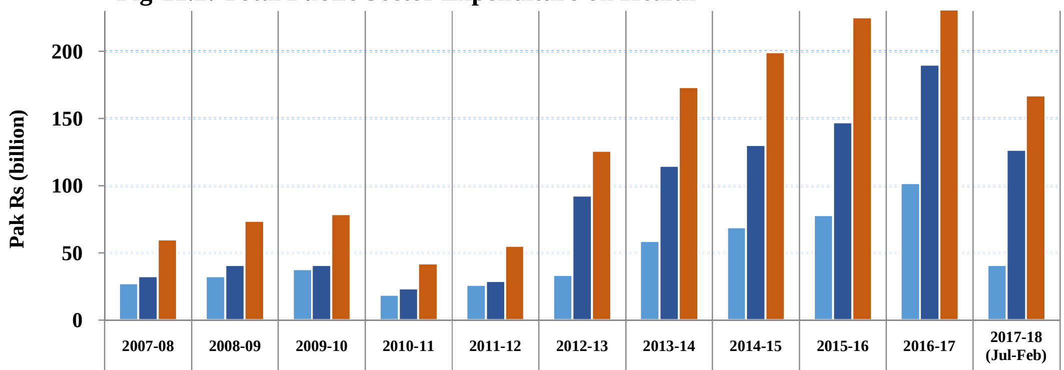
Source: PF Wing (Finance Division)

Fig 11.1: Health Expenditure as % of GDP



Source: PF Wing (Finance Divsion)

Fig-11.2: Total Public Sector Expenditure on Health

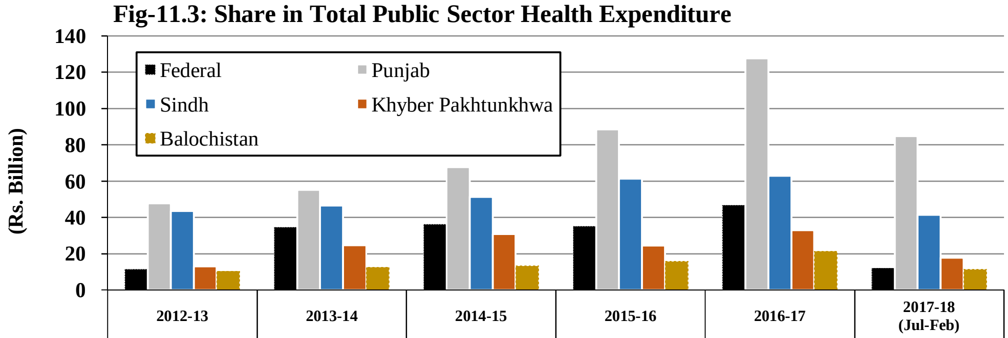


	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (Jul-Feb)
Development	27.2	32.7	37.9	18.7	26.3	33.5	58.7	69.1	78.1	101.7	40.7
Current	32.7	41.1	41.0	23.4	28.9	92.5	114.7	130.2	147.3	190.2	126.5
Total	59.9	73.8	78.9	42.1	55.1	126.0	173.4	199.3	225.3	291.9	167.2

Source: PF Wing (Finance Divsion)

According to the break-up of federal and provincial share in total public spending on health during July-February, 2017-18, the major share of spending on health has been observed in Punjab (84.8 percent) followed by Sindh (41.4), Khyber Pakhtunkhwa (17.6 percent) and Balochistan (11.3 percent) (see Fig-11.3).

Fig-11.3: Share in Total Public Sector Health Expenditure



	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (Jul-Feb)
Federal	11.4	34.7	36.2	35.3	46.9	12.1
Punjab	47.8	55.1	67.7	88.5	127.7	84.8
Sindh	43.5	46.6	51.2	61.3	62.9	41.4
Khyber Pakhtunkhwa	12.8	24.5	30.8	24.4	33.0	17.6
Balochistan	10.4	12.5	13.5	15.8	21.4	11.3

Source: Finance Division (PF Wing)

Prime Minister's National Health Programme:

Prime Minister Health Programme was launched initially in 23 districts and under Phase-II, the services have been expanded to 40 districts to cover 14 million families. The programme is a milestone towards social welfare reforms; ensuring that the under-privileged citizens across the country get access to medical health care in a swift and dignified manner without any financial obligations. The funding for the programme is being provided by the federal and provincial governments. A total amount of Rs 15.0 billion was allocated in PSDP 2017-18 for the two phases of the programme. As of 31st January 2018 more than 1,655,657 families have been enrolled in Prime Minister's National Health Programme and more than 56,000 families have been treated for various illnesses from 125 empanelled hospitals across Pakistan.

Prime Minister's Programme for Prevention and Control of Hepatitis in Pakistan:

All forms of hepatitis are of concern within public health framework. The programme envisages meeting the challenges posed by the high prevalence of viral hepatitis in the country and 50 percent reduction in new cases of hepatitis B and C through advocacy and behavior change communication, hepatitis B vaccination of high risk groups, establishment of screening, diagnosis and treatment facilities in 150 teaching and DHQ hospitals, safe blood transfusion and prevention of hepatitis A and E. Safe Blood Transfusion project with the technical cooperation of German Society for International Cooperation (GIZ) and Kreditanstalt für Wiederaufbau (KfW) is under implementation in all four provinces which will be helpful in addressing the hepatitis issue in the country.

Polio Eradication Initiatives

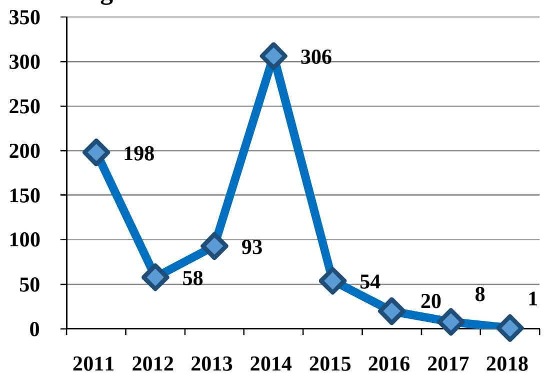
Through polio eradication efforts, a substantial investment has been made in strengthening health service delivery systems in Pakistan. Thousands of health workers have been trained, hundreds of volunteers have been mobilized to support immunization campaigns, and cold-chain transport equipment has been refurbished. Consequently, Polio incidence has almost been eradicated in Pakistan. It is evident that during calendar year 2011 there were total 198 polio cases that were reduced to 8 in 2017 and during first quarter of 2018 only one case is observed in Balochistan. The detail is given in the following Table;

Table 11.3: Provinces Wise Polio Cases

Province	2011	2012	2013	2014	2015	2016	2017	2018
Punjab	9	2	7	5	2	0	1	0
Sindh	33	4	10	30	12	8	2	0
Khyber Pakhtunkhwa	23	27	11	68	17	8	1	0
FATA	59	20	65	179	16	2	0	0
Balochistan	73	4	0	25	7	2	3	1
Gilgit-baltistan	1	1	0	0	0	0	1	0
Azad jammu & kashmir	0	0	0	0	0	0	0	0
TOTAL	**198**	**58**	**93**	**306**	**54**	**20**	**8**	**1**

Source: End Polio Pakistan (www.endpolio.com.pk)

Fig: 11.4 Polio Cases in Pakistan



Source: End Poilo Pakistan (www.endpolio.com.pk)

Devolved Vertical Health Programmes

A series of programmes and projects are on track in Pakistan to improve health status of the people and to reduce burden of communicable and non-communicable diseases while vertical programmes in health sector have been devolved to the provinces, the funding for these vertical programmes is still catered by the Federal government.

Investment in health over years have seen improvement in health facilities and health care providers. By the year 2017, the number of public sector hospitals has increased to 1,211, 5,508 basic health units (BHUs), 676 rural health centers (RHCs) and 5,697 dispensaries. These facilities together with 208,007 doctors, 20,463 dentists and 103,777 nurses bring the current ratio of one doctor for 957 persons, 9,730 person per dentist and availability of one hospital bed for 1,580 person and shows that number under each establishment is increasing.

Table 11.4: Healthcare Facilities

Health Manpower	2011	2012	2013	2014	2015	2016	2017
Registered Doctors	152,368	160,880	167,759	175,223	184,711	195,896	208,007
Registered Dentists	11,649	12,692	13,716	15,106	16,652	18,333	20,463
Registered Nurses	77,683	82,119	86,183	90,276	94,766	99,228	103,777
Population per Doctor	1,162	1,123	1,099	1,073	1,038	997	957
Population per Dentist	15,203	14,238	13,441	12,447	11,513	10,658	9,730
Population per Bed	1,647	1,616	1,557	1,591	1,604	1,592	1,580

Source: Pakistan Bureau of Statistics

The achievements of the health sector during 2016-17 included establishment of 3,100 hospital beds, 5,000 new doctors, 500 dentists, 3,200 Nurses, 4,500 paramedics, 450 Traditional Birth Attendants and 9,000 Leady Health Workers (LHWs). Under the National Expanded Programme for Immunization, about 7 million children were immunized and 18 million packets of ORS were distributed during 2016-17. The target for fiscal year 2017-18 is 4,000 hospital beds, 5,000 new doctors, 700 dentists, 4,000 Nurses, 5,000 paramedics and 1,000 Traditional Birth Attendants and 8,000 LHWs. Under the preventive programme, about 8 million children will be immunized and 25 million packets of ORS will be distributed during 2017-18.

Table 11.5 Physical Achievement 2016-17 and Targets for 2017-18 (Nos.)

Sub Sector		2016-17			Targets 2017-18
		Target	Achievement	(%)	
A.	**Hospital Beds**	5000	3100	65	4000
B.	**Health Human Resource**				
	Doctors	5000	5000	100	5,000
	Dentists	500	500	100	700
	Nurses	4000	3200	70	4000
	Paramedics	5500	4500	90	5000
	TBA/CMW	550	450	90	1000
	Training of LHWs	10000	9000	90	8000
C.	**Preventive Programmemes**				
	Immunization (Million children)	8	7	85	8
	Oral Rehydration Salt (ORS) (million Packet)	23	18	85	25

Source: Planning Commission (health section)

The following programmes and projects are funded through the PSDP and implemented by the provincial and area governments.

Programme for Family Planning and Primary Health Care (LHWs Programme)

LHWs services have visible impact on the health status of women and children in particular through improved hygiene, birth spacing, iron supplementation, greater immunization coverage and through ante-natal and post-natal coverage of the pregnant women. The programme has recruited more than 106,000 (LHWs). The total population covered under this programme spread over 60 percent in Balochistan, more than 80 percent in Punjab, 65 percent in Sindh and 60 percent in Khyber Pakhtunkhwa. A PC-I of provincial as well as special areas governments are in approval process in which salary packages of the staff of this programme have been increased through regularization of their services in compliance to the orders of the Honourable Supreme Court of Pakistan. These proactive steps will definitely lead towards greater commitment and better health service delivery at the door steps of the vulnerable people. Overarching issues of governance and monitoring still need attention at the district and sub-district level.

Expanded Programme for Immunization (EPI)

EPI programme provides immunization to children against the seven vaccine-preventable diseases under one year of age i.e. childhood tuberculosis, poliomyelitis, diphtheria, pertussis, neonatal tetanus, measles and hepatitis B. New vaccines like pentavalent vaccine have been introduced with the help of United Nations Children Fund (UNICEF). During the calendar year 2017 eight million children of 0-11 months and 6.5 million pregnant women were immunized against 7 deadly diseases and tetanus toxoide vaccine respectively. Though after devolution this has become largely the responsibility of the provincial/region governments, but Federal EPI cell currently took the responsibility of the procurement, coordination and technical guidance whereas Provincial EPI cells are largely responsible for implementation of the programme. World Bank along with other financial partners such as World Health Organization (WHO) and Japanese International Cooperation Agency (JICA) has largely contributed for the smooth implementation of the programme. Still the issues of routine immunization in outreach areas of Federally Administered Tribal Areas (FATA) and Balochistan need consideration.

Tuberculoses (TB) Control Programme

Pakistan is ranked 6th amongst 22 high disease burden countries of the world according to WHO. In Pakistan, 40 percent of the burden of disease is in the form of communicable diseases such as Malaria and TB. Incidence of TB stands at 231/100,000 population and prevalence of about 300 cases per 100,000 population. The National TB Control programme (NTP) has achieved over 80 percent Directly Observed Treatment System (DOTS) coverage in public sector and in the last five years the programme has provided care to more than half a million TB patients. The programme is moving steadily to achieve the global targets of 70 percent case detection. There are areas where NTP has to improve management, quality bacteriology services, engaging all care providers through public private partnership (PPP), inter-sectoral collaboration and Evidence Based Planning (EBP).

Human Immunodeficiency Virus (HIV)/ Acquired Immune Deficiency Syndrome (AIDS) Control Programme

The number of injecting drug users has posed a threat to increased numbers of total cases of the disease/syndrome in Pakistan. According to National AIDS Control Programme, the prevalence of HIV/AIDS is considered to be as low as 1 percent, hence, not considered a high risk country. The focus is on behavior change communication (BCC), services to high-risk population groups, treatment of sexually transmitted infections (STIs), and supply of safe blood for transfusions and capacity building of various stakeholders. Till date 4,500 HIV positive cases have been reported to the AIDS Control Programmes at federal and provincial level. The programme is technically supported by the UN agencies and Global Fund against AIDS, TB and Malaria.

Maternal & Child Health Programme

Mother and Child health has been one of the priority areas of public health in Pakistan. This programme has been launched to improve maternal and neonatal health services for all, particularly the poor and the disadvantaged at all levels of health care delivery system. It aims to provide improved access to high quality Mother and Child health and family planning services, train 10,000 community midwives, provision of comprehensive Emergency Obstetric and Neonatal Care (EmONC) services in basic and secondary healthcare facilities, provision of basic EmONC services in 550 health facilities and family planning services in all health outlets. Despite these modalities, Pakistan has shown a modest improvement and the Infant Mortality Rate (IMR), Child Mortality Rate (CMR) and Under 5 Mortality Rate (U5MR) are still very high as compared to other countries in the region. It is envisaged that successful implementation will improve these indicators.

Cancer Treatment Programme:

Cancer is considered as one of the deadliest forms of non-communicable diseases and the numbers of cases are increasing alarmingly. Pakistan Atomic Energy Commission's 18 Cancer Hospitals all over the country are providing diagnostic and treatment facilities to cancer patients. A state of the art cancer hospital has been approved in 2016-17 to be constructed in Pakistan Institute of Medical Sciences (PIMS) Islamabad to provide cancer diagnostic and treatment facilities to the population of ICT, AJK, FATA, GB, and adjoining areas of Rawalpindi, Peshawar etc. The hospital will be completed within five years.

Provincial Initiatives in Health Sector

Punjab Health Initiative Management Company was established to make progressive movement towards a universal healthcare coverage model embracing the whole and deprived segments of population, in which the needs of the poorest are specifically protected by the government and ensuring the availability and quality of essential services.

Establishment of online registration of Hepatitis B and C diagnosed patients for provision of free medicines was one of the important steps by the Government of Punjab towards treatment of rising number of Hepatitis patients. Moreover, 24/7 safe mother ambulance service was initiated in rural areas of Punjab for transfer of pregnant mothers to the nearest BHU or THQ/DHQ hospital in case of complications.

Government of Khyber Pakhtunkhwa extended its "Sehat Insaaf Card" scheme to provide healthcare services to 15 million poor population in the province.

Government of Sindh established its first pediatrics telemedicine clinic in Children Hospital, Karachi with a focus to provide round the clock consultant services to the children.

Health Planning Systems Strengthening and information Analysis Unit

Ministry of National Health Services, Regulations and Coordination (M/o NHSR&C) has established Health Planning Systems Strengthening and Information Analysis Unit **(**HPSIU) in 2016. The key objective of this unit would be to initiate strategic reforms in health sector to ensure universal health coverage which is sustained, purposeful and fundamental in nature. Sustained in the sense that it is not a temporary effort, and will have an enduring impact; purposeful in the sense of emerging from a rational, planned and evidence-based process; and fundamental in the sense of addressing significant, strategic dimensions of health system. Although devolution provides a window of opportunity, it must go beyond and introduce far-reaching reforms in the health and social sectors. The main scopes of the unit are:-

i. Health planning and reform
ii. Align health system strengthening activities in the country
iii. Health information analysis and its uses
iv. Provincial support and linkages

Malaria Control Programme

Malaria is the leading communicable disease in the country being major element causing morbidity in Pakistan. Some districts of Pakistan have high endemic incidence of malaria. Efforts have been made to eradicate malaria but still some districts require significant attention for its eradication. 66 districts of Balochistan, FATA, Khyber Pakhtunkhwa and Sindh shared highly malarial endemic diseased picture having annual parasite incidence greater than 5 per 1,000 population. National strategic plan (2015-2020) has divided districts in different strata's in accordance with extent to which they are affected. Balochistan fell in category-I of strata that was highly disease affected.

Details of achievements is listed below

- Successful implementation of the new funding model grant fund worth US$ 52 million.
- Secured worth US$ 39.2 million to implement malaria control intervention in 66 districts of Pakistan under New Funding Request of Global Fund.
- Establishment of greater than 4000 malarial diagnosis and treatment centers.
- Establishment of greater than 12,000 capacity building (trainings) HCPs.
- Introduction of greater than 10 million long lasting insecticide treated bed nets.

- Conduction of greater than 1.5 million advocacy and awareness programmes.
- Strengthening surveillance system: Improved surveillance in 66+5 in (District Medical Units) DMUs supported district.
- Conduction of monthly cluster meeting in global fund supported districts.
- Conduction of weekly watch charts and early warning in global fund supported district. Arrangement of grant implementation: global fund grant malaria component has been arranged in 66 districts supporting Directorate of Malaria Control (DOMC) in 48 districts of public sector and Toxic Inhalation Hazard (TIH) in 18 districts of private sector.

Health Insurance

Prime Minister's Health Programme is a social protection initiative by providing financial protection cover to all people in phases and the data of the Benazir Income Support Progamme will be used. Under this programme provision of free of cost health insurance to 3.2 million families (in Punjab, Balochistan and FATA in its two phases) living below poverty line of US$2 per day to access cashless health care services package of 0.3 million rupees per family per year available in both public and private sector through a health card issued by a highly transparent mechanism. Thousand of poor patients have been benefited from the treatment facilities including deliveries, cardiac surgeries, cancer and other major diseases in the best private and government hospitals in their districts, without spending a single rupee.

As of 31st January 2018 more than 1,655,657 families have been enrolled in Prime Minister's National Health Programme and more than 56,000 families have been treated for various illnesses from 125 empanelled hospitals across Pakistan. There is also an option of inter district portability in the programme which enables the enrolled beneficiaries and families to access quality indoor hospital services from any empanelled hospital, both in public and private sector.

National Nutrition Programme

In Pakistan, stunting, wasting and deficiency micronutrients are endemic issue due to dietary deficiencies, poor maternal and child health and nutrition, and high burden of morbidity. National Nutrition Programme (NNP) 2017-18, the largest survey has been initiated by Nutrition Wing at the Federal level. It includes 120,000 households and district specific data. It also includes Water, Sanitation and Hygiene (WASH) indicators, adolescent and childhood obesity and the process is being monitored and supervised through national steering and national technical committees for National Nutrition Survey (NNS).

Some of the key achievements of the programme are as follows.

- Development of national guidelines targeting different components of malnutrition
- Development of strategies for fortification, Infant and Young Child Feeding Practices (IYCF), IYCF communication
- Maintaining capacity building of provincial health departments on IYCF, revised Community Based Management of Acute Malnutrition (CMAM) guidelines, nutrition in emergencies, Behaviour Change Communication (BCC) on breast feeding
- Coordination with provinces and other relevant stakeholders for wheat flour fortification and universal salt iodization through National Food Agency (NFA and Provincial Fortification Alliances (PFAs)
- Establishment of IYCF committees at provincial level for planning and promotion of IYCF practices including breastfeeding
- Establishment of infant feeding committees in provinces parallel to Individual and Family Business (IFB) for oversight
- Successful expansion of community based management of acute malnutrition (CMAM) for children in districts with high burden of acute malnutrition (Emergency intervention)
- Expansion of stunting prevention Programmes
- Successful management of malnutrition among mothers (going side by side with CMAM)
- Implementation of behavior change about infant and young child feeding practices

especially breastfeeding by Provincial DoH

- Provision of supplementation targeting pregnant & lactating women, women of reproductive age and adolescents
- Introduction of food fortification on larger scale
- Establishment of stunting prevention programme through support of UN-WFP in Sindh, Balochistan, Khyber Pakhtunkhwa and FATA and in AJK.
- Implementation of large stunting prevention programme in Punjab Government.

International Health Regulations

Since 2007, Pakistan has been signatory to International Health Regulation (IHR). Convention with National Institute of Health (NIH) based in Islamabad with a notified focal person overseeing reporting. Global Health Security Agenda (GHSA) as a framework for IHR implementation was developed and launched after the outbreak of Ebola in 2014-15 highlighted weaknesses in certain areas of IHR. This led to the development of Joint External Evaluation (JEE) tool as one of the four components of a new framework for IHR monitoring and evaluation in collaboration with WHO Secretariat including GHSA.

As preparatory steps for the JEE Assessment the M/o NHSR&C took several initiatives to streamline the process. These steps included re-notification of a multi-sectorial national IHR Taskforce; notification of national & provincial IHR Focal Persons; and a detailed orientation and sensitization of 120 participants (provincial and regional) from both health & non-health sectors. This enabled Pakistan to draw on the experience of all relevant departments and ministries to provide a comprehensive snapshot of the health system via JEE Assessment.

Nutrition

The adequate intake of essential nutrients from all food groups provide basis for good health and nourishment otherwise malnutrition sets in. Research studies clearly shows that malnutrition results in poor health and education outcomes and hinder economic growth. Global Nutrition Report (GNR) 2017 revealed that entire world is facing a critical nutrition situation and prevalence of malnutrition in Pakistan also remains high. Substantial progress has been made in nutrition programming following globally tested initiatives through Scaling Up Nutrition Movement (SUN) adopting multi-sectoral approaches. To achieve nutritional targets of World Health Assembly & SDGs, creative, healthy and economically vibrant population is important factor which depends on good nutrition.

Box-I: SUSTAINABLE DEVELOPMENT GOALS (SDGs) NATIONAL FRAMEWORK

Sustainable Development Goals	National Priority Targets	National Priority SDG Indicator	National Baseline 2014-15	Target 2030
Good Health and Well: Being	By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births.	Maternal mortality ratio	276	179
Ensure healthy lives and promote well-being for all at all ages	By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births.	Under-five mortality rate	89	40
		Neonatal mortality rate	55	25
	By 2020, halve the number of global deaths and injuries from road traffic accidents	Death rate due to road traffic injuries		
	By 2030, ensure universal access to sexual and reproductive health-care services, including for family	Proportion of women of reproductive age (aged 15-49 years) who have their need for family planning satisfied with modern methods	47%	70.50%

	planning, information and education, and the integration of reproductive health into national strategies and Programmes.	Adolescent birth rate (aged 10- 14 years; aged 15-19 years) per 1,000 women in that age group	44%	Half the present value
	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population)		
		Number of people covered by health insurance or a public health system per 1,000 population		

Nutrition and Food Consumption

I. Food Availability:

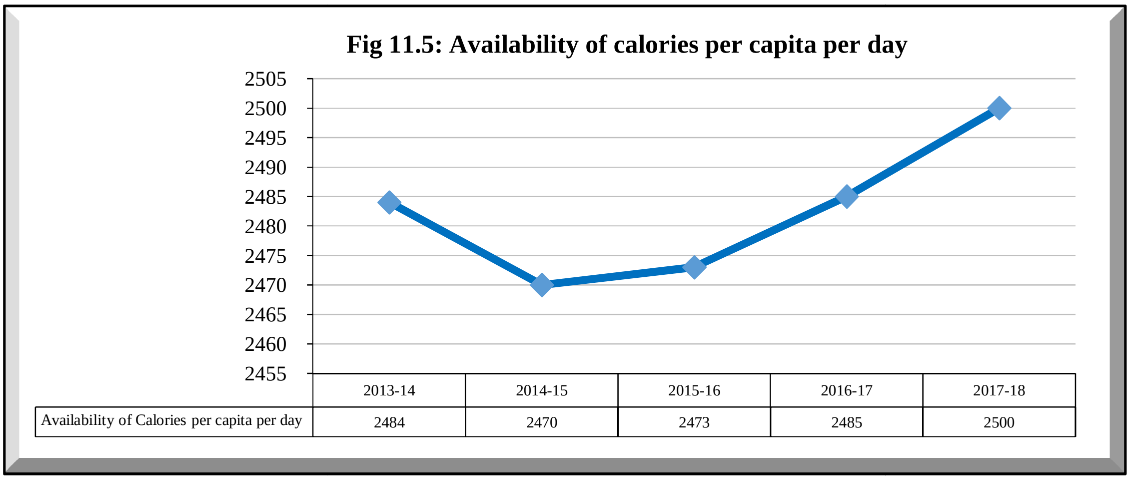
Pakistan is producing enough food to satisfy the dietary needs of the population as estimated in the food balance sheet every year. The estimates showed sustained food availability during the year to meet the national food requirements. The caloric availability through major food commodities is estimated at about 2,500 calories/day/person with little improvement over the previous year.

Table 11.6: Food Availability (Kg) Per Capita per Annum

Food Items	2013-14	2014-15	2015-16	2016-17	2017-18 (P)
Cereals	162.3	162.2	155.1	150.6	155.4
Pulses	6.3	4.4	5.2	8.1	4.5
Sugar	32.1	32.3	32.2	33.3	29.5
Milk* (Ltr)	161.3	170.2	163.3	165.0	166.5
Meat (Beef, Mutton & Poultry)	18.9	19.3	19.8	20.4	21.4
Eggs (Dozen)	6.2	6.2	6.5	7.2	7.5
Edible Oil/Ghee (Ltr)	12.6	14.2	14.3	14.1	14.5

P: provisional * Milk availability has been revised according to FAO criteria

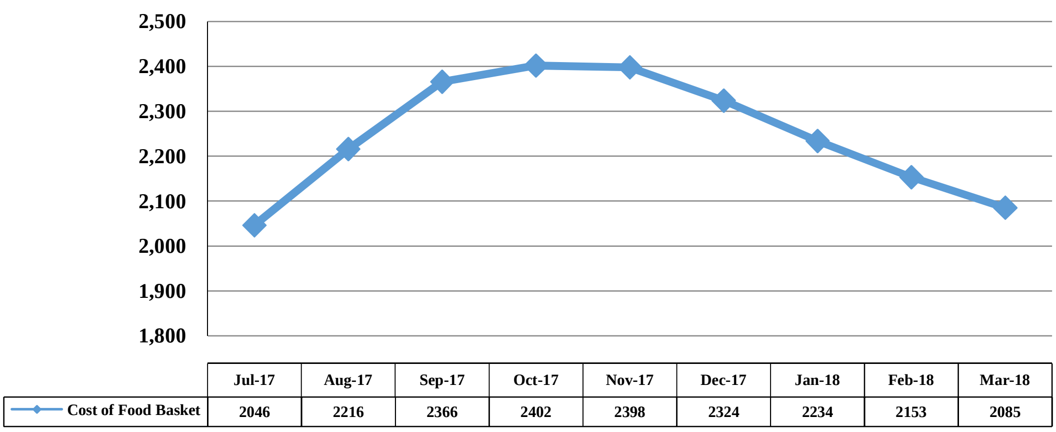
Source: Ministry of Planning, Development & Reforms



II. Cost of Food Basket:

The cost is calculated every month for the basic food basket, providing 2,100 calories and 60 grams protein, using representative data from Pakistan Bureau of Statistics (PBS). The food expenditure gradually rose from Rs 2,046 in July to Rs 2,400 in October, 2017 and gradually decreased to Rs 2085 in March 2018. However, the average cost remains Rs 2,250 per person per month during the period starting July 2017 to March, 2018 (Figure 11.6).

Fig-11.6 Cost of Food Basket (Rs. per capita/month)



Nutrition Interventions/Activities:

The following nutrition related activities are under way;

- PSDP 2017-18 has allocated Rs100 million for "National initiative for SDGs/Nutrition". The following two projects have been prepared by the Nutrition Section MPDR;
  - "Nutrition Awareness and Institutional Strengthening Programme" PC-I cost Rs 1,200 million
  - "Utilization of specialized nutritious products for stunting prevention in commercial and social safety sectors through public private partnership" PC-II cost Rs 440 million
- Federal Nutrition Programme for ICT, AJK, FATA and GB, one district in each area sponsored by M/o. National Health Services, Regulation & Coordination (MNHSRC) is under approval process (PC-I cost Rs 248 million)
- Pakistan Multi-Sectoral Nutrition Strategy has been prepared based on provincial multi-sectoral nutrition strategies and is ready for launch and implementation.
- Pakistan dietary guidelines for better nutrition (PDGN) has been prepared to provide nutrition information for healthy living to the masses.
- Food Composition Table (FCT) for 350 raw and cooked food items with 25 nutrients based on data from 12 agro-ecological zones is under preparation.
- Task force for Early Childhood Development (ECD) has been established and Letter of Intent (LOI) is signed with nutrition partner to formulate National Policy Framework.
- Pakistan Food Fortification Strategy has been revised to take up sustained actions to overcome micronutrient deficiencies (hidden hunger).
  - To overcome Iodine Deficiency Disorders (IDD) Universal Salt Iodization (USI) continued in 110 districts through public private partnership with enhanced quality control and quality assurance
  - Food Fortification Programme has started in 43 Oil/Ghee mills having vitamin A&D and 123 flour mills with Iron, folic acid, zinc and vitamin B12 in wheat flour, to overcome hidden hunger.

  - Fortification Assessment Coverage Toolkit (FACT) survey to determine the coverage and potential contribution of fortified foods is being conducted in all four provinces
- Bio-fortified wheat variety "Zincol 2016" zinc concentrated, about 20,000 tones seed will be provided to farmers for next crop

The provinces have been implementing following nutrition related projects;

- **Punjab;**
  - Health reforms Programme i.e. Integrated Reproductive Maternal Newborn & Child Health (IRMNCH), (Rs 13 billion)
  - Stunting Prevention Nutrition Programme in 11 southern districts (Rs 7.0 billion)
  - WASH Programme in 11 southern districts (Rs 9.0 billion)
- **Sindh;**
  - Nutrition Support Programme (NSP) for nine districts (Rs 4.5 billion), targets achievement during the year is nearing completion/completed (CHWs 100 % trained and LHWs 87% against 55%, nutrition assistants 100% trained on Community Based Management of Acute Malnutrition (CMAM) and Infant and Young Child Feeding Practices (IYCF) against 85%).
  - Saaf Suthro Sindh(SSS) Programme (Rs 278.0 million)
  - Nutrition Sensitive Agriculture" project for (Jacobabad, Sanghar & Umerkot) (Rs 582.0 million).
  - Accelerated Action Plan (AAP) for the reduction of stunting and malnutrition Rs1.0 billion per year.
- **Khyber Pakhtunkhwa;**
  - Health Integrated Reforms Programme {Integrated Reproductive Maternal Newborn, Child Health (IRMNCH) & Nutrition Programme} (Rs14.11 billion), about 26 stabilization centers and 120 Outpatient Therapeutic Programme (OTPs) sites are functional at district level.
  - Stunting Prevention Rehabilitation Integrated Nutrition Gain (SPRING) project (Rs 796 million).
- **Balochistan;**
  - Nutrition Programme for mothers & children in 7 districts (Rs 1.5 billion) about 147 OTPs established and 57,239 children under five years of age and 29,834 pregnant & lactating women screened. About 74 personnel trained for CMAM while for Infant young child feeding and micronutrients activities 221 health care providers from People's Primary Healthcare Initiative (PPHI) trained. Behavior change communication strategy and Information, Education and Communication (IEC) material and protocols for the Opioid Treatment Programs (OTPs) developed and disseminated at district level
  - To establish SUN movement unit, a PC-1 has been approved (Rs50 million)
  - Multi-sectoral nutrition specific and sensitive interventions Programme (Rs 1.5 billion).

Drug Abuse

Under the administrative control of Ministry of Narcotic Control, a National Anti-Narcotics Policy 2010 is being implemented in collaboration with provincial governments and Law Enforcing Agencies (LEAs), to address the narcotic drug issue and to control its spread nationally as well as internationally. The policy has three strategies; Drug Supply Reduction, Drug Demand Reduction and International Cooperation which focuses on strengthening Law Enforcement Agencies at the federal, provincial and district level to control the flow of drugs in Pakistan. The policy also seeks to promote international cooperation for mutual support and partnership against narcotics. The Anti Narcotic Force Department (ANF) has taken numerous initiatives to fight drug hazards which include regular monitoring of areas around education institutions , coordination &

liaison with the schools, colleges and universities, expansion of intelligence network of ANF inside main cities, locate and hunt drug smugglers, surprise checking by ANF Special Squads at all Railway Stations, Use of CCTV cameras for effective profiling of passengers at all airports and extension of NADRA Biometric Verification System to regional Directorates HQs for speedy investigations. Government of Khyber Pakhtunkhwa has reserved 131 beds, Sindh 27, Balochistan 110 and Azad Jammu & Kashmir 5 beds in various hospitals for drug addicts during the period July-Dec 2017. Various narcotic seizures were made and punishments were awarded to culprits during the period July-Dec 2017. Details are given in the following Tables:

Table 11.7: Narcotics Seized by ANF & Precursors/ Synthetic / Psychotropic Drugs (July- December 2017)

Opium	5941.18 Kg
Heroin/ Morphine	393.51 Kg
Hashish	16965.18 Kg
Cocaine	381.30 Kg
Amphetamine	52.30 Kgs
Methamphetamine	23.87 Kgs
Ecstasy Tablets	44265 Nos.
Prolozam Tabes	280 Nos.
Acetic Anhydride (AA)	198.0 Liters

Source: Narcotics Control Division

Table 11.8: Details of Punishment Award to Culprits (Numbers)

Cases Registered	563
Accused Arrested	641
Total decided cases	493
Convicted cases	435
Acquitted cases	21
Dormant/ Final order cases	37
Convicted persons	538
Acquitted persons	86
Conviction rate	95%

Source: Narcotics Control Division

Area Development Projects

Being conscious of the fact that the farmers in the poppy growing areas have to be provided with alternative sources of income, eradication of poppy cultivation and socio-economic development through alternate development programmes is the main objective of Area Development Projects. Moreover, the area development strategy provides a mix of activities and services to improve the quality of rural life by introducing improved grains and vegetable varieties, improved breeds of livestock, improved varieties of grass and introduction of new farming techniques. In addition, construction of farm to market roads, provision of electricity, construction of irrigation channels and measures to control land erosion have also been undertaken. Following area development projects are being implemented by Ministry of Narcotics Control;

Table 11.9: Area Development Projects

S#	Name of Projects	Duration	Estimated Cost (Rs Million)
1	Khyber Area Development Project Executed by FATA Secretariat	01-07-2001 to 30-06-2018	1235.530
2	Mohmand Area Development Project Executed by FATA Secretariat	01-07-2013 to 30-06-2018	859.079
3	Bajaur Area Development Project Executed by FATA Secretariat	01-07-2013 to 30-06-2018	911.016

Nuclear Medicine & Oncology (NM&O) Division

Pakistan Atomic Energy Commission (PAEC) established its first nuclear medical center in 1960 at Karachi. Since then one cancer hospital has been established every 4-5 years. Now there are 18 cancer hospitals Atomic Energy Cancer Hospitals, (AECHs) situated in various cities throughout the country, several in small cities of the country while four others are under consideration/construction. AECHs are operated by skilled teams of more than 2,500 professionals, including doctors, scientists, engineers, paramedical, technical and other supportive staff.

Routine Services

The hospitals are equipped with advanced, sophisticated, modern diagnostic / therapeutic facilities. The contribution of PAEC through its integrated programme in diagnosis of different kinds of cancer and allied diseases has received considerable acclaim in the public. Major services provided at these hospitals are Diagnostic and Therapeutic Nuclear Medicine, Hormonal Assays, Radiotherapy, Chemotherapy, Indoor/wards facilities, Breast care clinics, Biochemistry, Ultrasonography, Color Doppler, Diagnostic Radiology, Histopathology, Hematology, Molecular Based Diagnostics and Cancer Prevention and Awareness Programmes.

Achievements

During the first half of fiscal year 2017-18, approximate funds amounting to Rs 544.0 million were provided and utilized by the AECHs to provide diagnosis and therapeutic facilities to approximately 450,000 patients. Besides taking care of patients in the reported period, the following targets have also been achieved:

- Provision of 4 Linear Accelerators, 7 SPECT-CT and 2 Dual Head Gamma cameras among other equipment.
- Up-gradation of GINUM, Gujranwala including a new diagnostic center at Narowal (Rs 2,295 Million).
- Up-gradation of NORI Islamabad (Rs 2,987.525 Million).
- Rs 287 Million worth of equipment for NIMRA, Jamshoro.
- Rs 150 Million worth of equipment for NORIN, Nawabshah.
- Research work continued on various IAEA TC/RCA Project and others in collaboration with different international/national organizations.
- Provision of teaching and training facilities to about 500 post graduate medical students / fellows of universities in the field of nuclear medicine, radiation & medical oncology, radiology and medical physics.
- Launching of cancer awareness and prevention/control campaign especially for breast cancer awareness for early diagnosis and treatment leading to better prognosis through arranging lectures, seminars, and workshops in remote areas, through print and electronic media and mobile breast care clinics.

Special Projects

PAEC, in order to provide better treatment facilities to the patients, continued working on the following projects:

– Establishing a cancer hospital in Gilgit Baltistan.

– Establishing a cancer hospital in Azad Jammu and Kashmir.

– Establishing a cancer hospital in Mardan

– Up-gradation of *Bahawalpur* Institute of Nuclear Medicine & Oncology (BINO), Bahawalpur.

– Up-gradation of *Karachi* Institute of Radiotherapy and Nuclear Medicine (KIRAN), Karachi.

Conclusion

The government is dedicated to increase the health coverage to meet the growing demand of increasing population. Health outcomes have improved over the years but some critical weakness is a shortage of equipment and staff that continues to affect health system. There is a dire need to expand services delivery and address the shortfall in health related human resources and making better use of technology. Public private partnership need to be encouraged and coverage of public health programmes like TB, Malaria, Hepatitis and other communicable diseases need to be expanded.

Chapter 12

Population, Labour Force & Employment

Population census is an important source to measure the composition of a population and its distribution. The 6th National Population and Housing Census was held in Pakistan after a lapse of about 19 years. The census was undertaken in two phases first from 15th March to 15th April, 2017 and the second from 25th April to 25th May, 2017. Its provisional results have been released. The census data will be helpful for government, researchers and planners for critical evidence- based decision making, planning and evolving strategy for population control. The census will provide reliable data on population, its growth and other related variables such as employment, urban – rural population, male- female ratio, etc. The national population census will play an important role for the resource allocation formula under National Finance Commission Award (NFCA).

Provisional results of 6th National Population and Housing Census show an increase of 57 percent in the total population (excluding Azad Jammu and Kashmir and Gilgit-Baltistan) of the country. The total population is 207.77 million as compared to 132.35 million back in 1998 while the nationwide average household size is 6.45 persons. Average annual population growth rate (1998-2017) at national level is 2.4 percent whereas growth in urban areas is 2.70 percent which is higher than the population growth rate in rural areas which is 2.23 percent.

Table 12.1: Population Census-2017

Administrative Units	Households (million)	Population – 2017				1998-2017 Average annual Growth Rate
		Male (million)	Female (million)	Transgender	Total Population (million)	
Pakistan	32.20	106.45	101.32	10,418	207.77	2.40
Rural	20.01	67. 30	64. 89	2,767	132.19	2.23
Urban	12.19	39.15	36.43	7,651	75.58	2.70

Source: Pakistan Bureau of Statistics

The overall distribution of population is in favour of male population which comes to 106.45 million (51 percent) whereas female population is 101.32 million (49 percent) and 10,418 person have been identified as transgender.

Provincial Break up of Population

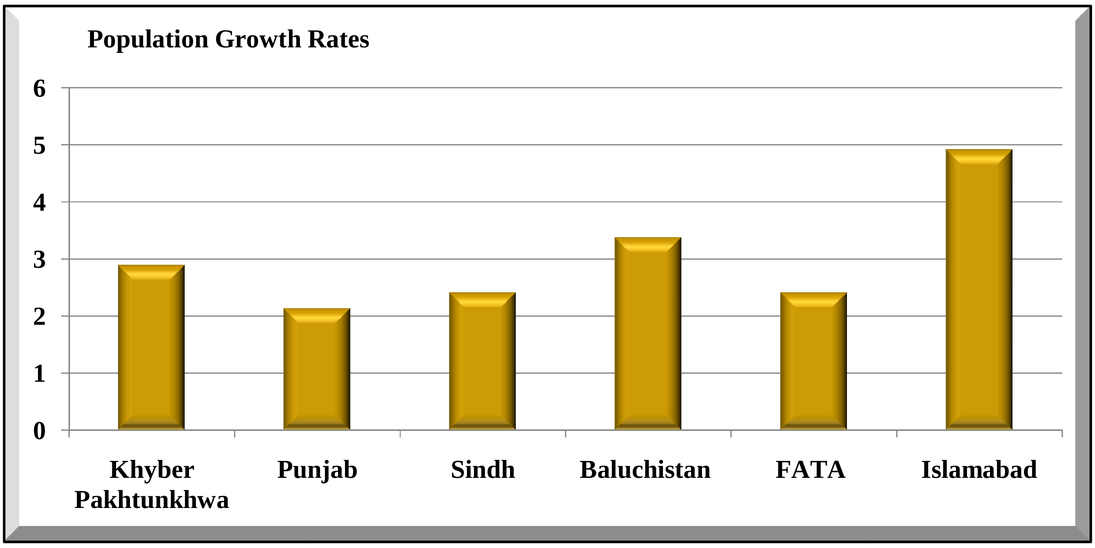
On a national scale, average population growth rate has declined from 2.6 percent in 1998 to 2.4 percent in 2017. However, Islamabad Capital Territory has registered highest population growth rate of 4.91 percent. Its population has increased from 0.81 million in 1998 to 2.0 million in 2017. Punjab and Sindh have also seen a decline in the population growth rate, while Khyber Pakhtunkhwa and Balochistan have recorded an increase in the population growth rate. Further, in Federally Administered Tribal Areas (FATA), the population growth rate has increased from 2.1 percent in 1998 to 2.41 percent in 2017. Average annual population growth rates are given in Table 12.2.

Table 12.2: Province wise Population and Growth Rates

Area	Population 1998(million)	Population 2017(million)	Average annual Growth Rate % (1981-98)	Average annual Growth Rate % (1998- 2017)
Pakistan	132.35	207.77	2.6	2.40
Khyber Pakhtunkhwa	17.74	30.52	2.8	2.89
Punjab	73.62	110.01	2.6	2.13
Sindh	30.44	47.88	2.7	2.41
Balochistan	6.57	12.34	2.4	3.37
FATA	3.18	5.00	2.1	2.41
Islamabad	0.81	2.00	5.2	4.91

Source: Population Census 2017 (Pakistan Bureau of Statistics)

The province wise population proportion shows that Punjab has the largest population of 110.0 million, while Sindh is the second with a population of 47.8 million. Khyber Pakhtunkhwa (KP) and Balochistan, although lag behind in numbers, but population growth rate in these provinces showed an increase. The population of the Federally Administrated Tribal Areas (FATA) increased from 3.18 million to 5.0 million in 2017.



Urbanization

Migration and urbanization has strong effects on the economy and the development of the country, including changes in labour market opportunities, family structures, education, health and environment management, security systems and governance. The influx of urban migration makes it vital to undertake studies to understand its impacts on the dynamics of Pakistan's population. According to Population and Housing Census 2017, the population of ten major cities has increased by 74.8 percent as compared to 1998 census. The urban population shows a growing trend with 36.38 percent of the population living in urban areas. The comparative position of provinces and areas shows similar trend in urban population.

Sindh province is the most urbanized among all the provinces in Pakistan as per the results with 52.02 percent of its population based in urban areas. Punjab has the highest share of population of 52.9 percent in population pie but its share has declined as compared to 1998. The share of urban population in Punjab has slightly increased from 31.27 percent in 1998 to 36.71 percent in 2017.

Urbanization in Khyber Pakhtunkhwa has increased from 16.87 percent in 1998 to 18.77 percent in 2017. The share of urban population in Balochistan increased from 23.89 percent in

1998 to 27.55 percent in 2017 and the urban share in Federally Administrated Tribal Areas increased from 2.69 percent to 2.84 percent in the same period. Contrary to provinces, the Islamabad Capital Territory shows a decline in urbanization with the population in urban areas dropped to 50.58 percent in 2017 from 65.72 percent in 1998. The trends of urbanization in Pakistan as per the provisional results of census are as follows.

Table 12.3: Urban Share of Population

Area	Population (million)			Urban share (%)		
	1981	1998	2017	1981	1998	2017
Pakistan	**84.25**	**132.35**	**207.77**	**28.3**	**32.52**	**36.38**
Khyber Pakhtunkhwa	11.06	17.74	30.52	15.06	16.87	18.77
FATA	2.20	3.18	5.00	-	2.69	2.84
Punjab	47.29	73.62	110.01	27.6	31.27	36.71
Sindh	19.03	30.44	47.89	43.32	48.75	52.02
Balochistan	4.33	6.57	12.34	15.62	23.89	27.55
Islamabad	0.34	0.81	2.00	60.06	65.72	50.58

Source: Pakistan Bureau of Statistics

Pakistan is one of those developing countries where urban population is increasing significantly as a result of movement of people from rural areas to cities in search of jobs and opportunities to improve their lives. In an effort to decrease the burden on urban areas, the government has taken different measures, the establishment of the Centre for Rural Economy (CRE) is one of them. The overall goal of CRE is to improve sustainable and inclusive growth in rural areas. The specific objectives are to reduce rural poverty, improve food security, resilience, and social protection, generate gainful employment in rural areas and reduce rural-urban gaps and migration.

Population of Major Cities

The total population of the 10 major cities in Pakistan has increased from 23.41 million in 1998 to 40.92 million in 2017. Approximately 35 percent of Sindh's total population lives in Karachi and Hyderabad alone. Karachi occupies the top position in the list of most populous cities of Pakistan with population of 14.91 million which shows an increase of 59.8 percent in 19 years. Likewise, the population of Hyderabad city increased from 1.16 million to 1.73 million showing 49.1 per cent growth. The population of Lahore city has increased by 116.3 percent from 5.14 million to 11.12 million in 2017, while Faisalabad's population has increased from 2.0 million to 3.2 million in 2017 showing a growth of 60.0 percent. Similarly, the population of Rawalpindi has increased by 49.3 percent from 1.40 million to 2.09 million and Gujranwala by 78.8 percent from 1.13 million to 2.02 million in 2017. The population of Peshawar city has increased by 101 percent from 0.98 million to 1.97 million in the same period. The population of Quetta city has increased by 78.6 percent to 1.0 million in 2017 from 0.56 million in 1998.

Table 12.4: Population of Major Cities

Major Cities	Census 1998 (million)	Census 2017(million)
Karachi City	9.33	14.91
Lahore City	5.14	11.12
Faisalabad M.CORP	2.00	3.20
Rawalpindi City	1.40	2.09
Gujranwala M.CORP	1.13	2.02
Peshawar City	0.98	1.97
Multan City M.CORP	1.19	1.87
Hyderabad City	1.16	1.73
Islamabad M.CORP	0.52	1.01
Quetta City	0.56	1.00
Total	23.41	40.92

Source: Pakistan Bureau of Statistics

Population Welfare Programmes

PSDP Funding to Population Welfare Programmes:

The Population Welfare Programmes are being executed by the Population Welfare Departments of the provinces and the federal government has supported the provinces in allocating significant funding through Federal Public Sector Development Programs (PSDP). Total Rs 8,176.06 million has been allocated in 2017-18 for Population Welfare Programme in Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa, Gilgit – Baltistan, AJK, and FATA.

Table 12.5: PSDP Funding to Population Welfare Programmes

S. No.	Name of Project	Allocation for 2017-18 (Rs million)
1.	Population Welfare Programme-Punjab (2010-17)	3583.589
2.	Population Welfare Programme-Sindh (2010-17)	2057.373
3.	Population Welfare Programme-Khyber Pakhtunkhwa (2010-17)	1268.447
4.	Population Welfare Programme-Balochistan (2010-17)	795.736
5.	Population Welfare Programme-AJK (2010-17)	273.356
6.	Population Welfare Programme-Gilgit-Baltistan (2010-17)	118.722
7.	Population Welfare Programme-FATA (2010-17)	78.841
	Total	8176.064

Moreover, all the provinces and federating units have been advised by the federal government to shift their project staff/posts from development budget to regular budget. The governments of Sindh, Balochistan, Khyber Pakhtunkhwa, Punjab, Gilgit-Baltistan and Azad Jammu and Kashmir have shifted their staff to regular budget.

Service Delivery Centers 2017-18

- Family Welfare Centers (FWCs) are one of the main service delivery networks of the programme established in rural and urban areas for the provision of Mother Child Health Services (MCH), contraceptives and treatment of minor ailments. Presently, 3439 family welfare centers (FWC) are providing these facilities to the people.
- Reproductive Health Services-A Centers (RHS-A) are hospital based units which provide infertility treatment with full range of family planning methods including contraceptive surgery services. These centers also assist in public health education campaigns and awareness raising about personal hygiene etc. There are 261 RHS-A centers functioning throughout the country.
- 295 Mobile Service Units (MSU) have been established during 2017-18. The MSU extends reproductive health services and family planning services to villages through regular camping services.
- The hospitals registered as RHS-B Centers is providing training to doctors and paramedics. During 2017-18 the government has launched 38 RHS-B Centers.
- Currently, 2782 Male Mobilzers are promoting the objective of the family welfare programmes and creating awareness among men. They also advocate gender for equity and equality of women and girl children. The physical progress under the Population Welfare Programme (PWP) is shown in the Table below:

Table 12.6 : Physical Progress

S. No.	Service Delivery	Punjab	Sindh	KP	Balochistan	AJK	FATA	GB	Total
1.	Family Welfare Centre (FWCs)	1500	965	632	170	55	80	37	3439
2.	Reproductive Health-A Centers	118	76	31	11	15	7	3	261
3.	Mobile Service Units (MSUs)	117	72	34	55	7	7	3	295
4.	Reproductive Health-B Centers	-	-	36	1	-	-	1	38
5.	Male Mobilizer	1332	1182	22	112	57	22	55	2782

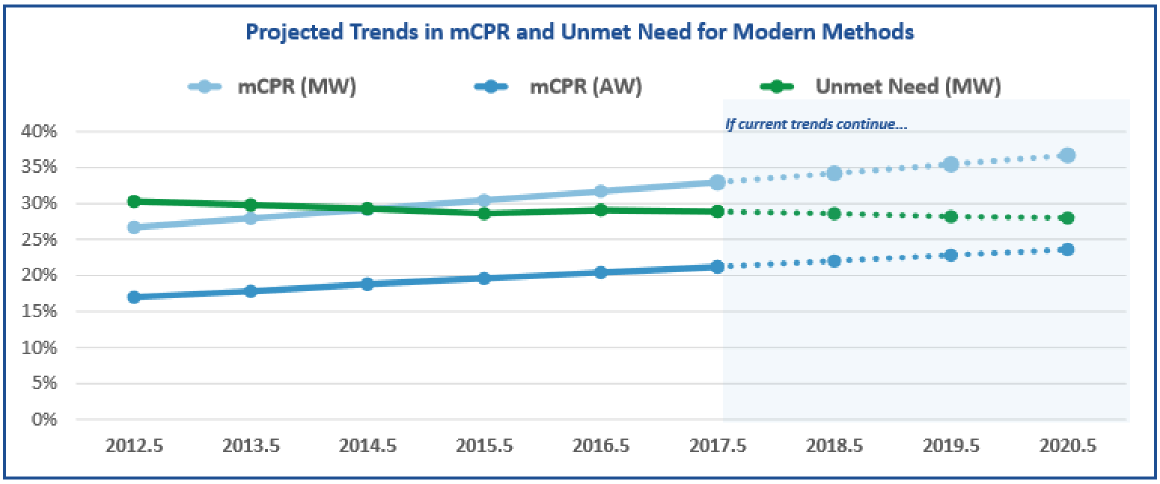
Sources: Population Welfare Departments of Provinces and Special Areas

Contraceptive Trends in Pakistan

The graph shows that there is an addition of users of modern contraception and an increasing trend in projection shown uptil 2020.

As a result, it is expected that these indicators will show improvement in future and this trend will help in controlling population growth in future.

		Current Estimate for 2017	Projection to 2020
#1	Additional Users of Modern Contraception	2,921,000	4,768,000
#2	Modern Contraceptive Prevalence Rate (mCPR AW)	21.2%	23.6%
#3	Unmet Need for Modern Contraception (MW)	28.9%	28.0%
#4	Demand Satisfied for Modern Contraception (MW)	53.3%	56.7%



*FP 2020 Core Indicators – Country Fact Sheet

The policies have been made proportionate to the population. Since there is an ever increasing urban population and a decreasing pattern of rural population, the policies need to incorporate these factors. Population is now a cross-cutting issue and needs to be dealt with a consolidated strategy encompassing social as well as economic factors.

Women Empowerment and Gender Development

In Pakistan, women constitute about 49 percent of country's population. Vision 2025 includes Gender Equality and Women Development as an important element and recognizes as key contributor to the country's economic future. Pakistan is committed to meet the Sustainable Development Goals (SDGs) including the Goal-5 i.e. Gender Equality and Ending all forms of discrimination against women and girls. The government has internalized Sustainable Development Goals (SDGs) as National Goals.

The participation of women in the development process of Pakistan has been recognized as an important element. The indicators of women development are gradually improving but not yet sufficient to achieve gender parity that remains elusive in school enrollment, labour market share and in decision making arena. The government is well aware of this issue and is making sincere efforts to provide an enabling environment and equal opportunities to women so that they may enjoy the benefits of economic growth, prosperity and social development.

In this regard, many initiatives have been taken for women development and empowerment. As a result, women's employment is encouraged and the government has fixed 10 percent quota for women in public sector employment; Punjab raised this to 15 percent and in Sindh job quota for women in police has been increased from 2 percent to 5 percent. Punjab has lifted the ban on recruitments and 25,000 posts for women have been created at different tiers, and 70 percent of jobs in primary education have been earmarked for women. Punjab Fair Representation of Women Act 2014 ensures 33 percent representation of women on all boards of statutory bodies, public sector companies etc. Women participation in Prime Minister's Youth Loan Schemes was encouraged by 50 percent.

Benazir Income Support Programme (BISP), a flagship social protection programme of the government is providing social assistance to women. BISP also gives interest free financial assistance to the female beneficiaries under their Waseela-e-Haq (Micro-Finance) programme to start their own business. Vocational and technical training of one month to a year's duration, to the female beneficiary or her nominee has been provided under the Waseela-e-Rozgar (Technical & Vocational Training) programme (target is 150,000 beneficiaries) with Rs 6,000 monthly stipend for each trainee. Waseela –e-Sehat (Life and Health Insurance) programme subsidized health care for beneficiaries and life insurance to one million women; the premium is paid by the program. Waseela-e-Taleem (Primary Education) encourage the beneficiaries families to send their children ages 5-12 years to school through a co-responsibility cash transfer of Rs 200/- per child (limit to three per family).

The government has taken measures to ensure women's rights as envisaged in the Committee on the Elimination of Discrimination Against Women (CEDAW). Acknowledging 'Honor Killings" as a critical problem, the present government has enacted effective legislation to address women's issues with a view to safeguard their rights i.e. "Criminal Law (Amendment) Offences in the name or pretext of Honour Act, 2016" and "Criminal Law (Amendment) Offences Relating to Rape, Act 2016".

Several institutions have contributed in securing and promoting women's rights and National Commission on the Status of Women (NCSW) is one of them. The NCSW has prepared a comprehensive roadmap defining goals, priorities and strategies for empowerment of the women with special focus on issues of home based/informal sector workers and their inclusion in the labour force, affirmative actions for reservation of quotas in the government jobs including minority communities and initiatives for legislation.

The present government has taken various steps to achieve women's empowerment through awareness raising campaigns and allocation of budget. Funds amounting to Rs 254.0 million have been allocated in PSDP 2017-18 to four new development schemes of Ministry of Human Rights including Implementation of Action Plan for Human Rights in Pakistan, Institutional strengthening of Ministry of Human Rights, Acquisition of land for construction of building for National Institute of Human Rights and Construction of working women hostel in Islamabad. In addition to that an amount of Rs 52.00 million has been allocated for two ongoing development schemes of Ministry of Human Rights i.e. Helpline for legal advice on violations of human rights with an allocation of Rs 25.0 million and establishment of National Institute of Human Rights with an allocation of Rs 27.00 million. In order to promote innovative ideas based on business plans leading to solution of social problems, the government has established a Centre for Social Entrepreneurship at a cost of Rs178.43 million focusing on women entrepreneurship. The project is unique in nature for addressing social issues through innovative business plans and women are especially encouraged to grow as an entrepreneur.

Employment Expansion Policies

Prime Minister's Youth Programme is a revolutionary programme of the government for the socio-economic development of youth to combat unemployment in the country. The main objective of the scheme is to enable youth and poor segments of population, to get good employment opportunities, secure economic empowerment, acquire skills to improve their livelihood, have access to higher education and IT tools and provision of opportunity on-the-job training/internship for young graduates to improve the probability of getting a productive job. Prime Minister's Youth Programme is running six different schemes and detail is as follows:

Prime Minister's Youth Business Loan Scheme: Initially this scheme was launched through National Bank of Pakistan and First Women Bank Limited and subsequently, sixteen more banks have also launched their financing products for PMYBL scheme. Under this scheme around 22,210 loans of Rs 22,205 million have been disbursed among the educated and skilled youth, both men and women. These young entrepreneurs are not only running their own businesses successfully but are also providing employment to a number of other youths around them. This programme has a greater focus on women entrepreneurs as 50 percent loans are for female borrowers while 5 percent quota has also been fixed for heirs of Shuhada, widows and special persons

Prime Minister's Interest Free Loan Scheme: The main objective of this scheme is to provide Interest Free Loans to poor, vulnerable and marginalized households categorized under 0-40 on the Poverty Score Card. This programme supports female participation and inclusion in economic activities by disbursing at least 50 percent loans to women. It also enhances the entrepreneurial competencies by extending capacity building services, e.g. enterprise training & counseling, market linkages, financial literacy and numeracy training. This scheme encourages behavioral change by demanding loan beneficiaries to ensure specific health and education practices.

A total amount of Rs 9,737 million has been disbursed to 409,805 borrowers as of February 28, 2018. Out of total beneficiaries, 65 percent are women against the set target of 50 percent. The overall recovery rate of the scheme is 99 percent.

Prime Minister's Youth Skill Development Programme. Under this programme , the youth within the age bracket of 18 to 40 years is enrolled for the provision of hands-on skills in marketable, demand driven trades, enabling them to be useful citizens. In this regard, the priority is given to disadvantaged segments of the society i.e. less educated, upper age personnel, lower income class, orphans, disabled, transgender, sportsperson, Hafiz e Quran, madaris students and widows. Since the inception of Prime Minister's Youth Skill Development Programme, a total number of 100,000 youth have been benefitted from the programme. National Vocational and Technical Training Commission (NAVTTC) has allocated a special quota of minimum 30 percent for female enrollment for skill development courses. The programme is primarily focused to develop skilled manpower for national mega projects like CPEC and other energy related projects. Phase-IV of this programme is under process, where technical training in highly demand driven trades will be provided to 100,000 Pakistani youth.

Prime Minister's Programme for Provision of Laptops to Talented Students: Under this programme 300,000 laptops have been distributed in phase-I and phase -II among talented students across the country, whereas 200,000 laptops will be distributed among the selected students. It is worth mentioning that theses laptops will be manufactured locally.

Prime Minister's Fee Reimbursement Scheme: Under this Scheme Rs 7.5 billion were reimbursed for 149,695 university students from 2012-13 to 2016-17 from less developed areas across the country.

Prime Minister's Youth Training Scheme: The main objective of the scheme is to enhance employability of unemployed educated youth by providing them temporarily financial relief and improve public / private sector service delivery through paid interns. Under this scheme 33,530 interns of Phase-2 (Batch5) joined and on board on the web portal of PMYTS in 2017-18. The stipend amount is enhanced from Rs 12,000/- to Rs 15,000/- per month w.e.f July 01, 2017. The age limit for candidates from Balochistan, GB, FATA, AJK and Southern Punjab is also increased to 30 years.

The government has taken additional measures to increase the employment opportunities for youth.

- The National Institute of Science and Technical Education (NISTE) is working to transform the unskilled/semi-skilled manpower into skilled manpower. The present government is upgrading NISTE into a National Skills University (NSU), Islamabad.

- The National Incubation Centers (NICs) are the first kind of technology hub, launched under the public – private partnership by Ministry of IT & Telecom, National ICT R&D Fund and other partners. This initiative is to promote the growing synergy between the public and private sectors to promote youth-led entrepreneurship in the country. The government has announced setting up of four incubation centers in four provincial capitals together with innovation centers.

- Investment under China Pakistan Economic Corridor (CPEC) is expected to be around US $60 billion by 2030. This huge inflow of investment will generate massive economic activities and thereby; employment opportunities. The early harvest projects under CPEC have created more than 30,000 direct jobs for Pakistanis. Employment opportunities under CPEC would further go up as CPEC would generate massive jobs over the period of next 15 years.

- National Education Foundation, NEF is implementing PSDP funded project titled "Vocational Schools through Public Private Partnership" amounting to Rs 50.00 million. The objective of this project is provision of free formal and vocational education through public private partnership from 6th to 10th class. Almost 2000 students will be skilled in demand driven vocational trades.

Overseas Employment

Migration is an important aspect of globalization and plays a vital role in respect of employment generation and poverty reduction. Since 1971 more than 10.1 million Pakistanis have proceeded abroad for employment. 96.1 percent Pakistanis proceeded to Gulf Cooperation Council (GCC) countries especially Kingdom of Saudi Arabia (KSA) and United Arab Emirates (UAE).

During 2017 United Arab Emirates was the largest country for Pakistani workers across the world and 0.275 million workers proceeded for employment to UAE followed by Saudi Arabia 0.143 million. Oman is the third largest country where 42,362 Pakistani workers went for better job opportunities.

Table 12.7: Number of Pakistani Workers Registered Abroad

S.NO	Countries	2013	2014	2015	2016	2017
1	UAE	273,234	350,522	326,986	295,647	275,436
2	Bahrain	9,600	9,226	9,029	8,226	7,919
3	Malaysia	2,031	20,577	20,216	10,625	7,174
4	Oman	47,794	39,793	47,788	45,085	42,362
5	Qatar	8,119	10,042	12,741	9,706	11,592
6	Saudi Arabia	270,502	312,489	522,750	462,598	143,363
7	UK	158	250	260	346	340

Source: Bureau of Emigration and Overseas Employment

The comparison among provinces shows that the manpower export is higher from Punjab as compared to other provinces. During 2017, the highest number of workers went abroad was 261849 from Punjab, followed by Khyber Pakhtunkhwa (KPK) 107366**.** However, the situation in other provinces is not encouraging. It is important that export of manpower is required to be increased and new Skill Development Centers be established to increase the number of skilled labour force.

Table 12.8 : Workers Registered for Overseas Employment During the period 2013-2017 Province Wise

YEAR	Federal	Punjab	Sindh	Khyber Paktun-khwa	Baloc-histan	Azad kashmi r	N/areas	Tribal area	Total
2013	7109	326,012	55,608	150,418	9,293	40,038	1,190	33,046	622,714
2014	8943	383,533	89,703	167,424	7,258	52,120	2,073	41,412	752,466
2015	9028	478,646	116,935	220,993	7,686	64,586	2,899	45,798	946,571
2016	8472	446,566	85,326	206,929	6,378	43,093	2,961	39,628	839,353
2017	4635	261849	53590	107366	4528	33318	3417	27583	496286

Source: Pakistan Bureau of Emigration and Overseas Employment

Pakistan has a remarkable human resource which is classified into five occupational categories i.e highly qualified, highly skilled, skilled, semi skilled and un-skilled. During 2017, there has been declining trend in all occupational groups except highly skilled category and this category includes managers, teachers and nurses etc. Number of highly skilled workers slightly increased from 8,172 in 2016 to 9,886 in 2017.

Table 12.9: Profession Wise Pakistani Workers Registered.

Year	Highly Qualified	Highly Skilled	Skilled	Semi skilled	Un skilled	Total
2013	12,057	5,032	263,138	102,963	239,524	622,714
2014	14,647	6,216	287,649	120,204	323,750	752,466
2015	17,484	7,853	397,317	151,636	372,281	946,571
2016	16,510	8,172	335,671	152,235	326,765	839,353
2017	16029	9886	188745	85686	195940	496286

Source: Pakistan Bureau of Emigration and Overseas Employment

The major reasons of decline in manpower export are as follows:-

- Gulfization policy adopted by Gulf Cooperation Council (GCC) countries to transform their economy from oil based to services sector.
- More than 70 percent of the workforce is employed in the government sector. Due to economic crisis (reduction in oil prices), Kingdom of Saudi Arabia slashed its transport and infrastructure budget which affects the low skilled workers.
- Saudization: Saudi companies and enterprises are required to hire Saudi nationals up to certain levels.
- Categorization of companies with regard to expatriate workers i.e. Platinum, Gold, Green etc. Other companies under Nitaqat Status can only transfer sponsorships but will not be able to get new visas to hire foreign workers.
- Work visa validity reduced to one year for expats
- Kingdom of Saudi Arabia has imposed 5 percent of Value Added Tax (VAT) across the kingdom due to which the daily life would become expensive.
- Political instability in the region due to Syria and Yemen wars.

The government has taken following steps to address the emerging decline and boost manpower export:-

- Government is formulating “National Emigration and Welfare Policy” for migrant workers in order to provide them every possible facility during the entire emigration cycle.
- Bureau of Emigration has also initiated a project titled, “Registration of Intending Emigrants via Biometric Verification System linked with NADRA” in order to ensure the highest level of efficiency and improvement in service delivery.
- New agreement with State Life Insurance Corporation of Pakistan (SLICP) has been

signed in order to enhance the insurance coverage duration from 2 years to 5 years.

- A Complaint Resolution Mechanism System has been established in the Bureau of Emigration & Overseas Employment to settle issues of the complaints being received from different channels i.e. from Ministry of Overseas Pakistanis and Human Resource Development, Wafaqi Mohtasib Secretariat, Community Welfare Attaché, directly in the Bureau etc.
- The proposal of opening Protectorate Emigrant offices at Sialkot & Islamabad is under consideration in order to provide nearest facility of protector to migrant workers.
- Various steps are under consideration to capture the manpower market of UAE with special reference to Dubai Expo, 2020 including holding of seminar in Dubai.
- The Government of UAE under pilot project on skills upgradation has given accreditation to following vocational training institutes in Pakistan:-
  - Institute of Technical & Professional Education, Rawalpindi,
  - College of Technology, Rasul Mandi Bahauddin,
  - Construction Technology Training Institute, Rawalpindi,
  - Applied Technologies Institute, NLC, Mandra with the collaboration of Group of Arfat Tirocinium (UAE).
- Ministry of Overseas Pakistanis and Human Resource Development is in coordination with NAVTTC and regional TEVTAs in developing curriculum.

Conclusion

In Pakistan 6^{th} National Population and Housing Census was conducted in 2017 after 19 years. According to provisional results total population has increased by 57 per cent with an average annual growth rate of 2.4 percent. A salient feature of the population census is that it covered population of transgender for the first time. The provincial distribution of population shows that Punjab remained the most populous province. With reference to urbanization, the population is swiftly moving towards urban centers due to availability of batter socio-economic facilities. However, the government is well aware of this issue and is taking specific steps for providing better facilities in rural areas.

An important fact is that the country is blessed with energetic youth and this workforce can be a productive asset of the country if properly trained through skill development programmes. The government has initiated different skill development programmes for the employment of youth.

Chapter 13

Transport and Communication

A strong and reliable transport and communication sector is extremely important for the advancement of the economic system. The present government attaches high importance to this sector. The China Pakistan Economic Corridor (CPEC) is also going to build up an efficient transport and communication system which will not only positively influence mobility of the factors of productions, stimulate trade, extension of markets, increase in employment, but will also support spread of education as well increase in social welfare, and help in stability of prices.

National Highway Authority

The present National Highway Authority (NHA) network comprises of 39 national highways, motorways, expressways, and strategic roads. Current length of this network is 12,131 km. Under Annual Maintenance Plan (AMP) funded through NHA's own resources, about 665 km road network has been rehabilitated / improved across the country. Pakistan is geographically bisected into two halves by River Indus. Eastern segment is historically well developed. To bring the Western segment at par with the Eastern half, NHA is improving East West connectivity through construction of numerous bridges across river Indus in addition to investing and paying extra attention to the development of west.

Expansion of NHA Network

NHA's existing development portfolio consists of 72 on-going projects with an allocation of Rs. 305,020.337 million in PSDP 2017-18 out of which 86,150.000 million is as Foreign Exchange Component (FEC) and Rs. 218,870.337 million is as local component. There are also 13 new schemes in PSDP 2017-18 with total estimated cost of Rs. 14,700.000 million. Currently following are the ongoing CPEC projects related to NHA.

- **Short Term Projects (Eastern Alignment)**

Sr.	Project Name	Length in Km	Status	Indicative Plan Period
1	Khunjrab – Raikot including Atta Abad Lake	335 Km	Completed	-
2	Raikot – Thakot (N-35)	270 Km	Planning Stage	2018-23
3	Thakot – Havelian (E-35)	118 Km	Under Construction	2013-20
4	Havelian – M1 (Burhan) E-35	59 km	Completed	2013-19
5	M1 – Gojra (M-1, M-2, M4)	402 km	Completed	-
6	Gojra – Khanewal (M-4)	127 km	Under Construction	2013-18
7	Khanewal – Multan (M-4 Ext.)	57 Km	Completed	-
8	Multan – Sukkur (M-5)	392 Km	Under Construction	2013-19
9	Sukkur – Hyderabad (M-6)	296 km	Under Procurement	2018-23
10	Hyderabad – Karachi (M-9)	136 Km	Substantially Completed	2013-18 (June 2018)
11	Sukkur – Shikarpur (N-65)	40 km	Completed	-
12	Shikarpur – RatoDero (N-55)	49 km	FS / DD for Dualization commenced	2018-23
13	RatoDero – QubaSaeed Khan (M-8)	59 km	Completed	2013-18
14	QubaSaeed Khan – Wangu Hills (M-8)	42 km	Near in Completion	2013-18
15	Wangu Hills – Khuzdar (M-8)	113 km	Near in Completion	2013-18
16	Khuzdar – Basima (N-30)	110 km	PC-I approved	2018-2020
17	Basima-Hoshab-Gwadar	400km	Completed	

- **Short to Medium Term Projects (Western Alignment)**

Sr.	Project Name	Length in Km	Status	Indicative Plan Period
1	Hakla (Islamabad) – Yarik (D.I. Khan)	285 Km	Under Construction	2013-19
2	Yarik – Zhob (N-50)	235 km	PC-I approved Detailed Design is in process	2018-23
3	Zhob – Quetta (N-50)	331 km	Planning Stage	2018-23
4	Quetta – Khuzdar (N-25)	306 Km	Detailed Design is in progress	2018-23
5	Surab – Hoshab (N-85)	449 Km	Completed	-
6	Hoshab – Gwadar (M-8)	193 Km	Completed	-

- **Medium to Long Term Projects (Central Alignment):**

Sr.	Project Name	Length in Km	Status	Indicative Plan Period
1	D.I. Khan – DG Khan	229 Km	Feasibility Study Plan in 2025	2023-28 2028-33
2	D.G. Khan – Dera AllahYar	303 Km	Feasibility Study Plan in 2025	2023-28 2028-33
3	Dera AllahYar – Wangu Hills	94 Km	Feasibility Study Plan in 2025	2023-28 2028-33

Motorways

NHA has constructed three segments of Pakistan Motorway Network viz M-1 (Peshawar-Islamabad), M-2 (Islamabad-Lahore) and M-3 (Pindi Bhattian-Faisalabad) bringing remote areas on mainline and boosting economic activities. NHA is now constructing M-4 (Faisalabad-Khanewal-Multan) and Karachi-Hyderabad Motorway (M-9). Detail of NHA Motorway network is as under:

Sr.No.	Motorway	Length	Status
1.	M-1 (Peshawar-Islamabad)	156 Km	Completed
2.	M-2 (Islamabad-Lahore)	357 Km	Completed
3.	Havelian – Manserah	39 km	Under construction
4.	Hazara Motorway (E-35)	59 km	Under construction
5.	Hakla-D.I.Khan	285 km	Completion Dec:2019
6.	Sialkot-Lahore	91.3 km	Completion Dec:2018
7.	Lahore-Multan (M-3)	230 km	Completion Aug:2018
8.	Faislabad-Gojra (M-4)	58 km	Completed
9.	Gojra-Shorkot (M-4)	62 km	Completion: August 2018
10.	Shorkot- Khanewal (M-4)	64 km	Completion: August 2018
11.	KWL-MLN (M-4 Ext.)	56 km	Completed
12.	Sukkur-Multan (M-5)	392 km	Completion 2019
13.	Hyderabad-Sukkur (M-6)	296 km	Procurement under process
14.	Karachi-Hyderabad (M-9)	136km	Under Completion June 2018
Total Length		**2,362.3km**	

In addition to above, following is the detail of projects through development partners' assistance;

A. Asian Development Bank (ADB) Assisted Projects

i. Flood Emergency Rehabilitation Project - Phase-I (343 km) (Under Construction)

ii. Construction of Gojra - Khanewal M-4 (126 km) (Under Process)

iii. Flood Emergency Rehabilitation Project - Phase-II (335 km) (Under Construction)

iv. Balochistan Package

- Zhob - Mughalkot Section of N-50 (80 km) (Under Construction)

- QillaSaifullah - Waigum - Rud section of N-70 (124 km) (Under Construction)

v. Burhan - Havelian Expressway (E-35) 59 km(Under Construction)

B. Islamic Development Bank (IDB) Assisted Projects

- Multan - Khanewal Section (57 km) M-4 Extension (Completed)

C. Japan Assisted Projects, JICA (Japan International Cooperation Agency)

i. Sehwan - Ratodero Section (200 km) of N-55 (Completed)

ii. Rakhi Gajj - Bewata Section (34 km) of N-70 (Under Construction)

D. Korean Exim Bank Assisted Projects

i. Chakdarra - Chitral Section (141 km) of N-45 (In procurement stage)

ii. Malakand Tunnel (In procurement stage)

E. US AID Grant

i. Quetta - Chaman Section of N-25 (120 km) (Completed)

ii. Peshawar - Torkham Section of N-5 (45 km) (PC-I is in process of approval)

F. Chinese Financing:

i. Raikot - Thakot Section of KKH (276 km) (Loan arrangement is under process)

ii. Multan – Sukhar (M-5) (392 km) (Completion June 2018)

Further, NHA has planned projects on PPP basis worth Rs. 210,000 Million to be started in near future.

China-Pakistan Economic Corridor and connectivity

CPEC complements Pakistan Vision 2025 and Chinese concept of developing Silk Road Economic Belt and 21st Century Maritime Silk route. Through CPEC, Pakistan is harnessing its geostrategic location into a geo-economic advantage. It is a massive bilateral project to improve soft as well as hard infrastructure within Pakistan for better trade with China. The goal of CPEC is both to transform Pakistan’ economy by modernizing its road, rail, air, and energy transportation systems and to connect the deep-sea ports of Gwadar and Karachi to China and other global economies. Numerous countries have shown interest in participating in this initiative. It is a framework of regional connectivity and a hope for regional peace, development and economic growth.

CPEC Transport Infrastructure Projects (planned/ under execution)

The development of Gwadar is a priority of the government. Lying at the mouth of the Persian Gulf, Gwadar is a strategic warm water deep sea port being developed under CPEC. Following transport infrastructure projects are included in CPEC:

S. No.	Projects
1	KKH Phase II (Thakot- Havelian Section)
2	Karachi- Peshawar Motorway (Multan- Sukkur Section)
	Western Route Projects
3	Up gradation of D.I.Khan- Zhob, N-50 Phase-I (210 Km)
4	KKH Thakot –Raikot N35 remaining portion (136 Km)
	Provincial Projects
5	Keti Bunder Sea Port Development Project, Sindh
6	Naukundi- Mashkhel-Panjgur Road Project connecting with M-8 & N-85, Balochistan.
7	Chitral CPEC link road from Gilgit, Shandor, Chitral to Chakdara, KP-GB
8	Mirpur- Muzaffarabad- Mensehra Road Construction for Connectivity with CPEC route, AJK
9	Quetta Water Supply Scheme from Pat feeder Canal, Balochistan
10	Iron Ore Mining, Processing & Steel Mills complex at Chiniot, Punjab.

In addition to road projects, Pakistan and China have agreed to establish a dry port at Havelian, ground breaking of the project is planned this year.

Besides rail and road projects, CPEC focuses on urban development in its nodal cities. For the purpose, 6th Joint Coordination Committee (JCC) has approved inclusion of mass transit system in all the four provinces that are in planning and execution phase.

i. Greater Peshawar Region Mass Transit
ii. Quetta Mass Transit
iii. Orange Line – Lahore
iv. Karachi Circular Railways

Fiber Optic Connectivity

Pakistan and China are executing Cross- border Fiber optic project (Khunjerab- Rawalpindi). Completion of the 820 km long cable is planned in August 2018. The project will surely support IT sector development in northern parts of the country besides connecting the Transit Europe-Asia Terrestrial Cable Network with Pakistan. A Pilot Project of Digital Television DTMB (Digital Terrestrial Multiband Broadcast) has also been completed under CPEC.

Railways

Railway Revitalization Strategy is being implemented, which envisages improvements in business processes and the institutional framework, financial stability, and service delivery.

Current Scenario and Future Plan

During July-Dec 2017-18, gross earnings of Pakistan Railways, number of passenger carried, freight carried and freight tonnes earning has improved by 26.7 percent, 4.7 percent, 55.8 percent and 62.1 percent respectively over the corresponding period of last year. The details are given in the table.

Table 13.1: Earning of Pakistan Railway

Fiscal Year	Earning (Rs in million)	% Change
2008-09	23,160	----
2009-10	21,886	-5.5
2010-11	18,740	-14.4
2011-12	15,444	-17.5
2012-13	18,070.55	17
2013-14	22,800.22	26.173
2014-15	31,924	40
2015-16	36,581.87	14.6
2016-17	40,064.95	9.5
(July-Dec)		
2016-17	18548.10	
2017-18	23,505.54	26.7

Source: Ministry of Railways

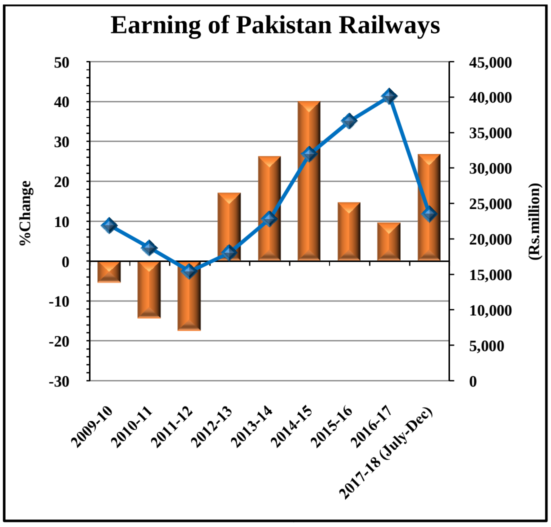
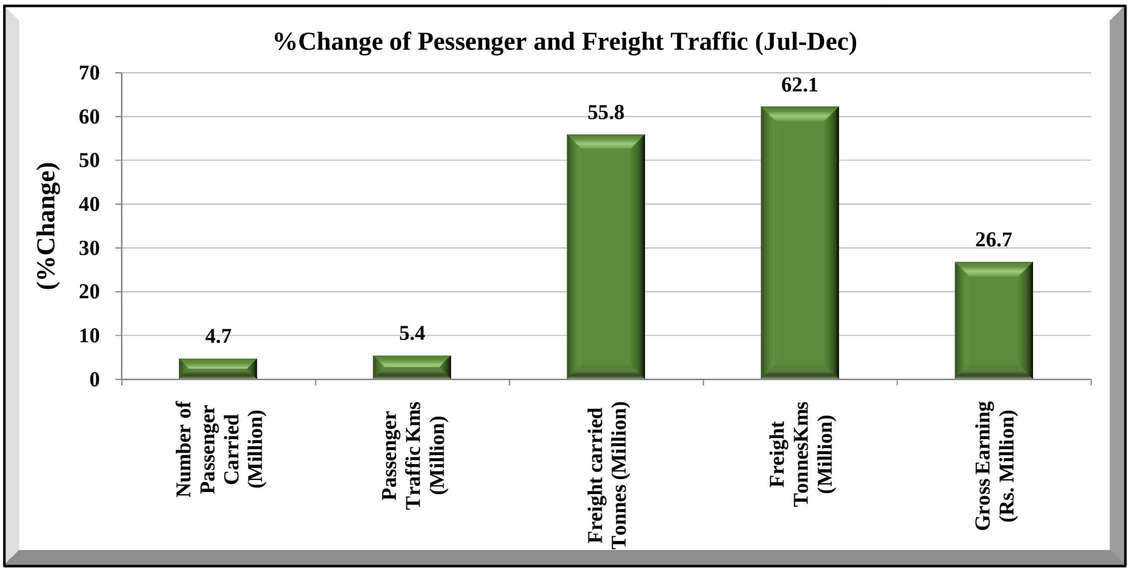


Table 13.2: Passenger and Freight Traffic

Subject	2014-15	2015-16	2016-17	(July-Dec)		
				2016-17	2017-18	%Change
Number of Passengers Carried (Million)	52.9	52.2	52.4	26.6	27.9	4.7
Passenger Traffic Kms (Million)	20288.0	21201.0	22475.7	12132.0	12785.0	5.4
Freight carried Tonnes (Million)	3.6	5.0	5.6	2.4	3.8	55.8
Freight Tonnes Kms (Million)	3301.0	4773.5	5031.3	2160.1	3501.3	62.1
Gross Earning (Rs. Million)	31924.0	36581.9	40065.0	18548.1	23505.5	26.7

Source: Ministry of Railways



New Initiatives

Ministry of Railways is taking following new initiatives to improve performance of Pakistan Railways:

i. Pakistan Railways is to undertake necessary steps to increase its share in the overall transport sector of Pakistan from 4 percent to 20 percent. Ministry of Railways has prepared Pakistan Railway Strategic Plan (PRSP) to operationalize the targets set in the vision which would provide a long term framework for railway sector development in Pakistan.

ii. Improve availability of locomotives through special repair of existing locomotives and procurement of new locomotives.

iii. Special repair/rehabilitation of existing coaches & wagons and procurement of new coaches & bogie freight wagons.

iv. Up-gradation of ML-III:

Quetta-Taftan Railway line is an important section of railway network in the context of regional connectivity with Europe through Iran and Turkey and tapping the mineral potential of Balochistan. In addition, extension of ML-III (Quetta-Bostan-Zhob-D.I Khan-Kotla Jam section) will provide important connection for transportation of freight and passengers between North and South of the country. A feasibility study for up-gradation of ML-III is under process.

i. The following three trains have also been offered for outsourcing of the commercial management under PPP mode:-

S.No	Train	Route
1	Musa-Pak Express (115-Up/116-Dn)	Lahore-Multan Cantt via Sahiwal
2	Karachi Express (15-Up/16-Dn)	Lahore-Karachi Cantt via Multan Cantt
3	Shalimar Express (27-Up/28-Dn)	Lahore-Karachi Cantt via Faisalabad

Achievements during the fiscal year 2017-18

A. Track

I. The following projects will be completed during the FY 2017-18:

a. Acquisition of land for Railway Container Yard, Station and Railway line from Sea Port up to Coastal Highway at Gwadar (Revised).

b. Doubling/Improvement of existing track from Port Qasim to Bin Qasim Station (CPEC).

c. (a) PC-II for Feasibility Study to Connect Gwadar with Karachi.

d. (b) Feasibility Study from Gwadar to Besima and from Besima to Jacobabad via Khuzdar (CPEC).

e. Preliminary Design/Drawings for Up-gradation/rehabilitation of main line (ML-1) and establishment of Dry port near Havelian under CPEC and hiring of design/drawings vetting consultants.

f. Reopening of rail car from Kohat to Rawalpindi on experimental basis.

II. During 2017-18, 74 kms of track was rehabilitated on the Pakistan Railway network besides laying of new track of 4 kms track.

B. Rolling Stock

I. The following projects will be completed during the FY 2017-18:-

i. Rehabilitation of 27 (HGMU- 30 Class) Diesel Electric Locomotives (Revised).
ii. Procurement/Manufacture of 585 Hopper Wagons and 20 Bogie Brake Vans for Coal Transportation.
iii. Procurement/ Manufacture of 780 High Capacity Bogie (Hopper) Wagons and 20 Bogie Brake Vans for Coal Transportation (Ph-I)
iv. Rehabilitation of Rolling Stock and Track.
v. Special Repair of 800 Coaches and 2000 Wagons.

II. Following initiatives are under way for rehabilitation of held up locomotives.

i. Rehabilitation of 27 (HGMU-30) of 3000 HP DE Locomotives has been completed.
ii. Special Repair of 100 DE locomotives, to improve their reliability and performance, are also being carried out through PSDP at a cost of Rs.4967 million.
iii. LC for Procurement of 20 DE locomotives (2000-2500 HP) has been opened during FY 2017-18 and four plants & machinery have been received during FY 2017-18 under project titled "Procurement of 75 DE Locomotives".
iv. Award of contract for procurement of 234 different types of traction motors (GE-761, D-77/78 & D-29) has been made. Moreover, rehabilitation of 66, Hit-395 type traction motors is under process.

III. The procurement/manufacture of 490 hopper wagons and 20 brake vans will be completed during FY 2017-18.

IV. Special repair of 19 coaches and 50 wagons and rehabilitation of 15 wagons has been completed during FY 2017-18.

V. The PC-I for the procurement/manufacture of 820 high capacity bogie freight wagons & 230 passenger coaches has been approved by ECNEC at a cost of Rs. 31.194 billion during FY 2017-18.

Pakistan International Airlines

Pakistan International Airlines (PIA) has been converted into a company under Companies Ordinance 1984 in order to improve corporate governance. A new Strategic Business Plan 2018-22 has been developed, which provides a five-year roadmap for improving the national carrier's performance. The plan prioritizes segregation of non-core functions from core functions, improvement in customer experience and product, route rationalization, cost reduction/ optimization, HR capability development and IT modernization. The plan is supplemented by a financial restructuring plan, which focuses on curtailing financial and operational losses.

Despite financial constraints and tough and uneven competitive environment PIA gave a stable performance during 2017. To reduce losses PIA had to take measures like route rationalization and temporarily suspended its New York route which was incurring loss of Rs 1.2 billion per annum. The aircrafts was deployed on more profitable routes especially Saudi Arabia. Similarly the Salalah (Oman) route was also suspended to reduce losses. However, frequencies on other viable routes were increased particularly on domestic network i.e Karachi-Lahore-Islamabad.

Significant improvement was achieved on cargo side and the load factor increased by 6.2 precent to 55.2 percent and the tonnage carried increased by 7 percent to 1,469 million RTKs (Revene Tonne Kilometers).

To cater to market demand PIA had to acquire four A320 aircraft on wet lease which helped during the Hajj season and the capacity remained at the previous level of 2016.Two new destinations Najaf (Iraq) and Bangkok (Thailand) were opened during 2017.PIA completely refurbished its whole fleet of 32 aircraft. This included change of seat covers, carpets and deep cleansing to the micro level thus giving a totally new look of the aircraft interior. Improvements were carried out in flight service area by imparting trainings and refreshers to all the cabin crew.

Table 13.3: PIAC Performance

Indicators	Units	Year 2014	Year 2015	Year 2016	Year 2017
PIA Fleet	No. of planes	34	38	38	36
Route	Kms	389,445	367,251	382,057	360,937
Available Seat	million Kms	16,536	16,666	19,196	19,108
Passenger Load Factor	in percent	72	70.3	71.6	73.20
Revenue Flown	000 Kms	61,389	67,630	79,842	75,207
Revenue Hours Flown	Hours	101,556	111,455	131,838	122,081
Revenue Passengers Carried	000nos.	4,202	4,393	5,487	5,342
Revenue Passengers	million Kms	11,903	11,711	13,751	13,988
Revenue Tonne	million Kms	1,241	1,191	1,375	1,469
Revenue Load Factor	in percent	52	48.9	49.2	55.2
Operating Revenue **	Rs. million	99,519	91.269	89,842	-
Operating Expenses **	Rs. million	11.048	121.222	125,961	-
Available Tonne	million Kms	2,396	2,435	2,798	2,659

* PIA financial year is based on calendar year i.e. January to December.
** Revenue and cost is based on un-audited accounts.

Source: Civil Aviation Authority

Maritime Affairs Division

Pakistan National Shipping Corporation (PNSC)

While the global shipping industry has started showing signs of entering the recovery phase with an increase in Baltic Dry Index (BDI) in the dry bulk segment and an increase in world scale and Average Freight Rate Assessment (AFRA) in liquid segment internationally, therefore there is a likelihood of recovery in the coming months.

Financial Performance

During July-December FY 2017-18, financial performance of PNSC is as under:

Table 13.5: Financial Performance (Rs 000)

Financial Results	July- December FY 2017-18
Revenue	5,485,915
Expenses	(4,139,005)
Gross Profit	1,346,910
Other Income	671,013
Administrative, General and Other expenses	(979,915)
Finance Cost	(135,229)
Profit before tax	**902,779**

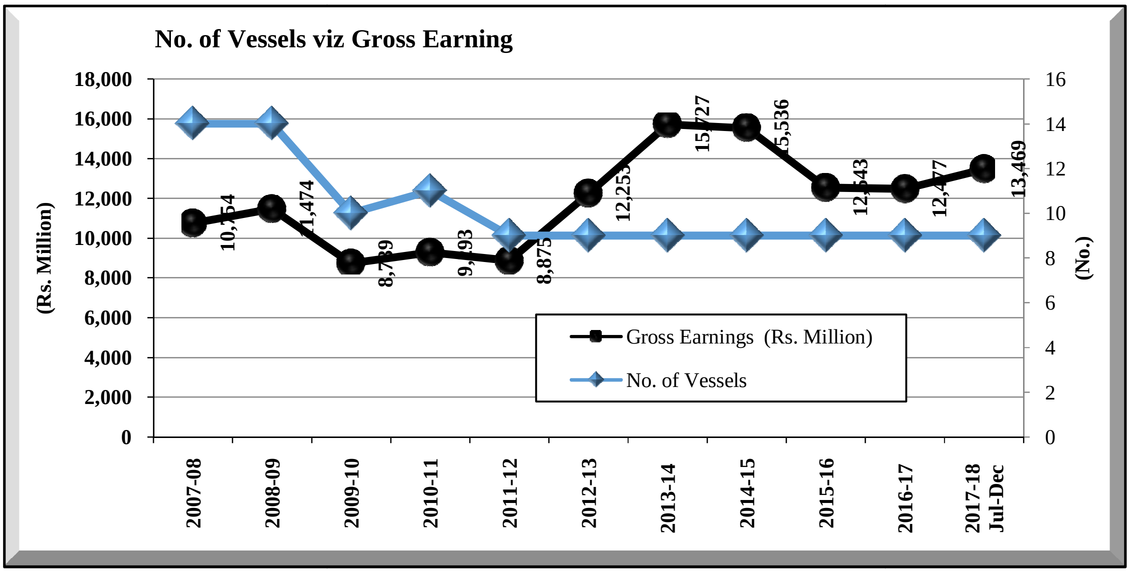
Commercial Performance

The commercial and financial performance (un-audited) covering six months activities from 1st July 2017 to 31st December 2017 is given in the following tables.

Table 13.4: Commercial Performance

FY 2017-18 (July-Dec)	Tanker	Chartering	SLOT Consolidated	
	Liquid Cargo (MT)	Dry Cargo MT	TEUs	BB/LCL
	5,774,146.82	882,198.00	1,758.00	43,822.65

The gross earnings of PNSC during last 10 years can be visualized as under:



Future Plans of PNSC

- PNSC is in process of acquiring up to two (2) LR-1 product tankers to cater sea transportation requirements of imported clean petroleum products of Pakistan.
- PNSC has also planned to establish a modern ship/ marine workshop in Gwadar to cater future demands of repair and maintenance of ships, craft etc. Currently land acquisition is in progress.
- Furthermore, PNSC intends to engage its dry bulk carriers in transportation of coal for Pakistan in anticipation of upcoming coal fired power plants which will reduce dependency on foreign carriers required to meet local coal transportation demand.

Fleet Strength of PNSC

At present, PNSC fleet comprises of 09 vessels of various type /size (05 bulk carriers & 04 aframax tankers) with a total deadweight capacity (cargo carrying capacity) of 681,806 metric tons i.e. highest ever carrying capacity since inception of PNSC . The present fleet strength of PNSC is as under:

Table 13.6: Fleet Strength

SR #	SHIP	BUILT	ACQUIRED IN	TYPE	DWT
1	SIBI	2009	2011	HAND SIZE BC	28,442
2	HYDERABAD	2004	2011	SUPRAMAX BC	52,951
3	MALAKAND	2004	2010	PANAMAX BC	76,830
4	CHITRAL	2003	2010	HANDYMAX BC	46,710
5	MULTAN	2002	2012	SUPRAMAX BC	50,244
6	QUETTA	2003	2008	AFRAMAX TANKER	107,215
7	LAHORE	2003	2010	AFRAMAX TANKER	107,018
8	KARACHI	2003	2010	AFRAMAX TANKER	107,081
9	SHALAMAR	2006	2014	AFRAMAX TANKER	105,315
				TOTAL	**681,806**

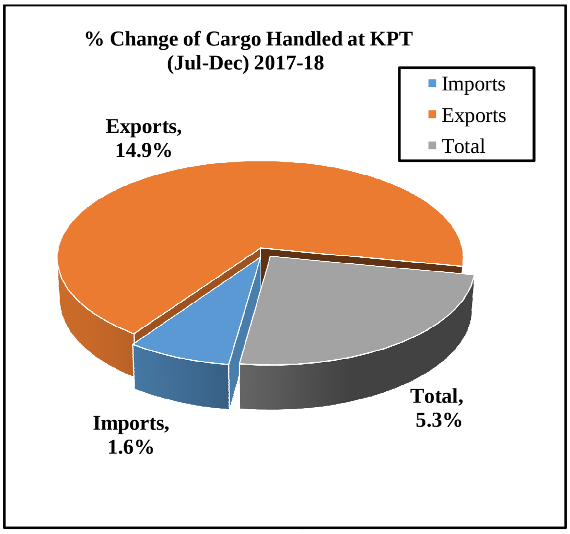
Karachi Port Trust (KPT)

During the FY 2018 (Jul-Dec) total cargo handled by KPT shows a progress of 5.3 percent with the breakup of export and import of 14.9 percent and 1.6 percent respectively as compared to corresponding period of last year, as shown below;

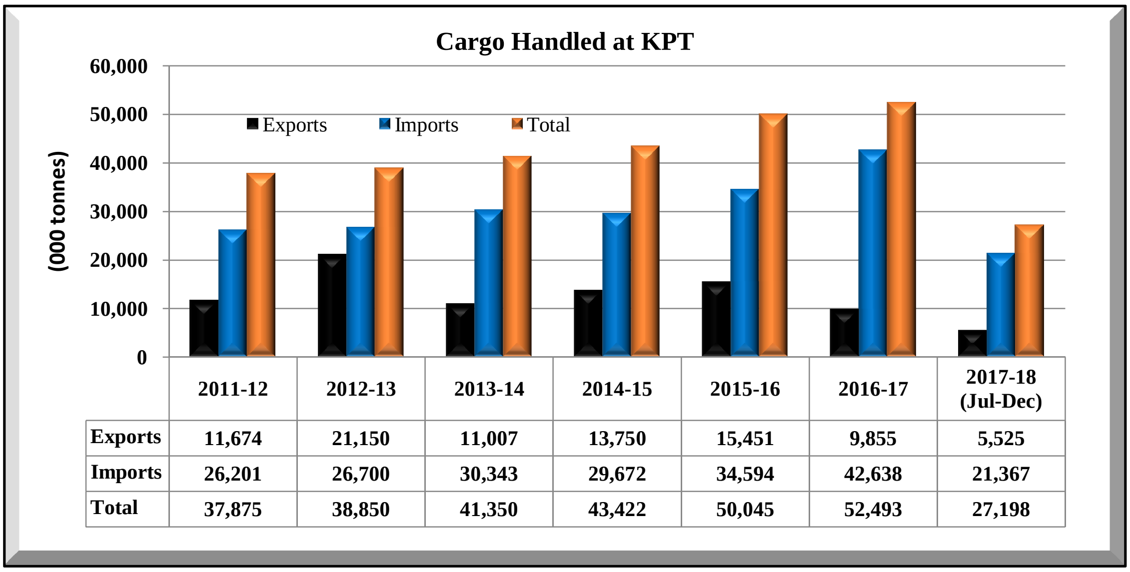
Table. 13.7: Cargo Handled at Karachi Port Trust (000 tonnes)

Period	Exports	Imports	Total
2011-12	11,674	26,201	37,875
2012-13	21,150	26,700	38,850
2013-14	11,007	30,343	41,350
2014-15	13,750	29,672	43,422
2015-16	15,451	34,594	50,045
2016-17	9,855	42,638	52,493
(Jul-Dec)			
2016-17	4,810	21,024	25,834
2017-18	5,525	21,367	27,198
%Change (Jul-Dec) 2017-18/ 2016-17	**14.9**	**1.6**	**5.3**

Source: Karachi Port Trust



The commercial perfomance of Karachi Port Trust during last six year along with 1st half of FY 2018;



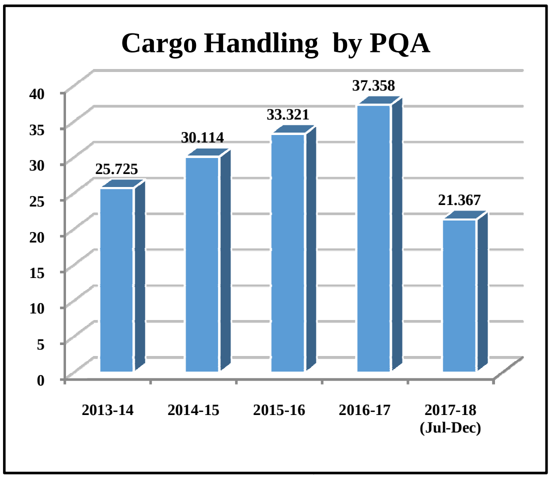
Port Qasim Authority (PQA)

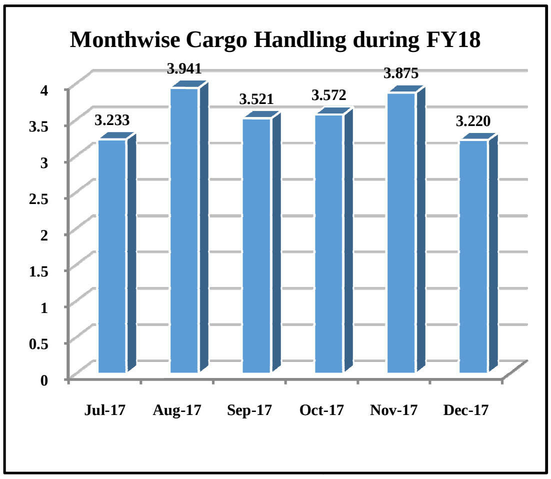
Total cargo handling at PQA stands at 21.367 million tonnes during July- December 2017-18. Port Qasim handled a total volume of 21.367 million tonnes during the first half of fiscal year 2017-18 (July- December), showing a substantial increase of 24.5 percent over the 17.165 million tonnes recorded for the same period a year before. The increase of 24.5 percent is attributed to increased handling of Petroleum Oils and Lubricants (POL), Chemicals, Containerized cargo, Grain, Coal and LNG.

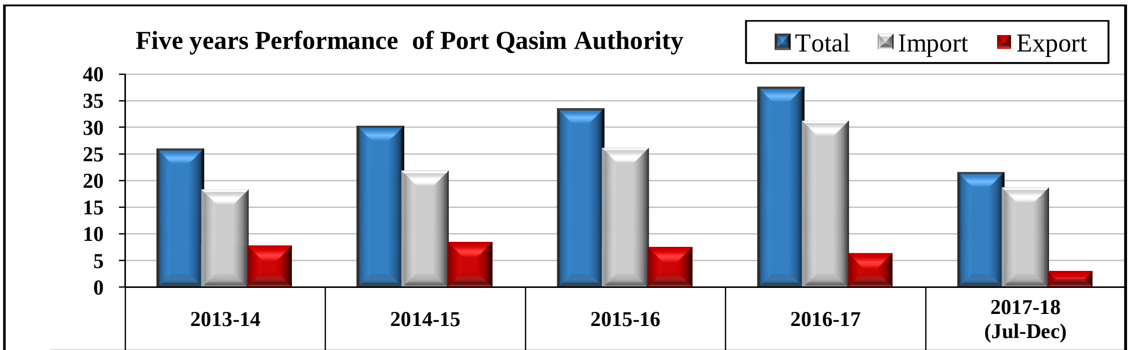
Out of the 21.367 million tonnes, the liquid cargo was 9.872 million tonnes, containerized cargo was 6.865 tonnes and remaining 4.630 million tonnes was miscellaneous types of dry bulk/ break bulk cargo. August remained the highest month in the first half of current fiscal year, reaching over 3.941 million tonnes, while average cargo handling remained at the port at 3.561 million tonnes per month during the July to December 2017-18.

Table 13.8: cargo handled by PQA (000, tonnes)			
Period	Total	Import	Export
2013-14	25.775	18.076	7.699
2014-15	30.014	21.608	8.405
2015-16	33.321	25.857	7.464
2016-17	37.358	30.995	6.363
2017-18 (Jul-Dec)	21.367	18.432	2.935

Source: Port Qasim Authority







	2013-14	2014-15	2015-16	2016-17	2017-18 (Jul-Dec)
Total	25.775	30.014	33.321	37.358	21.367
Import	18.076	21.608	25.857	30.995	18.432
Export	7.699	8.405	7.464	6.363	2.935

Gwadar Port

Gwadar Port, the first deep sea port in the country, is a complement to Karachi Port and Port Qasim in order to stimulate economic growth of Pakistan in general and Balochistan in particular by utilizing the available resources of the country and also providing an outlet for land-locked Central Asian States, Western China and Afghanistan through transit trade and offering transhipment facilities.

Port Operation and Renovation

The earlier port operator, M/s PSA Gwadar International Pte Ltd, was unsuccessful in bringing business to the port and further expansion of its infrastructure. Since May 2013, the port's concessional rights were transferred to the new operator, viz. China Overseas Ports Holding Company Limited (COPHCL). Since the concessions were handed-over to COPHCL, it has been working on improving port facilities, surrounding environment and port business. The port operator has invested more than $40 million for up-gradation of the port facilities. The port is now fully operational and receiving commercial vessels on regular basis.

Since 2008, Gwadar Port has handled around 6.474 Metric Ton cargo from 220 ships. The Chinese Operator is working on increasing the number of ship calls at the port. Two ship-liners (COSCO & Sino-Trans) are calling regularly at the port. From May 2015 Container Business has also been started from Gwadar Port. From 7th March, 2018 weekly container service has been started by COSCO.

Table 13.9: Summary of trade up to March 2018	
Total Import	23,832 Metric tons
Total Export	320 Metric tons

Communication

Information and Communication Technology Sector

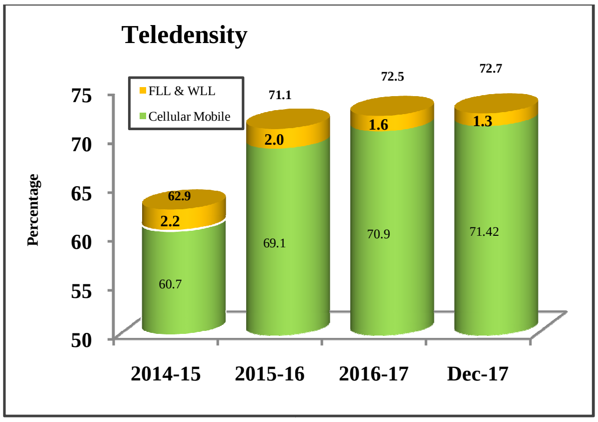
The Telecommunication market in Pakistan is open and deregulated, offering level playing field to operators. Through enabling telecommunication policies and spectrum auction for next generation mobile services, the broadband penetration has jumped from 3.7 million to 52 million. Information and Communication Technology Sector is pillared on three of the sectors i.e Telecom Sector, Information Technology Sector and National Initiatives for ICTs (IT &Telecom) which is elaborated as under;

1. Telecom Sector

Through the enabling policies of the Ministry of Information Technology and Telecommunication (M/o IT&T), the telecommunication sector in the country has not only witnessed steady growth, but has also contributed to the national exchequer.

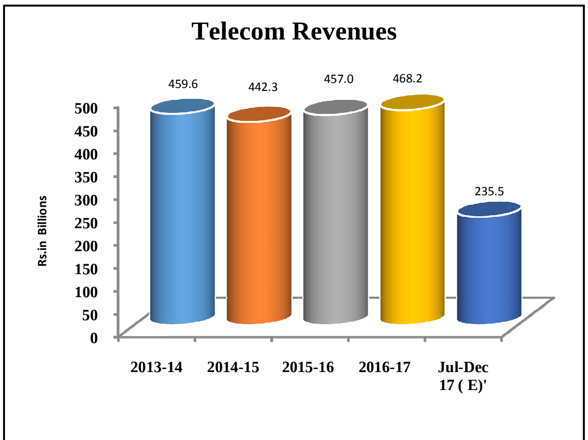
Telecom Sector Analysis

Telecom sector has shown positive growth during the first two quarters of FY 2017-18. Total teledensity reached 72.7 percent at the end of 2nd quarter of FY 2017-18, compared to 72.5 percent at the end of last fiscal year. The prime driver of teledensity rise is the growth in cellular mobile subscribers and the teledensity as of February 2018 is 74.2 percent.



Telecom Revenues

Revenues from telecom sector reached an estimated Rs. 235.5 billion during the first two quarters of FY 2017-18. The commercial launch of 3G and 4G Long Term Evolution (LTE) services has opened new opportunities for revenue generation for the mobile operators. Availability of 3G and 4G services has enabled development of new applications and data base services, and people of Pakistan are quickly adapting to these new technologies and services.



Note: Figures for the FY 2017 and Jul-Dec 2018 are estimated.

Telecom Investment

In terms of overall investment in the telecom sector, the momentum that was started in FY 2012-13 for the up-gradation of telecom networks for 3G and 4G services has continued. Telecom operators have invested US$ 322.9 million during the first two quarters of FY

2017-18. The main driver behind this investment is the cellular mobile sector which has invested US $267.94 million during the first two quarters of FY 2017-18.

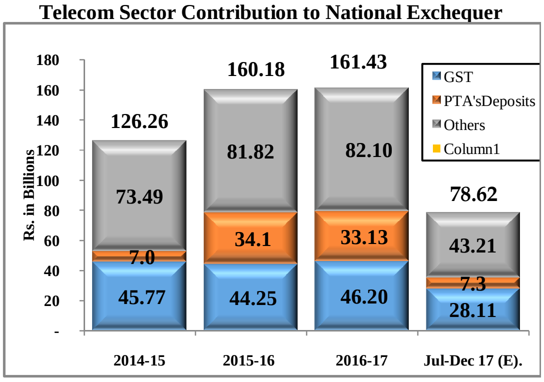
Table 13.10: Telecom Investment US$ (Million)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 Jul-Dec 17 (E)
Cellular	570.4	1,789.7	977.6	659.4	486.1	267.94
LDI	1.9	1.8	12.2	8.9	11.3	9.95
Fixed	28.0	24.1	15.5	54.0	137.5	45.00
Total	**600.3**	**1,815.6**	**1,005.3**	**722.3**	**634.9**	**322.9**

Telecom Sector Contribution to the National Exchequer

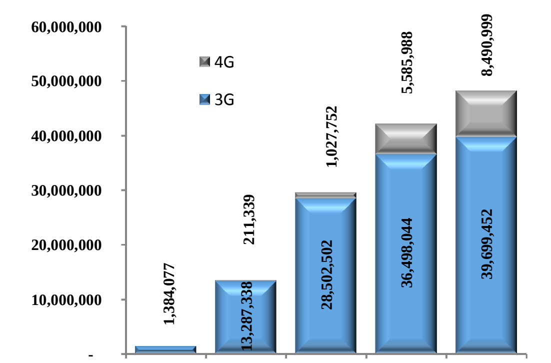
Telecom sector is a significant source of revenue generation for the national exchequer. During the first two quarters of the FY 2017-18, telecom sector contributed estimated Rs 78.62 billion to the national exchequer in terms of taxes, regulatory fees, initial and annual license fees, activation tax, and other charges.

Telecom Sector Contribution to National Exchequer

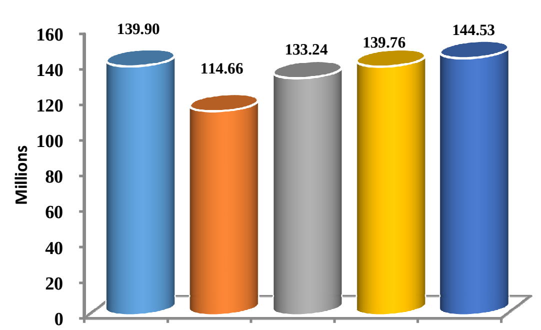


Note: Figures for 2015-16 and Jul-Dec 16 are estimates.
PTA's contributions comprise of all its receipts including Initial and Annual License Fees, Annual Radio Frequency Spectrum Fee, Annual Spectrum Administrative Fee, USF and R&D Fund Contributions, APC for USF, Numbering Charges, License Application Fee, etc.
Others include custom duties, WHT and other taxes.
Source: Federal Board of Revenue and Pakistan Telecommunication Authority.

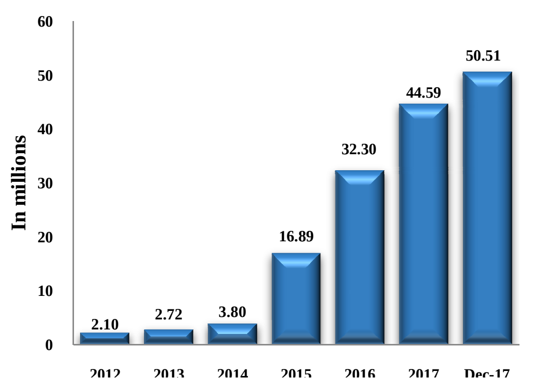
NGMS Subscribers



Cellular Subscribers



Broadband Subscribers



Cellular Subscribers

By the end of December 2017, the total number of mobile subscriptions in Pakistan reached at 144.53 million with the net addition of 4.77 million subscribers during July, 2017 to December 2017. Biometric re-verification of SIMs in 2014-15 had an adverse impact on the cellular subscriber base. However, the industry has survived through the tough period and continues to regain subscribers at a fast pace and the mobile subscriptions has rose to 147.5 by the end of February 2018.

3G and 4G LTE Subscribers

3G and 4G LTE subscribers have reached at 48.19 million at the end of December, 2017 as compared to 42 million as of June 2017 which shows that on average, there have been more than one million subscriptions to 3G&4G LTE networks per month. More coverage and reduced tariffs has further increased the pace of 3G and 4G LTE subscriptions which stood at 51.2 million by the end of February 2018.

Broadband Subscribers

Broadband subscriber base showed strong growth during July, 2017 to December 2017. At the end of December 2017, broadband subscribers stood at 50.51 million as compared to 44.59 million at the end of last fiscal year. The number of net subscriber additions in the period stood at 6 million. By the end of February 2018, the total mobile broadband subscribers were 53.5 million.

Local Loop Subscribers

The subscriber base of local loop segment has reached 2.76 million at the end of December 2017 as compared to 2.99 million as of June, 2017. Fixed Local Loop (FLL) subscriber base has been relatively steady as 2.72 million subscribers (Dec, 2016) are reported as compared to 2.99 million (June 2017). The closure of PTCL's Wireless Local Loop (WLL) connections and the mobile substitution effect has resulted into gradual decline of the local loop subscriptions.

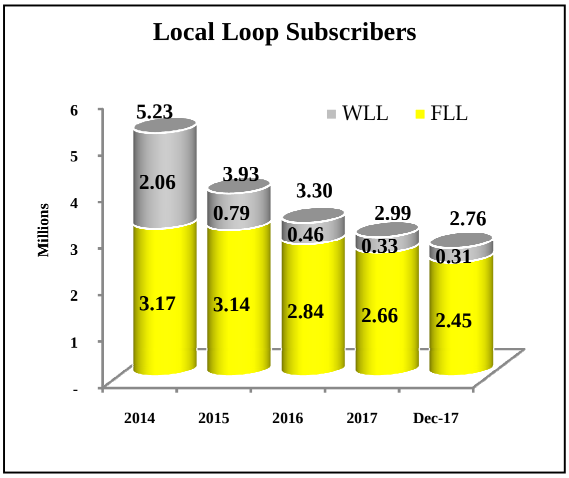


Table 13.11: Local Loops Subscribers			
Financial Year	Telephones (FLL & WLL)	Broadband Connections (3G, 4G & Fixed)	Mobile Phones
2013-14	5,231,731	3,795,923	139,974,754
2014-15	3,931,296	16,885,518	114,658,434
2015-16	3,295,169	40,147,991	133,241,465
2016-17	2,986,310	44,586,733	139,758,116
2017-18 (Jul-Dec)	2,759,323	45,376,133	144,525,637
Note: FLL and WLL Subscribers upt oSep 2017			

Auction of Unsold Next Generation Mobile Services (NGMS) Spectrum in Pakistan

The next generation mobile services were introduced in 2014 through spectrum auction for provision of 3G and 4G mobile services in the country. This transparent auction generated USD 1.2 Billion for the national exchequer and opened new horizons of ICT development in the country. The said Auction received international acclaim and the Government of Pakistan (Ministry of IT & Telecom) won the "Spectrum for Mobile Broadband Award 2015" at GSMA's Mobile World Congress Event held in Barcelona, Spain in March 2015.

This was followed by another auction of unsold spectrum in 850 Mhz band in 2016, generating over USD 400 million for the national exchequer.

Following the successful auctions stated above, extensive stakeholders consultations were undertaken and for the auction of unsold 2x10 MHz of frequency spectrum in 1800 MHz band. Accordingly, a Policy Directive was issued on 27thMarch 2017, whereby PTA was entrusted to undertake transparent auction process. The base price for the said spectrum was set as USD 295 million and all existing cellular mobile operators (CMOs) as well as new players were eligible to participate in the auction.

Spectrum Plan

In line with the provisions of the Telecommunications Policy 2015, Spectrum Strategy provides a three-year roadmap for spectrum allocation/assignment as well as on spectrum-related frameworks. It highlights government's plan with regard to spectrum availability, refarming requirements, spectrum pricing and spectrum trading/sharing.

This comprehensive strategy was developed in close collaboration with International Telecommunication Union (ITU) which provided technical assistance without any cost with stakeholder committee that includes representatives from PTA, FAB (Frequency Allocation Board) and spectrum veterans. It is planned that the first rolling spectrum plan for Pakistan will be issued during the FY 2018-19.

The IT and Telecom sectors are expanding and generating new jobs as businesses utilize modern ICT technologies such as e-commerce, e-banking, e-health, e-education, and business related to IT applications. Information Technology sector is also exhibiting accelerated progress with approximate total IT turnover of USD 4 billion (basing on Bearing Point Model), including both exports and domestic revenue (Source: PSEB; assessment by Bearing Point's Study).

Cyber Governance:

The Prime Minister designated the M/oIT&T with the lead role for providing policy inputs on issues related to cyber governance. In this regard, a high level Cyber Governance Policy Committee was constituted with the mandate to carry out consultations on aspects related to cyber governance on a regular and permanent basis, formulate National Policy for cyber governance, devise strategy/mechanism to implement the policy and harmonize working and operational reporting mechanism of all departments currently dealing with the subject.

Extensive efforts have been undertaken for the formulation of cyber governance policy aimed at developing secure and resilient cyber space for all stakeholders including general public, in consultation with stakeholders. It is expected that the final draft of the policy will be submitted in the upcoming fiscal year for approval of the Federal Cabinet.

Infrastructure Development in Unserved and Underserved Areas of the Country

To connect the unconnected in the unserved and underserved areas of the country, projects are being designed for the provision of next generation broadband and telephony across the country. Through the Universal Service Fund (USF), M/oIT & T is committed to minimize the information and communication gap between rural and urban communities. In this regard, a subsidy of more than Rs. 27 Billion has been given during the last five years.

USF Optic Fiber Cable programme is concentrating on connecting the unserved Tehsil Headquarters (THQs) and major town enroute. Till date about 6,400 kms of optic fiber cable (OFC) has been laid and 79 THQs and towns have been provided with the connectivity. This year USF has successfully launched a project to provide connectivity to 35 unserved THQs and towns in Khyber Pakhtunkhwa. Contract has been signed and Rs. 800 million have been allocated for this project.

One such initiative is to provide next generation broadband and telephony coverage along the unserved route of national motorways and highways, including segments of Pak China Economic Corridor (CPEC) and major roads which have national significance and high demand by the travelers across Pakistan. It is estimated that around 7,700 kms of routes are unserved and at least Rs. 18 billion will be required to provide this coverage.

USF is also working on new projects where existing infrastructure providing 2G and WLL services under USF BSD projects will be upgraded to provide next generation broadband services thereby expanding connectivity and coverage to the whole of the country with respect to high speed broadband.

For already running projects under USF Broadband for Sustainable Development (BSD) Programme during current financial year, 191 mauzas have been provided with telephony and mobile internet services including 7 projects under its Broadband for Sustainable Development Programme.

Information Technology Sector

The M/o IT&T continues to support all credible private sector initiatives aimed at bolstering the local IT industry and attracting foreign investment. Government realizes that it has an important role in terms of providing a conducive environment to IT industry through infrastructure and HR development. Government's incentives for IT industry include:

- Zero income tax on IT exports till June 2019
- 100% equity ownership allowed to foreign investors
- 100% repatriation of capital and dividends allowed
- 7 year tax holiday for venture capital funds.
- Three-year tax holiday for IT startups with no minimum tax and withholding tax
- Tax holiday for venture capital funds till 2024.

Establishment of Information Technology Parks

The Software Technology Parks (STPs) are a major factor in facilitating the IT companies and play a major role in the development of the IT industry.

A new state of the art IT Park in Islamabad is being established under financing from Korea Exim bank through the Economic Development Cooperation Fund (EDCF), spreading over an area of 47.7 acres of land. The construction of IT Park will be undertaken in two phases on 14.9 acres of land. Cost estimate for first phase is USD 88.25 million for which loan agreement has been signed. It is expected that design and construction of IT Park will be completed by 2020. In addition to the above, M/o IT&T is in process of planning, for undertaking the feasibility study, to establish such state of the art technology parks in the cities of Lahore and Karachi.

Pakistan Electronic Media Regulatory Authority (PEMRA)

PEMRA is primarily mandated for licensing and regulating the establishment and operation of all broadcast media (satellite TV & FM radio) and distribution services (Cable TV, DTH, IPTV, Mobile TV etc.) in Pakistan

Present Status of Private Electronic Media

Pakistan Electronic Media Regulatory Authority (PEMRA) is now in its 15th year and during these 15 years, the country has witnessed a massive growth in the number of TV channels and FM Radio stations in the private sector which is unmatched in the South Asian region and perhaps elsewhere.

Now with more than 90 Pakistan electronic media channels and more than 20 channels with Landing Rights Permission in Pakistan, this boom is owed to the government's unequivocal commitment to a free media and the proactive role played by PEMRA in facilitating the growth of the electronic media. The unprecedented growth of TV channels, Cable TV and launch of FM Radio stations has indeed contributed remarkably in raising the standards of public awareness and literacy. A glance at the following facts and figures on licensing of media amply substantiates growth which has taken place in electronic media in private sector in last fifteen years.

Table 13.12: Licensing Status

Satellite TV Licenses issued		88
	News & Current Affairs	26
	Entertainment	37
	Regional languages	18
	Specialized Subject	04
	Health	01
	Education	01
	Sports	01
	Agriculture	01

Table 13.12: Licensing Status		
FM Radio Licenses issued		219
	Commercial	165
	Non Commercial	54
Cable TV Licenses issued		4,057
Landing Rights Permission Licenses issued		30
Motive TV (Video and Audio content Provision) Service Licensing		04
Internet Protocol TV (IPTV) Licenses issued		02
Licensing during Jul- Feb 2018		
	Category	Number of Licenses
	Landing rights permission to TV Channels	4
	FM Radio licenses	11
	Cable TV licenses	468
	New Licenses	210

Pakistan Television Corporation Limited

At present PTV is operating 7 multiple channels i.e. PTV Home, PTV News, PTV Sports, PTV Global, PTV National, PTV Bolan and PTV World. PTV English News telecasts information about Pakistan domestically as well as internationally. Pakistan Television covers 100 percent area of population on terrestrial net work. Following Rebroadcast Stations are ready to inaugurate:-

Jaglot / Bunji Gilgit-Baltistan: The transmitter will cover 50 Square Kilometer area and 1,000 populations.

Astore: The transmitter will cover 60 Square Kilometer area and 2,000 population.

Aliabad Karimabad: The transmitter will cover 20.0 Square Kilometer area and 18,000 populations.

Pooran KPK: The transmitter will cover 50 Square Kilometer area and 70,000 populations.

PTV Terrestrial Digitalization of DTMB Through Grants in Aid

In order to uplift the socio economic conditions particularly in the less developed areas, PTV has planned terrestrial Digitalization Digital Terrestrial Multimedia Broadcast (DTMB) Project through grant in aid by the Government of Peoples Republic of China. A DTMB pilot has been installed at Remote Backup Service (RBS) Murree by Chinese grant currently. DTMB Demo project through grants in aid is in the pipeline for extending the digitalization expansion. After digitalization channel loading capacity of DTMB transmission will support 12 to 25 channels in contrast to existing present analog transmitter.

Major Activities Proposed To Be Undertaken In The Financial Year 2018-19.

RBS Mian Channu will be completed.

RBS Badin will be completed.

RBS Shaker Garh will be completed.

RBS Ziarat will be completed.

RBS Kharan will be completed.

Number of registered TV sets holders as on 31st December, 2017 are 17,605,422

Pakistan Broadcasting Corporation

Pakistan Broadcasting Corporation is one of the most important and effective electronic media, for the projection of government policies and aspirations of the people of Pakistan at home and abroad. It aims to provide information, education and entertainment to the masses through radio news and programmes of high standard. It also counters adverse foreign propaganda and negative perceptions. Radio is playing significant role in promoting Islamic ideology and national unity with the principles of democracy, freedom, equality, tolerance and social justice. It promotes national and local languages, culture and value. It also helps in discouraging sectarianism, provincialism and terrorism.

14th August 2017 – 70 Years of Independence Celebrations

PBC broadcasted special programmes in Urdu and all regional languages in connection with 70 years independence celebrations 2017 from 23rd March, 2017 to 22nd March, 2018 from all stations and channels. These programmes included talks, features, documentaries, national songs, interviews of workers of Pakistan Movement, extracts from the speeches of Quaid-e-Azam Muhammad Ali Jinnah, dramas, special azadi shows, extensive lectures, seminars and mushairas.

Saut-ul-Quran Channel/Network

The length of Saut-ul-Quran Channel has been enhanced upto 19 hours daily back in 2015-16 and the number of relaying stations were increased upto 15 channels in 2016-17, which has now reached 19 by 2017-18 and will ultimately be increased up to 40 by 2019-20.

Major Activities / Proposals to be under taken in the Forthcoming Fiscal Years 2018-19, 2019-20 & 2020-21

- 21 new Saut-ul-Quran Channels in different cities will be established in the forthcoming fiscal years 2018-19, 2019-20 and 2020-21.
- PBC is going to establish a dedicated Music Channel network named Dhanak on FM-94 from Islamabad, Lahore and Karachi simultaneously in pursuance of great demand of public in general and discharge of obligations of PBC to provide entertainment to the masses, the channel will replace the existing Varsa channel. The channel, in its transmission, will ensure to provide quality music of all categories including Naat, Qawali, Geet, Ghazal, Folk Lore, National Songs, Classical & Semi Classical, Instrumental etc.
- PBC plans to enhance its MW's coverage area of the country by installation of new MW Transmitters.
- New, young, educated and talented voices will be explored and inducted in the programmes. Every major PBC Station will hunt and engage at least 10 fresh voices and the small stations will find out a minimum of five new voices in the year 2018-2019.
- The publicity scale of all PBC programmes through website will be extended by utilization of multi platforms of social media in 2018-19.
- Importance will be given to provide smooth signals of MW/FM transmitters to the people living across the Eastern and Western Boarder and Tribal Areas to counter hostile propaganda from neighboring countries.

Pakistan Post Office

a. Counter Automation System

Almost one hundred Post Offices throughout Pakistan have already been provided with counter automation facility for the better service quality to the customers through a LAN based system.

b. Centralized Software Solution For Financial Services

Currently Electronic Money Order Service (EMOs), Online Computerized collection of all utility bills through Centralized Software Solution has been implemented at the 83 automated GPOs while rollout of Military Pension Payment System at 82 GPOs and 03 HPOs have been implemented. However, Savings Bank and PT Record and Child Support Program (CSP) Services are in customization stage which will soon be implemented in 83 GPOs.

c. Computerized Pension Payment System

Pakistan Post disburses pension to 1.3 million retired military personal through computerized Military Pension Payment System which is available at all GPOs. The pensioners are receiving the pension in a hassle free environment. Pakistan Post is also disbursing pension to over 40,000 PTCL pensioners every month. In an effort to streamline payment of pension to PTCL pensioners, Pakistan Post has developed a separate system for PTCL pension disbursement. The same has been rolled out over 83 GPOs.

d. Chief Controller of Stamps

A web based system has been implemented to meet the requirement of Chief Controller of Stamps with relevance to stock position of stamps. The web based module also covers three regional offices of Centralized Software Solution (CSS) i.e Rawalpindi, Lahore, Quetta

e. Payment of Postal Pension through CSS

Pakistan Post is developing a computerized Postal Pensioners System which is in pipeline.

f. Achievements of Savings Bank

More than three thousand post offices are providing the following Savings Bank services to the people of Pakistan:-

- Savings Bank Ordinary Accounts.
- Special Savings Accounts.
- Defence Savings Certificates.
- Special Savings Certificates.
- Regular Income Certificates.

i. The progress of Savings Bank during the period 01-07-2017 to 31-12-2017 is as under:-

Table 13.15: Progress of Savings Banks

I	Total number of Accounts 31-12-2017	930,331
Ii	Total closing balance on 31-12-2017	Rs 118,906.655 (M)
iii	Total commission on 31-12-2017	Rs 594.533 (M)

ii. Field Offices of Pakistan Post are playing a vital role in mobilization of financial resources through Savings Bank Schemes. Savings Bank is also being shifted from manual work to CSS which will add value to the business.

g. Western Union Money Remittance Business

During the first six months (July-2017 to December-2017) of the current financial year 2017-2018, Pakistan Post has received the foreign remittances amounting to US $ 34.666 million equivalent to Rs.3,671.298 million.

h. Benazir Income Support Programme (BISP):

A complete web-enable tracking and monitoring system for disbursement of funds for Benazir Income Support Programme (BISP) has been evolved that includes continuous processing, monitoring and reconciliation of the specialized money orders scheme. The same has been implemented at all 83 automated GPOs throughout Pakistan. Over, 48.58 million money orders have been issued up to 31st December, 2017 and an amount of around Rs. 133.467 billion has been disbursed. During the first six months (July-2017 to December-2017) of the current financial year 2017-2018, a total of Rs.329,976 BISP Money Orders along with required funds of Rs. 3.615 billion were received from BISP authorities, out of which 86 percent Money Orders amounting to Rs. 1.368 billion have been paid within prescribed period of time.

i. International Postal Services:

Pakistan Post has mail links with all countries of the world except Israel. Exchange of mail is carried out under rules and regulations of the Universal Postal Union. Direct mail links exist with 68 countries and rest of the mail is exchanged by utilizing the transit facilities of intermediary countries.

j. Achievements in International Postal Services:

Pakistan post dispatches more volume of mail than it receives for delivery. Thus, it always remains net-creditor. Pakistan Post received an amount of Rs 14.870 million during the period from July 2017 to January 2018 on account of Terminal Dues for international mail received from and dispatched to other countries.

k. First Micro Finance Banking (FMFB):

Pakistan Post has earned Rs. 10.8609 Million during the period from April to December 2017 through commission on disbursement/recovery of First Micro Finance Bank (FMFB) loan and services/space provided to the FMFB operators. Detailed break up is as under:

April-2017 to December-2017

FMFB Loan Disbursed	=	1625.486 (Million)
FMFB Loan Recovered	=	1555.99 (Million)
PPO Commission on Disbursement, Recoveries and rent Charges	=	10.8609 (Million)
Total Revenue Earned	**=**	**10.8609 (Million)**

l. Postal Life Insurance (PLI):

The updates about Postal Life Insurance for the period from July-2017 to December-2017 is given below:-

Fresh Policies			**Inforce Policies**		
No of Fresh Policies Issued	=	6,882	No of Policies	=	440,171
Fresh Premium Income	=	106.346 Million	Premium Income	=	2,723,727 Million
Sum Assured	=	2,480.865 Million	Sum Assured	=	75,711.740 Million

m. Philately

The following Commemorative Postage Stamps have been issued for the period from March 2017 to 9th April -2018.

1	13th Economic Cooperation Organization (ECO) Summit at Islamabad	01-03-2017	Rs. 8/- each design
2	Men of Letters Services Majeed Amjad	29-06-2017	Rs. 8/-
3	Pakistan and Asian Development Bank 50 Years of Partnering for Development.	06-07-2017	Rs.8/-
4	Maulana Mufti Mahmood (1919-1980)	14-10-2017	Rs. 8/-
5	200th Birth Anniversary Sir Syed Ahmed Khan	17-10-2017	Rs. 10/-
6	125th Anniversary of Government Islamia College Railway Road, Lahore.	01-11-2017	Rs.8/-
7	Pakistan Winner of the ICC Champions Trophy 2017	02-11-2017	Rs. 10/- each design
8	70th Anniversary of Establishment of Diplomatic Relations between Pakistan and Turkey.	09-11-2017	Rs.10/- Each design
9	75th Anniversary of No. 6 Air Transport Support Squadron, Pakistan Air Force	01-12-2017	Rs. 10/-
10	Dr. Ruth Katharian Martha Pfau (1929-2017)	03-12-2017	Rs. 8/-
11	Diamond Jubilee Celebrations of the Imamat of his Highness the Aga Khan	08-12-2017	Rs. 10/- each design
12	Issuance of Commemorative Postage Stamp on Green Pakistan Programme	09-02-2018	Rs. 8/-each design

n. Number of Post Office:

The requisite summary of Rural & Urban Post Offices in Pakistan Post as on 01-02-2018 is as follows:

Urban	Rural	Total
2046	9450	11496

Conclusion

With the continuing expansion of the transportation and communication sector throughout the country, Pakistan is on the path for preparing for the adequate creating transport networks building up a sustainable infrastructure with the objective of setting the foundations for social economic development, prosperity and security in the region. CPEC is a national plan supported by Chinese government, to effectively cater for imperative national local plans of transport and communication, which is in line with Vision 2025. The short-term early harvest projects are expected to be completed by 2020; medium-term projects by 2025; and long-term projects by 2030. The cellular mobile sector has been a major contributor to the expanding market for telecommunication and the various technologies that come with it, bringing the country to high standards of telecommunication structured at par with the rest of the world. Overall, the transportation and communication sector is growing that will meet the upcoming requirements of the country.

Chapter 14

Energy

Energy is an important sector of the economy and plays a vital role in the country's economic development. Pakistan's economy has been confronted with energy side bottlenecks in the past, which had constrained its growth and development. The outgoing fiscal year 2017-18, has witnessed a 13 year high growth of 5.78 percent, due to wide ranging structural reforms undertaken by the present government to enhance productivity in all sectors of the economy. Since FY 2013-14, the share of Government in Fixed Investment (GFCF) has increased significantly especially in Electricity Generation and Distribution & Gas Distribution sector. During the period 2013 to 2018, thirty nine (39) projects with cumulative capacity of 12,230 MW have been added (Box-1). Further, due to significant improvement in the energy mix, the country's reliance on expensive oil has been reduced. The government has also played significant role to abridge severe energy-demand imbalance by importing Liquefied Natural Gas (LNG) in the shortest span in a competitive and transparent manner. The better energy supply has helped LSM and in turn manufacturing to both grow above 6 percent in FY 2017-18, which is an eleven year high.

Globally, major share of energy demand is contributed by the emerging economies, which are growing at a high rate and undergoing drastic demographic changes. In the developed countries, the increase in energy demand due to higher living standards, is offset by energy efficiency gains borne by the use of energy efficient technology and energy conserving infrastructure. Thus, global energy supply is seeing a shift towards renewable energy exploration. The developed countries are restructuring their energy systems to integrate renewable energy, with visible changes being made on the technological front through switching to low carbon technology in order to ensure energy efficiency and mitigate environmental hazards. China has recently introduced 'Energy Production and Consumption Revolution Strategy (2016-2030) encompassing a regulatory framework to lessen air pollution and prescribing market reforms in oil and gas sector. India's ambitious energy policy aims at attainment of energy security by setting targets for universal electrification, reduction in oil imports, increasing renewable energy generation capacity and Nationally Determined Contributions (NDCs) commitments under Paris Climate Agreement to lessen the emissions intensity of the economy by 2030 (World Energy Outlook, 2017). Pakistan has already framed its energy policy (National Power Policy – 2013) in setting medium and long term targets to build a power generation capacity that can meet Pakistan's energy needs in a sustainable manner.

Vision of the government: A broader picture

Being a developing economy, Pakistan energy requirements are increasing rapidly. The government is trying to ensure availability and security of sustainable supply of energy, oil and gas along with the development of natural resources and minerals. In power sector, per capita electricity consumption is considered one of the most important economic welfare indicator regarding availability of affordable energy. Pakistan is bestowed with enormous hydro and coal potential which, if carefully exploited, can ensure our future energy security on long term basis. Further, the expansion in generation capacity requires supporting expansion in the transmission infrastructure for evacuation of the power. The government has encouraged local and foreign investment for setting up of power projects and related infrastructure including developing transmission lines. The Power Generation Policy-2015 was announced to offer enhanced incentives and simplified processing to encourage the local and international investors to participate in the development of power projects in Pakistan. The main objectives of the Policy are:

- Provide sufficient power generation capacity at the least cost
- Encourage and ensure exploitation of indigenous resources.
- Ensure that all stakeholders are looked after in the process; a win-win situation
- Be attuned to safeguarding the environment

China-Pakistan Economic Corridor (CPEC) is another major breakthrough in the development of the country's energy sector, under which financial outlay of around US $ 35 billion has been made for Energy sector projects including power generation and transmission projects to be implemented in IPP mode.

In case of natural gas, the gap between demand and supply was widening due to increase in gas demand and depletion of existing sources. The government has made efforts to exploit indigenous resources as well as import gas though transnational pipelines and LNG to mitigate the shortfall.

Indigenous crude oil meets only 15 percent of the country's total requirements, while 85 percent requirements are met through imports of crude oil and refined petroleum products. The indigenous and imported crude is refined by six major and two small refineries. The present government not only made concerted efforts for up gradation of existing refineries, but has also made addition of 6-depots with inland freight equalization margin. Further, to promote fuel efficiency, the government has introduced marketing of 92 RON Premier Motor Gasoline replacing the existing 87 RON PMG under the regulated environment.

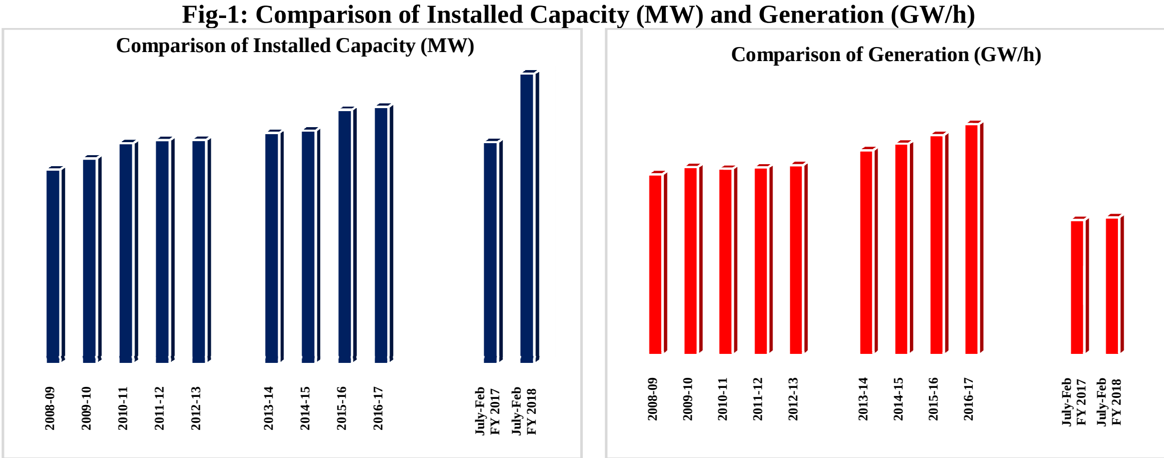
Pakistan has large indigenous coal reserves estimated at over 186 billion tons which are sufficient to meet the energy requirements of the country on long-term sustainable basis. There has been significant increase in import of coal due to commissioning of new coal based power plants at Sahiwal and Port Qasim. However, domestic production of coal is expected to increase in the coming years.

Overall, the energy situation during FY 2017-18 presents a promising picture. The gap between energy demand and energy supply has been brought down with additional production of cost effective energy mix. The government has been engaged in devising a holistic approach to cope up with the challenges of energy security, accessibility and affordability of energy. In compliance of Paris Climate Agreement to lessen the emissions intensity, Pakistan is gradually shifting to a decarburizations regime and focusing more on renewable energy sources.

Power Sector

With power shortages as a prime economic challenge five years earlier, the government accorded top priority to electricity generation. Firstly, payables of power sector entities against the Independent Power Producers (IPPs) and public sector power entities amounting Rs 480 billion were fully cleared in 2013, which added 1,700 MWs electricity to the national grid and eased load shedding considerably in the country. Secondly, the government has moved in the direction of providing targeted subsidy to power consumers (domestic up to 300 units) by moving towards better cost recovery leading to a financially stable power sector. Uptil Feb 2018, installed capacity of electricity reached 29,573 MW, which was 22,812 MW in 2012-13, thus, posting a growth of 30 percent. Although electricity generation varies due to availability of inputs and other constraints, the generation increased from 96,496 GW/h in 2012-13 to 117,326 GW/h in 2016-17 posting a growth of 22 percent, while, during July-Feb FY 2017-18, electricity generation remained 69,956 GW/h compared to 68,592 GW/h last year showing a growth of 2 percent. Figure-1 gives the comparison of installed capacity (MW) and generation (GW/h).

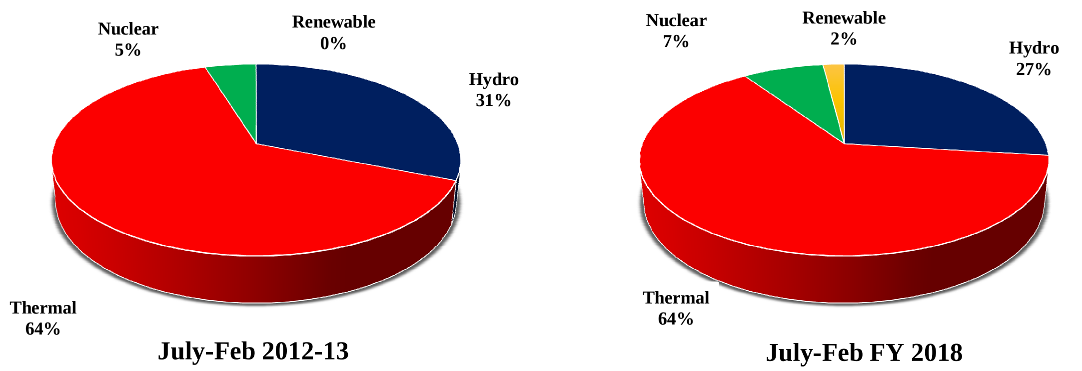
Fig-1: Comparison of Installed Capacity (MW) and Generation (GW/h)



Source: Ministry of Energy (Power Division)

With regards to share of different sources of electricity generation, it can be observed that share of hydro in electricity generation has decreased over the last five years. Lower availability of water is the main reason for reduced generation from hydel power plants. The indent as conveyed by Indus River System Authority (IRSA) to National Power Control Center (NPCC) varies from 10,000 to 200,000 CFS (cubic feet per second). This huge variation spans the entire year and correspondingly affects the hydel share in national energy mix. During winter 2017-18, the indent of Mangla was also declared at zero CFS, a historic low from the nominal minimum of 5000 CFS for Mangla. Further, considerably decreased rainfall along with minimal snowfall during winters resulted in consequent decrease in the downstream flows of water in major rivers. The impact is intensified in summer season. As substitute, the government showed commitment for electricity generation capacity though renewable energy sources. Presently, renewables constitute only two percent in electricity generation, though it is expected that they will increase in coming years. The comparison of share of different sources in electricity generation is given below in Fig-2.

Fig-2: Share in Electricity Generation



Source: Ministry of Energy (Power Division)

In terms of cost of electricity generation (Rs / Kwh), coal is considered to be one of the cheapest source. During FY 2018, import of coal has substantially increased comparative to last year due to commissioning of new coal based power plants at Sahiwal and Port Qasim.

Gas is another cheaper source. The government started import of LNG in first quarter of year 2015, as it is an economical and efficient fuel as compared to other petroleum products. At present, the regasification capacity of the two existing Floating Storage Regasification Units

(FSRU) to re-gassify LNG is 1200 MMCFD. During July-Feb FY 2018, 63 percent of the RLNG (401 MMCFD) was supplied to various power plants (Bhikki, Haveli Bahadur Shah, Balloki, Halmore, Orient, Rousch, KAPCO, Saif and Sapphire) while, the remaining was supplied to fertilizer plants, industrial and transport sector.

In term of efficiency, significant improvements have been seen in recovery of dues as well as meaningful decline in transmission and distribution losses. Over the last five years, on average recovery remained above 90 percent. During July-March FY 2017-18, recovery remained 89.5 percent mainly due to only 24 percent recovery from Quetta Electric Supply Company (QESCO). In terms of transmission and distribution losses, the government was successful in consistently bringing down transmission and distribution losses. During July-March FY 2017-18, the transmission and distribution losses have decreased to 16.8 percent regardless of some anomalies. Peshawar Electric Supply Company (PESCO) recorded 37 percent transmission and distribution losses, followed by Sukkur Electric Power Company (SEPCO), Hyderabad Electric Supply Company (HESCO) and Quetta Electric Supply Company (QESCO) in which transmission and distribution losses remained 35, 29 and 22 percent, respectively

Box-1: List of Power Plants Started during Present Government

										Total
2014	Plant Names	GENCO II - Guddu CC	Wind others	Laraib						
	Fuel Type									
	Installed Capacity (MW)	**747**	**106**	**84**						**937**
2015	Plant Names	RYK Mill Limited	FWEL-I	Quaid-e-Azam	Nandipur					
	Fuel Type	(Bagasse)	(Wind)	(Solar)	(Thermal)					
	Installed Capacity (MW)	**30**	**50**	**100**	**425**					**605**
	Plant Names	Sapphire	Chiniot Power limited							
	Fuel Type	(Wind)	(Bagasse)							
	Installed Capacity (MW)	**53**	**63**							**115**
2016	Plant Names	Apolo	Best Green	Crest Energy	Metro	Younis				
	Fuel Type	(Solar)	(Solar)	(Solar)	(Wind)	(Wind)				
	Installed Capacity (MW)	**100**	**100**	**100**	**50**	**50**				**400**
	Plant Names	Tapal	Master	Gul Ahmad	Tenaga	Chasnupp C-3				
	Fuel Type	(Wind)	(Wind)	(Wind)	(Wind)	(Nuclear)				
	Installed Capacity (MW)	**30**	**50**	**50**	**50**	**340**				**519**
2017	Plant Names	Fatima Energy	Hamza Sugar	Sachal	Dawood Hydro China	Bhikki	Haveli Bahadar Shah	Sahiwal		
	Fuel Type	(Bagasse)	(Bagasse)	(Wind)	(Wind)	(RLNG)	(RLNG)	(Coal)		
	Installed Capacity (MW)	**99**	**15**	**50**	**50**	**1,156**	**1,207**	**1,243**		**3,820**
	Plant Names	RASHMA Power	Gulf Power	Balloki	Patrind	Chasnupp C-4	United Energy	Port Qasim	Thal industries	
	Fuel Type	(RFO)	(RFO)	(RLNG)	(Hydel)'	(Nuclear)	(Wind)	(Coal)	Baggase	
	Installed Capacity (MW)	**97**	**84**	**1,198**	**147**	**340**	**99**	**1,320**	**20**	**3,305**
2018	Plant Names	Artistic	Jhimpir	Hawa	Tarbela T-4 Unit-17	Neelum Jehlum				
	Fuel Type	(Wind)	(Wind)	(Wind)	(Hydel)'	Hydel				
	Installed Capacity (MW)	**50**	**50**	**50**	**1,410**	**969**				**2,529**
Grand Total (MW)										**12,230**

Renewable Energy

Pakistan is blessed with large potential of wind and solar resources that can be used for power generation. The government has decided to develop new wind and solar power projects through competitive bidding instead of upfront tariffs and plans to carry out competitive bidding for approximately 1200 MW wind and 600 MW solar power capacity in 2018 (calendar year). Over the last five years, eighteen (18) wind power projects of 937.27 MW cumulative capacity have achieved commercial operation and are supplying electricity to the national grid, while six (06) solar power projects of 418 MW capacity have been made operational. For power generation from bagasse cogeneration, six (06) sugar mills having a cumulative capacity of 201.1 MW are operational.

Comparison of the performance in power sector is given below:

Table 1: Power Sector Performance Comparison

			2009-2013	2014-2018
Capacity		MW	22,812 as on June 2013	29,573 as on Feb 2018
Generation		MW	20,850	28,171
Transmission		MVA	33,370	49,128
Distribution		MVA	33,751	44,096
Number of New Project		No	17	39
PPIB	Investment	US $ Million	2,635	7,103
	Capacity Addition	MW	2,530	4,954
AEDB	Investment	US $ Million	227	2,868
	Capacity Addition	MW	106	1,462
Transmission and Distribution Losses	Maximum	%	19.6% in FY 2010	18.7% in FY 2014
	Minimum		18.9% in FY 2013	17.9% in FY 2017
	Average		19.4%	18.3%
Recovery	Maximum	%	89.6% in FY 2013	94.5% in FY 2016
	Minimum		85.2% in FY 2010	89.1% in FY 2014
	Average		85.6%	91.2%

Source: Ministry of Energy (Power Division)

National Electric Power Regulatory Authority (NEPRA)

The National Electric Power Regulatory Authority (NEPRA) responsible for regulating electric power services and safeguarding the interests of investors and consumers has handled 4,371 complaints during July-March FY 2017-18. Thirty one (31) Generation Licenses with installed capacity of 2,469.63 MW were issued. Likewise, generation tariffs were determined for five projects based on Nuclear, RLNG, Coal and Bagasse. The upfront tariff for Captive Power Plans on Residual Fuel Oil (RFO), Coal and Gas was determined by NEPRA for short term utilization of the available generation capacity.

NEPRA allowed one percent capital cost of the project reduced by US$ 150,000/annum (subject to 3 percent indexation for each year after the first year from COD) as security cost in respect of each CPEC power projects in accordance with the approved payment mechanism and is being treated as pass-through item.

NEPRA granted permission to K-Electric for procurement of 11 – 14 MW power from Lotte Chemicals Pakistan Limited (LCPL) and approved the tariff for LCPL for sale of surplus power to K-Electric on take and pay basis. The purchase of gas power from LCPL shall be beneficial for the consumers and shall not have any negative impact on the existing tariff of K-Electric.

Fuel Cost Adjustment allowed by NEPRA to DISCOs for the period July-Feb FY 2017-18 is as follows:

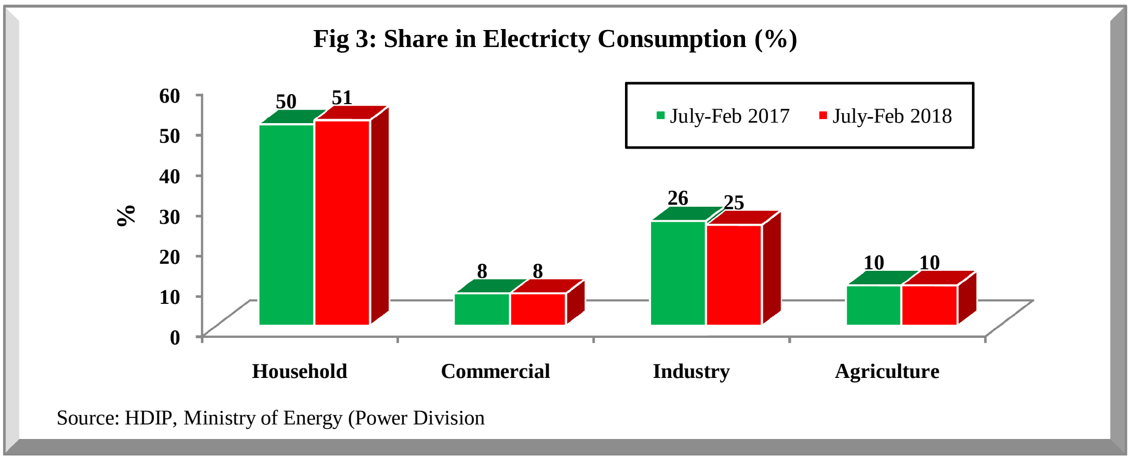
Table 2: Fuel Cost Adjustment

Months	July	August	September	October	November	December	January	February
FCA (Rs/kWh) (Decreae)	(1.7094)	(1.8198)	(2.1941)	(2.2548)	(3.1143)	(2.9844)	(3.2421)	(2.2866)

Source: NEPRA

Electricity Consumption

Over the last one year, there has been no significant change in the consumption pattern of electricity, although the share of households in electricity consumption has increased marginally to 51 percent. This has been offset by a one percent decline in share of industry in electricity consumption. The comparison between consumption patterns of electricity during July-Feb FY 2018 with corresponding period last year is shown below in Figure-3:



Nuclear Energy

The Pakistan Atomic Energy Commission (PAEC) is tasked with generating electricity though nuclear power. Presently, there are five nuclear power plants operating on two sites in the country, one unit namely, Karachi Nuclear power plant (KANUPP) at Karachi and four units of Chashma Nuclear power plants (C-1, C-2, C-3, C-4) at Chashma (Mainwali). The gross capacity of these five nuclear power plants is 1,430 MW that supplied about 5,811 million units of electricity to the national grid during the first eight months of FY 2017-18.

KANUPP, the oldest of the nuclear power plants, has now completed 46 years of safe and successful operation. C-4 was formally inaugurated by the Honorable Prime Minister on 8th September, 2017. All operating units at Chashma are amongst the best performers in the country in terms of endurance and availability. Some performance parameters of these operating plants are presented in the following table:

Table 3: PAEC's Performance Parameters

Plant	Capacity (MW)		Electricity sent to Grid (Million KWH)	
	Gross	Net	1st July 2017 to 28th Feb,2018	Lifetime upto 28th Feb, 2018
KANUPP	100	90	211	14,261
C-1	325	300	1,708	34,903
C-2	325	300	1,461	15,122
C-3	340	315	1,752	3,329
C-4	340	315	890	892
Total	**1,430**	**1,320**	**6,022**	**67,615**

Source: PAEC

Two more nuclear power plants at Karachi, Karachi Nuclear power plants units-2 & unit-3 (K-2 and K-3) are under construction. The First concrete pour of K-2 and K-3 was performed on 20th August, 2015 and 31st May, 2016, respectively.

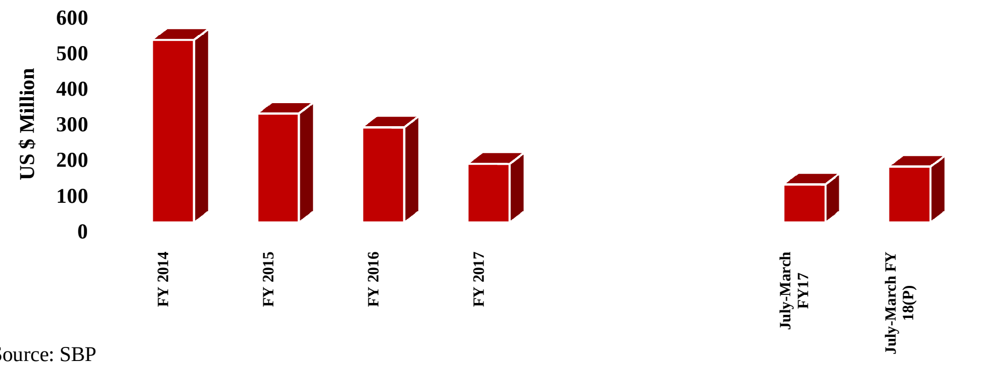
PAEC is planning to intensify its activities to meet the nuclear electricity generation target of 8,800 MW by the year 2030. Construction of K-2/K-3 is the first major step in this regard and the PAEC is planning to develop additional sites to house more nuclear power plants in future with the sites identified throughout the country being investigated and acquired for development.

In order to ensure the continuous availability of requisite manpower for its nuclear power programme, PAEC has put in place a dedicated nuclear technology human resource development infrastructure. The infrastructure is based on Institutes imparting training and education in all relevant disciplines and at all levels, from technical training to academic programmes.

Oil sector:

The annual consumption of petroleum products in the country was around 26 million tons during FY 2016-17. During July-Feb FY 2017-18, 60.4 million barrels of crude oil was imported, while 21.8 million barrels was locally extracted. The indigenous crude oil meets only 15 percent of the country's total requirements, while 85 percent requirements are met through imports in the shape of crude oil and refined petroleum products. The indigenous and imported crude is refined by six major and two small refineries.

Fig-4: FDI inflows in Oil & Gas Explorations (US $ Million)



Source: SBP

The government is making efforts to bring improvement in existing refineries as well as attracting foreign investment in this sector. Some of the main achievements are:

- Recently, Byco Oil Pakistan Limited (Byco) has established an Oil Refinery at Hub, Balochistan with refinery capacity of 120,000 Barrel Per Day (5 million tons/annum) at cost of US$ 400 million. Byco has also installed Single Buoy Mooring (SBM) facilities for transportation of imported Crude Oil and petroleum products from ships to the storages tanks. The capacity of said facility is 12 M. tons per annum.
- Attock Refinery Limited (ARL) has started producing Euro-II (0.05 percent Sulphur HSD) Further, the refinery has also installed isomerization plant and enhanced the production of Motor Gasoline.
- Pakistan Refinery Limited (PRL) has also installed isomerization plant in 2016 and since then has doubled its production of Motor Gasoline.
- Pak Arab Refinery Limited (PARCO) is implementing PARCO Coastal Refinery project at Khalifa Point, near Hub, Balochistan, which is a state of the art refinery having capacity of 250,000 barrels per day (over 11 Million tons per annum). Estimated cost of the project is over US$ 5 billion. On the directive of the Prime Minister, 1811 acres land has been allocated for the establishment of PARCO Coastal Refinery. PARCO is working on a detailed feasibility study of the project which is expected to be finalized by the end June, 2017 and the project is expected to be completed by end of 2023.
- Due to lesser availability of Gas to CNG stations and use of Motor Gasoline in generators, the demand of MS has

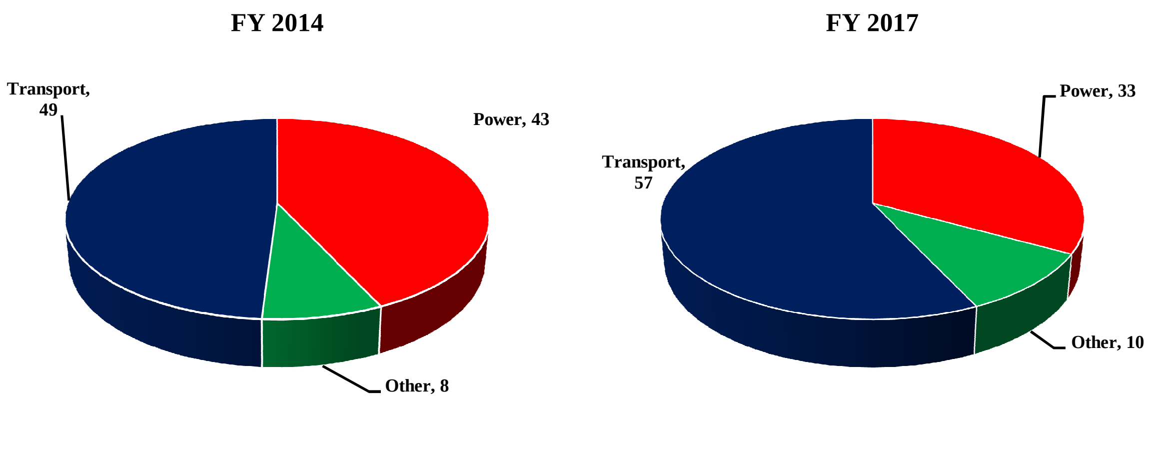
increased up to 25 percent during last 5 years, necessitating the opening of abandoned oil depots to overcome the shortages. Accordingly, six (6) abandoned depots have been opened included in the Inland Freight Equalization Margin (IFEM) due to which the storage capacity of HSD, MS, SKO and LDO has been enhanced.

- In order to promote fuel efficiency, the government has introduced marketing of 92 RON Premier Motor Gasoline replacing the existing 87 RON PMG under the regulated environment. Further, the marketing of 95/97 PMG has also been allowed under deregulated environment. Oil Marketing Companies (OMCs) have been allowed to import entire High Speed Diesel (HSD) as per Euro-II specification (0.05 percent Sulphur content) since start of 2017. However, from September 2017, OMCs have been allowed to import and market diesel conforming to Euro-IV & V specifications in a deregulated environment.

All of the above mentioned measures have led to a small hike in local crude oil extraction. During July-Feb FY 2017-18, 21.8 million barrels of crude oil was locally extracted compared to 21.5 million barrels in the corresponding period last year.

Total oil consumption during July-Feb FY 2018 at 16. 5 million tons, was marginally lower than consumption recorded during the same period last year (16.7 million tons). Since FY 2014, there has been a considerable change in share of components in oil consumption.

Fig-5: Oil Consumption by major components



Source: HDIP

The share of power in oil consumption has significantly declined while share of transport has increased. This is taking place as the newer installed power plants are moving toward cheaper fuels, whereas, increase share of transport is mainly due to decline in domestic prices of petrol and higher imports of used cars. During July-Feb FY 2017-18, share of transport in oil consumption increased further to 64.4 percent compared to 57.2 percent during the same period last year. However, share of power decreased to 26.4 percent from 33.2 percent during the period under discussion.

Gas sector:

Natural Gas is a clean, safe, efficient and environment friendly fuel. Its indigenous supplies contribute about 38 percent in total primary energy supply mix of the country. Pakistan has an extensive gas network of over 12,829 km Transmission, 132,065 km Distribution and 34,631 Services gas pipelines to cater the requirement of more than 8.9 Million consumers across the country. The government is pursuing its policies for enhancing indigenous gas production as well as importing gas to meet the increasing demand of energy in the country. During July-Feb FY 2017-18, average natural gas consumption was about 3,837 Million Cubic Feet per day (MMCFD) including 632 MMCFD volume of RLNG, compared to 3,205 Million Cubic Feet per day (MMCFD) last year. The power sector continues to remain the largest consumer of gas, followed by the domestic sector. The sector wise breakup is given in Table 4 below:

Table-4: Average sector wise natural gas consumption (mmcfd) during July-Feb FY 2018

Sector	Gas Consumption in MMCFD	RLNG	Total
Power	936	401	1,337
Domestic	860	-	860
Commercial	88	-	88
Transport (CNG)	138	53	191
Fertilizer	613	7	620
General Industry	570	171	741
Total	3,205	632	3,837

Source:- Ministry of Energy (Petroleum Division)

During July-Feb FY 2017-18, the two Gas utility companies (SNGPL & SSGCL) have laid 328 Km Gas Transmission network, 8,861 Km Distribution and 1,216 Km Services lines and connected 231 villages/towns to the gas network. During the period under discussion, the gas utility companies have invested Rs 1,351 Million on Transmission Projects, Rs 10,202 Million on Distribution Projects and Rs 11,198 Million on other projects bringing total investment to about Rs 22,751 Million. Additional gas connections of 428,282 were provided across the country additional including 426,721 Domestic, 1,519 Commercial and 42 Industrial.

Government of Pakistan had initially encouraged use of Compressed Natural Gas (CNG) as an alternate fuel for automobiles in order to control environmental degradation, reduce foreign exchange expenditure on import of liquid fuel and generate employment. Pursuant to government’s investor friendly initiatives, Pakistan has become the world leading CNG user country. Currently, more than 3,416 CNG stations have CNG marketing licenses in the country. However, in view of the mushroom growth of CNG stations in the country vis-à-vis depletion of natural gas reserves, there has been a ban on establishing of new CNG stations since 2008. However, for sustainable growth of this sector, the present government has approved provision of RLNG to this sector with fiscal incentives of GIDC at the rate of zero and Sales Tax at the rate of five percent.

Coal

Pakistan has fairly large indigenous coal resources (over 186 billion tons) which are sufficient to meet the energy requirements of the country on long-term sustainable basis. Domestic production of coal is expected to increase in the coming years on start of mining activity at Thar coalfield. Presently, indigenous coal production is mostly consumed by brick kilns and a small quantity is utilized by Khanote Power Plant and cement factories. Imported coal is used by power plants, cement manufacturing units, Pakistan Steel and other industries etc. Import of coal has substantially increased comparative to preceding year (FY 2016-17) due to commissioning of new coal based power plants at Sahiwal & Port Qasim. Key statistics of coal sector over the last 2 years are given in Table 5:

Table-5:- Performance of Coal

FiscalYear	Domestic Coal Production		Coal Import		Total Supply	
	Metric Tons	TOE	Metric Tons	TOE	Metric Tons	TOE
2016-17	4,164,926	1,863,388	7,020,844	4,619,013	11,185,770	6,482,401
2017-18 (July-Dec)	2,286,144	1,022,821	5,497,275	3,616,657	7,783,419	4,639,478

Source: Ministry of Energy (Petroleum Division) Directorate General Mineral

Conclusion

Over the last five years, the government has successfully removed energy side bottlenecks, due to which the economy had been stuck in a low growth trap and has now attained a high growth trajectory driven by increased activity in agriculture, industrial and services sector. The past five years have witnessed a record increase in the country's installed generation capacity through commissioning of energy related projects. The government will continue to diversify energy supply to meet energy needs in a sustainable and affordable manner. The government is engaged in developing a 5-year National Electricity Plan that would provide a road map for future power generation projects, pricing issues and set high standards for power consumers.

Chapter 15

Social Safety Nets

Social Safety Net Programme (SSNP) is an on-going activity to reach to the poor and disadvantaged group to maintain social harmony through redistribution of resources with basic objective of reducing poverty. This programme is in the form of direct cash transfers and other services which include both budgetary and non budgetary programmes. Budgeted social safety net programmes include Benazir Income Support programme (BISP), Pakistan Bait-ul-Mal (PBM) and Social Security & Welfare while Zakat, Employees Old-age Benefit Institution (EOBI) and Workers Welfare Fund (WWF). Pakistan Poverty Alleviation Fund (PPAF) is the non-budgetary part of the programme. Microfinance through specialized financial institutions also provides micro finance services to the needy poor.

Realizing the need to devolve social protection policy for education and health sector at grass root level, a National Framework has been devised for localization of Sustainable Development Goals (SDGs) at district level to improve public service delivery and implement the global agenda which in turn will provide an opportunity to local governments to ensure inclusivity and sustainability to achieve the SDGs goals to join upper middle class countries by 2030. These goals includes; alleviation of poverty and hunger in all its forms through ensuring food security, improved nutrition, promote sustainable agriculture, universal access to health services, education, modern energy services, clean water and sanitation. The federal government has decided to enhance working relationship with the provinces and providing all possible support to ensure successful implementation of the SDGs.

Box-I: SUSTAINABLE DEVELOPMENT GOALS (SDGS) NATIONAL FRAMEWORK
Goal 1: End poverty in all its form everywhere

National Priority Targets	National Priority SDG Indicator	National Baseline 2014-15	Target 2030
By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Proportion of population living below the national poverty line, by sex and age	29.5%	9.00%
	Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	38.80%	19.00%
Implement nationally appropriate social protection systems and measures for all, by 2030, achieve substantial coverage of the poor and the vulnerable	Proportion of population covered by social protection systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work injury victims and the poor and the vulnerable	29.90%	70.00%
By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property,	Proportion of total adult population with secure tenure rights to land, with legally recognized documentation and who perceive their rights to land as secure, by sex and by type of tenure	-	-

inheritance, natural resources, appropriate new technology and financial services, including microfinance.			
Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.	Proportion of resources allocated by the government directly to poverty reduction programmes	42.20%	43.50%
	Proportion of total government spending on essential services (education, health and social protection)	18.10%	25.30%

Pakistan Vision 2025 is people centric and aimed at reducing poverty and enhancing people's well-being. Vision 2025 recognizes poverty as being both multidimensional and multifaceted and stresses a broader definition of poverty – one which includes health, education and other amenities alongside income and consumption. Therefore, Multidimensional Poverty Index (MPI) will help in implementation of vision 2025 and track its progress overtime.

Tracking the Pro-Poor Expenditures

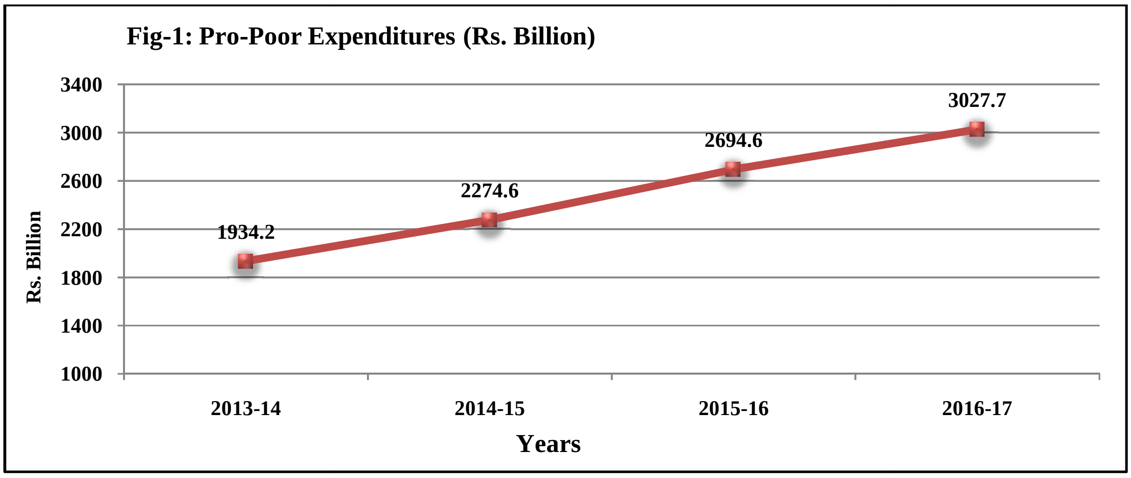
The Government of Pakistan scrutinized pro-poor expenditure in 17 sectors through the Medium Term Expenditure Framework (MTEF) under PRSP-II. Expenditure on pro-poor sectors in 2013-14 stood at 7.7 percent of GDP. In 2014-15, these were 8.3 percent of GDP and in 2015-16, 9.3 percent of GDP. During 2016-17, total expenditures have been increased and reached to Rs 3,027.7 billion, which is 9.5 percent of GDP. The provisional expenditures for July-December, 2017-18 have been estimated at Rs 1,134.1billion as compared with Rs 1,017.5 billion for the same period of last year as shown in Table 15.1 below:

Table 15.1: PRSP Budgetary Expenditures by Sectors (Rs million)

Sectors	2013-14	2014-15	2015-16	2016-17	2016-17 Q_2	2017-18 Q_2
Roads, Highways & Bridges	96,504	190,984	397,506	526,356	149,765	139,057
Environment / Water Supply and Sanitation	32,000	54,093	63,554	72,031	22,913	25,570
Education	537,598	599,047	663,356	699,222	310,155	331,276
Health	201,986	231,172	267,953	328,962	111,867	144,600
Population Planning	12,609	13,943	10,894	20,283	3,038	4,900
Social Security & Welfare**	93,481	155,725	173,532	259,759	76,466	111,744
Natural Calamities & Other Disasters	18,404	40,525	59,204	27,461	6,998	6,931
Agriculture	157,894	199,903	239,019	258,396	88,481	96,267
Land Reclamation	4,796	5,184	4,601	2,558	877	1,091
Rural Development	14,727	29,122	37,419	30,934	6,549	8,385
Subsidies	502,098	459,325	437,087	403,139	76,897	69,193
Low Cost Housing	676	581	460	422	165	132
Justice Administration	24,378	26,041	33,255	41,926	18,449	19,854
Law and Order	237,027	268,983	306,738	356,217	144,863	175,069
Total	1,934,178	2,274,628	2,694,578	3,027,666	1,017,483	1,134,069
Total as % age of GDP (2005-06 base)	7.7	8.3	9.3	9.5	-	-

**: Social Security & Welfare includes the expenditure of BISP, SDGs and PBM.

Source: Ministry of Finance, External Finance Policy Wing



Social Safety Programmes

Recognizing the need to protect the poor and the vulnerable, the government has launched several social safety net programmes. The following are the main social safety net programmes;

I. Benazir Income Support Programme (BISP): BISP is a federal unconditional cash transfer Social Safety Net initiative of Government of Pakistan. Its long term objectives include meeting the targets of Sustainable Development Goals (SDGs) to eradicate extreme and chronic poverty and empowerment of women. The main objectives of the programme are as follows:

- Enhance financial capacity of poor people and their dependent family members.
- Formulate and implement comprehensive policies and targeted programmes for the uplift of underprivileged and vulnerable people.
- Reduce poverty and promote equitable distribution of wealth especially for the low income groups.

BISP has the largest database of poorest of poor families in Pakistan which is the output of the largest and first ever door to door poverty survey. This data is used for the planning of pro-poor development policies and programmes and has been shared through protocols with various international and national organizations for research purposes.

Since its inception in 2008, BISP has grown rapidly. It is now the largest single cash transfer programme in Pakistan's history. The number of beneficiaries has increased from 1.7 million in FY 2008-09 to approximately 5.63 million by December, 2017. The quarterly cash grant has been gradually enhanced by the present government from Rs 3000/- per family to Rs 3600/- in FY 2013-14, Rs 4500/- in FY 2014-15, Rs4700/- in FY 2015-16 and Rs 4834/- in FY 2016-17. BISP's annual disbursement increased from Rs 16 billion in FY 2008-09 to Rs 121 billion in FY 2017-18. BISP is following the path of automation and 98.6 percent of beneficiaries are being paid through technology based payment mechanisms. Since inception, BISP has transferred Rs 563.57 billion (till 15th January, 2018) as un-conditional cash transfers. BISP financial achievements upto December, 2017 is shown in the Table 15.2 below:

Table-15.2: BISP Financial Achievements (Rs billion)

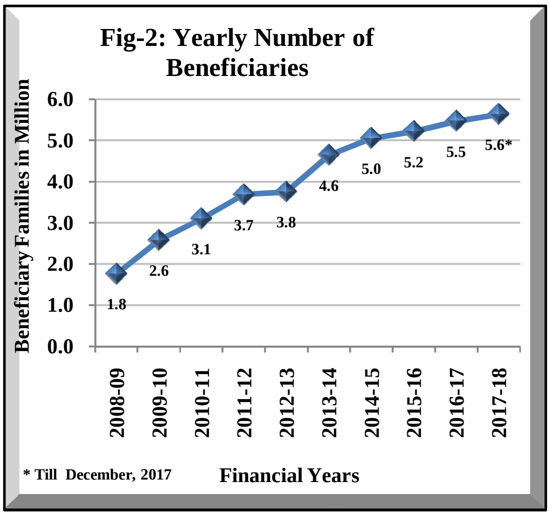
Financial Year	Released	Funds Transfer to Cash Grants			Number of Beneficiaries
		Conditional Cash Transfer (CCT)	Un-conditional Cash Transfer (UCT)	Total (UCT+CCT)	
2008-09	15.32	0.04	15.81	15.85	1.76
2009-10	39.94	2.89	31.94	34.83	2.58
2010-11	34.42	5.30	29.66	34.96	3.10

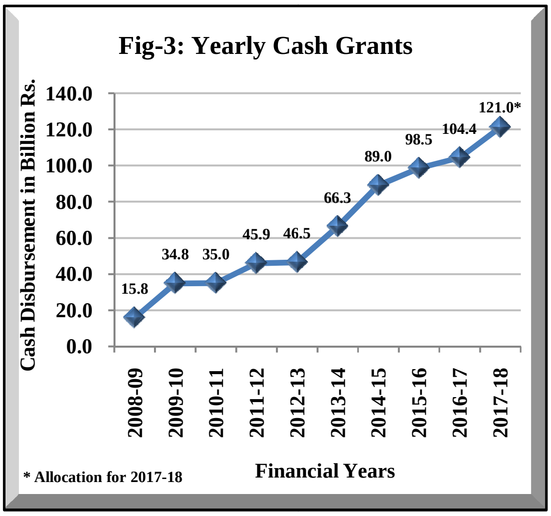
Table-15.2: BISP Financial Achievements (Rs billion)

Financial Year	Released	Funds Transfer to Cash Grants			Number of Beneficiaries
		Conditional Cash Transfer (CCT)	Un-conditional Cash Transfer (UCT)	Total (UCT+CCT)	
2011-12	49.53	4.28	41.60	45.88	3.68
2012-13	50.10	3.17	43.30	46.47	3.75
2013-14	69.62	1.20	65.11	66.31	4.64
2014-15	91.78	0.45	88.59	89.04	5.05
2015-16	102.00	1.88	96.65	98.53	5.21
2016-17	111.50	2.27	102.10	104.37	5.46
2017-18*	58.00	1.04	48.81	49.85	5.63
Total	**622.21**	**22.52**	**563.57**	**586.09**	-

*Till December, 2017

Source: Benazir Income Support Programme (BISP)





Transparent Payment Mechanism

BISP in its initial phase started delivering cash transfers using Pakistan Post to its outreach areas. But later, in order to improve the efficiency and transparency of payments, BISP started using innovative payment mechanism in the form of Benazir Smart Card and Mobile Phone Banking on test basis in nine districts across the country. After testing pilots, BISP rolled out Benazir Debt Card across Pakistan. Now, around 98.6 percent beneficiaries are receiving payments through technology enabled innovative payment mechanisms. To bring more transparency, BISP has implemented biometric verification system (BVS) in 58 districts. BVS system will be expanded in the remaining districts on gradual basis.

Complementary Initiatives

There is an increasing role of complementary interventions in determining sustainable impact of cash transfer on uptake of education and health services, nutrition outcomes, and for improving livelihoods to increase the chance of graduation from poverty. Global experience suggests that where programmes are combined with complementary interventions, they have greater potential. The programme has four well-sequenced complementary components, including Waseela-e-Rozgar (Technical & Vocational Training), Waseela-e-Haq (Micro-finance), Waseela-e-Sehat (Life & Health Insurance) and Waseela-e-Taleem (Primary Education). After 18th Constitutional amendment technical education and health have been declared a provincial subjects under the new dispensation. Waseela-e-Rozgar has been closed and Waseela-e-Sehat has been handed over to PMHIS.

Conditional Cash Transfer (Waseela-e-Taleem)

This programme has encouraged BISP beneficiary families having children in the age group of 4 to 12 years, to send their out of school children to schools for Primary Education (and in school children to continue their education), in return for cash transfers with the long-term prospects of human capital formation to graduate out of abject poverty. The initiative aims to enroll approximately 2.0 million children in primary school by December 2018. This involves a cash transfer of Rs 250 per month per child paid quarterly (Rs 750 per child) for all children of each beneficiary family in the age bracket of 4-12 years in return for their compliance with the co-responsibilities of school admissions and a minimum of 70 percent quarterly attendance. Field operations of the programme were started in October, 2012. As of December 2017, 1.895 million children have been enrolled and a total of about Rs 5.81 billion has been disbursed as stipend under the Conditional Cash Transfer.

Collaboration with Development Partners

World Bank has extended a credit of $150 million for ‘Pakistan Social Safety Net Project’ for unconditional Cash Transfer (UCT) and Co-responsibility Cash Transfer/CCT (Waseela-e-Taleem) for primary education of children of BISP beneficiaries. The funding was disbursed through set of Disbursement Linked Indicators (DLIs) totaling 19. BISP successfully achieved all DLIs amounting to $ 150 million. BISP’s rating was upgraded as ‘Highly Satisfactory’ while rating of the project management was upgraded to ‘Satisfactory’. BISP has been internationally acclaimed as number 5 in the world in targeting performance of SSNs (State of Social Safety Net, World Bank, 2015). BISP and World Bank signed a new programme on 30th March, 2017 amounting US$ 100 million. Under the programme, key areas like updation of National Socio-Economic Registry (NSER), expansion of Waseela-e-Taleem and integration of BISP beneficiaries with other complimentary initiatives were identified as priority areas.

The Department for International Development (DFID) has also extended support to BISP through a grant allocation of GBP £300.3 million. DFID grant is as co-responsibility cash transfer (CCT) programme for primary education of children of BISP beneficiaries. DFID grant was made through a total of 18 DLIs all of which have been achieved. DFID support continues till 2020 through grant financing amount of £ 98.4 million. Overall performance rating of program was “A” (DFID Annual Review of Report, 2016).

Asian Development Bank under Social Protection Development Project extended a soft loan of US$ 395 million through Special Drawing Rights (SDR) arrangement. The project has enabled the expansion of the cash transfer programme. A poverty graduation strategy has finally been agreed between BISP and ADB to end dependency syndrome and to enable beneficiaries to be self-sufficient and stand on their own feet. An amount of approximately US$ 35-40 million has been earmarked by ADB in the project to pilot the graduation models/approaches which have been approved by BISP Board in its 29th meeting held on 29th January 2018. The National Rural Support Program (NRSP) has been taken on Board as the implementing partner of BISP to implement these graduation pilots. NRSP has an extensive network of field offices countrywide to provide micro finance, vocational training, asset transfer and other essential components needed for poverty exit. NRSP has strong credentials in poverty alleviation through microfinance and other complementary interventions. An amount of $359 million (approx) has been disbursed from the total project allocations. The project is expected to end by 30th June, 2018.

BISP’s Achievements during FY 2017-18

- The present government increased BISP budgetary allocations from Rs 70 billion in FY2012-13 to Rs 75 billion in FY2013-14, which was subsequently enhanced to Rs 97 billion in FY 2014-15, Rs 102 in FY 2015-16, Rs 115 billion in FY 2016-17 and for the current fiscal year allocation is Rs 121 billion.

- The quarterly cash grant enhanced from Rs 3000/- per family in 2012-13 to Rs 4834/- in FY 2016-17.
- The number of BISP beneficiaries also increased from 3.73 million in 2012-13 to 5.6 million as on 31st December 2017.
- BISP is following the path of automation and 98.6 percent of beneficiaries are being paid through technology mode.
- Successful launch of pilot phase of NSER and completion of Desk Approach in 4 pilot districts with 89 percent coverage. Door to door survey has also been completed in 14 out of 16 intended districts.
- Successful operations of biometric verification system (BVS) in 58 districts. BVS system will be rolled out on gradual basis across the country.
- Launching of the Graduation programme of BISP for existing beneficiaries from the Unconditional Cash Transfer (UCT) roster through a well sequenced combination of interventions consisting of social mobilization, vocational training, skills development, asset transfer, microfinance, among others. The graduation pilots have been planned for implementation during 2018-2020 with the financial assistance of Asian Development Bank.
- Launching of third Impact Evaluation Report 2016 by the Oxford Policy Management (OPM). The report concluded that per adult equivalent consumption expenditure has, as a result of BISP interventions, increased by Rs 187 and poverty has fallen by 7 percentage points amongst beneficiaries. Using cost of basic needs (CBN) poverty line as a reference, it is reported that BISP is associated with a reduction in poverty gap by 3 percentage points. BISP has inducted an increase in per adult equivalent monthly food consumption by Rs 69.
- For graduation of BISP beneficiaries, Akhuwat through Chief Minister's Self Employment Schemes of Punjab & Gilgit Baltistan and through Prime Minister's Interest Free Loan (PMFIL) scheme provided interest free loans to 76,196 BISP beneficiaries.

Roadmap for FY 2018-19

The government's resolves is to run BISP on transparent and efficient lines and to make it as the premier social safety net not only of the country but for the region as following:

- Improve grass root social mobilization capacity through partnerships with provincial governments and NGOs.
- Successful national roll out of NSER in the remaining districts of the country.
- Shifting of all beneficiaries from traditional to scientific payment mechanisms in the future.
- Target to send 2.0 million children to school by December, 2018.
- Consolidate its partnership with the provinces to integrate the federal social protection schemes with provincial programs.
- Facilitate government in using BISP Registry for targeted subsidy provision under other sectors and elimination of non-targeted subsidies.
- BISP is committed towards achievement of Sustainable Development Goals and become a major contributor to eradication of extreme poverty (SDG 1), ensure inclusive and equitable quality education and promote lifelong learning opportunity (SDG 4), and achieve gender equality and empower all women and girls (SDG 5).

II. Pakistan Poverty Alleviation Fund (PPAF): PPAF aims to promote an effective approach to alleviate poverty across Pakistan. A number of leading multilateral, bilateral, and international corporate institutions contribute to PPAF's poverty reduction goal by providing financial support and funds to promote grass root development.

Since its inception in April 2000 to December, 2017, PPAF has disbursed an amount of approximately Rs 187.94 billion to its Partner Organizations (POs) in 130 districts across the country. During the same period, 8.4 million microcredit loans were disbursed with 60 percent loans to women and 80 percent financing extended to rural areas. Over 38,000 health, education, water and infrastructure projects completed; 440,000 credit groups and 132,000 community organizations formed, 416,000 individuals received skills/ entrepreneurial trainings, 110,000 productive assets were transferred to ultra and vulnerable poor households (46 percent women), over 387,000 interest free loans (65 percent women beneficiaries) were disbursed through Prime Minister Interest Free Loan (PMIFL) scheme, 26,000 individuals including women and youth trained on enterprise development under Waseela-e-Haq (National & Sindh) programme of BISP and were facilitated in establishing their successful ventures, and 30,800 persons with disabilities were rehabilitated.

During July to December, 2017, PPAF has managed to disbursed Rs 780 million to its partner organizations (POs) under PPAF core interventions administered under various PPAF supported programmes as shown in the Table-15.3 below:

Table 15.3: PPAF Disbursement by Operating Units/Special Initiatives

No.	Programme Components	Financial Progress (Rs million)
1.	Institutional Development and Social Mobilization (ID/SM)	30
2.	Livelihood Enhancement and Protection (LEP)	53
3.	Water and Infrastructure (W&I)	282
4.	Education, Health and Nutrition (EHN)	135
5.	Prime Minister's Interest Free Loan (PMIFL)	280
	Total	780

Source: Pakistan Poverty Alleviation Fund, Islamabad.

During the same period, a total of 483 Community Organizations (COs) were formed and 2,186 community and PO staff members were trained (39% women) under Institutional Development and Social Mobilization component. Similarly, under Livelihood Enhancement and Protection (LEP) component, 1,126 individuals received skills/entrepreneurial trainings (41% women) and 1,424 productive assets were transferred to ultra and vulnerable poor (30% women). 259 water and infrastructure sub-projects were completed and benefitted 143,936 persons (55% women). Under health and education component, 21 educational and 13 health facilities were supported during the reporting period 19,792 students (33% girls) were enrolled and 209,028 patients (56% women and girls) were treated under various ailments. 68,606 interest free loans (73% women) were disbursed through Prime Minister Interest Free Loans (PMIFL) scheme.

Overall, these projects and interventions benefitted around 446,000 poor and marginalized population including 57 percent women beneficiaries during the period. Major achievements of PPAF are presented in Table-15.4 below:

Table 15.4: Major achievements by Operating Units of PPAF

Programme Components	Physical Progress (numbers)
Institutional Development and Social Mobilization:	
• Community organizations formed	483
• Community and PO staff trainees (39% women)	2,186
Livelihood, Employment and Enterprise Development:	
• Individuals received skills/entrepreneurial training (41% women)	1,126
• Productive assets transferred to ultra and vulnerable poor (30% women)	1,424

Table 15.4: Major achievements by Operating Units of PPAF

Programme Components	Physical Progress (numbers)
Water and Infrastructure Sub-projects:	
• Sub-projects completed	259
• Sub-projects beneficiaries (55% women)	143,936
Education:	
• Educational facilities supported	21
• New students enrolled in programme schools (33% girls)	19,792
Health	
• Health facilities supported	13
• Patients treated under programme health facilities (56% women & girls)	209,028
Prime Minister Interest Free Loans Scheme- Number of loans (73% Women)	**68,606**

Source: Pakistan Poverty Alleviation Fund, Islamabad.

Key Initiatives during FY 2017-18

In addition to the above achievements, following key initiatives were also undertaken:

- Since October 2017, the National Poverty Graduation Programme (NPGP) worth $ 150 million has been approved by the IFAD Executive Board and PPAF has started this six-year programme. The programme aims to assist the ultra-poor and very poor in graduating out of poverty on a sustainable basis while simultaneously improving their overall food security, nutritional status and resilience to climate change. The programme will be implemented in 372 union councils in 17 of the poorest districts of Pakistan, and directly impact 313,511 households with 156,240 asset transfers and 157,271 households with access to finance.

- PPAF and UNHCR are jointly taking forward the poverty graduation approach with the poorest members of the Afghan refugee population in an effort to graduate them up the poverty scales and simultaneously providing sustainable livelihoods for them and their host families. A pilot project has been designed for 18 months till December 2018 which is being implemented in two phases. The first phase had the duration of six months from July to December 2017 with budget of Rs 9 million. The second phase will be from January to December 2018 with a proposed budget of Rs 123.6 million. During the pilot phase, a total of 2,000 families would be targeted in Swabi and Pishin (by administering PSC of around 3,000 households) out of which 70% households would be those residing in settled camps or with host families 30% of households.

- PPAF and KfW signed an agreement of EUR 10 million for implementation of Livelihood support and Promotion of Small Community infrastructure Programme-II (LACIP-II) in KPK.

- PPAF won the Diversity & Inclusion Award 2018. The "Global Diversity & Inclusion Benchmarks (GDIB)" standard is hosted by the Centre for Global Inclusion USA. The GDIB helps organizations across the world determine strategy and measure progress in managing diversity and fostering inclusion.

- KfW funded Solar Mini Grid Project selected for prestigious Alliance for Rural Electrification (ARE)-Award 2018 in "Best Off-Grid Project" category. This award is yet another acknowledgement of PPAF's efforts and team work for increasing access to affordable, clean, reliable energy with ultimate objective of alleviating poverty. ARE Award is a testament of the organization's resolve and commitment for increasing access to energy to most vulnerable and under-served communities in line with SDG-7.

III. Microfinance Initiatives: The Pakistan Microfinance Network (PMN or 'the Network') traces its beginnings to 1997 when a group of microfinance practitioners laid its foundations as an informal platform for coordination, exchange of ideas and peer learning. Since then the Network has grown significantly and is now recognized locally and globally as the national association for retail players in Pakistan's microfinance industry. Registered with the Securities and Exchange Commission (SECP) in April 2001 under Section 42 of the Companies Ordinance, PMN is a member driven network with a vision to expand access to formal financial services in Pakistan.

Microfinance sector Support the financial sector, especially retail financial service providers by strengthening them institutionally, and work towards ensuring an enabling environment for microfinance in the country. The sector has been serving people near the poverty line by not only providing credit products but also through savings, insurance, and remittance services. As shown in Table 15.5, the sector continued to exhibit upward trend. The micro-credit outreach witnessed 27 percent growth during 2017, while Gross Loan Portfolio registered a 48 percent growth during the same year. Micro-savings, on the other hand, posted considerable growth under active savers by 34 percent and value of savings by 54 percent, which is attributable to increase in m-wallet accounts and taping higher ticket size. Moreover, micro-insurance also remained positive wherein policy holders increased by 25 percent, whereas sum insured posted a hefty growth of 32 percent. This segment is primarily dominated by credit life and health insurance.

Table 15.5: Active Borrowers, Active Savers and Active Policy holders

Details	Micro-Credit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (Rs million)	Active Savers	Value (Rs million)	Policy Holders	Sum Insured (Rs million)
2017*	5,800,457	202,699	30,984,717	186,941	7,313,029	198,680
2016*	4,572,245	136,943	23,091,250	121,383	5,855,668	150,544
Increase/decrease (Net)	1,228,212	65,756	7,893,467	65,558	1,457,361	48,136
Increase/Decrease (%)	27%	48%	34%	54%	25%	32%
*: Calendar Year						

Source: Pakistan Microfinance Network (PMN)

Box-II: Peer Groups of Pakistan Microfinance Network

i. **Microfinance Institution:** A non-bank microfinance institution (NBMFI) providing microfinance services. With the introduction of the non-bank microfinance regulatory framework by SECP in 2016, the institutions carrying out microfinance services are required to be registered with SECP as NBMFIs. Presently, 11 MFIs have obtained the NBMFI license while 12 MFIs are in the process of obtaining the license.

ii. **Microfinance Bank:** A commercial bank licensed and prudentially regulated by the SBP to exclusively service the microfinance market. The first MFB was established in 2000 under a presidential decree. Since then, 11 MFBs have been licensed under the Microfinance Institutions Ordinance, 2001. MFBs are legally empowered to accept and intermediate deposits from the public. Currently there are 11 MFBs operating in the country.

iii. **Rural Support Programme:** A non-bank microfinance institution (NBMFI) providing microfinance services. An RSP is differentiated from the MFI peer group based on the purely rural focus of its credit operations. As of now, these organizations are in the process of registering with SECP under the new regulatory framework for NBMFIs. At present, 3 organizations have obtained the license while 1 RSP is in the process of obtaining the license.

Source: Pakistan Microfinance Network (PMN)

The objective of the microfinance initiative is to provide liquidity to the microfinance providers in response to tighter liquidity conditions. It is provided as a package through microfinance banks (MFBs), microfinance institutions (MFIs), Rural Support Programmes (RSPs), and others including Commercial Financial Institutions (CFIs) and Non-Government Organizations (NGOs). Table-15.6 presents the number of Micro-Credit beneficiaries with outstanding loan portfolio and disbursements by loan providers' upto December 2017.

Table 15.6: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement

MFP	Active Borrowers	Outstanding Loans Portfolio (Rs)	Number of Loans Disbursed	Disbursements (Rs) [as Dec 17]
Total for Pakistan MF sector (As December, 2017)	5,352,432	193,417,282,102	1,721,237	85,654,668,421
MFBs				
Apna Microfinance Bank	44,388	5,623,909,040	10,569	1,428,390,710
FINCA Microfinance Bank	185,598	15,110,644,315	67,275	6,780,257,696
First Microfinance Bank Limited	345,237	15,060,125,910	114,089	6,229,973,621
Khushhali Bank	671,015	32,425,527,426	260,252	14,083,964,974
Mobilink Microfinance Bank	124,435	10,010,422,627	41,320	3,473,265,003
NRSP Bank	426,411	20,882,804,554	230,691	13,199,215,828
Pak Oman Microfinance Bank	23,903	694,759,463	7,214	331,661,000
Sindh Microfinance Bank	23,214	341,806,999	8,435	195,424,000
Tameer Bank	535,413	25,002,512,803	151,941	8,447,641,782
U Microfinance Bank	190,032	10,648,712,932	75,683	4,851,323,466
Total for MFBS	2,569,646	135,801,226,069	967,469	59,021,118,080
MFIs				
AKHUWAT	878,577	13,856,658,991	186,103	5,406,508,195
Community Support Concern	28,594	830,631,325	8,535	383,564,485
DAMEN	68,956	2,196,850,874	18,709	1,047,230,000
Farmer Friend Organization	24,544	630,607,277	2,778	296,865,000
Kashf Foundation	354,163	8,925,313,158	104,135	4,391,514,500
MOJAZ Foundation	18,905	481,996,331	7,429	300,165,000
Micro Options	4,374	87,440,421	1,666	48,545,000
Naymet Trust	3,272	22,731,278	185	2,870,400
Orangi Charitable Trust	31,909	445,235,183	6,380	170,776,000
SAFCO Support Fund	67,450	1,106,797,910	15,805	487,854,000
Soon Valley Development Program	6,725	195,538,539	2,160	100,690,000
Total for MFIs	1,487,469	28,779,801,287	353,885	12,636,582,580
RSPs				
National Rural Support Programme	767,576	17,165,783,374	241,489	8,789,392,991
Punjab Rural Support Programme	73,926	1,361,065,446	21,874	518,303,000
Sindh Rural Support Organization	4,468	35,260,500	1,494	20,267,000
Thardeep Rural Support Programme	146,405	2,869,005,361	50,718	1,357,588,000
Total for RSPs	992,375	21,431,114,681	315,575	10,685,550,991
Others				
Al-Mehran Rural Development Organization	7,879	179,993,764	3,248	118,645,000
AGAHE	16,633	320,239,145	5,721	182,640,000
Baadban Enterprises Development	518	5,881,168	-	-
BRAC	61,241	1,706,808,629	20,255	852,437,000
Islamic Relief Pakistan	4,718	94,684,887	1,261	39,645,000
Jinnah Welfare Society	59,936	1,333,549,815	17,127	708,060,000
Orix Leasing	22,546	489,612,898	4,519	170,994,000
Organization for Participatory Development	4,519	84,560,349	1,439	42,530,000
Rural Community Development Program	96,069	2,578,890,924	25,294	1,124,169,000
Shadab Rural Development Organization	3,392	94,279,986	59	1,335,000
Support With Working Solutions	2,201	15,928,429	-	
Villagers Development Organization	2,178	25,591,692	279	8,519,000
Total for Others	281,830	6,930,021,686	79,202	3,248,974,000

Source: Pakistan Microfinance Network (PMN)

IV. Zakat: Zakat as an institution plays an important role in the Islamic economic system in solving a number of economic problems. Apart from support to the poor and needy, it helps in re-distribution of wealth which curtails unemployment and reduces chances of economic recession.

Zakat funds are utilized to assist the needy, indigent poor, orphans, widows, handicapped and disabled. These poor segments of society are provided Zakat funds directly or through respective local Zakat Committees or indirectly through institutions, i.e., educational, vocational, social institutions and hospitals, etc.

Under the 18th Constitutional Amendment, the subject of Zakat has been devolved to the provinces. Ministry of Religious Affairs and Inter-Faith Harmony has been assigned the task of collection and disbursement of Zakat funds to the Provinces/Federal Areas till next NFC under the CCI approved formula. A total amount of Rs 8009.77 million was distributed in bulk amongst the Provinces/Federal Areas for FY2018. Zakat funds disbursed to the provinces and federal areas during FY2018 are given in Table 15.7:

Table : 15.7 Disbursement of Zakat **(Rs million)**

Federal Areas/ Provinces	% Share	Allocated Budget 2017-18
Federal Areas	7% of total Zakat Collection has been distributed amongst federal Areas	
ICT	35.14% of 7%	197.024
Gilgit Baltistan	18.57 % of 7%	104.119
FATA	46.29 % of 7%	259.541
	Total Federal	560.684
Provincial	Share of provinces after deduction of above federal payment is as per their share	
Punjab	57.36 % of 93 %	4272.796
Sindh	23.71 % of 93 %	1766.178
Khyber Pakhtunkhwa	13.82% of 93 %	1029.464
Balochistan	5.11 % of 93 %	380.648
	Total Provincial	7449.086
G. Total		8009.770

Source: Ministry of Religious Affairs and Inter-Faith Harmony

V. Pakistan Bait-ul-Mal (PBM): PBM is significantly contributing toward poverty alleviation through its various, poorest of the poor focused, services and providing assistance to destitute, widow, orphan, invalid, infirm and other needy persons, as per eligibility criteria approved by Bait-ul-Mal Board. During July 2017 to February 2018, Pakistan Bait-ul-Mal (PBM) has disbursed an amount of Rs 2,429 million through its core projects/ schemes. The following are the ongoing core projects/schemes:

a) Individual Financial Assistance (IFA): Through individual Financial Assistance (IFA), the poor, widows, destitute women and orphans were supported for medical treatment, education, rehabilitation and general assistance. An amount of Rs 1,453 million has been disbursed during the period July to February FY 2018.

b) Special Friends of PBM: PBM has envisioned providing wheel chairs to every disabled person in the country. A family who has two or more special children will be called as Special Family and will have the right to be benefited through this new scheme. Rs 25,000/- are being given to each family annually having two or more disable members and Rs 10,000/- annually for one disable member of a family. An amount of Rs 64 million has been disbursed during July, 2017 to February, 2018 under PBM special friends' programme.

c) Child Support Programme (CSP): PBM mobilizes funds from the Government of

Pakistan and distributes them as conditional cash subsidy to eligible beneficiaries for sending their children to school aged between 5-16 years to get primary education. Additional cash incentive is being paid to the eligible beneficiaries @ Rs 3600/-per annum to the families with one child and Rs 7200/-per annum to the families with two or more than two children. Presently, the programme is fully active in 13 Districts. A new intervention of disbursing CSP payment subsidy through biometric verification has also been introduced. During July to February of FY 2018, an amount of Rs 71 million has been disbursed under this initiative.

d) Institutional Rehabilitation for NGOs: Pakistan Bait-ul-Mal provides grant-in-aid to registered Non – Government Organization (NGOs) having excellent track record aimed at institutional rehabilitation of the poor and deserving persons of the society especially for persons requiring cataract surgeries. An amount of Rs 17 million has been disbursed during the period from July 2017 to February, 2018.

e) School for Rehabilitation of Child Labour (SRCLs): PBM has established National Centres for Rehabilitation of Child Labour (countrywide) since 1995 for primary education. Children (Male & Female) between the ages 5-6 years are weaned away from hazardous labour and enrolled in these centers. The current strength of SRCLs is 159. Under this Project, an amount of Rs 369 million has been utilized during July to February FY2018.

f) Women Empowerment Centres (WEC): Vocational training Centres now called Women Empowerment Centres are providing free training to widows, orphan & poor girls in different skills i.e. cutting, sewing knitting, computers and embroidery along with other trades. An amount of Rs 187 million has been spent during July-February of FY2018.

g) Pakistan Sweet Homes (Orphanage): 35 Pakistan Sweet Homes or Orphanage have been established where they are being provided free food, nutrition, medical treatment, lodging & boarding, as well as free education through well reputed educational institutions. An amount of Rs 245 million has been disbursed during the period July-February FY 2018.

h) Pakistan Great Homes (Old Homes): PBM has established 02 Great Homes (Lahore & Karachi) on pilot basis for old age citizens. Thereafter, this initiative would be up-scaled to provincial headquarter level and at divisional/district level in phased manner. Each Pakistan Great Home accommodates 100 senior citizens (above 60 years of age) where they are being provided free of cost boarding/lodging, messing and medical care of excellent standard at district level throughout the country. During July 2017- February 2018, an amount of Rs 9 million has been disbursed.

New Initiatives under PBM

i) **PBM Thalassemia Center:** Thalassemia is a blood disorder passed down through families (inherited) in which the body makes an abnormal form of hemoglobin. During last three years, PBM has provided financial assistance to 1500 Thalassemia patients. Keeping in view the importance of Thalassemia centre and to cater the Thalassemia patients in Pakistan especially AJK, Northern Areas and Gilgit-Baltistan, PBM has established state of the art Thalassemia Centres in Islamabad and Chakwal where PBM is providing free of cost blood transfusion services and medicines to the needy and deserving patients. An amount of Rs 14 million has been spent during the period from July 2017-February, 2018 FY2018.

VI. Employees Old Age Benefits Institution (EOBI):

Employees Old Age Benefits Institution (EOBI) provides monetary benefits to old age workers through various programmes such as Old Age Pension, Invalidity Pension, Survivors pension and Old Age Grants.

Pensions are paid on monthly basis. No pension is paid lesser than Rs 5,250/- per month being the current rate of minimum pension and maximum upto Rs 10,400/-. However, the insured persons retiring from the employers having the definite retirement age less than 60 years (55 years for female) are provided reduced pension. Pension of such insured persons is reduced by one-half percent for each month short of 60 years (55 years for female). Old-age grant is paid in lump sum equal to insured person's having less than fifteen years' insurable employment but attain the age of 60/55 years. The details of disbursed benefits during July 2017-February 2018 FY 2018 is shown in Table-15.8.

Table-15.8: Benefits disbursed during the period from July 2017–February 2018

Benefits	July 2017- February 2018	
	Number of beneficiaries	(Rs millions)
Old-age Pension	236,863	10,256.73
Invalidity Pension	5,246	224.71
Survivors' Pension	137,002	5,964.32
Old-Age Grant	1,564	73.50
Total	380,675	16,519.26

Source: Employees' Old Age Benefits Institution (EOBI), Karachi

VII. Workers Welfare Fund (WWF): WWF is providing various services in the areas of housing, health and education to the industrial workers and financial assistance is also being extended in the form of death grant, marriage grant and scholarships.The main objective of WWF is to finance the following:

a) Finance the Projects for the establishment of housing estates or construction of houses for the industrial workers.

b) Other measures for the welfare of workers as follows:

- Education- free of cost upto secondary level.
- Scholarships; up to post secondary level.
- Marriage grants.
- Death grants etc.

During July-March, FY2018 expenditures amounted Rs 764.60 million have been incurred on 8,899 scholarship cases while Rs 383.14 million has been disbursed as Marriage Grant (@100,000/- which benefitted 3972 workers' families. WWF has also disbursed Rs 410.35 million as Death Grant (@500,000/-) to 845 cases of mishaps of workers all over the country.

Conclusion

Efforts are being made to improve public service delivery by devising social protection policy for education and health sector at district level which would eventually result in better implementation of poverty reduction strategies through allocating considerable amount under different social safety programmes with the aim to directly intervene to transfer resources to the marginalized segments of society. The government has accomplished post-Millennium Development Goals (MDGs) consultations with all stakeholders through efficient coordination for strengthening such efforts at federal and provincial levels to achieve sustainable development and poverty reduction targets. While SDGs have been widely regarded as the best vehicle to address poverty alleviation in Pakistan, the major challenge is effective monitoring the actual performance so that resource mobilization reaches to the marginalized part of the society.

Chapter 16

Climate Change

Pakistan is assessed to be one of the vulnerable countries to climate change. This vulnerability is mainly due to its geographic location, demographic and diverse climatic conditions. Building resilience and adaptation to climate change is becoming indispensible for Pakistan. Fortunately, environmentally sound technologies are gaining a high priority in sustainable development policy dialogue and implementing frameworks. Technology Needs Assessment (TNA) is one of the important steps towards identifying and assessing climate change adaptation challenges for Pakistan in order to align its adaptation needs and opportunities with goals and objectives of its sustainable development. Furthermore, to mitigate the impact of climate change, the government has taken different initiatives, one of them is Green Pakistan. Under this programme 100 million trees would be planted around the country in five years.

Programmes and Projects Undertaken in 2017-18

The government has already delegated the subject of environment to the provinces, but climate change which holds a wider scope is with federal government. Different projects under Prime Minister Green Pakistan Programme are being implemented. There are also projects like development of reverse linkages with MARMARA Research Centre Turkey, which will enhance our capacities to predict disasters like floods and earthquakes and Turkey will provide enhanced support and capacity building in seismic research and development. The ongoing projects being funded under PSDP are given below:

Table 16.1: PSDP funded projects

S. #	Name of Project	Estimated Cost (Rs Millions)
1	Establishment Geomatic Centre for Climate Change and Sustainable Development	48.90
2	Green Pakistan Programme – Revival of Forestry Resources in Pakistan	3652.14
3	Green Pakistan Programme – Revival of Wildlife Resources in Pakistan	738.90
4	Sustainable Land Management project to combat Desertification in Pakistan SLMP-11	105.43
5	Construction of Boundary Wall of Zoo-cum- Botanical Garden	90.10
6	Green Pakistan Programme - Strengthening Zoological Survey of Pakistan undertaking immediate inventory of endangered wildlife species and habitats across Pakistan	76.73
7	Generating Global Environment Benefits from Improved Decision Making Systems and Local Planning in Pakistan	193.55
8	Glacier Lake outburst Flood in Northern Areas GCF funding	3920.18
9	Establishment of Flood Forecasting and Warning System for Kalpani Nullah Basin, Mardan, Khyber Pakhtunkhwa	230.00
10	Establishment of Specialized Medium Range Weather Forecasting Centre (SMRFC) and Strengthening of Weather Forecasting System (JICA)	2502.50
11	Installation of Weather Surveillance Radar at Karachi (JICA)	1580.00
12	Reverse Linkage Project Between Pakistan Meteorological Department and Marmara Research Centre (MRC), Turkey (IDB)	101.00

Source: Ministry of Planning, Development & Reform

Environment and Climate Change Programmes for 2018-19

Developing policies and procedures to keep the disastrous effects of climate change to minimum needs to be expedited for which following measures will be initiated

a. Transformation of existing environmental policies into practice by implementing a programme based approach and to identify gaps and issues, activities and action plan as well as strategies to overcome the environmental issues.

b. A realistic approach in the management of ecosystem will be carried out with the special emphasis on imperative ecosystem segments such as protection of biodiversity, water conservation and soil erosion protection, carbon sequestration and biodiversity protection, etc.

c. In Pakistan, supply of drinkable water and sanitation services (WSS) requires special attention as presently a large number of households do not have access to enough potable or shallow water and there is lack of proper sanitation system. Poor sanitation leads to sickness as well as negative impact of ecosystem. Therefore, a strategy to improve sanitation and to expand access to clean drinkable water, particularly, in rural areas is being implemented with the help of provincial governments.

d. Due to water scarcity in the country, waste water treatment is imperative for the continuous and affluent supply of water for agriculture in future. Despite having the potential and capacity of our industry for designing and fabricating waste water/sewage treatment plants locally, only a meager portion of industrial wastewater is being treated and reused. To treat and recycle industrial effluents, a Wastewater Treatment Programme will be initiated in the country in collaboration with the provincial governments.

e. For increased Forestry cover and enhancement of natural resources, a strategy to develop forest cover along with conservation and restoration of the natural resources of the country will be implemented through applied approach of ownership. A strategy will also be designed to prepare locals to manage forest areas and wild lands around their residences. This would also include provision of alternate energy resources to the residents of forest cover areas such as Liquefied Natural Gas (LNG) at affordable price.

f. Moreover, as the shortage of Compressed Natural Gas (CNG) promotes the use of cheaper gasoline, the automakers need to be given stringent specifications to develop and market zero carbon emission vehicles. The new auto policy will enable the government to keep a vigilant eye on the producers, while, a vehicle certification policy is also under consideration which will not allow polluting vehicles on the road.

Adaptation and Mitigation Measures

Adaptation and mitigation are two main strategies for addressing climate. Since Pakistan has experienced several adverse climate impacts over the years and adaptation to these impacts is necessary for socio-economic development. Ministry of Climate Change has taken many initiatives in the area of climate change adaptation and mitigation in accordance with National Policy which are as under:-

a) To ensure effective implementation of National Climate Change Policy and its Framework.

b) Ministry of Climate Change has completed the process of signing and ratification of Paris Agreement by the Government of Pakistan.

c) Pakistan Climate Change Council and Pakistan Climate Change Authority are being established to address the issues of climate change and meet Pakistan’s obligations under international conventions relating to climate change.

d) With the support of Climate Technology Centre and Network (CTCN), Ministry of Climate Change is carrying out Technology Needs Assessment (TNA) in Pakistan. The objective of this activity is to enable Pakistan to conduct TNA process and produce implementable Technology Action Plans (TAP) in line with current practices.

e) “Strengthening Pakistan’s National Policy Frameworks to Facilitate Resource Efficiency and Sustainable Consumption and Production” programme is underway with the support of United Nations Environment Program (UNEP). The aim of the program is to provide support in creating and strengthening environment for resource efficiency and SCP National Action Plan covering the Sustainable Development Goals (SDGs) and its linkages with Climate Change.

f) Preparation of Pakistan's Second National Communication (SNC) on Greenhouse Gases (GHG) emissions is under process.

g) Biennial Update Report (BUR) is an extended report on National Communications which describes the status of GHG emissions and mitigation measures taken by the countries. Ministry of Climate Change has started preparatory work on Pakistan's first BUR.

Pakistan's Compliance with the International Framework for Climate Change:

Pakistan submitted its Intended Nationally Determined Contribution (Pak-INDC), under Article 2 of the Paris Agreement, to the United Nations Framework Convention on Climate Change (UNFCC). Under the INDC, Pakistan intends to reduce up to 20 percent of its 2030 projected GHG emissions, amounting to 1603 million ton of carbon dioxide equivalent subject to the availability of international grants to meet the total abatement cost for the indicated 20 percent reduction amounting to about US$ 40 billion at current prices. Pakistan's adaptation needs range between U$ 7 to U$ 14 billion/annum during this period. According to a preliminary projection, the GHG emissions levels for Pakistan are expected to increase many times in the coming decades. The sector wise detail of GHG emission is given below.

Table 16.2: Sector Wise Projection of GHG Emissions (Mt CO2-equivalent)

Sector	1994	2015	2030
Energy	85.8	185.97	898
Industrial Process	13.29	21.85	130
Agriculture	71.63	174.56	457
Land Use change and Forestry	6.52	10.39	29
Waste	4.45	12.29	89
Total	181.7	405.07	1603

Source: Ministry of Planning ,Development & Reform

Carbon Capture and Storage

An important path to low-carbon development is carbon capture and storage (CCS), which focuses on securing and storing carbon dioxide emissions before these are released into the atmosphere. Although this technology is still in its early stages, countries are committed to implementing variations of it with both bilateral and multilateral cooperation underway. This cooperation is particularly important because implementing CCS on a large scale can be expensive and offers few obvious economic benefits. One of the major multilateral efforts in this area is the Carbon Sequestration Leadership Forum (CSLF), which supports joint efforts to develop cost-effective carbon sequestration technology.

Furthermore, renewable and nuclear energy can be of critical importance in diminishing reliance on fossil fuels and developing low-carbon communities. Expectations for nuclear power as an alternative source of energy are especially high among big emitters such as India, China, and the United States, as well as in a number of developing countries that lack the necessary infrastructure to meet their growing energy needs. Currently, the International Atomic Energy Agency (IAEA) assists countries in determining whether nuclear energy is a feasible option, the agency assists with energy planning and developing relevant infrastructure, such as drafting nuclear legislation and establishing independent and effective safety regulators.

There has also been significant international action on renewable energy. The International Renewable Energy Agency (IRENA), founded in January 2009, is the first international forum for specifically promoting the use of renewable energy. The United Nations Environment Program (UNEP) has launched several initiatives, including the Global Bio-energy Partnership (GBEP), to support the deployment of biomass and bio-fuels and the Solar and Wind Energy Resource Assessment (SWERA), which seeks to make renewable energy data widely available. Despite these promising international efforts, only about 25 percent of the world's energy is produced through renewable and alternative sources (including hydroelectric, biomass, and nuclear). However, investments in these areas continues to increase and more and more countries are setting policy targets for using renewable energy.

Policy reform might include steps like energy market reform or reduction of tariff barriers to low-carbon technology transfer. International institutions have begun to promote domestic policy shifts through measures like technical assistance provided by organizations like the UNEP and UNDP, discussions on tariff reductions for environmentally friendly technologies through the WTO, and processes aimed at phasing out fossil fuel subsidies spurred through the G20. Some existing institutions, though, may incidentally work against positive developments in this area. The Kyoto Protocol's CDM, for example, may discourage countries from making climate-friendly policy changes by rewarding countries only for activities that go beyond existing national policy. Complicating matters, efforts to promote policy shifts and efforts aimed at providing assistance with clean development are rarely coordinated with each other.

United Nations Conference of Parties on Climate Change (COP-21)

The 21st Session of the Conference of the Parties (COP-21) to the United Nation Framework Convention on Climate Change (UNFCCC) was held in Paris in 2015 where world leaders, including Pakistan, hammered out an agreement aimed at stabilizing the climate and avoiding the worst impacts of climate change. The agreement consists of four main areas which are mentioned below:

i. Adoption & Mitigation
ii. Intended Nationally Determined Contributions (INDCs)
iii. Technology Development and Transfer
iv. Capacity Building

United Nations Climate Change Conference ("COP23") was an international meeting of political leaders and activists to discuss environmental issues. It was held in Bonn (Germany) from 6–17 November 2017. The purpose of the conference was to discuss and implement plans about combating climate change, including the details of how the Paris Agreement will work after 2020. Pakistan was also represented by a delegation.

Geomatic Center for Climate Change and Sustainable Development Project.

Geomatic Center for Climate Change and Sustainable Development Project in Pakistan Environmental Protection Agency Islamabad is one of the ventures under Ministry of Climate Change which encourages application of Satellite Remote Sensing (SRS), Geographical Information System (GIS) and Geographical Positioning System (GPS) technologies in environmental monitoring and decision-making. A well-equipped centre of geospatial technologies for environmental monitoring in Pakistan is also established in Geomatic Center for Climate Change

Climate change is a geographic problem and reducing the risks caused by climate change is an immense challenge. Scientists, policy makers, developers, engineers, and many others around the world are using geographic information system (GIS) technology to better understand a complex situation and offer some tangible solutions in environment and climate change scenarios. A GIS-based framework helps us gain a scientific understanding of earth systems at a truly global scale and leads to more thoughtful, informed decision making.

Digital Environmental Atlas of Islamabad

The Digital Environmental Atlas of Islamabad was launched and it assembles seamless, accurate cartographic data including maps and documentation regarding Islamabad’s natural resource profile in the context of its land and environment. The basic objective of this Atlas is to enable the visualization of Islamabad’s environmental information through maps. The spatial distribution of environmental indicators is extremely useful in several types of planning including environmental pollution control strategies. Most importantly, through GIS techniques used in preparing atlas maps, it is possible to combine various layers of information for identifying different types of soil, land use, vegetation distribution, stream network etc.

Digital Environmental Atlas of Islamabad covers physiographic, land use, vegetation analysis, hydrological analysis, climate change, geological hazards and air pollution for Islamabad Capital Territory. The principal datasets used for this atlas were LANDSAT satellite imageries for the years 1990, 2000, 2010 and 2016 which were acquired, processed, and analyzed for the preparation of land use/ land cover maps.

National Bio-Safety Centre (Cartagena Protocol).

Pakistan ratified Cartagena Protocol on March, 2009 under which it is obligatory to devise implementation mechanism for regulating Genetically Modified Organisms (GMOs) and their products. National Biosafety Guidelines were notified in October 2005 for the facilitation of applicants to follow procedures for the implementation of the Biosafety Rules in the country. The National Biosafety Centre (NBC) is working under the Pak-EPA Islamabad. The two committees i.e. Technical Advisory Committee (TAC) and National Biosafety Committee (NBC) function for the purpose of granting licenses to the extent of Cartagena Protocol on biosafety.

Measures to Increase Forest Cover

Pakistan is one of the low forest cover countries with only 5 percent (4.34 million ha) of land area under forest and tree cover whereas international requirement is 25 percent. Forests are essential to ensure soil and water conservation and climate regulation. The government has taken different measures to increase the forest area.

Green Pakistan Programme

The Green Pakistan Programme is the initiative of the government to revive Forestry and Wildlife resources across the country. The main objective of the programme is to facilitate transition towards environmentally resilient Pakistan by mainstreaming notions of adaptation and mitigation through ecologically targeted initiatives covering biodiversity conservation and enabling policy environment.

Green Pakistan Programme is being executed by the government through Ministry of Climate Change and Provincial Forest and Wildlife Departments including Gilgit Baltistan, Federally Administered Tribal Area (FATA) and Azad Jammu Kashmir (AJK) with a total cost of Rs 3.652 billion over a period of five years (2016-17 to 2020-21). The programme is implemented in 100 districts of the country. The Green Pakistan Programme has three major components i.e. revival of forestry resource of Pakistan, revival of wildlife resources in Pakistan and Strengthening of the Zoological Survey of Pakistan. The share of provinces in forestry component of programme is given as under:

Table 16.3: Share of Forestry Components — Rs millions

S.No.	Provinces / Federating Units	Federal	Provincial	Total
1.	Punjab	541.199	722.554	1263.753
2.	Sindh	331.715	448.285	780.000
3.	Khyber Pakhtunkhwa	181.964	198.043	380.007
4.	Balochistan	89.307	223.697	313.004
5.	Ministry of Climate Change	183.634	-	183.634
6.	Azad Jammu & Kashmir	355.000	-	355.000
7.	Gilgit Baltistan	273.800	-	273.800
8.	Federally Administered Tribal Areas	102.945	-	102.945
	Total	**2059.564**	**1592.579**	**3652.143**

Source: Ministry of Climate Change

- The specific objectives of the project are to plant one hundred million new indigenous plants, including 20 percent fruit plants, over next five years as under:
  a. Canal side/roadside plantations in Punjab, Khyber Pakhtunkhwa and Sindh.
  b. Historic irrigated plantations of Changa Manga, Daphar, Bahawalpur and Chichawatni.
  c. Olive and Kikar-Phulai forests in Kala Chitta, Pabbi- Rasul and Fort Monroe scrub forests of Punjab.
  d. Mangrove forests in Karachi and Badin alongwith scrub hill forests of Khirthar range in Sindh.
  e. Juniper forests of Ziarat and Chilghoza forest in Suleiman Range of Balochistan.
  f. Watershed and soil conservation plantations and operations in Gilgit-Baltistan and AJK moist tropical forest areas (reserved as well as community forests).
  g. Guzara forests in Murree/ KotliSattian and Hazara and protected forests of Malakand region in Khyber Pakhtunkhwa.
  h. Dry temperate forests in FATA (Orakzai, North Wazirastan Agencies, etc.).

Seasonal Tree Planting Campaigns

In order to enhance tree cover in the country, seasonal tree planting campaigns are held each year. During the tree planting campaigns all the government departments, private sector organizations, defense organizations and NGOs were involved in planting activities. The achievements against target fixed for tree planting are as follows:

Season	Target(million)	Achievement	Survival Rate (%)
Spring 2017	257.5	201.8	78
Monsoon 2017	106.96	107.03	100

Mangroves for the Future (MFF)

Mangroves for the Future (MFF) initiative focuses on the countries worst affected by the tsunami. Pakistan joined MFF as a regular member in 2010. As a member Pakistan is entitled to receive support for institutional strengthening, capacity building and for implementation of small and large projects in coastal areas of Sindh and Balochistan. Under this initiative, four small grant projects costing upto US $ 25,000 have been completed and similar numbers of new projects were processed for approval.

International Trade of Wildlife:

Pakistan is a signatory to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) since 1976. Import and export of wildlife is being dealt by Ministry of Climate Change in accordance with CITES and provisions of Trade Policy Order. During 2017, revenue earned through limited wildlife trade was Rs. 18.132 million.

Water, Sanitation & Hygiene (WASH) Programme

According to the Joint Monitoring Programme (JMP) report Pakistan has achieved its sanitation target for Millennium Development Goals (MDGs) i.e. 64 percent of the population have access to improved sanitation, whereas good progress is reflective on access to improved drinking water i.e. 91percent.Pakistan being signatory of Sustainable Development Goals (SDG), as next step it was sighted that there is need to develop the action plan and base line for SDG-6 (6.1 &6.2). In this regard, workshops on SDG-6 were convened to devise the strategy for implementation of SDG. Ministry of Climate Change has provided technical support to design and develop the mass media campaign to improve and inculcate health water, sanitation and hygiene behavior.

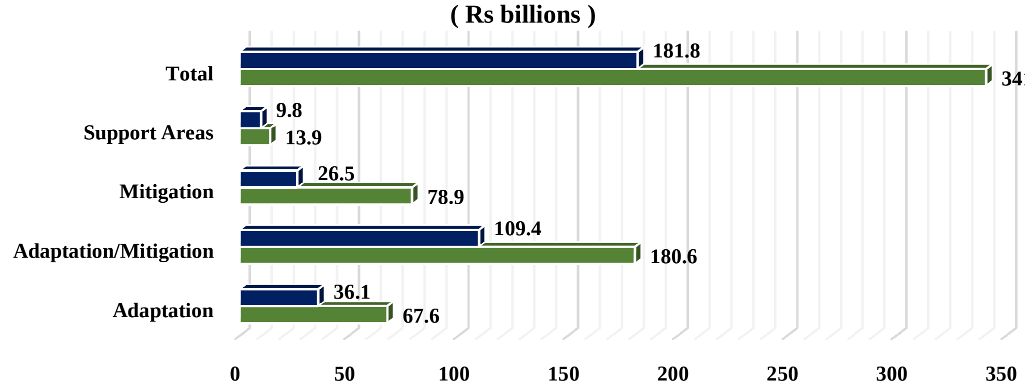
Climate Change Expenditures

The SAP data shows federal government's budget for 2017-18 at Rs 4,983 billion (excluding debt repayments) which included an estimated climate change-related budgetary allocations of Rs 341 billion—6.85 percent under different sectors.

By the end of March 2018, the federal government spent Rs 3,851 billion including an expenditure of Rs 182 on climate change actions. Of this, 181 billion was spent by three ministries namely Ministry of Finance, Revenue, Economic Affairs, Statistics and Privatization (49 percent), Ministry of Defence (20 percent), Cabinet Secretariat (14 percent). Ministry of Water Resources (4percent) and Ministry of Railways (3percent) are the other two major spenders on climate change. The composition of climate change expenditure in 2017-18 is broadly in sync with that of earlier years.

The break-up of budgetary allocations and actual spending till the end of March 2018 is summarized in the chart below.

Fig-16.1: Typology of Climate Change Estimated and Actual Spending (Rs billions)



The expenditure analysis has been done through the Climate Change Expenditure Tracking and Reporting System**.** A budget coding and tracking system dedicated to climate has been designed and made operational in 2017-18. The system built on the methodology and data compiled under the CPEIR, and uses IT-based expenditure data maintained by the Controller General of Accounts (CGA). Initially, the system provides basic information on how much the federal government is spending on mitigation and adaptation to climate change. The model would be replicated at sub-national level to eventually create a national climate change expenditure tracking system. The system provides a transparent and reliable tool for decision makers. It can help government in measuring Pakistan's financial contribution to climate action, monitoring progress toward meeting its international commitments under the Paris Agreement, and making a case for accessing international climate finance.

Launching of Climate Change Financing Framework (CCFF)

Ministry launched this broad framework to mobilize, manage, and target climate change finance at national and sub-national level in October 2017. The CCFF identifies different entry points for the mainstreaming of climate change into planning and budgeting processes, including in MTBF. Full implementation of the CCFF would enable the federal government to produce efficient, transparent and timely reports on budgetary allocations for climate change related projects and actual utilization of funds against those allocations.

Climate Public Expenditure and Institutional Review (CPEIR)

The CPEIR—which helps in estimating government spending on climate change, was completed and a report thereon launched in October 2017. The CPEIR 2017 was an improvement over the CPEIR of 2015 since it covered budget and expenditure data of all the provincial governments, GB, AJK, FATA and the federal government. The CPEIR of 2015did not capture expenditure data of Sindh, Baluchistan, and Punjab. The CPEIR 2017 concluded that around 8.4 percent of total national expenditure is relatable to climate change. The federal government with its share of Rs 272 billion (48 percent) in total spending of Rs 569 billion was the largest contributor to this expenditure. The federal spending on climate change worked out to be 6.5 percent of the budget.

Revision in PC-1 template for Climate Change Responsive Planning

Currently, projects do not comprehensively factor in the potential impacts (including both positive and/or negative ones) of climate change trends and vulnerabilities. To address this gap, Ministry formulated a proposal to change the PC-1 template and shared with Ministry of Planning, Development and Reforms. The revised PC-1 template would require simpler and higher level/strategic information on climate change from government agencies. The revised PC-1 template would help in identifying whether a project's risk profile is affected by climate change and whether the project would positively contribute to climate change policy, strategy and action plans. The government agencies would also indicate whether the project supports "adaptation" or "mitigation while also requiring them to assign "low, medium, or high climate-relevance rating to each project. Ministry has also proposed guidance for government agencies as part of this change in PC-1 template. Once implemented, the change would facilitate climate-responsive development in Pakistan.

Integration of Climate Change in MTBF

A key policy reform measure of the CCFF included integrating climate-responsive long term planning and budgeting in the MTBF. The MTBF of centralized government entities (federal ministries, provincial government departments and their attached departments) offers one such entry point. The Ministry of Water Resources has agreed to be a pilot for this exercise, in coordination with the Ministry of Climate Change. With UNDP's assistance, a number of Focus Group Discussions were organized during January-April 2018 with key officials of the Ministry of Water Resources and Provincial Irrigation Departments. Following this consultative process, a proposal for a climate-friendly MTBF will be formulated. It is expected that government will gradually expand this approach in future.

Sustainable Development Goals

The SDGs are universal set of 17 goals, 169 targets and 200 plus indicators that UN member states are expected to localize in their own development agendas and socio-economic policies during the period 2015-2030. The parliament of Pakistan adopted sustainable development goals (SDGs) as its own national development goals in February 2016. In recognition of the fact that climate change needs to be addressed at all levels with the utmost urgency, the SDGs have laid out a number of goals with specific indicators relating to environment and climate change. The specific goals are:

SDG No.	Sustainable Development Goals	Description
13	Climate Change: Taking Urgent Action to Combat Climate Change and Impacts	The goal aims to strengthen resilience and adaptive capacity to climate related hazards and natural disasters. It also aims to integrate climate change measures into national policies, strategies and planning. Furthermore, it encourages countries to improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning amongst other targets.
14	Life Below Water: Conserve and Sustainable use the Oceans, Seas and Marine Resources for Sustainable Development.	The goal aim is to reduce marine pollution, manage marine and coastal ecosystems, address impacts of ocean acidification, regulate harvesting and over fishing, conserve marine areas and increase scientific knowledge and develop and transfer marine technology amongst other targets,
15	On Land: Protect Restore and Promote sustainable use of Terrestrial Ecosystems Sustainably Manage Forest Combat Desertification and Halt and Reverse Land Degradation and halt biodiversity loss are directly related to climate change sector.	The goal is to ensure conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems, promote sustainable management of all types of forests, halt deforestation and restore degraded forests. The goal also aims to combat desertification, ensure conservation of mountain ecosystems, take action to reduce degradation of natural habitats and integrate ecosystem and biodiversity values into national and local planning amongst other targets.

Sustainable land management will enable the government to get the desired forest cover and land use plans to be implemented to get the maximum output from fertile land. Pakistan still needs to improve enormously on the fronts of access to sanitation, solid waste management and energy efficiency. There is dire need to get the population sensitized and a change in their attitude is imperative.

Conclusion

Climate change is a geographic problem and reducing the risks caused by climate change is an immense challenge. Pakistan is consistently ranked by multiple climate change vulnerability indices as being one of the most vulnerable to the impacts of climate change due to drought, floods, heat waves, and glacial lake outburst floods in the past few decades.

The government is cognizant of this issue and is taking strategic adaptation measures at the policy management and operational level to minimize the global warming effects. Further efforts to overcome the challenges of climate change are made through enacting legislation, setting standards and developing and implementing policies for a secure and lively environment. The existing and proposed measures being taken by the government would help to address the climate change issues effectively.

ANNEXURES

I. Contingent Liabilities
II. Tax Expenditure
III. Poverty
IV. Impact of War in Afghanistan and Ensuing Terrorism on Pakistan's Economy

Annexure I

Contingent Liabilities

Introduction

Contingent liabilities are conditional obligations that arise from events that may require an outflow of resources dependent on occurrence of events not wholly within the control of the government. Contingent liabilities can be distinguished from the liabilities as these are conditional in nature and do not represent the present obligations of the government. Accordingly, contingent liabilities are not recognized as liabilities regardless of the likelihood of the occurrence (or non-occurrence) of the uncertain future event.

Contingent liabilities of Pakistan are guarantees issued on behalf of Public Sector Enterprises (PSEs). The sovereign guarantee is normally extended to improve financial viability of projects or activities undertaken by the government entities with significant social and economic benefits. It allows public sector companies to borrow money at lower costs or on more favorable terms and in some cases allows to fulfill the requirement where sovereign guarantee is a precondition for concessional loans from bilateral/multilateral agencies to sub-sovereign borrowers.

During first half of current fiscal year, the government issued fresh/rollover guarantees aggregating to Rs 66 billion, while, outstanding stock of government guarantees as at end December, 2017 amounted to Rs 1,004 billion. The share of rupee guarantees increased during past few years and accounted for 92 percent of the total guarantees stock as at end December 2017.

Table-1.1: Guarantees Outstanding as on December 31, 2017 **(Rs in billion)**

Outstanding Guarantees extended to Public Sector Enterprises (PSEs)	**1,004.5**
- Domestic Currency	925.4
- Foreign Currency	79.1
Memo:	
Foreign Currency (US$ in million)	716.5

Source: Debt Policy Coordination Office Staff Calculations, Ministry of Finance

The volume of new government guarantees issued during a financial year is limited under Fiscal Responsibility and Debt Limitation Act which stipulates that the government shall not give guarantees aggregating to an amount exceeding 2 percent of the GDP in any financial year including those for rupee lending, rate of return, outright purchase agreements and other claims and commitments provided the renewal of existing guarantees shall be considered as issuing a new guarantee. The limit of 2 percent of the GDP is applicable on guarantees issued both in local and foreign currencies. During July-December 2017-18, Government of Pakistan issued fresh/rollover guarantees aggregating to Rs 66 billion or 0.2 percent of GDP [as shown in Table 1.2].

Table-1.2: New Guarantees Issued

(Rs in billion)	**2013**	**2014**	**2015**	**2016**	**2017**	**2018***
New guarantees issued	136	106	156	191	599	66
(as percent of GDP)	0.6	0.4	0.6	0.7	1.9	0.2
*July – December 2017						

Source: Debt Policy Coordination Office Staff Calculations, Ministry of Finance

The year wise outstanding stock of government guarantees from 2012-13 till December 31, 2017 is presented through Table 1.3:

Table-1.3: Guarantees Stock **(Rs in billion)**

	2013	2014	2015	2016	2017	2018*
Outstanding guarantees extended to PSEs	**626**	**555**	**644**	**721**	**937**	**1,004**
-Domestic Currency	355	426	533	627	851	925
-Foreign Currency	271	129	111	95	86	79
*end December, 2017						

Source: Debt Policy Coordination Office Staff Calculations, Ministry of Finance

Guarantees issued against commodity operations are not included in the stipulated limit of 2 percent of GDP as the loans are secured against the underlying commodity and are essentially self-liquidating and thus should not create a long term liability for the government. The quantum of these guarantees depends on the supply-demand gap of various commodities, their price stabilization objectives, volume procured, and domestic and international prices. The guarantees were issued against the commodity financing operations undertaken by TCP, PASSCO, and provincial governments. As on December 31, 2017, the outstanding stock issued against commodity operations was Rs 692 billion.

Annexure II

Tax Expenditure

Tax expenditure for FY2018 has been estimated at Rs 540.98 billion. Detailed estimates are highlighted below:

Income Tax

Tax expenditure in respect of direct taxes during FY2018 has been reflected in Table 1:

Table-1: Tax Expenditure of Direct Taxes during FY2018 — **Rs in billion**

S. No.	Tax Expenditure on various exemptions and concessions	Estimated Revenue Loss FY2018
1	Credit u/s 64A regarding interest on house building	1.040
2	Credit u/s 64AB deductible allowance on education expenses	0.057
3	Credit u/s 65B. Tax Credit availed for balancing modernization and replacement of plant & machinery (excluding BF credits)	34.714
4	Credit u/s 65C	0.190
5	Credit u/s 65D	3.321
6	Credit u/s	4.480
7	Tax loss due to exempt business income claimed by IPPs under clause (132) of Part 1 of the Second Schedule of Income Tax Ordinance 2001	17.929
8	Tax loss due to exemption to export of IT services under clause (133) of Part 1 of the Second Schedule of income Tax Ordinance 2001	0.046
Total		**61.777**

Sales Tax

Major exemptions in sales tax and their tax expenditures during FY2018 are presented in Table 2.

Table-2: Tax Expenditure of Sales Tax for FY2018 — **Rs in billion**

SRO	Loss of Sales Tax due to Exemptions
SRO 1125(I)/2011, dated 31.12.2011 (leather, textile, carpets, surgical goods etc.)	61.3
Import under 5th Schedule	0.75
Local supply under 5th Schedule	27.6
Imports under 6th Schedule	75.9
Local supply under 6th Schedule	96.2
Imports under 8th Schedule	19.3
Grand Total	**281.05**

Customs

Following is the break-up of estimates of tax expenditure of main exemptions in Customs Duties for FY2018.

Table-3: Cost of Customs Duty Exemption for FY2018 Rs. in Million

S.No	SRO No. & Date	Description	Cost of Exemption (Estimated)
	FTAs/PTAs		**FY2018**
1	659(I)/2007 30.06.2007	Exemption from customs duty on import into Pakistan from **China**	31,415
2	1296(I)/2005 31.12.2005	Exemption from customs duty on import into Pakistan from **China**	1
3	497(I)/2009 13.06.2009	Concession of customs duty on import into Pakistan **China**	9
4	558(I)/2004 01.07.2004	Concession of customs duty on goods imported from **SAAR**C and **ECO** countries	274
5	894(I)/2006 31.08.2006	Exemption from customs duty on import into Pakistan from Iran under **Pak-Iran PTA**.	0
6	1274(I)/2006 29.12.2006	Exemption from customs duty on imports into Pakistan from under **SAFTA** Agreement	1,329
7	1151(I)/2007 26.11.2007	Exemption from customs duty on goods imported from **Mauritius**.	15
8	1261(I)/2007 31.12.2007	Exemption from customs duty on import into Pakistan from Malaysia	2,674
9	280(I)/2014 08.04.2014 570(I)/2005 06.06.2005	Exemption from customs duty on imports from **Sri Lanka**	2,802
10	741(I)/2013 28.08.2013	Exemption from customs duty on import into Pakistan from Indonesia	3,865
	General Concessions: Automobile sector, E & P Companies, CPEC etc		
11	565(I)/2006 05.06.2006	Conditional exemption of customs duty on import of raw materials and components etc. for manufacture of certain goods (Survey based)	2,897
12	678(I)/2004 12.6.2004	Exemption of customs duty and sales tax to Exploration and Production (E&P) companies on import of machinery equipment & vehicles etc..	4,640
13	655(I)/2006 22.06.2006	Exemption from customs duty for vendors of Automotive Sector	18,899
14	656(I)/2006 22.06.2006	Exemption from customs duty for OEMs of Automotive Sector	35,030
15	**39(I)/2017 23.01.207**	Exemption from customs duty on cotton	1,496
16	**642(I)/2016 27.07.2016**	Exemption from customs duty for CPEC	397
17	5th Schedule 26.06.2014	Concessions under Fifth Schedule to the Customs Act, 1969	92,408
		Total	**198,151**

Source: PRAL

Following is the consolidated summary of tax expenditure for the FY 2018 in Table 4.

Table 4: Tax Expenditure of Federal Taxes for FY 2018 (Rs. billion)

S. No.	Type of Tax	FY2018
1.	Income Tax	**61.78**
2.	Sales Tax	**281.05**
3.	Customs Duty	**198.15**
	Total :	**540.98**

Source: Federal Board of Revenue.

Annexure III

Poverty

Over the last decade, Pakistan's poverty headcount has witnessed a persistent decline both at national and regional levels. Percentage of people living below poverty line has declined from 50.4% in 2005-06 to 24.3% in 2015-16. Poverty in both rural and urban areas has also been on the declining trend with poverty headcount of 12.5% in Urban and 30.7% in rural areas in 2015-16. The decline in poverty is more pronounced in urban areas than rural areas.

Targeted poverty reduction programmes like BISP, relative political stability, peace and tranquillity, strong recovery from low GDP growth rate of 1.7% in 2008-09 to 4.5% in 2015-16, continued higher inflows of remittances especially from middle east which are destined to relatively poor families and above all a more inclusive characteristics of economic growth; are some of the important causes that can be attributed to a significant decline in the poverty headcount since 2005-06 [See Table-1].

Table 1: Poverty Incidence

Year	National	Urban	Rural
2005-06	50.4	36.6	57.4
2007-08	44.1	32.7	49.7
2010-11	36.8	26.2	42.1
2011-12	36.3	22.8	43.1
2013-14	29.5	18.2	35.6
2015-16*	24.3	12.5	30.7

Source: Planning Commission; *Committee estimations

Declining trends are shared at national as well as urban and rural areas [See Table 2]. While comparing with 2011-12 largest percentage decline in poverty headcount was observed in year 2013-14 when national poverty headcount was declined by 6.8 percentage points with 6.2 percentage points decline in Urban and 7.5 percentage points in rural areas. Poverty headcount has declined by 5.7 percentage points in urban areas and 4.9 percentage points in rural areas between 2014 and 2016, thereby leading to an overall decline of 5.2 percentage points decline in incidence of national poverty headcount.

Table-2: Change in Poverty Headcount (%age Points)

Year	National	Urban	Rural
2007-08	6.3	3.9	7.7
2010-11	7.3	6.5	7.6
2011-12	0.5	3.4	-1.0
2013-14	6.8	4.6	7.5
2015-16*	5.2	5.7	4.9

Source: Planning Commission; *Committee estimations

The decline in poverty incidence is phenomenal in Pakistan since 2007-08 and normal inter-survey decline is around 7-percentage point with only exception is 2010-11. The inter-survey decline in poverty headcount was insignificant in 2011-12 compared to 2010-11 survey. There can be two possible undertones for this low performance. First, inter-survey period may not be a period sufficient to observe meaningful decline in poverty both at national and regional levels. Two, catastrophic floods of 2010-11 hit a significant blow to rural populace whose income and livelihoods were severely affected by these floods.

Overall, despite floods of 2010 and chronic energy shortages, aggravated security situation and government's limited capacity to mobilize and channelize its own resources exclusively for social welfare and poverty eradication programmes, the declining trend in Poverty headcount in Pakistan is both promising and encouraging. Strong resurgence of economic growth, more provincial autonomy to shape and spearhead their own social welfare and poverty eradication programmes and targeted social safety nets programme of BISP have all been the main drivers of poverty decline in the past.

Annexure-IV

Impact of War in Afghanistan and Ensuing Terrorism on Pakistan's Economy

After facing protracted violence for more than a decade, Pakistan has achieved progressive and significant improvement in the country's overall security landscape in recent years. This has been achieved primarily due to comprehensive counter terrorism operation culminating with Zarb-e-Azb and Khyber-I-IV operations and counter-terrorism measure taken by the Government under the framework of the National Action Plan (NAP), and the sacrifices of the security forces. This has resulted in a major decline in the number of terrorist attacks as well as the causalities suffered.

Pakistan's success in countering-terrorism has been acknowledged in the recent Global Terrorism Index Report 2017 published by the Sydney-based Institute for Economics and Peace. According to this report, Pakistan ranked at 5th out of 163 countries with a score of 8.4 out of 10 on the Index, a marked improvement as it ranked 4th in 2007. Pakistan has shown improvement in its global terrorism index ranking with decline in the terrorism incidences and the deaths related to the terrorist activities. This is the third consecutive year that Pakistan has witnessed fewer terrorist attacks and deaths. Moreover, India ranked at 8th; Turkey ranked at 9th marking its entry into the top 10 countries affected by terrorism, Bangladesh at 21, Saudi Arabia 26, China 31, United States 32, Russia 33, and United Kingdom 35. Along with Pakistan, a positive trend was also noted in Afghanistan, Nigeria, and Syria. These current developments in Pakistan's fight against terrorism are benchmarks for not just regional countries but for the international community as well. While Pakistan is successfully fighting the terrorists on its soil, it also expects the US, NATO and Afghan forces to do the same in Afghanistan.

However, Pakistan continues to be a target of terrorism, including state-sponsored terrorism from its immediate neighbours. The conflict and instability in Afghanistan remained an impediment for regional peace, security, and development. Pakistan, because of its proximity and historical connection faced the most serious consequences of war in Afghanistan ranging from security to socio-economic. Hosting of millions of Afghan refugees not only burdened Pakistan's economy but also put additional stress on its internal security situation. Pakistan continued to face terrorist attacks from terrorist hide-outs in Afghanistan.

The success in counter-terrorism has played a critical role in creating a conducive economic environment whose results have started to appear in terms of growth across various sectors of the economy. As a result of these efforts, the total losses incurred, both fiscal as well as human has declining. During 2016-17, it declined by 15.7 percent over the corresponding period of last year while it further declined during July-February 2017-18 by 62.2 percent which clearly reflects the effectiveness of the Government's efforts to eliminate terrorism and extremism from the country.

In order to assess the impact of the incidents of terrorism on the economy of Pakistan during the past several years, the estimates for FY2017 have been updated and FY2018 have been prepared in consultation with all relevant Ministries / Departments / Provincial Governments / Autonomous bodies etc. Summary of losses during FY 2017 and FY 2018 is presented in Table-1.

Table 1: Summary of losses due to War on Terror				(US$ million)
S.No	**Organization**	**Years**		**Total**
		2016-17	**2017-18***	
1	Compensation to Affectees	90.64	39.25	129.89
2	Physical Infrastructure	272.32	111.61	383.93
3	Foreign Investment	1105.30	129.10	1234.40
4	Privatization	251.19	0.00	251.19
5	Industrial Output	594.300	449.600	1043.90
6	Tax Collection	2483.29	976.38	3459.67
7	Cost of Uncertainty	71.060	14.180	85.24
8	Expenditure Over run	593.72	345.65	939.37
9	Others	7.07	8.66	15.73
Total Losses		**5,468.89**	**2,074.43**	**7543.32**

Source: MoF, Mo Interior M/o Foreign Affairs Joint Ministerial Group

During the last 17 years, the direct and indirect cost incurred by Pakistan due to incidents of terrorism amounted to US$ 126.79 billion equivalent to Rs. 10,762.64 billion. Detail is given in Table-2.

Table 2: Summary of Year-wise losses Cost of War (2001-2017)			
Years	**Billion $**	**Billion Rs.**	**% Change**
2001-02	2.67	163.90	-
2002-03	2.75	160.80	3.0
2003-04	2.93	168.80	6.7
2004-05	3.41	202.40	16.3
2005-06	3.99	238.60	16.9
2006-07	4.67	283.20	17.2
2007-08	6.94	434.10	48.6
2008-09	9.18	720.60	32.3
2009-10	13.56	1136.40	47.7
2010-11	23.77	2037.33	75.3
2011-12	11.98	1052.77	-49.6
2012-13	9.97	964.24	-16.8
2013-14	7.70	791.52	-22.8
2014-15	9.24	936.30	20.0
2015-16	6.49	675.76	-29.8
2016-17	5.47	572.60	-15.7
2017-18*	2.07	223.32	-62.2
Total	**126.79**	**10,762.64**	-
* Estimated on the basis of 8 months data			

Source: MoF, Mo Interior M/o Foreign Affairs Joint Ministerial Group

CONTENTS

14 ENERGY

ECONOMIC AND SOCIAL INDICATORS

ECONOMIC AND

INDICATORS	1960s	1970s	1980s	1990s	2000s	2004-05	2005-06	2006-07
	Average (Annual)					Base Year 1999-2000		
FINANCIAL SECTOR:								
GROWTH RATE (at constant fc) %								
GDP	6.8	4.8	6.5	4.6	4.7	9.0	5.8	5.5
Agriculture	5.1	2.4	5.4	4.4	3.2	6.5	6.3	3.4
Manufacturing	9.9	5.5	8.2	4.8	7.1	15.5	8.7	9.0
Commodity Producing Sector	6.8	3.9	6.5	4.6	4.3	9.5	5.1	5.5
Services Sector	6.7	6.3	6.7	4.6	5.1	8.5	6.5	5.6
GROWTH RATES (at current mp) %								
Total Investment	-	21.8	4.2	8.1	15.6	32.6	36.1	9.3
Fixed Investment	14.8	20.5	3.7	7.8	15.7	34.3	38.0	9.0
Public Investment	14.0	25.3	2.6	7.3	12.5	23.7	30.3	21.0
(including general govt.)								
Private Investment	20.9	17.0	5.1	8.8	17.5	38.3	40.5	5.2
(as % of Total Investment)								
National Savings	-	67.5	79.2	75.4	89.9	91.6	78.8	74.3
Foreign Savings	-	32.5	20.8	24.6	10.1	8.4	21.2	25.7
(as % of GDP current mp)								
Total Investment	-	17.1	18.7	18.3	17.9	19.1	19.3	18.8
Fixed Investment	-	15.9	17.0	16.6	16.4	17.5	17.7	17.2
Public Investment	-	10.3	9.2	7.5	4.6	4.3	4.2	4.6
Private Investment	-	5.6	7.8	9.1	11.8	13.1	13.5	12.6
National Savings	-	11.2	14.8	13.8	15.9	17.5	15.2	14.0
Foreign Savings**	-	5.8	3.9	4.5	2.0	1.6	4.1	4.8
Domestic Savings	-	7.4	7.7	14.0	14.6	15.4	13.4	12.3
Per Capita Income (mp-US $)**	-	-	-	-	746.0	724.1	897.4	979.9
GDP DEFLATOR (growth %)	-	-	2.3	8.3	8.4	7.0	10.5	7.2
CONSUMER PRICE INDEX (CPI)								
(growth %)	3.2	12.5	7.2	9.7	7.3	9.3	7.9	7.8
FISCAL POLICY								
(as % of GDP mp)								
Total Revenue	13.1	16.8	17.3	17.1	13.9	13.8	13.1	14.0
Tax Revenue	-	-	13.8	13.4	10.3	10.1	9.8	9.6
Non-Tax Revenue	-	-	3.5	3.7	3.6	3.7	3.3	4.4
Total Expenditure	11.6	21.5	24.9	24.1	18.3	17.2	17.1	18.1
Current Expenditure	-	-	17.6	19.4	15.1	13.3	12.6	14.9
Defence	-	-	6.5	5.6	3.1	3.3	2.9	2.7
Markup Payments	-	-	3.8	6.8	4.9	3.4	3.2	4.2
Others	-	-	7.3	7.0	7.2	6.6	6.5	8.0
Development Expenditure	-	-	7.3	4.7	3.3	3.9	4.5	4.6
Overall Deficit	2.1	5.3	7.1	6.9	4.4	3.3	4.0	4.1
MONEY & CREDIT (growth %)								
Monetary Assets (M2)	16.3	21.0	13.2	16.8	15.0	19.3	15.1	19.3
Domestic Assets	15.0	20.5	15.4	12.2	14.1	22.4	15.8	14.2
STOCK EXCHANGE (growth %)								
PSX 100 Index	-	-	0.1	4.1	27.2	41.1	34.1	37.9
Aggregate Market Capitalization	-	-	2.5	13.4	29.1	45.2	35.8	45.3

- : Not available mp : Market prices fc : Factor cost P: Provisional, R: Revised, F: Final ^: July-March

^^: July-February

***: In 2005-06 base year and composition of sub sectors of GDP has been changed, therefore growth rate in respective variables onward from 2006-07 are provided on new base.**

****: At average exchange rate used in National Accounts Committee meeting**

SOCIAL INDICATORS

Base Year 2005-06*											
2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	
								F	R	P	
5.0	0.4	2.6	3.6	3.8	3.7	4.1	4.1	4.6	5.4	5.8	
1.8	3.5	0.2	2.0	3.6	2.7	2.5	2.1	0.2	2.1	3.8	
6.1	-4.2	1.4	2.5	2.1	4.9	5.7	3.9	3.7	5.8	6.2	
5.1	-0.9	1.8	3.2	3.1	1.7	3.5	3.6	2.9	3.8	4.8	
4.9	1.3	3.2	3.9	4.4	5.1	4.5	4.4	5.7	6.5	6.4	
17.7	13.4	1.4	9.8	17.1	10.8	10.0	17.0	5.8	12.8	9.8	
17.9	12.4	0.3	8.4	18.1	10.7	9.7	18.0	5.8	13.1	10.1	
21.0	11.2	-2.1	6.6	27.2	4.9	1.2	29.0	7.0	29.8	21.1	
16.8	12.9	1.2	9.0	14.9	12.9	12.8	14.5	5.4	7.0	5.2	
57.5	68.6	85.9	100.7	86.3	92.8	91.3	93.4	88.9	74.7	69.3	
42.5	31.4	14.1	-0.7	13.8	7.2	8.7	6.6	11.1	25.3	30.7	
19.2	17.5	15.8	14.1	15.1	15.0	14.6	15.7	15.7	16.1	16.4	
17.6	15.9	14.2	12.5	13.5	13.4	13.0	14.1	14.1	14.5	14.8	
4.8	4.3	3.7	3.2	3.7	3.5	3.2	3.7	3.8	4.5	5.0	
12.8	11.7	10.5	9.3	9.7	9.8	9.9	10.4	10.3	10.0	9.8	
11.0	12.0	13.6	14.2	13.0	13.9	13.4	14.7	13.9	12.0	11.4	
8.2	5.5	2.2	-0.1	2.1	1.1	1.3	1.0	1.7	4.1	5.0	
9.1	9.4	9.8	9.7	7.8	8.7	7.7	8.6	7.8	6.6	6.1	
1053.2	1026.1	1072.4	1274.1	1320.5	1333.7	1388.8	1514.0	1529.4	1632.1	1640.5	
12.9	20.7	10.7	19.5	5.7	7.1	7.4	4.3	0.5	4.0	2.1	
12.0	17.0	10.1	13.7	11.0	7.4	8.6	4.5	2.9	4.2	3.8	^
14.1	14.0	14.0	12.3	12.8	13.3	14.5	14.3	15.3	15.4	6.9	July-December
9.9	9.1	9.9	9.3	10.2	9.8	10.2	11.0	12.6	12.4	5.9	
4.2	4.9	4.1	3.0	2.6	3.5	4.3	3.3	2.7	3.0	1.0	
21.4	19.2	20.2	18.9	21.4	21.5	20.0	19.6	19.9	21.3	9.2	
17.4	15.5	16.0	15.9	17.3	16.4	15.9	16.1	16.1	16.3	7.4	
2.6	2.5	2.5	2.5	2.5	2.4	2.5	2.5	2.6	2.8	1.1	
4.8	5.0	4.4	3.9	4.5	4.5	4.6	4.8	4.3	4.2	2.2	
10.0	8.0	9.2	9.6	10.3	9.5	8.9	8.8	9.2	9.3	4.1	
4.0	3.5	4.4	2.8	3.9	5.1	4.9	4.2	4.5	5.3	1.8	
7.3	5.2	6.2	6.5	8.8	8.2	5.5	5.3	4.6	5.8	2.3	
15.3	9.6	12.5	15.9	14.1	15.9	12.5	13.2	13.7	13.7	1.0	^^
33.6	15.4	12.7	13.1	20.2	20.9	9.1	11.7	12.9	18.3	3.8	^^
-10.8	-41.7	35.7	28.5	10.4	52.2	41.2	16.0	9.8	23.2	-7.1	
-6.0	-43.9	28.8	21.4	6.2	47.6	36.2	5.7	2.3	25.5	-5.2	

As per PBS Per Capita Income during 2016-17 is Rs 162,230/- based on provisional figures of population census 2017 held in March 2017 i.e. 207,774,520. The revise series of Per Capita Income will be compiled after finalization of 6th Housing and Population Census results.

(Contd...)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2004-05	2005-06	2006-07
		Average (Annual)							
TRADE AND PAYMENTS (growth %)									
Exports (fob)		-	13.5	8.5	5.6	9.9	16.2	13.8	4.5
Imports (fob)		-	16.6	4.5	3.2	13.7	37.8	31.4	8.0
Workers' Remittances		-	-	1.9	-5.3	26.8	7.7	10.4	19.4
As % of GDP (mp)									
Exports (fob)		-	-	9.8	13.0	12.3	13.2	13.0	11.2
Imports (fob)		-	-	18.7	17.4	16.2	17.1	19.4	17.5
Trade Deficit		-	-	8.9	4.4	3.9	4.0	6.5	6.2
Current Account Deficit		-	-	3.9	4.5	3.8	1.6	4.4	4.8
COMMODITY SECTOR:									
Agriculture									
Total Cropped Area	mln. hectares	-	-	20.3	22.4	22.9	22.8	23.1	23.6
Production									
Wheat	mln. tons	-	-	12.5	17.0	20.8	21.6	21.3	23.3
Rice	mln. tons	-	-	3.3	3.9	5.2	5.0	5.5	5.4
Sugarcane	mln. tons	-	-	33.1	44.6	50.4	47.2	44.7	54.7
Cotton	mln. bales	-	-	6.3	9.7	11.6	14.3	13.0	12.9
Fertilizer Offtake	mln.N/tons	-	-	1.4	2.3	3.3	3.7	3.8	3.7
Credit Disbursed	bln. Rs.	-	-	11.2	23.8	112.9	108.7	137.4	168.8
Manufacturing									
Cotton Yarn	mln. Kg.	5.6	3.4	10.0	1884.4	2236.2	2290.0	2556.3	2727.6
Cotton Cloth	mln. sq. mtr.	3.1	-5.2	-1.1	487.8	763.3	925.0	903.8	1012.9
Fertilizer	mln. tons	27.5	13.2	10.7	4.9	5.4	5.9	6.1	6.5
Sugar	mln. tons	34.3	2.2	14.4	3.6	3.4	3.0	2.9	3.5
Cement	mln. tons	10.7	2.5	8.6	11.2	16.4	16.4	18.5	22.8
Soda Ash	000 tons	12.0	2.6	6.7	269.0	292.6	297.3	318.7	330.6
Caustic Soda	000 tons	24.4	5.0	6.6	147.2	195.0	206.7	219.3	242.2
Cigarettes	bln. nos.	10.7	4.9	-0.4	55.4	60.0	61.0	64.1	66.0
Jute Goods	000 tons	-	3.4	9.5	101.1	105.0	104.8	104.5	118.1
INFRASTRUCTURE:									
Energy									
Crude Oil Extraction	mln. barrels	-	2.8	10.9	26.1	23.3	24.1	23.9	24.6
Gas (supply)	mcf	-	165.4	385.2	908.0	1186.8	1344.9	1400.0	1413.6
Electricity (installed capacity)	000 MW	-	1.3	3.1	12.9	18.7	19.4	19.4	19.4
Transport & Communications									
Roads	000 km	70.5	74.1	123.8	279.3	255.6	258.2	259.0	261.8
Motor Vehicles on Roads	mln. nos.	-	0.4	1.4	4.6	6.4	6.0	7.1	8.1
Post Offices	000 nos.	7.1	9.0	11.8	15.8	12.3	12.3	12.3	12.3
Telephones	mln. nos.	0.1	0.2	0.6	3.3	4.2	5.1	5.1	4.8
Mobile Phones	mln. nos.	-	-	-	-	30.3	12.8	34.5	63.2

- : Not available P: Provisional, R: Revised, F: Final * : July-March

SOCIAL INDICATORS

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 (Jul-Feb) P
18.0	-6.4	2.9	28.9	-2.6	0.4	1.1	-3.9	-8.8	-0.2	12.2
31.6	-10.3	-1.7	14.9	12.8	-0.6	3.8	-0.9	-0.1	17.6	17.3
17.4	21.1	14.0	25.8	17.7	5.6	13.7	18.2	6.4	-2.8	3.4
12.0	11.4	11.1	11.9	11.0	10.5	10.3	8.9	7.9	7.2	5.1
20.8	18.9	17.4	16.8	18.0	17.3	17.0	15.3	14.8	15.9	11.4
8.8	7.5	6.5	4.9	7.0	6.6	6.8	6.4	6.9	8.7	6.3
8.2	5.5	2.2	+0.1	2.1	1.1	1.3	1.0	1.7	4.1	3.5
23.9	24.1	23.9	22.7	22.5	22.6	22.2	23.3	23.7	23.3	23.3
20.9	24.0	23.3	25.2	23.5	24.2	26.0	25.1	25.6	25.7	25.5
5.6	6.9	6.9	4.8	6.2	5.5	6.8	7.0	6.8	6.8	7.4
63.9	50.0	49.4	55.3	58.4	63.8	67.5	62.8	65.5	75.5	81.1
11.7	11.8	12.9	11.5	13.6	13.0	12.8	14.0	9.9	10.7	11.9
3.6	3.7	4.4	3.9	3.9	3.6	4.1	4.3	3.7	5.0	3.7 *
211.6	233.0	248.1	263.0	293.9	336.2	391.4	515.9	598.3	704.5	570.0
2809.4	2913.0	2787.3	2939.5	2954.6	3017.9	3066.0	3360.0	3405.6	3428.1	2287.4
1016.4	1016.9	1009.4	1020.3	1023.4	1029.1	1036.1	1036.1	1039.2	1043.3	697.4
6.2	6.4	6.7	6.8	6.6	5.8	5.9	6.9	8.0	8.1	4.9
4.7	3.2	3.1	4.2	4.6	5.1	5.6	5.1	5.1	7.0	4.1
26.7	28.4	31.3	28.8	29.5	31.1	31.4	32.2	35.4	37.0	27.2
365.0	365.3	409.6	378.0	370.7	366.2	409.1	437.1	468.5	479.7	322.5
248.3	245.3	182.3	172.0	179.1	182.9	167.5	184.0	225.3	223.9	168.4
67.4	75.6	65.3	65.4	62.0	67.4	64.5	62.7	53.5	34.3	39.4
129.0	137.4	106.2	93.2	94.1	102.8	101.7	94.3	55.3	59.8	48.9
25.6	24.0	23.7	24.0	24.6	27.8	31.6	34.5	31.7	32.3	21.8
1454.2	1460.7	1482.8	1471.6	1559.0	1505.8	1493.5	1465.8	1481.6	1471.9	978.2
19.4	19.8	20.9	22.5	22.8	22.8	23.5	23.8	25.9	26.2	29.6
258.4	260.2	260.8	259.5	261.6	263.4	263.8	265.4	265.9	267.0	268.9
8.8	9.4	9.8	10.4	11.5	11.6	13.2	13.9	15.6	17.0	18.7
12.4	12.3	12.0	12.0	12.0	12.8	12.1	12.1	11.7	11.5	11.5
4.5	3.5	3.4	5.7	5.8	6.4	5.2	3.9	3.3	3.0	2.8
88.0	94.3	99.2	108.9	120.2	128.9	140.0	114.7	133.2	139.8	144.5

(Contd...)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2004-05	2005-06	2006-07
		Average (Annual)							
HUMAN RESOURCES:									
Population*	million	-	-	96.3	124.6	150.9	152.5	155.4	158.2
Crude Birth Rate	per 1000 person	-	-	-	-	27.4	28.0	26.1	26.1
Crude Death Rate	per 1000 person	-	-	-	-	7.9	8.1	8.2	7.1
Infant Mortality Rate	per 1000 person	-	-	-	-	79.6	82.0	77.0	76.7
Labour Force & Employment**									
Labour Force	million	-	-	11.6	35.1	45.5	45.9	46.8	50.5
Employed Labour Force	million	-	-	11.2	33.1	42.4	42.4	43.2	47.3
Un-employed Labour Force	million	-	-	0.4	2.0	3.6	3.6	3.6	3.1
Un-employment Rate	% per annum	-	-	1.4	5.7	6.8	7.7	7.6	6.2
SOCIAL DEVELOPMENT:									
Education									
Primary Schools	000 nos.	-	-	88.8	143.5	155.2	157.2	157.5	158.7
Male	000 nos.	-	-	64.6	96.4	96.6	98.5	97.7	97.8
Female	000 nos.	-	-	24.2	47.1	58.6	58.7	59.8	60.9
Middle Schools	000 nos.	-	-	6.8	15.3	31.9	30.4	39.4	40.1
Male	000 nos.	-	-	4.6	8.8	16.7	15.6	20.1	22.6
Female	000 nos.	-	-	2.2	6.5	15.2	14.8	19.3	17.5
High Schools	000 nos.	-	-	5.4	10.6	18.6	16.6	22.9	23.6
Male	000 nos.	-	-	3.9	7.4	12.2	11.3	14.8	14.6
Female	000 nos.	-	-	1.5	3.2	6.3	5.3	8.1	9.0
Technical / Vocational Institutions	nos.	-	-	508.6	572.2	1623.8	747.0	3059.0	3090.0
Male		-	-	282.2	328.7	874.8	419.0	1584.0	1599.0
Female		-	-	235.2	243.5	749.0	328.0	1475.0	1491.0
Literacy Rate	percent	-	-	29.5	40.7	52.6	53.0	54.0	55.0
Male		-	-	39.0	51.6	65.7	65.0	65.0	67.0
Female		-	-	18.7	28.6	41.4	40.0	42.0	42.0
Expenditure on Education (as % of GDP)		1.4	1.7	2.3	2.0	1.7	1.8	1.7	1.8
Health*									
Registered Doctors	000 nos.	2.0	6.3	28.1	68.9	110.5	113.2	118.0	123.1
Registered Nurses	000 nos.	-	2.9	9.9	24.1	49.0	48.4	51.2	57.7
Registered Dentists	000 nos.	0.2	0.7	1.4	2.8	6.1	6.1	6.7	7.4
Hospitals	nos.	380.0	521.0	651.0	823.0	912.6	916.0	919.0	924.0
Dispensaries	000 nos.	1.7	2.8	3.5	4.3	4.6	4.6	4.6	4.7
Rural Health Centers	nos.	-	1.0	127.0	330.0	494.0	552.0	556.0	560.0
TB Centres	nos.	-	90.0	122.0	245.0	283.3	289.0	289.0	288.0
Beds in Hospitals & Dispensaries	000 nos.	25.5	38.4	55.6	83.8	99.1	99.9	101.5	102.1
Expenditure on Health (as % of GDP)		-	0.6	0.8	0.7	0.6	0.6	0.5	0.6

P: Provisional, R: Revised, F: Final - : Not available * : on Calendar Year basis

****: Labour Force Survey has not been published for the last two years (2015-16, 2016-17 and 2017-18)**

^ : Provisional results of Population Census 2017 ^^ : NIPS Projection

Note : Total may differ due to rounding off

SOCIAL INDICATORS

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17		2017-18	
								F	R		(Jul-Feb) P	
161.0	163.8	173.5	177.1	180.7	184.4	188.0	191.7	195.4	199.1		207.8	^
26.1	24.3	28.0	27.5	27.2	26.8	26.4	26.1	25.6	25.2		25.4	^^
7.1	7.3	7.4	7.3	7.2	7.0	6.9	6.8	6.7	6.6		6.4	^^
76.7	68.2	72.0	70.5	69.0	67.5	66.1	64.6	63.2	61.8		-	
50.8	52.2	53.7	58.1	59.3	60.3	60.1	61.04	-	-		-	
48.1	49.5	50.8	54.7	55.8	56.6	56.5	57.4	-	-		-	
2.7	2.7	2.9	3.5	3.5	3.8	3.6	3.62	-	-		-	
5.2	5.2	5.5	6.0	6.0	6.2	6.0	5.9	-	-		-	
157.4	156.7	157.5	155.5	154.6	159.7	157.9	165.9	164.6	169.6		173.7	
92.5	93.3	96.9	93.6	93.6	99.6	97.6	99.9	99.3	110.5		115.0	
64.9	63.4	60.6	58.2	57.0	60.1	60.3	66.0	65.3	59.1		58.7	
40.8	40.9	41.3	41.6	42.0	42.1	42.9	44.8	45.7	49.1		51.4	
20.2	20.5	21.8	21.9	21.6	20.7	21.8	22.4	18.7	21.1		20.4	
20.6	20.4	19.5	20.4	21.0	21.4	21.1	22.4	27.0	28.0		31.0	
24.0	24.3	24.8	25.2	28.7	29.9	30.6	31.3	31.7	31.6	Provisional	31.9	Estimated
15.0	15.1	14.2	14.4	14.3	17.6	18.0	18.2	16.1	16.9		16.4	
9.0	9.2	10.6	9.5	11.6	12.3	12.6	13.1	15.6	14.7		15.5	
3125.0	3159.0	3192.0	3224.0	3257.0	3290.0	3323.0	3579.0	3746.0	3798.0		3979.0	
1618.0	1636.0	1010.0	1018.0	1028.0	1037.0	1047.0	1760.0	2232.0	2262.0		2609.0	
1507.0	1523.0	2182.0	2206.0	2229.0	2253.0	2276.0	1819.0	1514.0	1536.0		1370.0	
56.0	57.0	57.7	58.0	58.0	60.0	58.0	60.0	58.0	-		-	
69.0	69.0	69.5	69.0	70.0	71.0	70.0	70.0	70.0	-		-	
44.0	45.0	45.2	46.0	47.0	48.0	47.0	49.0	48.0	-		-	
1.8	1.8	1.7	1.8	2.0	2.1	2.1	2.2	2.3	2.2		-	
128.0	133.9	139.5	144.9	152.4	160.9	167.8	175.2	184.7	195.9		208.0	
62.6	65.4	69.3	73.2	77.7	82.1	86.2	90.3	94.8	99.2		103.8	
8.2	9.0	9.8	10.5	11.6	12.7	13.7	15.1	16.7	18.3		20.5	
945.0	948.0	968.0	972.0	980.0	1092.0	1113.0	1143.0	1172.0	1205.0		1211.0	
4.7	4.8	4.8	4.8	5.0	5.2	5.4	5.5	5.7	5.8		5.7	
562.0	561.0	572.0	577.0	579.0	640.0	667.0	669.0	684.0	668.0		676.0	
290.0	293.0	293.0	304.0	345.0	326.0	329.0	334.0	339.0	342.0		431.0	
103.2	103.0	103.7	104.1	107.5	111.8	118.4	118.2	119.5	122.8		126.0	
0.6	0.5	0.5	0.2	0.3	0.6	0.7	0.7	0.8	0.9		0.5	

GROWTH AND INVESTMENT

TABLE 1.1

GROSS NATIONAL PRODUCT AT CONSTANT BASIC PRICES OF 2005-06

(Rs million)

Sectors	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P	% Change 2016-17 / 2015-16	% Change 2017-18 / 2016-17
A AGRICULTURE	1,977,178	2,048,794	2,103,600	2,156,117	2,202,043	2,205,433	2,251,006	2,336,771	2.07	3.81
1. Crops	806,162	832,128	844,860	867,133	868,494	822,689	830,203	862,004	0.91	3.83
Important Crops	485,722	523,936	524,839	562,707	553,568	521,125	532,498	551,511	2.18	3.57
Other Crops	264,934	245,007	258,670	243,890	250,006	251,005	244,323	252,454	-2.66	3.33
Cotton Ginning	55,506	63,185	61,351	60,536	64,920	50,559	53,382	58,039	5.58	8.72
2. Livestock	1,087,406	1,130,740	1,169,712	1,198,671	1,246,512	1,288,373	1,326,948	1,376,861	2.99	3.76
3. Forestry	42,121	42,874	45,695	46,555	40,761	46,592	45,487	48,749	-2.37	7.17
4. Fishing	41,489	43,052	43,333	43,758	46,276	47,779	48,368	49,157	1.23	1.63
B. INDUSTRIAL SECTOR	1,935,022	1,984,316	1,999,207	2,089,776	2,198,027	2,323,169	2,449,392	2,591,336	5.43	5.80
1. Mining & Quarrying	269,798	283,727	294,727	298,856	313,707	333,121	331,849	341,934	-0.38	3.04
2. Manufacturing	1,227,091	1,252,670	1,313,365	1,387,556	1,441,461	1,494,591	1,581,528	1,680,161	5.82	6.24
Large Scale	1,007,331	1,018,706	1,064,185	1,122,266	1,159,052	1,193,569	1,260,676	1,338,010	5.62	6.13
Small Scale	133,556	144,713	156,691	169,677	183,607	198,652	214,843	232,413	8.15	8.18
Slaughtering	86,204	89,251	92,489	95,613	98,802	102,370	106,009	109,738	3.55	3.52
3. Electricity Generation & Distribution & Gas Distribution	221,379	224,490	165,275	164,054	186,174	203,661	215,506	219,463	5.82	1.84
4. Construction	216,754	223,429	225,840	239,310	256,685	291,796	320,509	349,778	9.84	9.13
COMMODITY PRODUCING SECTOR (A+B)	3,912,200	4,033,110	4,102,807	4,245,893	4,400,070	4,528,602	4,700,398	4,928,107	3.79	4.84
C. SERVICES SECTOR	5,208,136	5,437,145	5,716,248	5,971,163	6,231,579	6,588,200	7,013,740	7,464,526	6.46	6.43
1. Wholesale & Retail Trade	1,718,014	1,746,511	1,808,124	1,894,410	1,943,612	2,035,509	2,187,360	2,351,726	7.46	7.51
2. Transport, Storage & Communication	1,198,896	1,254,126	1,304,697	1,355,570	1,424,255	1,493,830	1,560,175	1,616,045	4.44	3.58
3. Finance & Insurance	274,674	279,171	302,392	315,428	335,448	356,981	395,453	419,690	10.78	6.13
4. Housing Services (Ownership of Dwellings)	614,460	639,003	664,542	691,093	718,674	747,343	777,148	808,222	3.99	4.00
5. General Government Services	569,191	632,130	703,717	723,823	758,746	832,505	882,015	982,748	5.95	11.42
6. Other Private Services	832,901	886,204	932,776	990,839	1,050,844	1,122,032	1,211,589	1,286,095	7.98	6.15
GDP {Total of GVA at bp (A + B + C)}	9,120,336	9,470,255	9,819,055	10,217,056	10,631,649	11,116,802	11,714,138	12,392,633	5.37	5.79
Indirest Taxes	504,829	533,424	519,054	556,679	616,350	724,998	795,386	779,332	9.71	-2.02
Subsidies	221,063	269,772	176,255	136,844	107,861	85,976	83,545	71,254	-2.83	-14.71
GDP {GVA + T - S}	9,404,102	9,733,907	10,161,854	10,636,891	11,140,138	11,755,824	12,425,979	13,100,711	5.70	5.43
Net Factor Income from Abroad	372,728	386,559	403,132	474,006	548,903	675,096	669,552	692,657	-0.82	3.45
Gross National Income	9,776,830	10,120,466	10,564,986	11,110,897	11,689,041	12,430,920	13,095,531	13,793,368	5.35	5.33
Population (in million)	175.31	178.91	182.53	186.19	189.87	193.56	197.26	200.96	1.91	1.88

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.2

SECTORAL SHARE IN GDP (%)

(%)

Sector	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P
A. AGRICULTURE	21.7	21.6	21.4	21.10	20.71	19.84	19.22	18.86
1. Crops	8.8	8.8	8.6	8.5	8.17	7.40	7.09	6.96
Important Crops	5.3	5.5	5.3	5.5	5.21	4.69	4.55	4.45
Other Crops	2.9	2.6	2.6	2.4	2.35	2.26	2.09	2.04
Cotton Ginning	0.6	0.7	0.6	0.6	0.61	0.45	0.46	0.47
2. Livestock	11.9	11.9	11.9	11.7	11.72	11.59	11.33	11.11
3. Forestry	0.5	0.5	0.5	0.5	0.38	0.42	0.39	0.39
4. Fishing	0.5	0.5	0.4	0.4	0.44	0.43	0.41	0.40
B. INDUSTRIAL SECTOR	21.2	21.0	20.4	20.45	20.67	20.90	20.91	20.91
1. Mining & Quarrying	3.0	3.0	3.0	2.9	2.95	3.00	2.83	2.76
2. Manufacturing	13.5	13.2	13.4	13.6	13.56	13.44	13.50	13.56
Large Scale	11.0	10.8	10.8	11.0	10.90	10.74	10.76	10.80
Small Scale	1.5	1.5	1.6	1.7	1.73	1.79	1.83	1.88
Slaughtering	0.9	0.9	0.9	0.9	0.93	0.92	0.90	0.89
3. Electricity Generation & Distribution & Gas Distribution	2.4	2.4	1.7	1.6	1.75	1.83	1.84	1.77
4. Construction	2.4	2.4	2.3	2.3	2.41	2.62	2.74	2.82
COMMODITY PRODUCING SECTOR (A+B)	42.9	42.6	41.8	41.6	41.39	40.74	40.13	39.77
C. SERVICES SECTOR	57.1	57.4	58.2	58.44	58.61	59.26	59.87	60.23
1. Wholesale & Retail Trade	18.8	18.4	18.4	18.5	18.28	18.31	18.67	18.98
2. Transport, Storage & Communication	13.1	13.2	13.3	13.3	13.40	13.44	13.32	13.04
3. Finance & Insurance	3.0	2.9	3.1	3.1	3.16	3.21	3.38	3.39
4. Housing Services (Ownership of Dwellings)	6.7	6.7	6.8	6.8	6.76	6.72	6.63	6.52
5. General Government Services	6.2	6.7	7.2	7.1	7.14	7.49	7.53	7.93
6. Other Private Services	9.1	9.4	9.5	9.7	9.88	10.09	10.34	10.38
GDP {Total of GVA at bp (A + B + C)}	100.0	100.0	100.0	100.0	100.00	100.00	100.00	100.00

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.3

GROWTH RATES (%)

(%)

Sector	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P
A. Agriculture	1.96	3.62	2.68	2.50	2.13	0.15	2.07	3.81
1. Crops	0.99	3.22	1.53	2.64	0.16	-5.27	0.91	3.83
Important Crops	1.50	7.87	0.17	7.22	-1.62	-5.86	2.18	3.57
Other Crops	2.27	-7.52	5.58	-5.71	2.51	0.40	-2.66	3.33
Cotton Ginning	-8.48	13.83	-2.90	-1.33	7.24	-22.12	5.58	8.72
2. Livestock	3.39	3.99	3.45	2.48	3.99	3.36	2.99	3.76
3. Forestry	4.76	1.79	6.58	1.88	-12.45	14.31	-2.37	7.17
4. Fishing	-15.20	3.77	0.65	0.98	5.75	3.25	1.23	1.63
B. INDUSTRIAL SECTOR	4.51	2.55	0.75	4.53	5.18	5.69	5.43	5.80
1. Mining & Quarrying	-4.42	5.16	3.88	1.40	4.97	6.19	-0.38	3.04
2. Manufacturing	2.50	2.08	4.85	5.65	3.88	3.69	5.82	6.24
Large Scale	1.66	1.13	4.46	5.46	3.28	2.98	5.62	6.13
Small Scale	8.51	8.35	8.28	8.29	8.21	8.19	8.15	8.18
Slaughtering	3.67	3.53	3.63	3.38	3.34	3.61	3.55	3.52
3. Electricity Generation & Distribution & Gas Distribution	63.87	1.41	-26.38	-0.74	13.48	9.39	5.82	1.84
4. Construction	-8.56	3.08	1.08	5.96	7.26	13.68	9.84	9.13
COMMODITY PRODUCING SECTOR (A+B)	3.21	3.09	1.73	3.49	3.63	2.92	3.79	4.84
C. SERVICES SECTOR	3.94	4.40	5.13	4.46	4.36	5.72	6.46	6.43
1. Wholesale & Retail Trade	2.11	1.66	3.53	4.77	2.60	4.73	7.46	7.51
2. Transport, Storage & Communication	2.42	4.61	4.03	3.90	5.07	4.89	4.44	3.58
3. Finance & Insurance	-4.22	1.64	8.32	4.31	6.35	6.42	10.78	6.13
4. Housing Services (Ownership of Dwellings)	4.02	3.99	4.00	4.00	3.99	3.99	3.99	4.00
5. General Government Services	14.06	11.06	11.32	2.86	4.82	9.72	5.95	11.42
6. Other Private Services	6.63	6.40	5.26	6.22	6.06	6.77	7.98	6.15
GDP {Total of GVA at bp (A + B + C)}	3.62	3.84	3.68	4.05	4.06	4.56	5.37	5.79

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.4

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CONSTANT PRICES OF 2005-06

(Rs million)

Flows	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P	% Change 2016-17 / 2015-16	% Change 2017-18 / 2016-17
Household Final										
Consumption Expenditure	7,331,681	7,700,707	7,865,407	8,304,881	8,545,418	9,196,738	10,000,073	10,626,857	8.74	6.27
General Government Final										
Consumption Expenditure	941,446	1,010,601	1,112,404	1,129,117	1,220,931	1,321,395	1,390,837	1,587,677	5.26	14.15
Total Investment	1,418,781	1,454,831	1,495,238	1,536,447	1,760,001	1,887,998	2,068,210	2,185,547	9.55	5.67
Gross Fixed										
Capital Formation	1,268,315	1,299,089	1,332,648	1,366,256	1,581,759	1,699,905	1,869,394	1,975,936	9.97	5.70
A. Private Sector	971,509	964,142	1,005,526	1,062,261	1,190,708	1,278,275	1,331,883	1,346,310	4.19	1.08
B. Public Sector	82,860	74,993	122,621	82,094	110,647	93,165	138,897	146,186	49.09	5.25
C. General Govt.	213,946	259,954	204,501	221,902	280,404	328,466	398,614	483,440	21.36	21.28
Change in Inventories	150,466	155,743	162,590	170,190	178,242	188,093	198,816	209,611	5.70	5.43
Export of Goods and										
Non-Factor Services	1,287,961	1,094,756	1,243,433	1,225,028	1,147,318	1,128,923	1,120,111	1,231,243	-0.78	9.92
Less Imports of Goods										
and Non-Factor Services	1,575,767	1,526,988	1,554,628	1,558,582	1,533,530	1,779,230	2,153,252	2,530,613	21.02	17.53
Expenditure on GDP at										
Market Prices	9,404,102	9,733,907	10,161,854	10,636,891	11,140,138	11,755,824	12,425,979	13,100,711	5.70	5.43
Plus Net Factor Income										
from the Rest of the World	372,728	386,559	403,132	474,006	548,903	675,096	669,552	692,657	-0.82	3.45
Expenditure on GNP at										
at Market Prices	9,776,830	10,120,466	10,564,986	11,110,897	11,689,041	12,430,920	13,095,531	13,793,368	5.35	5.33
Less Indirect Taxes	504,829	533,424	519,054	556,679	616,350	724,998	795,386	779,332	9.71	-2.02
Plus Subsidies	221,063	269,772	176,255	136,844	107,861	85,976	83,545	71,254	-2.83	-14.71
GNP at Factor Cost	9,493,064	9,856,814	10,222,187	10,691,062	11,180,552	11,791,898	12,383,690	13,085,290	5.02	5.67

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.5

GROSS NATIONAL PRODUCT AT CURRENT PRICES

(Rs million)

Sectors	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P	% Change 2016-17 / 2015-16	% Change 2017-18 / 2016-17
A. Agriculture	4,592,720	4,753,075	5,334,976	5,976,217	6,536,122	6,749,966	7,313,329	7,764,218	8.3	6.2
1. Crops	2,309,517	1,966,610	2,192,553	2,612,933	2,690,102	2,620,390	2,821,392	2,981,340	7.7	5.7
Important Crops	1,532,889	1,236,453	1,411,388	1,760,329	1,735,888	1,718,029	1,822,889	1,886,995	6.1	3.5
Other Crops	552,499	586,669	639,078	695,138	769,867	739,842	811,353	894,690	9.7	10.3
Cotton Ginning	224,129	143,488	142,087	157,467	184,347	162,519	187,150	199,656	15.2	6.7
2. Livestock	2,131,579	2,610,408	2,933,384	3,129,682	3,612,244	3,846,646	4,180,531	4,449,540	8.7	6.4
3. Forestry	89,390	113,103	136,500	153,722	142,902	170,706	172,513	191,035	1.1	10.7
4. Fishing	62,234	62,954	72,538	79,880	90,873	112,223	138,893	142,302	23.8	2.5
B. INDUSTRIAL SECTOR	3,746,997	4,269,666	4,525,694	5,040,094	5,239,146	5,308,368	5,734,819	6,251,345	8.0	9.0
1. Mining & Quarrying	494,739	642,205	696,976	741,022	707,236	652,814	645,887	710,878	-1.1	10.1
2. Manufacturing	2,527,651	2,809,684	3,037,311	3,408,468	3,510,536	3,512,556	3,829,856	4,171,476	9.0	8.9
Large Scale	2,144,831	2,362,410	2,519,037	2,824,463	2,853,222	2,801,169	3,044,228	3,321,937	8.7	9.1
Small Scale	208,611	241,951	283,107	327,030	373,595	406,648	457,099	507,953	12.4	11.1
Slaughtering	174,209	205,323	235,167	256,975	283,719	304,739	328,529	341,586	7.8	4.0
3. Electricity Generation & Distribution & Gas Distribution	406,156	439,637	368,040	406,192	480,515	541,909	573,961	590,401	5.9	2.9
4. Construction	318,451	378,140	423,367	484,412	540,859	601,089	685,115	778,590	14.0	13.6
COMMODITY PRODUCING SECTOR (A+B)	8,339,717	9,022,741	9,860,670	11,016,311	11,775,268	12,058,334	13,048,148	14,015,563	8.2	7.4
C. SERVICES SECTOR	9,307,836	10,338,770	11,642,671	13,012,586	14,314,423	15,343,961	16,969,718	18,391,393	10.6	8.4
1. Wholesale & Retail Trade	3,568,178	4,006,835	4,369,465	4,924,462	5,045,262	5,104,854	5,791,575	6,326,715	13.5	9.2
2. Transport, Storage & Communication	1,923,433	1,905,704	2,311,796	2,474,818	3,107,785	3,518,864	3,699,169	3,673,362	5.1	-0.7
3. Finance & Insurance	536,345	570,503	522,327	584,074	595,961	544,301	591,682	662,767	8.7	12.0
4. Housing Services (Ownership of Dwellings)	886,370	984,148	1,092,749	1,229,110	1,371,443	1,506,385	1,668,541	1,845,729	10.8	10.6
5. General Government Services	1,009,433	1,244,687	1,486,115	1,660,434	1,818,477	2,050,560	2,263,393	2,616,774	10.4	15.6
6. Other Private Services	1,384,077	1,626,893	1,860,219	2,139,688	2,375,495	2,618,997	2,955,358	3,266,046	12.8	10.5
GDP {Total of GVA at bp (A + B + C)}	17,647,553	19,361,511	21,503,341	24,028,897	26,089,690	27,402,295	30,017,866	32,406,956	9.5	8.0
Indirest Taxes	1,046,915	1,221,540	1,275,990	1,480,099	1,633,881	1,901,743	2,170,448	2,183,687	14.1	0.6
Subsidies	418,028	536,551	393,674	340,191	280,549	228,405	225,704	194,152	-1.2	-14.0
GDP {GVA + T - S}	18,276,440	20,046,500	22,385,657	25,168,805	27,443,022	29,075,633	31,962,610	34,396,491	9.9	7.6
Net Factor Income from Abroad	820,225	1,035,707	1,161,607	1,428,227	1,674,811	1,782,860	1,744,585	1,817,255	-2.1	4.2
Gross National Product (mp)	19,096,665	21,082,207	23,547,264	26,597,032	29,117,833	30,858,493	33,707,195	36,213,746	9.2	7.4
Population (in million)	175.31	178.91	182.53	186.19	189.87	193.56	197.26	200.96	1.9	1.9
Per Capita Income(Rs)	108,934	117,837	129,005	142,849	153,357	159,426	170,877	180,204	7.2	5.5
Per Capita Income(US $)	1,274.1	1,320.4	1,333.7	1,388.8	1,514.0	1,529.4	1,632.1	1,640.5	6.7	0.5
GDP Deflator Index	193.50	204.45	219.00	235.18	245.40	246.49	256.25	261.50	4.0	2.0
GDP Deflator (Growth %)	19.52	5.66	7.12	7.39	4.34	0.45	3.96	2.05		

P: Provisional, R: Revised, F: Final

Source : Pakistan Bureau of Statistics

As per PBS Per Capita Income during 2016-17 is Rs 162,230/- based on provisional figures of population census 2017 held in March 2017 i.e. 207,774,520. The revise series of Per Capita Income will be compiled after finalization of 6th Housing and Population Census results.

TABLE 1.6

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CURRENT PRICES

(Rs million)

Flows	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P	% Change 2016-17 / 2015-16	% Change 2017-18 / 2016-17
Household Final										
Consumption Expenditure	14,831,293	16,527,831	18,091,829	20,391,214	21,890,279	23,266,454	26,197,467	28,243,581	12.60	7.81
General Government Final										
Consumption Expenditure	1,779,421	2,102,628	2,463,120	2,708,918	3,011,195	3,287,930	3,599,000	4,256,168	9.46	18.26
Total Investment	2,580,748	3,022,202	3,348,297	3,683,523	4,310,484	4,560,840	5,144,179	5,649,451	12.79	9.82
Gross Fixed										
Capital Formation	2,288,325	2,701,458	2,990,126	3,280,822	3,871,396	4,095,630	4,632,777	5,099,107	13.12	10.07
A. Private Sector	1,697,795	1,950,349	2,202,307	2,483,817	2,843,159	2,995,889	3,205,518	3,371,220	7.00	5.17
B. Public Sector	146,849	155,813	285,094	207,012	284,912	238,143	339,523	373,289	42.57	9.95
C. General Govt.	443,681	595,296	502,725	589,993	743,325	861,598	1,087,737	1,354,598	26.25	24.53
Change in Inventories	292,423	320,744	358,171	402,701	439,088	465,210	511,402	550,344	9.93	7.61
Export of Goods and										
Non-Factor Services	2,552,610	2,485,097	2,972,178	3,081,312	2,910,171	2,659,178	2,632,262	2,933,930	-1.01	11.46
Less Imports of Goods										
and Non-Factor Services	3,467,632	4,091,258	4,489,767	4,696,162	4,679,107	4,698,769	5,610,298	6,686,639	19.40	19.19
Expenditure on GDP at										
Market Prices	18,276,440	20,046,500	22,385,657	25,168,805	27,443,022	29,075,633	31,962,610	34,396,491	9.93	7.61
Plus Net Factor Income										
from the Rest of the World	820,225	1,035,707	1,161,607	1,428,227	1,674,811	1,782,860	1,744,585	1,817,255	-2.15	4.17
Expenditure on GNP at										
at Market Prices	19,096,665	21,082,207	23,547,264	26,597,032	29,117,833	30,858,493	33,707,195	36,213,746	9.23	7.44
Less Indirect Taxes	1,046,915	1,221,540	1,275,990	1,480,099	1,633,881	1,901,743	2,170,448	2,183,687	14.13	0.61
Plus Subsidies	418,028	536,551	393,674	340,191	280,549	228,405	225,704	194,152	-1.18	-13.98
GNP at Factor Cost	18,467,778	20,397,218	22,664,948	25,457,124	27,764,501	29,185,155	31,762,451	34,224,211	8.83	7.75

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.7

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE, PUBLIC, AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

(Rs million)

Sector	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 F	% Change 2016-17 / 2015-16	% Change 2017-18 / 2016-17
GFCF (A+B+C)	2,288,325	2,701,458	2,990,126	3,280,822	3,871,396	4,095,630	4,632,777	5,099,107	13.1	10.1
A. Private Sector	1,697,795	1,950,349	2,202,307	2,483,817	2,843,159	2,995,889	3,205,518	3,371,220	7.0	5.2
B. Public Sector	146,849	155,813	285,094	207,012	284,912	238,143	339,523	373,289	42.6	9.9
C. General Govt.	443,681	595,296	502,725	589,993	743,325	861,598	1,087,737	1,354,598	26.2	24.5
Private & Public (A+B)	1,844,644	2,106,162	2,487,401	2,690,829	3,128,071	3,234,032	3,545,040	3,744,509	9.6	5.6
SECTOR-WISE:										
1. Agriculture	537,050	624,512	698,903	725,388	820,391	850,088	929,068	1,000,659	9.3	7.7
2. Mining and Quarrying	42,757	51,993	44,417	70,138	74,361	105,418	114,038	77,675	8.2	-31.9
3. Manufacturing (A+B)	259,307	285,010	372,582	381,421	429,484	485,495	540,874	535,114	11.4	-1.1
A. Large Scale	243,309	266,844	351,715	357,556	403,087	456,222	507,679	499,091	11.3	-1.7
B. Small Scale (including Slaughtering)	15,998	18,166	20,867	23,865	26,397	29,273	33,195	36,023	13.4	8.5
4. Electricity Generation & Distribution & Gas Distribution	129,720	132,760	162,755	104,926	218,447	178,264	147,714	243,001	-17.1	64.5
5. Construction	16,626	24,453	30,220	49,042	39,700	49,009	88,679	75,320	80.9	-15.1
6. Wholesale and Retail Trade	51,616	57,954	64,422	73,000	74,712	77,462	86,619	95,622	11.8	10.4
7. Transport & Communication	252,884	268,177	351,980	436,682	538,926	507,856	556,165	546,958	9.5	-1.7
8. Finance & Insurance	28,704	36,096	47,461	40,770	49,559	57,775	70,262	64,266	21.6	-8.5
9. Housing Services (Ownership of Dwellings)	341,565	408,562	468,463	525,816	568,524	577,278	622,467	674,305	7.8	8.3
10. Other Private Services	184,415	216,645	246,198	283,646	313,967	345,387	389,154	431,589	12.7	10.9

P: Provisional, R: Revised, F: Final

(Contd.)

TABLE 1.7 a

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

(Rs million)

Sector	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P	% Change 2016-17 / 2015-16	% Change 2017-18 / 2016-17
PRIVATE SECTOR	1,697,795	1,950,349	2,202,307	2,483,817	2,843,159	2,995,889	3,205,518	3,371,220	7.0	5.2
1. Agriculture	536,980	624,418	698,810	725,292	820,265	849,943	928,946	1,000,224	9.3	7.7
2. Mining and Quarrying	30,606	33,919	29,214	48,205	42,658	77,365	49,797	50,097	-35.6	0.6
3. Manufacturing (A+B)	256,693	282,127	366,804	375,567	427,724	483,781	512,669	517,930	6.0	1.0
A. Large Scale	240,695	263,961	345,937	351,702	401,327	454,508	479,474	481,907	5.5	0.5
B. Small Scale (including Slaughtering)	15,998	18,166	20,867	23,865	26,397	29,273	33,195	36,023	13.4	8.5
4. Electricity Generation & Distribution & Gas Distribution	49,866	61,388	9,590	20,855	55,220	23,156	9,193	6,327	-60.3	-31.2
5. Construction	8,836	13,076	14,219	29,122	30,128	43,831	82,867	69,433	89.1	-16.2
6. Wholesale and Retail Trade	51,616	57,954	64,422	73,000	74,712	77,462	86,619	95,622	11.8	10.4
7. Transport & Communication	211,803	223,175	267,704	366,473	465,937	466,875	470,041	472,132	0.7	0.4
8. Finance & Insurance	25,415	29,085	36,883	35,841	44,024	50,811	53,764	53,561	5.8	-0.4
9. Housing Services (Ownership of Dwellings)	341,565	408,562	468,463	525,816	568,524	577,278	622,467	674,305	7.8	8.3
10. Other Private Services	184,415	216,645	246,198	283,646	313,967	345,387	389,154	431,589	12.7	10.9

P: Provisional, R: Revised, F: Final

(Contd.)

TABLE 1.7 b

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

(Rs million)

Sector	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P	% Change 2016-17 / 2015-16	% Change 2017-18 / 2016-17
Public Sector and										
General Govt. (A+B)	590,530	751,109	787,819	797,005	1,028,237	1,099,741	1,427,260	1,727,887	29.8	21.1
A. Public Sector (Autonomous & Semi Auto-Bodies)	146,849	155,813	285,094	207,012	284,912	238,143	339,523	373,289	42.6	9.9
1. Agriculture	70	94	93	96	126	145	122	435	-15.9	256.6
2. Mining and Quarrying	12,151	18,074	15,203	21,933	31,703	28,053	64,241	27,578	129.0	-57.1
3. Manufacturing	2,614	2,883	5,778	5,854	1,760	1,714	28,205	17,184	1545.6	-39.1
4. Electricity Generation & Distribution & Gas Distribution	79,854	71,372	153,165	84,071	163,227	155,108	138,521	236,674	-10.7	70.9
5. Construction	7,790	11,377	16,001	19,920	9,572	5,178	5,812	5,887	12.2	1.3
6. Transport & Communication	41,081	45,002	84,276	70,209	72,989	40,981	86,124	74,826	110.2	-13.1
Railways	2,136	4,265	24,478	8,767	6,196	5,825	39,407	10,692	576.5	-72.9
Post Office & PTCL	11,336	14,146	12,600	18,137	18,232	13,644	16,376	12,201	20.0	-25.5
Others	27,609	26,591	47,198	43,305	48,561	21,512	30,341	51,933	41.0	71.2
7. Finance & Insurance	3,289	7,011	10,578	4,929	5,535	6,964	16,498	10,705	136.9	-35.1
B. General Govt.	443,681	595,296	502,725	589,993	743,325	861,598	1,087,737	1,354,598	26.2	24.5
Federal	130,832	144,806	147,751	164,736	208,953	229,128	312,699	387,323	36.5	23.9
Provincial	242,542	372,721	288,464	358,791	442,650	527,461	686,665	838,524	30.2	22.1
District Governments	70,307	77,769	66,510	66,466	91,722	105,009	88,373	128,751	-15.8	45.7

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

TABLE 1.8

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE, PUBLIC, AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2005-06)

(Rs million)

Sector	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P	% Change 2016-17 / 2015-16	% Change 2017-18 / 2016-17
GFCF (A+B+C)	1,268,315	1,299,089	1,332,648	1,366,256	1,581,759	1,699,905	1,869,394	1,975,936	10.0	5.7
A. Private Sector	971,509	964,142	1,005,526	1,062,261	1,190,708	1,278,275	1,331,883	1,346,310	4.2	1.1
B. Public Sector	82,860	74,993	122,621	82,094	110,647	93,165	138,897	146,186	49.1	5.2
C. General Govt.	213,946	259,954	204,501	221,902	280,404	328,466	398,614	483,440	21.4	21.3
Private & Public (A+B)	1,054,369	1,039,135	1,128,147	1,144,354	1,301,355	1,371,440	1,470,781	1,492,496	7.2	1.5
SECTOR-WISE:										
1. Agriculture	297,865	289,469	301,042	296,850	315,526	315,864	331,866	349,584	5.1	5.3
2. Mining and Quarrying	23,831	25,235	18,656	25,880	26,868	38,002	41,777	28,360	9.9	-32.1
3. Manufacturing (A+B)	125,581	125,389	152,586	144,694	163,023	185,697	198,684	191,688	7.0	-3.5
A. Large Scale	117,325	116,526	143,072	134,480	152,057	173,925	186,045	178,120	7.0	-4.3
B. Small Scale (including Slaughtering)	8,255	8,863	9,514	10,215	10,966	11,773	12,639	13,569	7.4	7.4
4. Electricity Generation & Distribution & Gas Distribution	72,300	64,438	68,359	38,716	78,930	64,262	54,114	88,722	-15.8	64.0
5. Construction	11,260	14,398	16,140	24,268	18,897	23,893	41,698	34,001	74.5	-18.5
6. Wholesale and Retail Trade	24,890	25,308	26,206	27,456	28,184	29,531	31,743	34,126	7.5	7.5
7. Transport & Communication	144,110	122,203	153,081	180,484	242,486	263,083	293,444	269,570	11.5	-8.1
8. Finance & Insurance	13,841	15,762	19,307	15,334	18,695	22,025	25,748	22,936	16.9	-10.9
9. Housing Services (Ownership of Dwellings)	231,319	240,571	250,194	260,202	270,610	281,434	292,691	304,399	4.0	4.0
10. Other Private Services	109,374	116,362	122,576	130,470	138,136	147,647	159,016	169,109	7.7	6.3

P: Provisional, R: Revised, F: Final

(Contd.)

TABLE 1.8 a

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2005-06)

(Rs million)

Sector	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P	% Change 2016-17 / 2015-16	% Change 2017-18 / 2016-17
PRIVATE SECTOR	971,509	964,142	1,005,526	1,062,261	1,190,708	1,278,275	1,331,883	1,346,310	4.2	1.1
1. Agriculture	297,817	289,415	300,990	296,800	315,461	315,789	331,804	349,368	5.1	5.3
2. Mining and Quarrying	17,058	16,463	12,270	17,787	15,413	27,889	18,243	18,291	-34.6	0.3
3. Manufacturing (A+B)	124,320	124,130	150,236	142,493	162,359	185,044	188,348	185,556	1.8	-1.5
A. Large Scale	116,065	115,267	140,722	132,278	151,393	173,271	175,709	171,987	1.4	-2.1
B. Small Scale (including Slaughtering)	8,255	8,863	9,514	10,215	10,966	11,773	12,639	13,569	7.4	7.4
4. Electricity Generation & Distribution & Gas Distribution	27,793	29,796	4,028	7,695	19,952	8,348	3,368	2,310	-59.7	-31.4
5. Construction	5,984	7,699	7,594	14,411	14,341	21,368	38,965	31,344	82.3	-19.6
6. Wholesale and Retail Trade	24,890	25,308	26,206	27,456	28,184	29,531	31,743	34,126	7.5	7.5
7. Transport & Communication	120,699	101,697	116,428	151,467	209,645	241,854	248,003	232,692	2.5	-6.2
8. Finance & Insurance	12,255	12,701	15,004	13,480	16,607	19,371	19,702	19,115	1.7	-3.0
9. Housing Services (Ownership of Dwellings)	231,319	240,571	250,194	260,202	270,610	281,434	292,691	304,399	4.0	4.0
10. Other Private Services	109,374	116,362	122,576	130,470	138,136	147,647	159,016	169,109	7.7	6.3

P: Provisional, R: Revised, F: Final

(Contd.)

TABLE 1.8 b

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2005-06)

(Rs million)

Sector	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 F	2016-17 R	2017-18 P	% Change 2016-17 / 2015-16	% Change 2017-18 / 2016-17
Public Sector and										
General Govt. (A+B)	296,806	334,947	327,122	303,996	391,051	421,630	537,511	629,626	27.5	17.1
A. Public Sector (Autonomous & Semi Auto-Bodies)	82,860	74,993	122,621	82,094	110,647	93,165	138,897	146,186	49.1	5.2
1. Agriculture	48	54	52	50	65	75	62	216	-17.3	248.4
2. Mining and Quarrying	6,772	8,772	6,386	8,093	11,455	10,113	23,534	10,069	132.7	-57.2
3. Manufacturing	1,260	1,259	2,350	2,202	664	653	10,336	6,133	1481.8	-40.7
4. Electricity Generation & Distribution & Gas Distribution	44,507	34,642	64,331	31,021	58,978	55,915	50,746	86,412	-9.2	70.3
5. Construction	5,276	6,699	8,546	9,857	4,556	2,524	2,733	2,657	8.3	-2.8
6. Transport & Communication	23,411	20,506	36,653	29,017	32,841	21,229	45,441	36,878	114.0	-18.8
Railways	1,217	1,943	10,646	3,623	2,788	3,018	20,792	5,270	589.0	-74.7
Post Office & PTCL	6,460	6,446	5,480	7,496	8,203	7,068	8,640	6,013	22.2	-30.4
Others	15,733	12,117	20,527	17,898	21,850	11,144	16,009	25,595	43.7	59.9
7. Finance & Insurance	1,586	3,061	4,303	1,854	2,088	2,655	6,046	3,820	127.7	-36.8
B. General Govt.	213,946	259,954	204,501	221,902	280,404	328,466	398,614	483,440	21.4	21.3
Federal	63,088	63,234	60,103	61,959	78,823	87,350	114,592	138,231	31.2	20.6
Provincial	116,955	162,760	117,343	134,945	166,981	201,083	251,636	299,259	25.1	18.9
District Governments	33,902	33,960	27,055	24,998	34,600	40,032	32,385	45,950	-19.1	41.9

P: Provisional, R: Revised, F: Final

Source: Pakistan Bureau of Statistics

AGRICULTURE

TABLE 2.1 A

INDEX OF AGRICULTURAL PRODUCTION

Fiscal	1999-2000 Base				2005-06 Base				
Year	All major	Food	Fibre	Other	Food crops			Cash crop	Fibre crop
	crops	crops	crops	crops	Wheat	Maize	Rice	Sugarcane	Cotton
2000-01	93.0	91.2	95.0	94.0	-	-	-	-	-
2001-02	97.0	85.2	94.4	103.6	-	-	-	-	-
2002-03	104.0	91.8	90.8	112.1	-	-	-	-	-
2003-04	107.0	94.9	89.4	115.1	-	-	-	-	-
2004-05	104.0	106.4	126.9	101.9	-	-	-	-	-
2005-06	101.0	107.0	116.0	95.6	100.0	100.0	100.0	100.0	100.0
2006-07	117.0	115.0	114.0	118.0	109.5	99.3	98.0	122.6	98.7
2007-08	126.0	108.0	104.0	138.0	98.5	115.9	100.3	143.1	89.5
2008-09	114.0	124.0	105.0	108.0	113.0	115.5	125.3	112.0	90.8
2009-10	111.0	119.0	115.0	106.0	109.6	104.9	124.1	110.5	99.2
2010-11	119.0	120.0	102.0	119.0	118.5	119.2	87.0	123.8	88.0
2011-12	123.0	120.0	121.0	125.0	110.3	139.5	111.1	130.7	104.4
2012-13	-	-	-	-	113.8	135.7	99.8	142.7	100.1
2013-14	-	-	-	-	122.1	159.0	122.6	151.0	98.1
2014-15	-	-	-	-	117.9	158.7	126.2	140.7	107.2
2015-16	-	-	-	-	120.5	169.5	122.6	146.6	76.2
2016-17 P	-	-	-	-	125.4	197.2	123.5	169.0	82.0
2017-18 P	-	-	-	-	119.8	183.3	134.2	181.6	91.7

P: Provisional **Source: Pakistan Bureau of Statistics**

TABLE 2.1 B

BASIC DATA ON AGRICULTURE

Fiscal Year	Cropped Area (million hectares)	Improved Seed distribution (000 Tonnes)	Water ^ Availability (MAF)	Fertilizer Offtake (000 N/T)	Credit disbursed (Rs million)	Tubewells Public & Private (Number in 000)
2000-01	22.04	193.80	134.77	2,964.00	44,790	659.3
2001-02	22.12	191.57	134.63	2,929.00	52,314	707.3
2002-03	21.85	172.02	134.48	3,020.00	58,915	769.0
2003-04	22.94	178.77	134.78	3,222.00	73,446	950.1
2004-05	22.78	218.12	135.68	3,694.04	108,733	984.3
2005-06	23.13	226.07	137.98	3,804.00	137,474	999.6
2006-07	23.56	218.60	137.80	3,672.00	168,830	1,025.8
2007-08	23.85	264.67	137.80	3,581.00	211,561	1,016.1
2008-09	24.12	314.63	131.51	3,711.00	233,010	1,070.0
2009-10	23.87	312.63	133.70	4,360.00	248,120	1,088.0
2010-11	22.72	331.02	137.16	3,933.00	263,022	1,103.4
2011-12	22.50	346.38	135.86	3,861.00	293,850	997.7
2012-13	22.56	327.08	137.51	3,621.00	336,247	1,220.4
2013-14	22.16	359.18	137.51	4,089.00	391,353	1,317.3
2014-15	23.27	481.00	138.59	4,316.00	515,875	1,333.5
2015-16	23.67	473.15	133.00	3,699.00	598,287	1,355.5
2016-17	23.25	428.17	132.70	5,040.00	704,488	1,361.6
2017-18 P	23.25	476.61 *	133.40	3,709.00 **	569,973 *	-

(Contd.)

TABLE 2.1 B (Continued)

BASIC DATA ON AGRICULTURE

Fiscal Year	Production of Tractors (Nos)	Production of meat (000 Tonnes)	Milk (000 Tonnes)	Fish Production (000 Tonnes)	Total Forest Production (000 cu.mtr.)
2000-01	32,553	2,015	26,284	629.6	472
2001-02	24,311	2,072	27,031	637.8	487
2002-03	27,101	2,132	27,811	566.2	266
2003-04	36,059	2,188	28,624	573.5	313
2004-05	44,095	2,271	29,438	580.6	282
2005-06	49,642	2,515	31,970	604.9	265
2006-07	54,431	2,618	32,986	640.0	373
2007-08	53,598	2,728	34,064	885.0	363
2008-09	60,561	2,843	35,160	914.1	347
2009-10	71,607	2,965	36,299	925.8	356
2010-11	71,550	3,094	37,475	699.9	352
2011-12	48,120	3,232	38,617	724.8	354
2012-13	48,871	3,379	39,855	728.8	354
2013-14	34,521	3,531	41,133	735.0	-
2014-15	45,860	3,696	42,454	765.0	-
2015-16	33,883	3,873	43,818	788.0	-
2016-17	53,499	4,061	45,227	797.0	-
2017-18 P	45,325 *	4,262	46,682	807.0	-

P : Provisional - : Not available
* : Jul-Feb **: Jul-Mar
^: At farm gate

Source: Pakistan Bureau of Statistics
Ministry of National Food Security and Research

TABLE 2.2

LAND UTILIZATION

(Million hectares)

Fiscal Year	Total Area	Reported Area	Forest Area	Not Available for Cultivation	Culturable Waste	Cultivated Area: Current Fallow	Cultivated Area: Net Area Sown	Cultivated Area: Total Area Cultivated (6+7)	Area Sown more than once	Total Cropped Area (7+9)
	1	2	3	4	5	6	7	8	9	10
2000-01	79.61	59.44	3.77	24.37	9.17	6.73	15.40	22.13	6.64	22.04
2001-02	79.61	59.33	3.80	24.31	8.95	6.60	15.67	22.27	6.45	22.12
2002-03	79.61	59.45	4.04	24.25	8.95	6.61	15.60	22.21	6.25	21.85
2003-04	79.61	59.46	4.01	24.23	9.10	6.23	15.89	22.12	7.05	22.94
2004-05	79.61	59.48	4.02	24.39	8.94	6.86	15.27	22.13	7.51	22.78
2005-06	79.61	57.22	4.03	22.87	8.21	6.72	15.39	22.11	7.74	23.13
2006-07	79.61	57.05	4.19	22.70	8.30	5.72	16.16	21.87	7.40	23.56
2007-08	79.61	57.08	4.21	23.41	8.19	4.93	16.34	21.17	7.51	23.85
2008-09	79.61	57.21	4.21	23.47	8.15	5.04	16.34	21.38	7.78	24.12
2009-10	79.61	57.21	4.23	23.49	8.09	5.20	16.20	21.40	7.67	23.87
2010-11	79.61	57.64	4.26	23.37	7.98	6.38	15.65	22.03	7.07	22.72
2011-12	79.61	57.73	4.26	23.25	8.19	7.05	14.98	22.03	7.52	22.50
2012-13	79.61	57.79	4.26	23.06	8.21	7.04	15.22	22.26	7.34	22.56
2013-14	79.61	57.99	4.55	23.01	8.27	6.68	15.40	22.06	7.76	22.16
2014-15	79.61	57.99	4.54	23.10	8.30	6.66	15.46	22.10	7.82	23.27
2015-16	79.61	58.00	4.54	23.04	8.29	6.74	15.39	22.11	7.76	23.67
2016-17 P	79.61	57.90	4.55	23.00	8.25	6.75	15.36	22.06	7.56	23.25
2017-18 R	79.61	57.90	4.55	23.00	8.25	6.75	15.36	22.06	7.56	23.25

P: Provisional **R: Repeated**

Source: Pakistan Bureau of Statistics
Ministry of National Food Security & Research

Note:

1. Total Area Reported is the total physical area of the villages/deh, tehsils or districts etc.
3. Forest Area is the area of any land administered as forest under any legal enactment dealing with forests. Any cultivated area which may exist within such forest is shown under heading "cultivated area".
4. Area Not Available for Cultivation is that uncultivated area of the farm which is under farm home-steads, farm roads and other connected purposes and not available for cultivation.
5. Culturable Waste is that uncultivated farm area which is fit for cultivation but was not cropped during the year under reference nor in the year before that.
6. Current Fallow (ploughed but uncropped) is that area which is vacant during the year under reference but was sown at least once during the previous year
   Cultivated Area is that area which was sown at least during the year under reference or during the previous year.
   Cultivated Area = Net Area sown + Current Fallow.
7. Net Area Sown is that area which is sown at least once during (Kharif & Rabi) the year under reference.
9. Area Sown more than once is the difference between the total cropped area and the net area sown.
10. Total Cropped Area means the aggregate area of crops raised in a farm during the year under reference including the area under fruit trees.

TABLE 2.3

AREA UNDER IMPORTANT CROPS

(000 Hectares)

Fiscal Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total Food Grains	Gram	Sugar-cane	Rapeseed and Mustard	Sesa-mum	Cotton	Tobacco
2000-01	8,181	2,377	390	354	944	113	12,359	905	961	273	101	2,927	46
2001-02	8,058	2,114	417	358	942	111	12,000	934	1,000	269	136	3,116	49
2002-03	8,034	2,225	349	338	935	108	11,989	963	1,100	256	88	2,794	47
2003-04	8,216	2,461	539	392	947	102	12,657	982	1,074	259	60	2,989	46
2004-05	8,358	2,520	343	308	982	93	12,603	1,094	966	243	66	3,193	50
2005-06	8,448	2,621	441	254	1,042	90	12,896	1,029	907	217	82	3,103	56
2006-07	8,578	2,581	504	292	1,017	94	13,066	1,052	1,029	256	71	3,075	51
2007-08	8,550	2,515	531	281	1,052	91	13,020	1,107	1,241	224	76	3,054	51
2008-09	9,046	2,963	470	263	1,052	86	13,880	1,081	1,029	233	91	2,820	50
2009-10	9,132	2,883	476	248	935	84	13,758	1,067	943	178	80	3,106	56
2010-11	8,901	2,365	548	229	974	77	13,094	1,054	988	212	78	2,689	51
2011-12	8,650	2,571	458	214	1,087	72	13,052	1,008	1,058	201	76	2,835	46
2012-13	8,660	2,309	461	198	1,060	73	12,761	992	1,129	224	71	2,879	50
2013-14	9,199	2,789	475	198	1,168	71	13,900	950	1,173	220	82	2,806	49
2014-15	9,204	2,891	462	195	1,142	68	13,962	943	1,141	214	83	2,961	54
2015-16	9,224	2,739	486	274	1,191	66	13,980	940	1,131	201	79	2,902	53
2016-17	8,972	2,724	469	256	1,348	61	13,830	971	1,218	190	80	2,489	47
2017-18 P	8,734	2,899	489	255	1,229	60	13,666	978	1,313	198	83	2,699	47

P: Provisional **Source: Pakistan Bureau of Statistics**

Note: 1 ha = 2.47 acres

TABLE 2.4

PRODUCTION OF IMPORTANT CROPS

(000 Tonnes)

Fiscal Year	Wheat	Rice	Bajra	Jowar	Maize	Barley	Total Food Grains	Gram	Sugar-cane	Rapeseed and Mustard	Sesa-mum	Cotton		Tob-acco
												(000 tonnes)	(000 Bales)	
2000-01	19,024	4,803	199	218	1,643	99	25,987	397	43,606	230	50.7	1,826	10,732	85
2001-02	18,226	3,882	216	222	1,664	100	24,311	362	48,042	221	69.6	1,805	10,613	94
2002-03	19,183	4,478	189	203	1,737	100	25,889	675	52,056	215	19.3	1,737	10,211	88
2003-04	19,500	4,848	274	238	1,897	98	26,855	611	53,419	221	25.0	1,709	10,048	86
2004-05	21,612	5,025	193	186	2,797	92	29,905	868	47,244	203	30.0	2,426	14,265	101
2005-06	21,277	5,547	221	153	3,110	88	30,396	480	44,666	172	35.0	2,215	13,019	113
2006-07	23,295	5,438	238	180	3,088	93	32,337	838	54,742	212	30.0	2,187	12,856	103
2007-08	20,959	5,563	305	170	3,605	87	31,198	475	63,920	176	32.8	1,982	11,655	108
2008-09	24,033	6,952	296	165	3,593	82	35,121	741	50,045	188	41.0	2,010	11,819	105
2009-10	23,311	6,883	293	154	3,261	71	33,973	562	49,373	151	33.4	2,196	12,914	119
2010-11	25,214	4,823	346	141	3,707	71	34,302	496	55,309	188	31.0	1,949	11,460	103
2011-12	23,473	6,160	304	137	4,338	66	34,478	284	58,397	164	30.2	2,310	13,595	98
2012-13	24,211	5,536	311	123	4,220	67	34,468	751	63,750	205	29.2	2,214	13,031	108
2013-14	25,979	6,798	301	119	4,944	67	38,208	399	67,460	203	32.4	2,170	12,769	130
2014-15	25,086	7,003	294	115	4,937	63	37,498	379	62,826	196	33.1	2,372	13,960	120
2015-16	25,633	6,801	300	161	5,271	61	38,227	286	65,482	185	31.8	1,688	9,917	116
2016-17	26,674	6,849	305	148	6,134	58	40,168	330	75,482	181	34.1	1,816	10,671	100
2017-18 P	25,492	7,442	335	154	5,702	58	39,183	340	81,102	181	35.3	2,030	11,935	100

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.5

YIELD PER HECTARE OF MAJOR AGRICULTURAL CROPS

(Kg/Hectare)

Fiscal Year	Wheat	Rice	Sugarcane	Maize	Gram	Cotton
2000-01	2,325	2,021	45,376	1,741	439	624
2001-02	2,262	1,836	48,042	1,766	388	579
2002-03	2,388	2,013	47,324	1,858	701	622
2003-04	2,375	1,970	49,738	2,003	622	572
2004-05	2,568	1,995	48,906	2,848	793	760
2005-06	2,519	2,116	49,246	2,985	467	714
2006-07	2,716	2,107	53,199	3,036	797	711
2007-08	2,451	2,212	51,507	3,427	429	649
2008-09	2,657	2,346	48,634	3,415	685	713
2009-10	2,553	2,387	52,357	3,487	527	707
2010-11	2,833	2,039	55,981	3,806	471	725
2011-12	2,714	2,396	55,196	3,991	282	815
2012-13	2,796	2,398	56,466	3,981	757	769
2013-14	2,824	2,437	57,511	4,233	420	774
2014-15	2,726	2,422	55,062	4,323	402	802
2015-16	2,779	2,483	57,897	4,426	304	582
2016-17	2,973	2,514	61,972	4,550	340	730
2017-18 P	2,919	2,567	61,768	4,640	348	752

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.6

PRODUCTION AND EXPORT OF FRUIT

Fiscal Year	Production of Important Fruit (000 tonnes)								Export	
	Citrus	Mango	Apple	Banana	Apricot	Almonds	Grapes	Guava	(000 tonnes)	Value (Mln. Rs)
2000-01	1,898	990	439	139	126	33	51	526	260	4,575
2001-02	1,830	1,037	367	150	125	26	53	539	290	5,084
2002-03	1,702	1,035	315	143	130	24	52	532	263	4,815
2003-04	1,760	1,056	334	175	211	24	51	550	354	5,913
2004-05	1,944	1,671	352	148	205	23	49	571	281	5,408
2005-06	2,458	1,754	351	164	197	23	49	552	455	7,508
2006-07	1,472	1,719	348	151	177	23	47	555	343	6,894
2007-08	2,294	1,754	442	158	240	27	75	539	411	9,085
2008-09	2,132	1,728	441	157	238	26	76	512	469	12,519
2009-10	2,150	1,846	366	155	194	22	65	509	687	20,094
2010-11	1,982	1,889	526	139	190	22	64	547	669	25,017
2011-12	2,147	1,700	599	97	189	21	64	495	737	32,068
2012-13	2,002	1,680	556	116	179	22	64	500	718	38,085
2013-14	2,168	1,659	606	119	178	22	66	496	784	45,196
2014-15	2,395	1,717	617	118	171	22	66	488	682	44,375
2015-16	2,344	1,637	621	135	173	22	66	523	677	44,607
2016-17 P	2,180	1,784	670	137	166	22	66	548	650	39,959
2017-18 P	2,180	1,733	649	135	166	22	66	567	413 *	26,193 *

P: Provisional *: Jul-Jan Source: Pakistan Bureau of Statistics

TABLE 2.7
CROP WISE COMPOSITION OF OUTPUT OF IMPORTANT AGRICULTURAL CROPS (AT CONSTANT BASIC PRICES BASE 2005-06)

(% Share)

Fiscal Year/ Crops	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 P
Important Crops	100	100	100	100	100	100	100	100	100
Food Crops	60.43	61.92	58.94	58.79	61.21	59.94	65.26	64.20	61.49
Wheat	40.14	44.07	38.92	40.21	40.29	38.63	42.24	40.98	38.42
Maize	6.47	7.50	8.32	8.09	8.88	8.83	10.08	10.99	10.00
Rice	13.83	10.34	11.69	10.49	12.04	12.49	12.94	12.23	13.07
Cash Crop	10.66	12.03	11.83	13.15	13.09	12.11	13.51	14.49	15.18
Sugarcane	10.66	12.03	11.83	13.15	13.09	12.11	13.51	14.49	15.18
Fibre Crop	28.91	26.05	29.23	28.06	25.70	27.95	21.22	21.31	23.34
Cotton	28.91	26.05	29.23	28.06	25.70	27.95	21.22	21.31	23.34

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.8

CREDIT DISBURSED BY AGENCIES

(Rs million)

Fiscal Year	ZTBL	Domestic Private Banks	PPCBL	Commercial Banks	MFBs	Islamic Banks*	MFIs/RSPs **	Total
2000-01	27,610	-	5,124	12,056	-	-	-	44,790
2001-02	29,108	593	5,128	17,486	-	-	-	52,314
2002-03	29,270	1,421	5,485	22,739	-	-	-	58,915
2003-04	29,933	2,702	7,564	33,247	-	-	-	73,446
2004-05	37,409	12,407	7,607	51,310	-	-	-	108,733
2005-06	47,594	16,023	5,889	67,967	-	-	-	137,474
2006-07	56,473	23,976	7,988	80,393	-	-	-	168,830
2007-08	66,939	43,941	5,931	94,749	-	-	-	211,561
2008-09	75,139	41,626	5,579	110,666	-	-	-	233,010
2009-10	79,012	43,777	5,722	119,609	-	-	-	248,120
2010-11	65,361	50,187	7,162	140,312	-	-	-	263,022
2011-12	66,068	60,876	8,520	146,271	12,115	-	-	293,850
2012-13	67,068	69,271	8,304	172,833	18,770	-	-	336,247
2013-14	77,920	84,813	8,809	195,488	22,796	1,527	-	391,353
2014-15	95,827	108,708	10,486	262,912	32,951	4,991	-	515,875
2015-16	90,977	123,097	10,335	311,401	53,938	8,540	-	598,287
2016-17	92,451	139,061	10,880	342,068	87,772	12,326	19,930	704,488
2017-18 P	51,897	112,915	6,073	292,028	79,586	9,333	18,140	569,973

P: Provisional (Jul-Feb) - : Not available Source: State Bank of Pakistan
ZTBL: Zarai Taraqiati Bank Limited
PPCBL: Punjab Provincial Corporative Bank Limited
Commercial Banks: Include ABL, HBL, MCB, NBP & UBL
MFBs: 11 Microfinance Banks
*: 5 Islamic Banks
**: 15 Microfinance Institutions / Rural Support Programmes

TABLE 2.9

FERTILIZER OFFTAKE AND IMPORTS OF FERTILIZERS & PESTICIDES

Fiscal Year	Fertilizer Offtake (000 N/Tonnes) Nitrogen	Phosphorus	Potash	Total	Import of Fertilizers 000 N/Tonnes	Import of Insecticides Quantity (Tonnes)	Value (Mln Rs.)
2000-01	2,264	677	23	2,966	580	21,255	3,477
2001-02	2,285	625	19	2,929	626	31,783	5,320
2002-03	2,349	650	20	3,020	766	22,242	3,441
2003-04	2,527	674	22	3,222	764	41,406	7,157
2004-05	2,796	864	33	3,694	784	41,561	8,281
2005-06	2,926	851	27	3,804	1,268	33,954	6,804
2006-07	2,650	979	43	3,672	796	29,089	5,848
2007-08	2,925	630	27	3,582	876	27,814	6,330
2008-09	3,034	651	25	3,710	568	28,839	8,981
2009-10	3,476	860	24	4,360	1,444	38,227	13,473
2010-11	3,134	767	32	3,933	645	36,183	13,178
2011-12	3,207	633	21	3,861	1,177	32,152	12,255
2012-13	2,853	747	21	3,621	735	17,882	8,507
2013-14	3,185	881	24	4,089	1,148	23,546	12,572
2014-15	3,309	975	33	4,316	984	23,157	14,058
2015-16	2,672	1,007	20	3,699	901	17,386	15,974
2016-17	3,730	1,269	41	5,040	961	20,460	16,680
2017-18 P	2,591	1,075	43	3,709	923	15,980 *	10,529 *

P: Provisional, (Jul-Mar) *: Jul-Jan

Source: Pakistan Bureau of Statistics
National Fertilizer Development Centre

TABLE 2.10

AVERAGE RETAIL SALE PRICES OF FERTILIZERS

(Rs per bag of 50 Kgs)

Fiscal Year	Urea (46% N)	AN/CAN (26% N)	AS (21% N)	NP (23:23)	SSP(G) (18%)	DAP (18:46)	SOP (50% K)
2000-01	363.0	233.0	300.0	468.0	253.0	670.0	682.0
2001-02	394.0	268.0	308.0	519.0	280.0	710.0	765.0
2002-03	411.0	282.0	344.0	539.0	287.0	765.0	780.0
2003-04	420.0	208.0	373.0	622.0	329.0	913.0	809.0
2004-05	468.0	353.0	405.0	704.0	373.0	1,001.0	996.0
2005-06	509.0	395.0	744.0	710.0	407.0	1,079.0	1,170.0
2006-07	527.0	396.0	779.0	670.0	334.0	993.0	985.0
2007-08	581.0	471.0	867.0	1,267.0	572.0	1,934.0	1,497.0
2008-09	751.0	704.0	1,330.0	1,700.0	874.0	2,578.0	2,091.0
2009-10	799.0	701.0	1,223.0	1,452.0	726.0	2,267.0	2,370.0
2010-11	1,035.0	843.0	1,124.0	2,108.0	896.0	3,236.0	2,807.0
2011-12	1,719.0	1,392.0	-	2,691.0	1,260.0	4,054.0	3,797.0
2012-13	1,799.0	1,443.0	-	2,524.0	1,172.0	3,902.0	3,945.0
2013-14	1,827.0	1,566.0	-	2,513.0	1,050.0	3,640.0	4,233.0
2014-15	1,883.0	1,606.0	-	2,584.0	1,012.0	3,677.0	4,904.0
2015-16	1,860.0	1,564.0	-	2,339.0	973.0	3,343.0	5,131.0
2016-17	1,378.0	1,198.0	-	1,869.0	886.0	2,596.0	4,100.0
2017-18 P	1,360.0	1,233.0	-	2,075.0	879.0	2,794.0	3,663.0

P: Provisional (Jul-Mar) -: Not available
AN/CAN: Ammonium Nitrate/Calcium Ammonium Nitrate
AS: Ammonium Sulphate DAP: Diammonium Phosphate
NP: Nitrophosphate SOP: Sulphate of Potash
SSP: Single Super Phosphate

Source: Pakistan Bureau of Statistics
National Fertilizer Development Centre

TABLE 2.11

AREA IRRIGATED BY DIFFERENT SOURCES

(Million hectares)

Fiscal Year	Canals	Wells	Canal Wells	Tubewells	Canal Tubewells	Others	Total
2000-01	6.98	0.16	0.10	3.19	7.22	0.17	17.82
2001-02	6.81	0.20	0.16	3.45	7.24	0.18	18.04
2002-03	7.06	0.21	0.17	3.42	7.17	0.20	18.22
2003-04	7.22	0.22	0.15	3.49	7.47	0.21	18.76
2004-05	7.00	0.25	0.19	3.46	7.70	0.24	18.84
2005-06	7.06	0.28	0.20	3.58	7.78	0.22	19.12
2006-07	6.78	0.67	0.22	3.89	7.78	0.25	19.59
2007-08	6.91	0.31	0.17	3.83	7.79	0.28	19.29
2008-09	6.81	0.31	0.20	3.82	7.94	0.24	19.39
2009-10	6.78	0.31	0.26	3.88	7.07	0.28	20.06
2010-11	6.39	0.36	0.25	3.92	7.60	0.72	19.24
2011-12	6.30	0.35	0.19	4.03	7.86	0.72	19.45
2012-13	5.65	0.30	0.19	3.81	7.86	0.19	18.00
2013-14	5.96	0.38	0.27	3.71	8.15	0.17	18.64
2014-15	5.96	0.38	0.27	3.71	8.15	0.17	19.28
2015-16	5.99	0.35	0.30	4.48	8.19	0.26	19.33
2016-17 P	5.95	0.10	0.30	4.43	7.89	0.21	20.95

P: Provisional

Source: Pakistan Bureau of Statistics
Ministry of National Food Security & Research

TABLE 2.12

PROCUREMENT/SUPPORT PRICES OF AGRICULTURAL COMMODITIES

(Rs per 40 Kg)

Fiscal	Wheat	Rice		Paddy			Sugarcane (at factory gate)				Seed Cotton (Phutti)
Year		Basmati 385	Irri-6 (F.A.Q)	Basmati 385	Basmati Super 2000	Irri-6	Khyber Pakhtunkhwa	Punjab	Sindh	Baloch-istan	B-557 149-F
2000-01	300.0	-	-	385.0	460.0	205.0	35.0	35.0	36.0	36.0	725.0 @
2001-02	300.0	-	-	385.0	460.0	205.0	42.0	42.0 **	43.0	43.0	780.0 ^
2002-03	300.0	-	-	385.0	460.0	205.0	42.0	42.0	43.0	43.0	800.0 ^
2003-04	350.0	-	-	400.0	485.0	215.0	42.0	42.0	43.0	43.0	850.0 ^
2004-05	400.0	-	-	415.0	510.0	230.0	42.0	42.0	43.0	43.0	925.0 ^
2005-06	415.0	-	-	460.0	560.0	300.0	48.0	45.0	60.0	-	975.0 ^
2006-07	425.0	-	-	-	-	306.0	65.0	60.0	67.0	-	1025.0
2007-08	625.0	-	-	-	-	-	65.0 **	60.0 **	63.0	-	1025.0
2008-09	950.0	2,500.0	1,400.0	1,250.0	1,500.0 *	700.0	80.0	80.0	81.0	-	1465.0
2009-10	950.0	-	-	1,000.0	1,250.0 *	600.0	100.0	100.0	102.0	-	-
2010-11	950.0	-	-	-	-	-	125.0	125.0	125.0	-	-
2011-12	1,050.0	-	-	-	-	-	150.0	150.0	154.0	-	-
2012-13	1,200.0	-	-	-	-	-	170.0	170.0	172.0	-	-
2013-14	1,200.0	-	-	-	-	-	170.0	170.0	172.0	-	-
2014-15	1,300.0	-	-	-	-	-	180.0	180.0	182.0	-	3000.0
2015-16	1,300.0	-	-	-	-	-	180.0	180.0	172.0	-	3000.0 ^
2016-17	1,300.0	-	-	-	-	-	180.0	180.0	182.0	-	-
2017-18	1,300.0	-	-	-	-	-	-	180.0	182.0	-	-

F.A.Q : Fair Average Quality - : Not available (Contd.)

*: Price of Basmati Super (Paddy) Rs. 1500/40kg for 2008-09 and Rs. 1250 for 2009-10

** : Sugarcane prices are fixed by the respective Provincial Governments

@: Niab-78, CIM ^: As recommended by API

TABLE 2.13

PROCUREMENT, RELEASES AND STOCKS OF WHEAT

(000 tonnes)

Fiscal Year	Wheat (May-April)		
	Procurement	Releases	Stocks As on 1st May
2000-01	**8,582.0**	**5,537.0**	**3,552.0**
2001-02	**4,081.0**	**3,376.0**	**3,683.0**
2002-03	**4,045.0**	**5,130.0**	**992.0**
2003-04	**3,514.0**	**4,104.0**	**161.0**
2004-05	**3,939.0**	**4,500.0**	**350.0**
2005-06	**4,514.0**	**2,088.4**	**2,107.4**
2006-07	**4,422.0**	**6,003.0**	**501.0**
2007-08	**3,918.0**	**6,320.0**	**136.0**
2008-09	**9,200.0**	**5,784.4**	**821.9**
2009-10	**6,715.0**	**5,985.0**	**4,223.0**
2010-11	**6,150.0**	**6,404.0**	**3,186.0**
2011-12	**5,792.0**	**5,820.0**	**3,506.0**
2012-13	**7,910.0**	**6,363.0**	**1,681.0**
2013-14	**5,948.0**	**6,149.0**	**7,566.0**
2014-15	**6,139.0**	**3,380.0**	**6,447.0**
2015-16	**5,806.0**	**4,468.1**	**6,284.0**
2016-17	**6,516.0**	**-**	**4,531.0**

- : Not available

Source: Ministry of National Food Security & Research

TABLE 2.14

LIVESTOCK POPULATION

(Million numbers)

Fiscal Year	Buffalo	Cattle	Goat	Sheep	Poultry	Camels	Asses	Horses	Mules
2000-01	23.3	22.4	49.1	24.2	292.4	0.8	3.9	0.3	0.2
2001-02	24.0	22.8	50.9	24.4	330.0	0.8	3.9	0.3	0.2
2002-03	24.8	23.3	52.8	24.6	346.1	0.8	4.1	0.3	0.2
2003-04	25.5	23.8	54.7	24.7	352.6	0.7	4.1	0.3	0.2
2004-05	26.3	24.2	56.7	24.9	372.0	0.7	4.2	0.3	0.3
2005-06*	27.3	29.6	53.8	26.5	433.8	0.9	4.3	0.3	0.2
2006-07	28.2	30.7	55.2	26.8	477.0	0.9	4.3	0.3	0.2
2007-08	29.0	31.8	56.7	27.1	518.0	1.0	4.4	0.3	0.2
2008-09	29.9	33.0	58.3	27.4	562.0	1.0	4.5	0.4	0.2
2009-10	30.8	34.3	59.9	27.8	610.0	1.0	4.6	0.4	0.2
2010-11	31.7	35.6	61.5	28.1	663.0	1.0	4.7	0.4	0.2
2011-12	32.7	36.9	63.1	28.4	721.0	1.0	4.8	0.4	0.2
2012-13	33.7	38.3	64.9	28.8	785.0	1.0	4.9	0.4	0.2
2013-14	34.6	39.7	66.6	29.1	855.0	1.0	4.9	0.4	0.2
2014-15	35.6	41.2	68.4	29.4	932.0	1.0	5.0	0.4	0.2
2015-16	36.6	42.8	70.3	29.8	1016.0	1.0	5.1	0.4	0.2
2016-17	37.7	44.4	72.2	30.1	1108.0	1.1	5.2	0.4	0.2
2017-18	38.8	46.1	74.1	30.5	1210.0	1.1	5.3	0.4	0.2

***: Actual figures of Livestock Census 2006** **Source: Ministry of National Food Security & Research**

Note: Estimated figures based on inter census growth rate of livestock census 1996 & 2006

TABLE 2.15

LIVESTOCK PRODUCTS

(000 Tonnes)

Fiscal Year	Milk*	Beef	Mutton	Poultry Meat	Wool	Hair	Bones	Fats	Blood	Eggs (Mln.Nos.)	Hides (Mln.Nos.)	Skins (Mln.Nos.)
2000-01	26,284	1,010	666	339	39.2	18.6	331.4	123.5	41.8	7,505	7.8	38.2
2001-02	27,031	1,034	683	355	39.4	19.3	339.4	126.5	42.9	7,679	7.9	39.2
2002-03	27,811	1,060	702	370	39.7	19.9	347.6	129.7	44.0	7,860	8.2	40.3
2003-04	28,624	1,087	720	378	39.9	20.7	356.2	132.9	45.2	8,102	8.4	42.4
2004-05	29,438	1,115	739	384	40.0	20.7	365.1	136.3	45.2	8,529	8.6	42.6
2005-06**	31,970	1,449	554	512	40.1	20.3	633.5	203.3	51.4	9,712	11.4	43.3
2006-07	32,996	1,498	566	554	40.6	20.8	652.5	209.2	52.7	10,197	11.8	44.3
2007-08	34,064	1,549	578	601	41.0	21.4	672.2	215.3	54.1	10,711	12.2	45.3
2008-09	35,160	1,601	590	652	41.5	22.0	692.4	221.6	55.4	11,258	12.6	46.3
2009-10	36,299	1,655	603	707	42.0	22.6	713.4	228.1	56.8	11,839	13.0	47.4
2010-11	37,475	1,711	616	767	42.5	23.2	735.1	234.8	58.3	12,857	13.5	48.5
2011-12	38,617	1,769	629	834	43.0	23.8	757.5	241.7	59.8	13,114	13.9	49.6
2012-13	39,855	1,829	643	907	43.6	24.4	780.5	248.8	61.3	13,813	14.4	50.7
2013-14	41,133	1,887	657	987	44.1	25.1	802.9	255.8	62.8	14,556	14.9	51.9
2014-15	42,454	1,951	671	1074	44.6	25.8	827.2	263.3	64.4	15,346	15.4	53.1
2015-16	43,818	2,017	686	1170	45.1	26.5	852.3	271.0	66.1	16,188	15.9	54.3
2016-17	45,227	2,085	701	1276	45.7	27.2	878.2	279.0	67.8	17,083	16.4	55.5
2017-18 P	46,682	2,155	717	1391	46.2	27.9	904.9	287.3	69.5	18,037	17.0	56.8

*: Human Consumption

**: Actual figures of Livestock Census 2006

Source: Ministry of National Food Security & Research

Note: From 2006-07 onward figures estimates are based on Inter census growth rate of Livestock Census 1996 & 2006

MANUFACTURING AND MINING

TABLE 3.1

RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

Minerals in 000 tonnes	Antimony (tonnes)	Argonite/ Marble	China Clay	Celestite (tonnes)	Chromite	Coal	Dolomite (tonnes)	Fire Clay	Fullers Earth	Gypsum Anhydrite	Lime Stone
Reserves Quantity		Very large Deposits	4.9 million tons	-	fairly large Deposits	185 billion tonnes	Very large Deposits	Over 100 million tons	fairly large Deposits	350 million tons	Very large Deposits
Years											
2000-01	95	620	47	807	22	3,285	352,689	164	13	364	10,870
2001-02	37	685	54	382	24	3,512	312,886	171	16	402	10,820
2002-03	-	1,066	40	402	31	3,609	340,864	117	15	424	11,880
2003-04	-	994	25	570	29	3,325	297,419	193	14	467	13,150
2004-05	5	1,280	38	1,855	56	3,367	199,653	254	17	552	14,857
2005-06	91	1,836	53	3,160	65	3,881	183,952	333	16	601	18,428
2006-07	119	1,980	31	1,530	104	3,702	342,463	347	12	624	25,512
2007-08	245	1,537	32	1,310	115	4,066	359,994	330	11	660	31,794
2008-09	75	1,145	17	470	90	3,679	249,918	389	10	800	33,186
2009-10	25	1,065	23	160	257	3,536	130,408	329	11	854	37,137
2010-11	25	1,133	16	-	148	3,292	240,111	274	4	885	32,021
2011-12	12	1,751	22	-	179	3,179	198,392	408	7	1,260	35,016
2012-13	89	2,360	23	-	136	2,813	335,819	455	4	1,250	38,932
2013-14	979	2,920	16	-	86	3,340	720,633	465	6	1,326	38,787
2014-15	114	2,874	19	-	102	3,408	222,378	405	8	1,417	40,470
2015-16	21	4,749	22	-	69	3,749	716,611	551	14	1,872	48,287
2016-17	15	4,904	29	-	105	3,954	301,124	584	18	2,080	52,144
Jul-Dec											
2016-17	15	2,198	16	-	61	1,859	172,106	254	15	1,090	24,439
2017-18 P	0	4,335	8	-	38	1,997	169,305	426	5	1,232	31,674

- : Not available P : Provisional (Contd.)

TABLE 3.1

RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

(000 tonnes)

Minerals in 000 tonnes	Magne-site (tonnes)	Rock Salt	Silica Sand	Ochre (tonnes)	Sulphur (tonnes)	Soap Stone	Baryte	Bauxite/ Laterite (tonnes)	Iron Ore (tonnes)	Crude Oil (m. barrels)	Natural Gas (000 m.cu.mtr.)
Reserves Quantity		Over 100 million tonnes	Very large deposits	..	0.8 million tonnes	0.6 million tonnes	5 million tonnes	Over 74 million tonnes	Over 430 million tonnes	184 million US barrels	492 billion cu. metre
Years											
2000-01	4,645	1,394	155	4,691	17,428	47	28	35,114	24,765	21.08	24.78
2001-02	4,637	1,423	157	5,064	22,580	39	21	37,182	4,942	23.19	26.16
2002-03	2,645	1,426	185	6,733	19,402	66	41	67,536	11,483	23.46	28.11
2003-04	6,074	1,640	259	7,861	23,873	53	44	88,044	84,946	22.62	34.06
2004-05	3,029	1,648	309	18,686	24,158	21	42	78,288	104,278	24.12	38.08
2005-06	1,161	1,859	411	34,320	24,695	21	52	60,370	131,259	23.94	39.65
2006-07	3,445	1,873	402	61,665	27,710	45	47	150,842	150,695	24.62	40.03
2007-08	3,940	1,849	403	46,215	29,485	38	54	174,223	286,255	25.48	41.17
2008-09	2,639	1,917	370	56,617	25,784	14	63	137,485	320,214	24.03	41.37
2009-10	5,159	1,944	411	55,352	26,641	54	57	190,077	447,541	23.71	41.99
2010-11	4,908	1,954	301	36,078	27,645	48	32	308,027	329,100	24.04	41.68
2011-12	5,444	2,136	270	42,107	25,560	56	49	323,848	384,893	24.57	44.15
2012-13	6,705	2,160	356	37,769	20,610	93	118	353,355	412,108	27.84	42.65
2013-14	4,130	2,220	298	32,634	35,672	89	134	480,054	197,074	31.58	42.30
2014-15	4,581	2,136	268	33,909	19,730	116	205	451,818	328,702	34.49	41.51
2015-16	35,228	3,553	396	68,352	14,869	125	158	772,692	432,156	31.65	41.96
2016-17	19,656	3,534	337	86,080	23,740	152	92	718,780	501,664	32.27	41.68
Jul-Dec											
2016-17	9,756	1,737	184	51,287	10,867	60	19	359,615	230,800	15.74	21.01
2017-18 P	12,287	1,802	159	36,986	9,914	760	33	410,935	271,029	16.27	20.83

P : Provisional

Source : Pakistan Bureau of Statistics

TABLE 3.2

PRODUCTION INDEX OF MINING AND MANUFACTURING

Year	Mining	Manufacturing
	Base Year 1999-2000 = 100	
2000-01	105.6	101.0
2001-02	112.5	114.8
2002-03	119.6	123.1
2003-04	134.8	146.4
2004-05	148.7	173.0
	Base Year 2005-06=100	
2005-06	100.0	100.0
2006-07	103.7	109.5
2007-08	108.9	116.1
2008-09	108.1	109.1
2009-10	110.2	109.6
2010-11	108.0	111.1
2011-12	113.7	112.4
2012-13	115.3	117.4
2013-14	118.5	123.7
2014-15	120.5	127.9
2015-16 F	121.6	131.9
2016-17 R	123.2	139.5
2017-18 P	132.3 *	145.3 **

P : Provisional R: Revised F: Final Source: Pakistan Bureau of Statistics
*: Jul-Dec **: Jul-Feb

TABLE 3.3

COTTON TEXTILES STATISTICS

Year	No. of Mills	Installed Capacity No. of Spindles (000)	Installed Capacity No. of Looms (000)	Working at the end of the period No. of Spindles (000)	Working at the end of the period No. of Looms (000)	Spindle Hours Worked (Million)	Loom Hours Worked (Million)	Consumption of Cotton (mln kg)	Total Yarn Produced (mln.kg)	Surplus Yarn (tonnes)	Total Production of Cloth (mln. sq mtr.)
2000-01	353	8,601	10	6,913	4	59,219	34.1	2,078.3	1,721.0	1,652.7	490.2
2001-02	350	9,060	10	7,440	5	61,877	36.3	2,165.2	1,808.6	1,731.2	568.4
2002-03	453	9,260	10	7,676	5	67,519	38.7	2,372.7	1,924.9	1,833.7	582.1
2003-04	456	9,499	10	7,934	4	70,214	32.6	2,407.7	1,938.9	1,845.7	683.4
2004-05	518	10,941	9	8,852	4	72,254	30.3	2,622.8	2,290.3	2,184.3	925.0
2005-06	524	11,292	9	9,754	4	74,884	24.8	2,932.6	2,546.5	2,460.5	903.8
2006-07	521	11,266	8	10,057	4	76,892	21.7	3,143.5	2,845.2	2,623.2	977.8
2007-08	521	11,834	8	9,960	4	76,000	21.5	3,169.2	2,914.6	2,704.4	1,016.4
2008-09	521	11,366	8	9,968	4	75,325	24.0	3,195.6	2,913.4	2,753.3	1,016.9
2009-10	526	11,392	7	10,632	5	74,654	22.4	3,372.4	2,787.3	2,703.9	1,009.5
2010-11	524	11,762	7	10,757	5	76,835	22.9	3,405.7	2,939.5	2,851.2	1,029.5
2011-12	512	11,762	7	10,653	5	76,933	22.6	3,427.1	2,954.6	2,857.3	1,020.3
2012-13	526	11,946	8	10,872	5	76,757	23.4	3,539.3	3,017.9	2,960.9	1,029.1
2013-14	538	13,269	8	10,999	6	78,207	23.5	3,675.5	3,333.4	2,669.5	1,036.1
2014-15	411	13,184	8	11,058	5	79,184	24.2	2,732.7	3,369.7	3,256.2	1,036.9
2015-16	408	13,142	8	11,263	5	78,548	28.0	2,732.5	3,415.3	3,301.6	1,039.2
2016-17	408	13,409	9	11,338	6	77,213	29.7	2,733.1	3,428.1	3,315.3	1,043.3
2017-18 P	408	13,409	9	11,313	6	51,280	19.3	1,825.0	2,267.4	2,190.3	6,973.9

P : Provisional (Jul-Feb)

Source : Textile Commissioner Organization

TABLE 3.4

PRODUCTION OF FERTILIZERS, VEGETABLE GHEE, SUGAR AND CEMENT

(000 tonnes)

Year	Fertilizers					Vegetable Ghee	Sugar	Cement
	Urea	Super Phos-phate	Ammo-nium Nitrate	Ammo-nium Sulphate	Nitro Phos-phate			
2000-01	4,005.1	159.6	374.4	-	282.5	835	2,956	9,672
2001-02	4,259.6	161.0	329.4	-	305.7	797	3,247	9,935
2002-03	4,401.9	147.2	335.3	-	304.9	772	3,686	10,845
2003-04	4,431.6	167.7	350.4	-	363.5	888	4,021	12,862
2004-05	4,606.4	163.1	329.9	-	338.9	1,048	3,116	16,353
2005-06	4,806.4	160.8	327.9	-	356.6	1,151	2,960	18,564
2006-07	4,732.5	148.9	330.8	-	325.8	1,180	3,527	22,739
2007-08	4,925.0	157.7	343.7	-	329.7	1,137	4,733	26,751
2008-09	4,918.4	187.4	344.3	-	305.7	1,060	3,190	28,380
2009-10	5,056.5	148.7	345.5	-	304.4	1,075	3,143	31,358
2010-11	4,552.1	173.3	275.1	-	252.3	1,091	4,169	28,716
2011-12	4,470.1	114.7	432.3	-	337.6	1,102	4,634	29,557
2012-13	4,215.1	79.3	401.3	-	291.9	1,138	5,073	31,055
2013-14	4,930.3	87.8	519.1	-	447.1	1,185	5,582	31,418
2014-15	5,073.1	63.6	569.1	-	501.9	1,185	5,149	32,185
2015-16	5,846.8	89.5	647.3	-	594.6	1,241	5,115	35,432
2016-17	5,912.7	81.6	664.6	-	630.1	1,305	7,048	37,021
Jul-Feb								
2016-17	3,874.2	62.5	438.7	-	411.1	844	4,400	24,276
2017-18 P	3,599.4	48.5	366.0	-	341.1	797	4,062	27,177

P : Provisional   - : Not available   Source: Pakistan Bureau of Statistics

TABLE 3.5

PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Food and Tobacco		Jute	Rubber			
	Beverages (Million litres)	Cigarettes (Million Nos)	Textiles (000 tonnes)	Motor Tyres (000 Nos)	Motor Tubes (000 Nos)	Cycle Tyres (000 Nos)	Cycle Tubes (000 Nos)
2000-01	2,542	58,259	89	2,439	3,387	4,056	5,892
2001-02	2,492	55,100	82	2,694	3,419	4,652	7,058
2002-03	2,289	49,365	96	3,360	4,091	5,330	8,942
2003-04	2,691	55,399	104	5,175	4,964	4,768	8,270
2004-05	3,424	61,097	105	5,336	6,279	4,900	9,612
2005-06	1,161	64,137	105	5,942	7,164	5,287	10,204
2006-07	1,550	65,980	118,0	7,027	10,277	5,182	10,420
2007-08	1,841	67,446	129	6,990	9,627	4,243	9,224
2008-09	1,894	75,609	137	7,089	14,515	3,213	6,876
2009-10	1,554	65,292	106	8,672	20,152	3,405	7,273
2010-11	1,490	65,403	93	9,222	19,108	2,879	6,534
2011-12	1,812	61,954	94	7,011	20,338	3,431	6,846
2012-13	2,077	67,377	103	7,864	20,269	3,429	7,746
2013-14	2,550	64,482	102	8,802	20,825	4,038	8,061
2014-15	2,954	62,667	94	9,058	22,001	4,633	8,391
2015-16	3,137	53,522	55	9,735	24,467	4,205	7,285
2016-17	3,479	34,342	60	9,710	24,635	3,930	7,577
Jul-Feb							
2016-17	2,283	22,184	35	6,483	16,432	2,715	5,128
2017-18 P	2,444	39,389	49	6,940	16,674	2,591	5,106

P : Provisional **(Contd.)**

TABLE 3.5

PRODUCTION OF SELECTED ITEMS

Year	Chemicals						Transport, Machinery & Electrical Appliances		
	Soda Ash (000 tonnes)	Sulphuric Acid (000 tonnes)	Caustic Soda (000 tonnes)	Chlorine Gas (000 tonnes)	Paints & Varnishes (tonnes)	Polishes & Creams for Footwear (mln. grams)	Bicycles (000 Nos.)	Sewing Machines (000 Nos.)	Total TV Sets (000 Nos.)
2000-01	217.9	57.1	145.5	14.5	10,922	906.7	569.6	26.9	97.4
2001-02	215.2	59.4	150.3	15.1	10,341	920.9	553.4	24.0	450.0
2002-03	280.3	56.0	164.4	15.9	3,899	935.3	629.7	30.6	764.6
2003-04	286.5	64.7	187.5	17.2	5,406	950.1	664.1	35.0	843.1
2004-05	297.3	91.3	206.7	19.1	15,023	959.6	587.9	36.1	908.8
2005-06	318.7	94.4	219.3	18.3	17,147	969.2	589.6	39.1	935.1
2006-07	330.6	96.3	242.2	17.2	23,936	978.8	486.3	52.2	608.6
2007-08	364.9	102.8	248.3	18.2	26,308	988.6	535.5	57.3	716.1
2008-09	365.3	97.1	245.3	16.5	29,831	998.5	419.9	50.8	402.3
2009-10	409.6	84.7	182.3	16.1	30,749	1,008.5	447.2	48.6	342.9
2010-11	378.0	114.7	172.0	15.1	25,673	1,018.6	345.2	47.0	425.5
2011-12	370.7	100.4	179.1	15.8	23,026	1,028.8	262.1	39.6	268.8
2012-13	366.2	89.4	182.8	15.5	28,048	1,039.0	232.9	32.8	462.9
2013-14	409.1	85.3	167.4	14.9	37,236	1,049.4	203.7	19.8	426.6
2014-15	437.1	70.2	183.5	17.4	48,631	975.7	210.9	19.3	428.1
2015-16	468.5	75.0	225.3	16.4	53,651	985.4	198.9	13.5	453.2
2016-17	479.7	56.0	223.9	16.3	49,173	995.3	200.2	18.3	438.9
Jul-Feb									
2016-17	319.5	38.0	140.3	11.5	31.8	570.7	130.1	13.7	283.4
2017-18 P	322.5	32.2	168.4	11.0	32.1	576.4	133.9	14.9	265.0

P : Provisional

(Contd.)

TABLE 3.5

PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Electrical Appliances		Paper & Board		Steel Products		
	Electric Bulbs (Mln.Nos)	Electric Tubes (000 metres)	Paper Board (000 tonnes)	Paper (All Types) (000 tonnes)	Coke (000 tonnes)	Pig Iron (000 tonnes)	Billets (000 tonnes)
2000-01	55.2	10,548.0	246.3	531.1	717.3	1,071.2	1,664.7
2001-02	52.8	10,441.0	165.1	137.9	694.6	1,042.9	1,874.2
2002-03	58.3	10,844.0	203.8	148.0	775.2	1,140.2	1,874.2
2003-04	139.4	14,630.0	225.7	156.8	785.5	1,179.9	2,118.9
2004-05	146.7	19,819.0	236.5	163.7	772.8	1,137.2	2,430.1
2005-06	143.6	19,992.0	286.1	167.7	182.3	768.0	3380,6
2006-07	145.0	21,400.0	280.4	161.7	326.3	1,008.8	3677,8
2007-08	129.8	19,524.0	227.6	192.0	290.9	993.4	2873,8
2008-09	91.8	11,101.0	168.8	252.5	423.7	791.1	1,943.4
2009-10	75.5	2,914.0	178.1	248.7	342.8	483.3	1,663.8
2010-11	79.6	1,180.0	206.1	228.7	301.7	433.1	1,628.9
2011-12	79.0	1,266.0	283.0	246.3	192.9	249.1	1,616.4
2012-13	79.7	-	381.9	232.4	203.3	201.5	1,638.5
2013-14	75.1	-	465.8	218.7	31.9	89.4	2,128.3
2014-15	64.6	-	415.7	204.0	275.8	265.5	2,730.9
2015-16	73.9	-	376.9	233.1	57.4	1.5	3,183.3
2016-17	72.4	-	406.9	262.5	0.0	0.0	4,099.0
<u>Jul-Feb</u>							
2016-17	48.8	-	266.5	173.2	0.0	0.0	2,593.0
2017-18 P	48.8	-	301.6	173.5	0.0	0.0	3,538.0

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 3.6

PERCENT GROWTH OF SELECTED INDUSTRIAL ITEMS

(in %)

	Cotton Yarn	Cotton Cloth	Jute Goods	Veg.Ghee	Cigarettes	Fertilizers	Cement	Soda Ash	Caustic Soda	Sugar
2000-01	3.10	12.10	4.60	19.60	24.02	11.10	3.80	-11.30	3.00	21.70
2001-02	5.10	16.00	-8.70	-4.50	-5.40	-1.80	2.70	-1.20	3.30	9.80
2002-03	5.90	2.40	16.90	-3.20	-10.40	2.50	9.20	30.30	9.30	13.50
2003-04	0.70	17.40	8.90	15.10	12.20	9.00	18.60	2.20	14.10	9.10
2004-05	18.20	35.30	0.80	18.00	10.30	7.50	27.10	3.80	10.20	-22.50
2005-06	11.73	-2.30	-0.30	9.90	5.00	4.30	13.50	7.20	6.10	-5.00
2006-07	11.73	8.18	12.97	2.45	2.87	-2.76	22.49	3.74	10.45	19.16
2007-08	2.44	3.95	9.29	-3.63	2.22	3.27	17.64	10.37	2.50	34.20
2008-09	-0.04	0.05	6.50	-6.75	12.10	1.58	6.09	0.11	-1.18	-32.61
2009-10	-4.33	-0.74	-22.68	1.38	-13.65	3.58	10.49	12.12	-25.70	-1.44
2010-11	5.46	1.08	-12.30	1.57	0.17	-8.88	-8.43	-7.70	-5.62	32.62
2011-12	0.52	0.30	0.98	1.01	-5.27	0.08	2.93	-1.93	4.11	11.16
2012-13	3.57	0.56	9.28	3.25	8.75	-4.02	5.07	-1.22	2.11	9.48
2013-14	8.62	0.68	-1.07	4.08	-4.30	16.50	1.17	11.72	-8.42	10.03
2014-15	1.09	0.08	-7.21	-0.40	-2.81	4.56	2.44	6.83	9.85	-7.75
2015-16	1.36	0.22	-41.33	4.78	-14.59	13.87	10.09	7.18	22.45	-0.68
2016-17	0.66	0.40	8.15	5.15	-35.84	1.66	4.48	2.39	-0.60	37.80
Jul-Feb										
2016-17	0.67	0.43	-18.76	3.07	-39.77	0.21	7.20	3.90	-1.26	24.86
2017-18 P	0.10	0.03	40.75	-5.55	77.56	-6.97	11.95	0.94	20.02	-7.69

Note : Figures in parenthesis represent negative growth

Source: Pakistan Bureau of Statistics

FISCAL DEVELOPMENT

TABLE 4.1

FEDERAL GOVERNMENT OVERALL BUDGETARY POSITION

Rs million

Fiscal Year / Item	2016-17	2017-18 (Jul-Dec) P
A. REVENUE		
FBR Tax Revenue (1 +2)	3,361,046 *	1,730,082
1. Direct Taxes	1,343,197	673,752
2. Indirect Taxes	2,017,849	1,056,330
i. Customs	496,018	282,617
ii. Sales Tax	1,323,261	690,522
iii. Federal Excise	198,570	83,191
Others**	286,430	120,411
Non-Tax Revenue	901,572	300,312
Gross Revenue Receipts	4,549,048	2,150,805
B. EXPENDITURE		
Current Expenditure	3,494,316	1,667,388
i. Defence	888,078	393,386
ii. Mark-up payments	1,348,435	751,439
iii. Grants	374,246	141,390
vi. Others***	883,557	381,173
Development Expenditure and Net Lending	867,467	316,778
Total Expenditure	4,361,783	1,984,166

P : Provisional

Source: Budget Wing, Finance Division, Islamabad

* : Revised FBR tax collection 2016-17 is Rs. 3,367,874 million.

** : Includes Petroleum Levy, Airport tax , other taxes of ICT, Gas Infrastructure Development Cess and Natural Gas Development Surcharge

*** : Includes other categories not shown here

TABLE 4.2

SUMMARY OF PUBLIC FINANCE (CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENTS)

Rs million

Fiscal Year / Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (Jul-Dec) P
Total Revenues (i+ii)	2,252,855	2,566,514	2,982,436	3,637,297	3,931,042	4,446,979	4,936,723	2,384,706
Federal	2,125,975	2,411,297	2,760,436	3,397,954	3,649,604	4,070,392	4,535,452	2,143,785
Provincial	126,880	155,217	222,000	239,343	281,438	376,587	401,271	240,921
i) Tax Revenues	1,699,334	2,052,886	2,199,232	2,564,509	3,017,596	3,660,418	3,969,248	2,026,920
Federal	1,634,775	1,945,697	2,048,509	2,374,540	2,811,773	3,377,145	3,647,476	1,850,493
Provincial	64,559	107,189	150,723	189,969	205,823	283,273	321,772	176,427
ii) Non-Tax Revenues	553,521	513,628	783,204	1,072,788	913,446	786,561	967,475	357,786
Federal	491,200	465,600	711,927	1,023,414	837,831	693,247	887,976	293,292
Provincial	62,321	48,028	71,277	49,374	75,615	93,314	79,499	64,494
Total Expenditures (a+b+c+d)	3,447,264	4,327,185	4,816,300	5,026,016	5,387,767	5,796,302	6,800,520	3,181,004
a) Current	2,900,784	3,468,487	3,660,434	4,004,582	4,424,747	4,694,294	5,197,854	2,545,232
Federal	2,088,124	2,500,717	2,565,222	2,831,249	3,037,584	3,144,276	3,472,150	1,655,972
Provincial	812,660	967,770	1,095,212	1,173,333	1,387,163	1,550,018	1,725,704	889,260
b) Development	506,103	776,850	777,096	1,135,918	1,113,223	1,301,473	1,693,474	613,860
c) Net Lending to PSE's	7,904	12,019	362,783	100,610	27,381	12,631	-12,817	2,017
d) Statistical Discrepancy	32,473	69,829	15,987	-215,094	-177,584	-212,096	-77,991	19,895
Overall Deficit	1,194,409	1,760,671	1,833,864	1,388,719	1,456,725	1,349,323	1,863,797	796,298
Financing (net)	1,194,409	1,760,671	1,833,864	1,388,719	1,456,725	1,349,323	1,863,797	796,298
External (net)	107,705	128,650	-1,676	511,727	181,032	370,465	541,390	384,112
Domestic (i+ii+iii)	1,086,704	1,632,021	1,835,540	876,992	1,275,693	978,858	1,322,407	412,186
i) Non-Bank	471,575	529,384	378,040	553,330	366,138	191,843	276,629	80,411
ii) Bank	615,129	1,102,637	1,457,500	323,662	892,057	787,015	1,045,778	331,775
iii) Privatization Proceeds	0	0	0	0	17,498	0	0	0
Memorandum Item								
GDP (mp) in Rs. Billion	18,276	20,047	22,386	25,169	27,443	29,076	31,963	34,396
	(As Percent of GDP at Market Price)							
Total Revenue	12.3	12.8	13.3	14.5	14.3	15.3	15.4	6.9
Tax Revenue	9.3	10.2	9.8	10.2	11.0	12.6	12.4	5.9
Non-Tax Revenue	3.0	2.6	3.5	4.3	3.3	2.7	3.0	1.0
Expenditure	18.9	21.6	21.5	20.0	19.6	19.9	21.3	9.2
Current	15.9	17.3	16.4	15.9	16.1	16.1	16.3	7.4
Development Expenditure & net Lending	2.8	3.9	5.1	4.9	4.2	4.5	5.3	1.8
Overall Deficit	6.5	8.8	8.2	5.5	5.3	4.6	5.8	2.3 *

P : Provisional

Source: Budget Wing, Finance Division, Islamabad

*: On the basis of revised GDP number

TABLE 4.3

CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENT REVENUES

Rs million

Fiscal Year/Item	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (Jul-Dec) P
Total Revenue (I+II)	2,252,854	2,566,514	2,982,436	3,637,297	3,931,042	4,446,979	4,936,723	2,384,706
Federal	2,125,975	2,411,297	2,760,436	3,397,954	3,649,604	4,070,392	4,535,452	2,143,785
Provincial	126,879	155,217	222,000	239,343	281,438	376,587	401,271	240,921
I. Tax Revenues (A+B)	1,699,334	2,052,886	2,199,232	2,564,509	3,017,596	3,660,418	3,969,248	2,026,920
Federal	1,634,775	1,945,697	2,048,509	2,374,540	2,811,773	3,377,145	3,647,476	1,850,493
Provincial	64,559	107,189	150,723	189,969	205,823	283,273	321,772	176,427
A. Direct Taxes (1+2)	598,514	739,775	742,488	893,351	1,040,038	1,195,462	1,350,233	679,376
1 Federal	594,689	731,941	735,758	884,118	1,029,244	1,191,602	1,343,197	673,752
2 Provincial	3,825	7,834	6,730	9,233	10,794	3,860	7,036	5,624
B. Indirect Taxes								
(3+4+5+6+7)	1,100,820	1,313,111	1,456,744	1,671,158	1,977,558	2,464,956	2,619,015	1,347,544
3. Excise Duty	141,600	126,209	124,349	144,540	170,004	197,461	205,205	87,434
Federal	137,207	122,014	119,453	139,084	163,969	190,581	198,570	83,191
Provincial	4,393	4,195	4,896	5,456	6,035	6,880	6,635	4,243
4. Sales Tax*	632,824	809,310	841,324	1,002,110	1,088,823	1,323,685	1,323,261	690,522
5. Taxes on Interna-								
tional Trade	185,437	218,215	239,608	240,997	306,140	406,180	496,018	282,617
6. Surcharges*	113,103	83,329	141,837	142,064	157,231	181,944	239,959	110,847
6.1 Gas	30,358	22,960	32,171	38,530	25,874	32,654	73,262	17,003
6.2 Petroleum	82,745	60,369	109,666	103,534	131,357	149,290	166,697	93,844
7. Other Taxes **	58,214	99,008	141,797	179,977	255,360	355,686	354,572	176,124
7.1 Sales Tax on services GST	-	-	-	-	-	129,752	170,791	93,283
7.2 Stamp Duties	14,007	16,527	18,306	21,790	29,476	35,484	38,167	27,614
7.3 Motor Vehicle Taxes	10,507	11,140	13,975	15,565	15,872	19,077	21,282	11,625
7.4 Gas Infrastructure Development Cess*	-	-	-	-	57,021	79,771	42,149	7,195
7.4 Others***	33,700	71,341	109,516	142,622	152,991	91,602	82,183	36,407
II. Non-Tax Revenues	553,520	513,628	783,204	1,072,788	913,446	786,561	967,475	357,786
Federal	491,200	465,600	711,927	1,023,414	837,831	693,247	887,976	293,292
Provincial	62,320	48,028	71,277	49,374	75,615	93,314	79,499	64,494

P: Provisional

Source: Budget Wing, Finance Division

* : Revenues under these heads are exclusively Federal

** : Mainly includes Provincial Revenues

*** : Includes Federal tax revenues (Other Taxes (ICT), Airport Tax) and other provincial tax revenues

TABLE 4.4

CONSOLIDATED FEDERAL & PROVINCIAL GOVERNMENT EXPENDITURES

Rs million

Fiscal Year/ Item	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 P	2017-18 (July-Dec) P
Current Expenditure	2,900,784	3,468,487	3,660,434	4,004,582	4,424,747	4,694,294	5,197,854	2,545,232
Federal	2,088,124	2,500,717	2,565,222	2,831,249	3,037,584	3,144,276	3,472,150	1,655,972
Provincial	812,660	967,770	1,095,212	1,173,333	1,387,163	1,550,018	1,725,704	889,260
Defence	450,615	507,159	540,595	623,085	697,821	757,653	888,078	393,386
Mark-up Payments	716,603	901,919	1,005,798	1,161,876	1,316,697	1,273,121	1,362,031	758,459
Federal	698,095	889,044	990,967	1,147,793	1,303,767	1,263,368	1,348,435	751,439
Provincial	18,508	12,875	14,831	14,083	12,930	9,753	13,596	7,020
Current Subsidies	380,590	512,961	357,991	305,748	241,593	207,161	153,717	53,491
Others	540,316	578,678	660,838	740,540	781,473	916,094	1,081,920	1,209,095
Development Expenditure	506,103	776,850	777,096	1,135,918	1,113,223	1,301,473	1,693,474	613,860
Net Lending to PSEs	7,904	12,019	362,783	100,610	27,381	12,631	-12,817	2,017
Statistical Discrepancy	32,473	69,829	15,987	-215,094	-177,584	-212,096	-77,991	19,895
Expenditure Booked excl discrepency	3,414,791	4,257,356	4,800,313	5,241,110	5,565,351	6,008,398	6,878,511	3,161,109
Total Expenditure	3,447,264	4,327,185	4,816,300	5,026,016	5,387,767	5,796,302	6,800,520	3,181,004
Memorandum Items:	(Percent Growth over preceding period)							
Current Expenditure	21.6	19.6	5.5	9.4	10.5	6.1	10.7	
Defence	20.2	12.5	6.6	15.3	12.0	8.6	17.2	
Mark-up Payments	8.4	25.9	11.5	15.5	13.3	-3.3	7.0	
Current Subsidies	78.3	34.8	-30.2	-14.6	-21.0	-14.3	-25.8	
Development Expenditure	-17.5	53.5	0.0	46.2	-2.0	16.9	30.1	
Expenditure Booked excl discrepency	12.4	24.7	12.8	9.2	6.2	8.0	14.5	
Total Expenditure	14.6	25.5	11.3	4.4	7.2	7.6	17.3	
	As % of total expenditures							
Current Expenditure	84.1	80.2	76.0	79.7	82.1	81.0	76.4	80.0
Defence	13.1	11.7	11.2	12.4	13.0	13.1	13.1	12.4
Mark-up Payments	20.8	20.8	20.9	23.1	24.4	22.0	20.0	23.8
Current Subsidies	11.0	11.9	7.4	6.1	4.5	3.6	2.3	1.7
Development Expenditure*	14.9	18.2	23.7	24.6	21.2	22.7	24.7	19.4

P: Provisional, *: Include Net Lending

Source: Budget Wing, Finance Division

TABLE 4.5

DEBT SERVICING

Rs million

Fiscal Year / Item	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 P	2017-18 (Jul-Dec) P
A. Mark-up Payments	716,603	901,919	1,005,798	1,161,876	1,316,697	1,273,121	1,362,031	758,459
A.1 Federal	698,095	889,044	990,967	1,147,793	1,303,767	1,263,368	1,348,435	751,439
Servicing of Domestic Debt	629,709	821,115	920,353	1,072,813	1,208,105	1,150,809	1,220,265	677,961
Servicing of Foreign Debt	68,386	67,929	70,614	74,980	95,662	112,559	128,170	73,478
A.2 Provincial	18,508	12,875	14,831	14,083	12,930	9,753	13,596	7,020
B. Repayment/Amortization of Foreign Debt	157,945	135,286	217,872	312,112	285,193	335,307	544,314	228,229
C. Total Debt Servicing (Excluding Provicial) (A+B)	856,040	1,024,330	1,208,839	1,459,905	1,588,960	1,598,675	1,892,749	979,668
MEMORANDUM ITEMS	(As Percent of GDP)							
Servicing of Domestic Debt	3.4	4.1	4.1	4.3	4.4	4.0	3.8	2.0
Servicing of Foreign Debt	0.4	0.3	0.3	0.3	0.3	0.4	0.4	0.2
Repayment/Amortization of Foreign Debt	0.9	0.7	1.0	1.2	1.0	1.2	1.7	0.7
Total Debt Servicing	4.7	5.1	5.4	5.8	5.8	5.5	5.9	2.8

P; Provisional

Source: Budget Wing, Finance Division

MONEY AND CREDIT

TABLE 5.1

COMPONENTS OF MONETARY ASSETS

(Rs million)

Stock		End June						2018
		2012	2013	2014	2015	2016	2017	February
1.	Currency Issued	1,785,775	2,050,157	2,317,891	2,715,556	3,563,749	4,176,915	4,256,230
2.	Currency held by SBP	1,974	1,068	529	508	634	973	830
3.	Currency in title of Scheduled Banks	110,055	110,867	139,490	160,299	229,331	264,627	202,153
4.	Currency in circulation (1-2-3)	1,673,746	1,938,222	2,177,873	2,554,749	3,333,784	3,911,315	4,053,248
5.	Other deposits with SBP*	8,899	9,075	11,689	13,747	18,756	22,692	22,737
6.	Scheduled Banks Total Deposits**	5,959,150	6,909,066	7,777,021	8,713,648	9,472,313	10,646,875	10,647,534
7.	Resident Foreign Currency Deposits (RFCD)	440,130	514,988	599,384	597,760	587,258	655,340	741,541
8.	Monetary assets (4+5+6)	7,641,795	8,856,364	9,966,583	11,282,144	12,824,853	14,580,882	14,723,518
9.	Growth rate (%)	14.1	15.9	12.5	13.2	13.7	13.7	1.0
Memorandum								
1.	Currency / Money ratio	21.9	21.9	21.9	22.6	26.0	26.8	27.5
2.	Demand Deposits / Money ratio	61.7	63.1	65.3	65.6	63.9	64.3	62.5
3.	Time Deposits / Money ratio	10.6	9.1	6.7	6.4	5.4	4.2	4.7
4.	Other Deposits / Money ratio	0.1	0.1	0.1	0.1	0.1	0.1	0.2
5.	RFCD / Money ratio	5.8	5.8	6.0	5.3	4.6	4.5	5.0
6.	Income Velocity of Money***	2.8	2.7	2.7	2.6	2.4	2.3	-

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

***: Excluding IMF A/c Nos.1 & 2 SAF Loans A/c deposits money banks, counterpart funds, deposits of foreign central banks and foreign governments.**

**** : Excluding inter banks deposits and deposits of federal and provincial governments, foreign constituents and international organization etc.**

***** : Income velocity of money is taken as GDP at current factor cost / quarterly average of monetary assets (M2)**

TABLE 5.2

CAUSATIVE FACTORS ASSOCIATED WITH MONETARY ASSETS

(Rs million)

	2012	2013	2014	2015	2016	2017	2018 February
			A. Stock End June				
1. Public Sector Borrowing (net)							
(i + ii + iii + iv + v + vi)	4,257,951	5,698,111	6,025,228	6,958,215	7,819,545	8,955,597	9,240,669
i. Net Budgetary Support	3,799,917	5,239,564	5,542,534	6,403,559	7,194,814	8,282,074	8,608,051
ii. Commodity Operations	436,137	467,707	492,439	564,459	636,574	686,508	641,572
iii. Zakat Fund etc.	-10,298	-9,159	-9,745	-9,803	-11,843	-12,985	-8,954
iv. Utilization of privatization proceeds by Govt./WAPDA	37,657	0	0	0	0	0	0
v. Use of Privatization proceeds/ NDRP Fund for Debt Retirement	-5,749	0	0	0	0	0	0
vi. Payment to HBL on A/C of HC&EB	287	0	0	0	0	0	0
2. Non-Government Sector*	3,652,248	3,675,471	4,152,542	4,456,001	5,012,588	6,011,267	6,453,189
i. Autonomous Bodies**	83,987	106,960	130,283	142,179	200,760	250,244	315,545
ii. Net Credit to Private Sector * & PSCEs	3,568,261	3,568,511	4,022,260	4,313,822	4,811,828	5,761,023	6,137,643
a. Private Sector*	3,376,392	3,368,839	3,779,236	4,003,083	4,449,547	5,197,473	5,509,969
b. Public Sector Corp. other than 2(i)	197,087	205,210	248,501	316,561	367,297	572,553	635,833
c. PSEs Special Account Debt Repayment	-23,915	-24,075	-24,075	-24,075	-24,244	-24,244	-24,244
d. Other Financial Institutions (NBFIs)	18,697	18,537	18,597	18,252	19,228	15,241	16,085
3. Counterpart Funds	-498	-530	-530	-530	-530	-530	-530
4. Other Items (Net)*	-800,038	-779,425	-803,699	-944,289	-1,014,348	-987,502	-1,181,097
5. Domestic Credit (1+2+3+4)	7,109,663	8,593,629	9,373,541	10,469,398	11,817,255	13,978,833	14,512,230
6. Foreign Assets (Net)	532,131	262,735	593,042	812,747	1,007,598	602,049	211,288
7. Monetary Assets (5+6)	7,641,795	8,856,364	9,966,583	11,282,144	12,824,853	14,580,882	14,723,518
				B. Changes over the year (July-June)			
8. Public Sector Borrowing (net)							
(i+ii+iii+iv+v+vi)	1,237,441	1,440,160	327,117	932,986	861,330	1,136,052	285,072
i. Net Budgetary Support	1,198,295	1,439,647	302,971	861,025	791,255	1,087,259	325,977
ii. Commodity Operations	38,649	31,570	24,733	72,019	72,115	49,934	-44,936
iii. Zakat Fund etc.	498	1,139	-587	-58	-2,040	-1,142	4,031
iv. Utilization of privatization proceeds by Govt./WAPDA	0	-37,657	0	0	0	0	0
v. Use of Privatization proceeds/ NDRP Fund for Debt Retirement	0	5,749	0	0	0	0	0
vi. Payment to HBL on A/C of HC&EB	0	-287	0	0	0	0	0
9. Non-Government Sector*	104,903	23,223	477,071	303,459	556,586	998,680	441,921
i. Autonomous Bodies**	15,704	22,973	23,322	11,897	58,581	49,484	65,301
ii. Net Credit to Private Sector & PSCEs	89,200	250	453,749	291,562	498,006	949,196	376,620
a. Private Sector*	235,242	-7,553	410,398	223,847	446,463	747,926	312,496
b. Public Sector Corp. other than 2(i)	-146,168	8,123	43,291	68,060	50,736	205,256	63,280
c. PSEs Special Account Debt Repayment	0	-160	0	0	-169	0	0
d. Other Financial Institutions (NBFIs)	126	-160	60	-345	975	-3,987	844
10. Counterpart Funds	0	-32	0	0	0	0	0
11. Other Items (Net)*	-147,622	20,613	-24,275	-140,589	-70,060	26,847	-193,596
12. Domestic Credit Expansion (8+9+10+11)	1,194,723	1,483,966	779,913	1,095,856	1,347,857	2,161,578	533,398
13. Foreign Assets (Net)	-248,122	-269,396	330,306	219,705	194,851	-405,548	-390,762
14. Monetary Expansion (12+13)	946,601	1,214,569	1,110,219	1,315,561	1,542,708	1,756,029	142,636

P : Provisional R:Revised

Source: State Bank of Pakistan

*: Note:Islamic Financing , Advances (against Murabaha etc) and other related items previously reported under other Assets has been reclassified as credit to private sector.

** : Autonomous bodies are WAPDA (PEPCO), OGDCL, SSGC, SNGPL, PIA, Pakistan Steel and Pakistan Railway.

TABLE 5.3

SCHEDULED BANKS POSITION BASED ON WEEKLY RETURNS: LIABILITIES AND ASSETS

(Rs million)

	Outstanding Amount at end June	2012	2013	2014	2015	2016	2017	2018 February
LIABILITIES								
1.	Capital (paid-up) and Reserves	813,555	932,906	984,863	1,277,273	1,328,880	1,437,459	1,444,080
DEMAND LIABILITIES IN PAKISTAN								
2.	Inter-banks Demand Liabilities	107,332	120,419	129,222	132,589	204,904	257,221	104,104
2.1	Borrowing	0	0	0	0	0	0	0
2.2	Deposits	107,332	120,419	129,222	132,589	204,904	257,221	104,104
3.	Deposits (General)	5,251,360	6,147,750	7,148,706	8,161,800	9,109,950	10,571,868	10,522,959
4.	Other Liabilities	291,216	328,249	384,936	367,968	372,126	393,622	428,097
5.	Total Demand Liabilities (2+3+4)	5,649,908	6,596,418	7,662,865	8,662,357	9,686,980	11,222,711	11,055,160
TIME LIABILITIES IN PAKISTAN								
6.	Inter-banks Time Liabilities	660	4,883	625	466	9,015	2,166	1,450
6.1	Borrowing	0	0	0	0	0	0	0
6.2	Deposits	660	4,883	625	466	9,015	2,166	1,450
7.	Time Deposits (General)	1,043,383	1,055,019	1,002,053	1,073,549	1,126,433	1,149,503	1,304,754
8.	Other Liabilities	108,105	113,607	106,009	137,495	150,456	163,443	188,921
9.	Total Time Liabilities (6+7+8)	1,152,148	1,173,509	1,108,687	1,211,509	1,285,905	1,315,111	1,495,126
10.	Total Demand and Time Liabilities	6,802,056	7,769,926	8,771,552	9,873,867	10,972,884	12,537,822	12,550,285
11.	Borrowing From SBP	378,714	483,931	272,436	918,222	1,841,278	1,846,931	1,945,451
12.	Borrowing from Banks Abroad	15,446	43,219	70,309	101,329	170,730	355,746	353,065
13.	Money at Call and Short Notice in Pakistan	96,165	277,425	340,538	266,903	210,325	452,223	471,642
14.	Other Liabilities	521,701	499,920	521,906	513,135	438,714	536,987	621,680
15.	Total Liabilities	8,627,638	10,007,328	10,961,604	12,950,729	14,962,812	17,167,168	17,386,204
16.	Total Statutory Reserves	282,495	329,821	383,143	433,118	484,349	561,136	552,758
16.1	On Demand Liabilities	282,495	329,821	383,143	433,118	484,349	561,136	552,758
16.2	On Time Liabilities Assets	0	0	0	0	0	0	0
ASSETS								
17.	Cash in Pakistan	110,055	110,867	139,490	160,299	229,331	264,627	202,153
18.	Balances with SBP	393,631	489,765	525,303	406,616	375,431	650,306	660,850
19.	Other Balances	116,871	133,064	162,657	164,176	192,970	271,240	81,960
20.	Money at Call and Short Notice in Pakistan	102,968	252,298	319,058	408,195	253,597	438,076	477,458
21.	17+18+19+20 as % of Total Demand and Time Liabilities	10.6	12.7	13.0	12.0	10.0	13.0	11.0
FOREIGN CURRENCY								
22.	Foreign Currency held in Pakistan	19,024	19,365	24,468	24,688	27,636	29,433	32,358
23.	Balances with Banks Abroad	95,290	89,011	88,353	102,479	99,105	107,376	103,921
24.	Total Foreign Currency	114,315	108,376	112,821	127,168	126,741	136,809	136,279
BANK CREDIT ADVANCES								
25.	To Banks	0	0	0	0	0	0	0
26.	To Others*	3,566,978	3,685,217	4,164,034	4,535,839	5,116,604	6,020,968	6,436,282
27.	Total Advances*	3,566,978	3,685,217	4,164,034	4,535,839	5,116,604	6,020,968	6,436,282
28.	Bills Purchased and Discounted	204,982	219,048	224,842	201,228	188,473	206,891	217,855
29.	Total Bank Credit	3,771,960	3,904,265	4,338,875	4,737,067	5,305,077	6,227,859	6,654,136
29 a.	Total Credit as % of Total Demand and Time Liabilities	55.5	50.2	49.0	47.0	48.0	50.0	53.0
INVESTMENT IN SECURITIES AND SHARES								
30.	Central Government Securities	829,485	1,117,115	2,413,134	3,295,052	4,321,042	3,731,026	3,273,342
31.	Provincial Government Securities	0	0	0	0	0	0	0
32.	Treasury Bills	1,928,287	2,611,512	1,550,476	2,164,055	2,665,755	3,784,170	4,294,119
33.	Other Investment in Securities & Shares	435,647	367,692	375,968	390,468	442,820	554,648	529,536
34.	Total Investment in Securities and Shares	3,193,419	4,096,319	4,339,578	5,849,576	7,429,617	8,069,843	8,096,997
35.	35 as % of 10	46.9	52.7	49.0	59.0	68.0	64.0	65.0
36.	Other Assets *	510,637	597,530	640,249	735,456	676,337	715,198	627,079
37.	Advance Tax Paid	75,114	67,450	72,314	58,375	56,172	47,569	42,922
38.	Fixed Assets	238,669	247,394	261,258	303,801	317,540	345,641	406,370
39.	Total Assets	8,627,638	10,007,328	10,961,604	12,950,729	14,962,812	17,167,168	17,386,204
40.	Excess Reserves (18-16)	111,136	159,944	142,159	-26,502	-108,918	89,170	108,092

P : Provisional

Source: State Bank of Pakistan

Note:

1 : Effective from 22 July 2006, demand & time deposits have been re-classified in accordance with Banking Surveillance Department circular no. 9, 2006 dated 18 July 2006. The time deposits of less than 6 months are included in demand deposits for the purpose of Cash Reserve Requirement and Statutory Liquid Requirements.

2 : Definition of time & demand liabilities as mentioned in BSD circular no 9th dated 18th July 2008 have been revised. As per new definition, time liabilities include deposits with tenor of one year and above. Accordingly, time deposits with tenor of less than one year will become part of demand deposits.

*: Note:Islamic Financing , Advances (against Murabaha etc) and other related items previously reported under other Assets has been reclassified as credit to private sector.

TABLE 5.4

INCOME VELOCITY OF MONEY

(Rs billion)

End June Stocks	Narrow Money M1	Monetary Assets (M2)	Growth Percentage	Income Velocity of Monetary Assets (M2)
2000-01	1,275.61	1,526.04	9.0	2.6
2001-02	1,494.14	1,751.88	14.8	2.5
2002-03	1,797.36	2,078.48	18.6	2.3
2003-04	2,174.74	2,485.49	19.6	2.3
2004-05	2,512.21	2,960.64	19.1	2.4
2005-06	2,716.17	3,406.91	15.1	2.4
2006-07	3,150.76	4,065.16	19.3	2.3
2007-08	3,296.96	4,689.14	15.3	2.3
2008-09	3,621.22	5,137.21	9.6	2.7
2009-10	-	5,777.23	12.5	2.7
2010-11	-	6,695.19	15.9	2.9
2011-12	-	7,641.79	14.1	2.8
2012-13	-	8,856.36	15.9	2.7
2013-14	-	9,966.58	12.5	2.7
2014-15	-	11,282.14	13.2	2.6
2015-16	-	12,824.85	13.7	2.4
2016-17	-	14,580.88	13.7	2.3
Feb-18	-	14,723.52	1.0	-

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

Explanatory Notes:

1. It may be noted that data series of M1 from 2000-01 is not comparable as compilation of M1 based on weekly data has been discontinued by the SBP. Now M1 is being compiled on the basis of monthly returns and will be reported on SBP website at http://www.sbp.org.pk/ecodata/M3.pdf

2. The stock data of M2 has been revised since June 2002 due to treatment of privatization commission deposits with NBP as government deposits. These deposits were previously included in private sector deposits which have now being included in government deposits.

3. Provision of data on M1 is discontinued from SBP.

TABLE 5.5

LIST OF DOMESTIC, FOREIGN BANKS AND DFIs (As on 31-12-2017)

Public Sector Commercial Banks

1. **First Women Bank Ltd.**
2. **National Bank of Pakistan**
3. **Sindh Bank Limited**
4. **The Bank of Khyber**
5. **The Bank of Punjab**

Specialized Scheduled Banks

1. **The Punjab Provincial Co-operative Bank**
2. **Industrial Development Bank Limited (IDBL)**
3. **SME Bank Limited**
4. **Zarai Taraqiati Bank Limited**

Private Local Banks

1. **Allied Bank Limited**
2. **Albarka Bank Pakistan Limited**
3. **Askari Bank Limited**
4. **Bank Al Falah Limited**
5. **Bank Al Habib Limited**
6. **BankIslami Pakistan Limited**
7. **Dubai Islamic Bank Pakistan Limited**
8. **Faysal Bank Limited**
9. **Habib Bank Limited**
10. **Habib Metropolitan Bank Limited**
11. **JS Bank Limited**
12. **MCB Bank Limited**
13. **MCB Islamic Bank**
14. **Meezan Bank Limited**
15. **Samba Bank Limited**
16. **Silk Bank Limited**
17. **Soneri Bank Limited**
18. **Standard Chartered Bank (Pakistan) Limited**
19. **Summit Bank Limited**
20. **United Bank Limited**

Foreign Banks

1. **Citibank N.A.**
2. **Deutsche Bank A.G**
3. **Industrial and Commercial Bank of China Limited**
4. **The Bank of Tokyo - Mitsubishi UFJ Limited**
5. **Bank of China Limited**

Development Financial Institutions

1. **House Building Finance Corporation**
2. **Pak-Brunai Investment Company Ltd**
3. **Pak-China Investment Co. Ltd**
4. **Pak-Iran Joint Investment Co.Ltd**
5. **Pak Kuwait Investment Company of Pakistan (Pvt) Limited**
6. **Pak Labya Holding Company (Pvt) Limited**
7. **Pak Oman Investment Company (Pvt) Limited**
8. **Saudi Pak Industrial & Agricultural Investment Company (Pvt) Limited**

Micro Finance Banks

1. **Advans Pakistan Microfinance Bank**
2. **FINCA Microfinance Bank Ltd**
3. **First Microfinance Bank**
4. **Khushhali Bank**
5. **Apna Microfinance Bank (Formerly Network Microfinance Bank)**
6. **NRSP Microfinance Bank Ltd**
7. **Pak Oman Microfinance Bank Limited**
8. **Telenor Microfinance Bank (Formerly Tameer Microfinance Bank)**
9. **U Microfinance Bank Ltd**
10. **Mobilink Microfinance Bank (Formerly Waseela Microfinance Bank)**
11. **Sindh Microfinance Bank Limited**

Source: State Bank of Pakistan

TABLE 5.6

SCHEDULED BANKS IN PAKISTAN (Weighted Average Rates of Return on Advances)

(in percentage)

As at the End of		Precious Metal	Stock Exchange Securities	Merchan-dise	Machinery	Real Estate	Financial Obli-gations	Others	Total Advances*
I. INTEREST BEARING									
2001	Jun	11.75	13.54	13.69	13.50	12.84	13.07	12.05	13.07
		(13.87)	(14.06)	(13.59)	(13.55)	(13.86)	(13.00)	(13.87)	(13.64)
2002	Jun	8.10	11.27	13.12	13.56	12.72	13.88	12.47	13.00
		(8.14)	(11.70)	(13.13)	(13.67)	(12.98)	(13.81)	(13.39)	(13.29)
2003	Jun	12.01	11.97	9.39	15.66	12.63	7.74	10.66	11.87
		(12.01)	(11.82)	(9.67)	(15.68)	(12.86)	(7.66)	(11.49)	(12.35)
2004	Jun	9.20	6.01	6.89	11.21	9.08	7.08	9.04	8.41
		(9.20)	(6.01)	(7.08)	(11.77)	(9.08)	(7.03)	(9.05)	(8.54)
2005	Jun	8.51	6.86	6.09	4.59	6.68	6.76	8.86	7.01
		(8.51)	(8.29)	(6.01)	(4.07)	(6.68)	(6.70)	(9.02)	(7.01)
2006	Jun	11.58	14.84	8.68	8.55	10.23	10.31	9.59	9.71
		(11.58)	(14.09)	(8.51)	(8.55)	(10.23)	(10.31)	(9.99)	(9.66)
2007	Jun	10.87	11.37	10.73	11.07	12.30	11.05	10.76	11.25
		(10.87)	(12.11)	(10.68)	(11.06)	(12.30)	(11.05)	(10.81)	(11.30)
	Dec	11.45	10.36	9.82	11.09	12.85	10.02	11.93	11.64
		(11.45)	(10.42)	(9.82)	(11.09)	(12.85)	(10.02)	(11.98)	(11.66)
2008	Jun	13.62	12.37	11.78	13.16	12.21	13.32	13.02	12.53
		(13.62)	(12.60)	(11.77)	(13.16)	(12.21)	(13.32)	(13.14)	(12.57)
	Dec	14.64	13.88	13.83	12.05	13.60	16.55	13.74	13.60
		(14.64)	(14.11)	(13.83)	(12.04)	(13.60)	(16.55)	(13.52)	(13.66)
2009	Jun	14.86	12.15	13.45	11.91	14.14	15.30	13.21	13.54
		(14.86)	(10.11)	(13.07)	(11.91)	(13.75)	(15.27)	(13.10)	(13.54)
	Dec	14.07	11.62	12.38	12.78	13.70	12.43	12.35	12.66
		(14.07)	(10.28)	(12.17)	(12.78)	(13.70)	(11.87)	(11.99)	(12.48)
2010	Jun	14.85	13.86	10.90	9.63	12.77	12.07	13.02	12.20
		(14.85)	(14.30)	(9.77)	(9.63)	(12.77)	(12.07)	(13.20)	(12.03)
	Dec	14.72	13.36	11.69	12.02	12.48	13.45	12.92	12.36
		(14.72)	(12.30)	(11.32)	(11.95)	(12.47)	(13.45)	(12.81)	(12.19)
2011	Jun	15.78	12.42	11.33	11.11	12.01	11.04	12.85	12.01
		(15.78)	(13.26)	(10.50)	(11.11)	(12.01)	(11.04)	(12.69)	(11.72)
	Dec	14.78	10.20	11.53	8.89	11.46	13.12	12.90	11.81
		(14.78)	(9.95)	(11.27)	(8.85)	(11.46)	(13.12)	(12.88)	(11.68)
2012	Jun	12.80	12.86	11.89	11.07	12.49	12.30	13.29	12.43
		(12.80)	(15.01)	(11.48)	(11.02)	(12.49)	(12.30)	(13.24)	(12.28)
	Dec	15.40	12.28	10.55	8.31	10.20	8.40	11.41	10.77
		(15.40)	(12.25)	(10.15)	(8.28)	(10.20)	(8.40)	(11.92)	(10.81)
2013	Jun	14.86	11.72	8.71	8.45	10.80	9.40	10.64	9.97
		(14.86)	(11.95)	(8.61)	(8.42)	(10.80)	(9.40)	(10.58)	(9.89)
	Dec	9.66	11.65	10.77	9.67	11.11	7.79	11.49	10.91
		(9.66)	(11.97)	(10.50)	(9.66)	(11.11)	(7.79)	(12.22)	(11.04)
2014	Jun	15.46	12.03	10.11	9.92	11.61	7.10	11.72	11.20
		(15.46)	(12.49)	(9.66)	(9.92)	(11.61)	(7.10)	(11.72)	(11.10)
	Dec	15.32	11.93	9.58	9.64	11.65	7.39	12.33	11.30
		(15.32)	(12.73)	(9.07)	(9.64)	(11.65)	(7.39)	(12.33)	(11.20)
2015	Jun	12.99	11.15	9.13	8.64	9.91	7.32	11.51	10.27
		(12.99)	(11.06)	(8.73)	(8.64)	(9.91)	(7.32)	(11.51)	(10.14)
	Dec	14.45	9.44	8.69	8.79	9.29	6.65	11.38	9.90
		(14.45)	(10.49)	(8.92)	(8.79)	(9.29)	(6.65)	(11.38)	(10.07)
2016	Jun	11.60	8.30	8.76	8.59	8.80	9.58	10.03	9.25
		(11.60)	(9.40)	(8.18)	(8.80)	(8.80)	(9.58)	(10.72)	(9.44)
	Dec	11.35	9.18	7.94	8.44	8.49	4.76	10.92	9.28
		(11.35)	(9.50)	(7.94)	(8.44)	(8.49)	(4.76)	(11.21)	(9.36)
2017	Jun	14.51	7.31	7.11	8.38	8.67	4.52	11.03	8.88
		(14.51)	(9.56)	(7.85)	(8.38)	(8.67)	(4.52)	(11.55)	(9.35)

*** : Weighted average rates shown in parentheses represent Private Sector.** **(Contd.)**

TABLE 5.6

SCHEDULED BANKS IN PAKISTAN (Weighted Average Rates of Return on Advances)

(in percentage)

As at the End of		Precious Metal	Stock Exchange Securities	Merchan-dise	Machinery	Real Estate	Financial Obli-gations	Others	Total Advances*
II. ISLAMIC MODES OF FINANCING									
2001	Jun	11.02	13.47	13.39	14.53	13.31	13.84	14.03	13.65
		(11.28)	(13.57)	(13.88)	(14.42)	(14.52)	(13.86)	(14.78)	(14.24)
2002	Jun	9.30	13.09	12.85	13.70	13.47	13.32	13.32	13.20
		(9.50)	(13.33)	(12.73)	(13.81)	(14.05)	(13.22)	(14.00)	(13.52)
2003	Jun	11.43	5.92	7.50	9.39	11.47	7.79	10.31	9.19
		(11.43)	(5.77)	(7.95)	(9.54)	(12.08)	(8.62)	(10.84)	(9.71)
2004	Jun	10.86	4.86	5.73	6.61	9.27	5.88	8.34	7.19
		(10.86)	(5.28)	(5.96)	(6.81)	(9.68)	(5.82)	(9.01)	(7.60)
2005	Jun	9.03	7.15	7.93	7.80	10.16	8.21	10.15	8.94
		(9.03)	(7.17)	(7.95)	(7.88)	(10.22)	(8.19)	(10.67)	(9.13)
2006	Jun	10.66	10.03	9.63	9.14	11.23	9.25	12.37	10.68
		(10.66)	(10.20)	(9.66)	(9.20)	(11.26)	(9.25)	(12.90)	(10.83)
2007	Jun	12.04	11.26	10.11	10.80	11.92	10.43	13.02	11.57
		(12.04)	(11.34)	(10.03)	(10.84)	(11.92)	(10.49)	(13.40)	(11.68)
	Dec	9.70	11.27	10.26	10.76	11.80	10.58	12.93	11.55
		(9.70)	(11.41)	(10.23)	(10.82)	(11.79)	(10.62)	(13.26)	(11.65)
2008	Jun	11.75	12.87	11.53	12.26	12.11	11.23	13.90	12.48
		(11.75)	(12.93)	(11.55)	(12.22)	(12.12)	(11.23)	(14.21)	(12.55)
	Dec	15.02	15.76	14.42	14.62	13.51	15.00	15.89	14.72
		(15.02)	(15.66)	(14.19)	(14.67)	(13.49)	(15.02)	(15.96)	(14.72)
2009	Jun	14.18	15.01	14.19	14.20	13.27	15.83	15.08	14.31
		(14.18)	(15.03)	(13.73)	(14.10)	(13.30)	(16.79)	(15.20)	(14.30)
	Dec	14.18	13.61	12.10	12.72	12.71	11.93	14.88	13.22
		(14.14)	(14.02)	(12.18)	(12.70)	(12.71)	(11.55)	(14.96)	(13.10)
2010	Jun	15.08	14.26	13.16	13.81	12.25	13.59	14.83	13.73
		(15.74)	(14.34)	(12.80)	(13.79)	(12.24)	(13.67)	(14.94)	(13.52)
	Dec	15.20	13.80	13.01	13.10	12.24	12.86	14.59	13.43
		(15.20)	(13.59)	(12.69)	(13.18)	(12.23)	(12.79)	(14.82)	(13.23)
2011	Jun	16.24	11.04	12.81	13.74	12.57	12.81	14.73	13.55
		(16.24)	(14.41)	(12.36)	(14.22)	(12.53)	(12.83)	(14.43)	(13.32)
	Dec	13.50	13.06	13.40	14.18	12.46	12.42	15.04	13.83
		(13.50)	(13.21)	(13.17)	(14.14)	(12.46)	(12.51)	(14.92)	(13.62)
2012	Jun	9.46	11.63	12.84	12.51	11.84	14.11	13.68	12.84
		(9.63)	(12.89)	(12.43)	(13.17)	(11.81)	(14.10)	(13.52)	(12.72)
	Dec	9.53	11.10	11.19	12.10	12.43	13.30	12.80	12.02
		(9.53)	(11.67)	(10.91)	(12.03)	(12.40)	(13.21)	(13.02)	(11.93)
2013	Jun	12.80	11.65	11.02	11.74	12.05	13.80	11.97	11.70
		(13.69)	(11.44)	(10.92)	(11.46)	(12.04)	(12.57)	(12.45)	(11.70)
	Dec	14.20	10.80	10.52	11.14	11.22	9.10	11.06	10.96
		(15.26)	(10.99)	(10.48)	(11.03)	(11.29)	(10.67)	(11.35)	(11.05)
2014	Jun	14.22	11.27	10.12	9.48	12.03	10.65	11.73	10.99
		(15.12)	(11.25)	(10.44)	(11.16)	(11.71)	(10.65)	(11.94)	(11.33)
	Dec	13.73	11.00	10.35	10.72	11.50	10.22	11.11	10.85
		(15.03)	(11.01)	(10.31)	(11.04)	(11.50)	(10.19)	(11.58)	(10.99)
2015	Jun	11.59	8.83	8.48	8.22	10.49	10.19	9.48	9.13
		(12.22)	(8.79)	(8.68)	(8.62)	(10.56)	(9.58)	(10.46)	(9.54)
	Dec	13.15	8.42	7.32	8.16	9.12	9.70	8.76	8.33
		(13.85)	(7.94)	(7.43)	(8.18)	(9.20)	(8.57)	(10.05)	(8.65)
2016	Jun	11.28	6.73	7.44	8.01	9.56	10.17	8.94	8.34
		(11.28)	(8.21)	(7.48)	(8.24)	(9.75)	(9.37)	(10.69)	(8.85)
	Dec	11.18	7.75	6.47	7.10	8.07	4.84	8.42	7.51
		(11.19)	(7.58)	(6.88)	(7.00)	(9.03)	(7.94)	(9.71)	(8.05)
2017	Jun	8.25	7.40	6.93	5.88	8.79	6.74	8.43	7.41
		(8.25)	(7.24)	(6.90)	(7.11)	(8.99)	(6.74)	(9.58)	(7.98)

* : Weighted average rates shown in parentheses represent Private Sector

Source: State Bank of Pakistan

TABLE 5.7

SALE OF MARKET TREASURY BILLS THROUGH AUCTION

(Rs million)

No.	Securities	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 Jul-Mar
	Market Treasury Bills*								
A.	**Three Months Maturity**								
	Amount Offered								
	i) Face value	2,837,276	1,658,923	1,592,616	5,555,952	1,697,279	2,726,618	5,287,269	13,339,720
	ii) Discounted value	2,742,436	1,611,411	1,554,179	5,435,437	1,658,957	2,681,109	5,223,172	13,156,113
	Amount Accepted								
	i) Face value	1,668,408	1,114,157	1,155,404	5,031,692	1,231,906	1,457,485	3,824,534	10,976,213
	ii) Discounted value	1,619,861	1,084,374	1,130,378	4,922,517	1,206,378	1,436,402	3,772,951	10,825,635
	Weighted Average Yield								
	i) Minimum % p.a.	12.084	11.562	8.932	8.887	6.606	5.900	5.7873	5.9902
	ii) Maximum % p.a.	13.577	13.518	11.873	9.974	9.970	6.931	5.9910	6.2591
B.	**Six Months Maturity**								
	Amount Offered								
	i) Face value	2,226,878	1,719,456	3,597,169	1,024,910	2,157,339	2,873,573	4,632,304	1,371,631
	ii) Discounted value	2,087,195	1,619,284	3,425,863	973,520	2,071,487	2,780,740	4,495,594	1,320,760
	Amount Accepted								
	i) Face value	1,614,552	1,058,185	2,434,463	950,189	1,251,489	1,629,803	2,974,251	1,198,292
	ii) Discounted value	1,538,590	996,796	2,319,355	906,276	1,200,353	1,579,538	2,888,666	1,163,423
	Weighted Average Yield								
	i) Minimum % p.a.	12.316	11.626	8.916	8.944	6.635	5.891	5.8214	6.0093
	ii) Maximum % p.a.	13.736	13.762	11.920	9.979	9.979	6.951	6.0109	6.0109
C.	**Twelve Months Maturity**								
	Amount Offered								
	i) Face value	908,194	2,154,137	2,963,751	915,273	2,955,465	3,656,106	1,708,636	86,054
	ii) Discounted value	799,172	1,910,366	2,691,500	830,313	2,725,976	3,434,144	1,611,283	78,882
	Amount Accepted								
	i) Face value	599,015	1,283,676	2,017,987	894,465	1,226,861	1,821,670	936,611	47,687
	ii) Discounted value	527,018	1,139,954	1,833,775	813,625	1,130,052	1,712,268	884,431	44,979
	Weighted Average Yield								
	i) Minimum % p.a.	12.431	11.690	8.956	8.957	6.717	5.910	5.8370	6.0273
	ii) Maximum % p.a.	13.907	13.907	11.930	9.990	9.990	6.971	6.0499	6.0386

Source: State Bank of Pakistan

* : MTBs were introduced in 1998-99

Note : Amount includes Non-competitive Bids as well

TABLE 5.8

SALE OF PAKISTAN INVESTMENT BONDS THROUGH AUCTION

(Rs million)

No.	Securities	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 Jul-Mar
	Pakistan Investment Bonds*								
A.	Amount Offered (face value)	321,936	331,683	647,257	2,232,571	2,175,106	2,559,922	1,761,044	218,774
	03 Years Maturity	81,960	98,271	319,735	1,231,992	1,104,978	1,315,268	1,039,668	157,928
	05 Years Maturity	33,306	74,798	173,909	465,286	577,463	982,167	451,788	24,085
	07 Years Maturity	6,576	1,650	-	-	-	-	-	-
	10 Years Maturity	176,840	149,418	147,403	512,925	483,891	262,487	266,846	36,761
	15 Years Maturity	2,966	2,446	-	-	-	-	-	-
	20 Years Maturity	7,875	4,890	6,210	22,368	8,775	-	2,743	-
	30 Years Maturity	12,413	210	-	-	-	-	-	-
B.	Amount Accepted (face value)	169,295	226,095	278,357	2,038,994	1,014,437	963,600	894,017	55,621
	3 Years Maturity								
	(i) Amount Accepted	49,712	72,207	139,300	1,171,806	495,486	484,812	522,756	23,376
	(ii) Weighted Average Yield								
	Minimum % p.a.	13.898	12.080	9.607	10.326	7.365	6.295	6.1444	6.4029
	Maximum % p.a.	14.200	13.431	12.639	12.086	12.539	8.065	6.4043	6.4029
	5 Years Maturity								
	(i) Amount Accepted	16,668	55,897	80,492	426,111	287,494	407,561	239,114	10,150
	(ii) Weighted Average Yield								
	Minimum % p.a.	12.276	12.108	10.050	10.776	8.011	6.882	6.6364	6.8960
	Maximum % p.a.	14.277	13.474	13.050	12.559	12.965	8.965	6.8998	6.8960
	7 Years Maturity								
	(i) Amount Accepted	Bids	-	-	-	-	-	-	-
	(ii) Weighted Average Yield	Rejected							
	Minimum % p.a.	0	0	-	-	-	-	-	-
	Maximum % p.a.	0	0	-	-	-	-	-	-
	10 Years Maturity								
	(i) Amount Accepted	101,355	92,049	53,368	420,755	223,457	71,227	132,147	22,095
	(ii) Weighted Average Yield								
	Minimum % p.a.	14.017	12.156	10.962	11.527	9.137	7.9981	7.7222	7.9359
	Maximum % p.a.	14.249	13.499	13.327	12.921	13.439	9.4007	7.9414	7.9359
	15 Years Maturity								
	(i) Amount Accepted	460	2,262	-	-	-	-	-	-
	(ii) Weighted Average Yield								
	Minimum % p.a.	14.098	13.501	-	-	-	-	-	-
	Maximum % p.a.	14.108	13.501	-	-	-	-	-	-
	20 Years Maturity						-		
	(i) Amount Accepted	875	3,680	5,197	20,323	8,000	-	-	-
	(ii) Weighted Average Yield								
	Minimum % p.a.	14.138	13.350	13.350	12.900	11.000	-	-	-
	Maximum % p.a.	14.199	13.350	13.350	13.289	13.591	-	-	-
	30 Years Maturity								
	(i) Amount Accepted	225	0	-	-	-	-	-	-
	(ii) Weighted Average Yield						-		
	Minimum % p.a.	14.186	0	-	-	-	-	-	-
	Maximum % p.a.	14.187	0	-	-	-	-	-	-

* : PIBs were introduced in 2000-01 — Source: State Bank of Pakistan

Note: Amounts includes non-competitive bids & short sale accomodation as well.

CAPITAL MARKETS
&
CORPORATE SECTOR

TABLE 6.1

NATIONAL SAVINGS SCHEMES (NET INVESTMENT)

Rs million

	Name of Scheme	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (Jul-Feb)
1.	Defence Savings Certificates	(27,411.3)	(32,493.2)	9,748.1	7,295.5	29,892.0	12,970.8	16,183.3	8,053.0	16,620.0	7,992.8
2.	National Deposit Scheme	(2.7)	(0.1)	(1.0)	(0.9)	(0.6)	(0.3)	(1.0)	(0.3)	(0.7)	(0.4)
3.	Khaas Deposit Scheme	(1.6)	(3.8)	(2.6)	(0.6)	(1.2)	(0.8)	(4.3)	(2.0)	(51.4)	(0.4)
4.	Special Savings Certificates (R)	128,469.0	61,856.6	43,960.6	(52,834.2)	46,401.5	57,619.6	28,547.1	(1,932.8)	(39,344.6)	(35,206.6)
5.	Special Savings Certificates (B)	(8.5)	(0.3)	(0.7)	(0.9)	(0.3)	(0.8)	-	-	(0.8)	(0.6)
6.	Regular Income Certificates	40,094.3	44,538.3	46,946.8	43,971.6	36,047.0	62,783.3	50,582.1	(16,223.0)	(20,950.7)	3,163.9
7.	Bahbood Savings Certificates	78,538.0	59,267.2	61,731.6	52,254.5	47,622.7	53,963.0	45,927.8	63,761.1	57,432.1	28,622.9
8.	Pensioners' Benefit Account	22,215.7	18,166.9	17,940.3	16,359.5	17,538.9	18,471.2	15,701.9	20,645.1	18,716.7	13,355.6
9.	Savings Accounts	(10,899.2)	1,021.3	(625.3)	3,978.5	1,098.9	283.2	3,859.4	3,807.7	4,684.4	1,712.2
10.	Special Savings Accounts	21,627.1	31,375.5	14,240.8	61,098.8	150,836.0	(53,463.7)	100,124.9	30,924.1	65,246.6	24,938.8
11.	Mahana Amdani Accounts	50.0	(195.7)	(77.9)	(90.5)	(78.5)	(72.4)	(73.0)	(63.0)	(55.2)	(28.5)
12.	Prize Bonds	14,650.0	38,556.7	41,083.4	56,324.2	56,175.4	57,058.4	75,884.6	123,901.9	97,791.6	59,310.1
13.	National Savings Bonds	-	3,625.2	-	-	(3,425.6)	-	(62.6)	-	-	-
14.	Short Term Savings Certificates	-	-	-	-	3,969.7	(2,628.9)	389.1	157.9	2,077.4	70.0
15.	Premium Prize Bonds (R)	-	-	-	-	-	-	-	-	2921.72	1705.5
16	Postal Life Insurance	-	-	-	-	-	-	-	-	2529.79	779.0
	Grand Total	267,220.7	225,714.5	234,944.0	188,355.6	386,075.9	206,982.4	337,059.2	233,029.6	207,617.0	106,274.5

Note : Figures in Parenthesis represent negative numbers.

Source : Central Directorate of National Savings

R : Registered B : Bearer

TABLE 6.2
MARK UP RATE/PROFIT RATE ON DEBT INSTRUMENTS CURRENTLY AVAILABLE IN THE MARKET

S.No.	Schemes	Markup/Profit Rate	Maturity Period	Tax Status
1.	**Special US$ Bonds**			
	a) 3 year maturity	LIBOR+1.0%	The rates are effective from Sept.1999. All the special US$ Bonds have now matured, but some have not been encashed.	
	b) 5 year maturity	LIBOR+1.5%		
	c) 7 year maturity	LIBOR+2.0%		
2.	**Pakistan Investment Bonds**			
	Tenor	Rate of Profit		
	3-Year Maturity	7.00% p.a	These coupon rates are applicable w.e.f April 21, 2016	
	5-Year Maturity	7.75% p.a		
	10-Year Maturity	8.75% p.a		
	20-Year Maturity	10.75% p.a		
3.	**Unfunded Debt**			
	Defence Savings Certificates	7.54%p.a	10 Years	Taxable
	Special Savings Certificates (R)	6.03%p.a (average)	3 Years	Taxable
	Regular Income Certificates	6.54%p.a	5 Years	Taxable
	Savings Accounts	3.95%p.a	Running Account	Taxable
	Pensioners' Benefit Account	9.36%p.a	10 Years	Tax Exempt
	Bahbood Savings Certificate	9.36% p.a	10 Years	Tax Exempt
	National Prize Bonds	10.00%	Perpetual	Taxable
	Premium Prize Bond (R)	8.00%	Perpetual	Taxable
	Short Term Savings Certificate (STSC)			
	STSC 3 Months	5.60% p.a (m)	3 Months	Taxable
	STSC 6 Months	5.62% p.a. (m)	6 Months	Taxable
	STSC 12 Months	5.64% p.a. (m)	12 Months	Taxable

R : Registered   p.a : Per annum   Source : State Bank of Pakistan
m : on maturity   STSC : Short Term Savings Certificates   Central Directorate of National Savings

INFLATION

TABLE 7.1 (A)

PRICE INDICES

A. COMBINED CONSUMER PRICE INDEX BY GROUPS

(Base Year : 2000-01 = 100)

Groups/ Fiscal Year	General	Food Beverages & Tobacco	Apparel Textile & Footwear	House Rent	Energy	Household Furniture, Equipments etc.	Transport & Communication	Recreation Entertainment	Education	Cleaning, Laundry & Personal Appearance	Medicare
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001-02	103.54	102.50	103.23	102.80	107.76	103.80	103.80	106.30	104.97	102.50	102.37
2002-03	106.75	105.40	106.75	103.80	118.39	105.29	105.29	107.21	109.72	103.37	105.59
2003-04	111.63	111.74	109.69	108.20	120.26	115.72	115.72	106.08	114.19	111.29	106.89
2004-05	121.98	125.69	112.98	120.42	128.46	117.33	120.18	105.86	117.55	115.90	107.94
2005-06	131.64	134.39	117.58	132.36	147.24	124.25	130.99	105.65	125.03	119.49	110.66
2006-07	141.87	148.21	123.70	141.21	156.65	131.64	134.63	105.76	133.82	124.55	120.91
2007-08	158.90	174.36	133.79	154.47	165.17	141.08	138.66	107.86	140.88	138.28	132.23
2008-09	191.90	215.69	152.82	180.90	198.92	159.58	192.55	120.00	165.27	163.17	147.25
2009-10	214.41	242.59	162.49	205.88	226.90	169.76	204.15	127.09	185.74	180.52	157.02
2010-11	244.26	286.15	181.97	220.90	261.67	187.04	233.52	139.63	197.14	203.16	180.67

(Base Year : 2007-08 = 100)

Groups/ Fiscal Year	General	Food & Non Alcholic Beverages	Beverages & Tobaco	Clothing & Foot wear	Housing, Water, Elec.Gas & Fuel	Household Equipment & Repair Maintenance	Health	Transport	Communication	Recreation & Culture	Eduction	Restaurant & Hotels	Miscellaneous
2008-09	117.03	123.13	113.64	111.74	112.01	115.97	108.03	125.15	105.59	114.27	108.15	123.53	117.65
2009-10	128.85	139.05	136.71	119.22	122.14	123.93	114.33	132.79	109.65	127.87	119.39	140.36	133.63
2010-11	146.45	164.10	151.64	133.35	135.27	135.59	123.79	149.01	122.47	134.62	128.17	164.04	152.45
2011-12	162.57	182.20	165.01	153.45	146.17	160.28	137.97	171.39	122.94	145.35	143.83	185.82	181.47
2012-13	174.53	195.18	191.02	175.58	151.34	179.87	156.56	186.43	126.16	169.07	156.69	203.63	199.49
2013-14	189.58	212.74	223.38	198.01	164.60	195.85	167.15	195.15	129.76	183.77	172.57	228.61	210.15
2014-15	198.16	220.20	269.93	213.82	174.93	208.68	176.19	187.22	130.09	190.29	196.40	244.58	221.13
2015-16	203.82	219.42	329.25	224.18	183.90	217.38	182.69	174.25	130.56	194.21	213.02	256.79	228.22
2016-17	212.29	226.59	368.88	233.36	192.91	223.90	201.82	172.93	131.79	196.31	235.72	256.79	240.23
Jul-Mar													
2016-17	211.04	225.55	370.65	232.22	191.66	223.18	198.23	171.83	131.42	196.38	231.12	267.56	238.38
2017-18	219.01	232.50	308.16	241.69	200.83	230.77	216.26	179.43	133.13	197.59	259.12	283.76	252.02

Note: i) CPI 2000-01base year series converted into base year 2007-08.

ii) The base for price indices have been changed as 2007-08 new base year and different new groups have been included. Therefore, data may differ from the previous one.

(Contd.)

TABLE 7.1 (B)

PRICE INDICES (HEADLINE & CORE INFLATION)

Year	Indices				Headline & Core Inflation			
	General	Food	Non-Food	*Core	General	Food	Non-Food	*Core
	(Base Year : 2000-01 = 100)							
2000-01	100.00	100.00	100.00	100.00	4.41	3.56	5.09	4.2
2001-02	103.54	102.50	104.28	103.76	3.54	2.44	4.28	2.0
2002-03	106.75	105.40	107.66	106.43	3.10	2.89	3.24	2.5
2003-04	111.63	111.74	111.55	110.43	4.57	6.01	3.62	3.8
2004-05	121.98	125.69	119.47	117.95	9.28	12.48	7.10	6.8
2005-06	131.64	134.39	129.77	126.82	7.92	6.92	8.63	7.5
2006-07	141.87	148.21	137.58	134.35	7.77	10.28	6.02	5.9
2007-08	158.90	174.36	148.45	145.60	12.00	17.65	7.90	8.4
2008-09	191.90	215.69	175.81	171.18	20.77	23.70	18.45	17.6
2009-10	214.41	242.59	195.36	190.03	11.73	12.47	11.12	11.0
2010-11	244.26	286.15	215.94	208.42	13.92	17.95	10.53	9.7
	(Base Year : 2007-08 = 100)							
2008-09	117.03	123.13	113.37	111.38	17.03	23.13	13.37	11.38
2009-10	128.85	139.05	122.73	119.79	10.10	12.93	8.26	7.55
2010-11	146.45	164.10	135.87	131.03	13.66	18.02	10.71	9.38
2011-12	162.57	182.20	150.81	144.78	11.01	11.03	11.00	10.49
2012-13	174.53	195.18	162.16	158.62	7.36	7.12	7.53	9.56
2013-14	189.58	212.74	175.69	171.82	8.62	9.00	8.35	8.32
2014-15	198.16	220.20	184.95	183.08	4.53	3.50	5.27	6.55
2015-16	203.82	224.78	191.25	190.71	2.86	2.08	3.41	4.17
2016-17	212.29	233.37	199.65	200.61	4.16	3.82	4.39	5.19
Jul-Mar								
2016-17	211.04	232.40	198.23	199.08	4.01	3.80	4.16	5.07
2017-18	219.01	237.03	208.21	209.92	3.78	1.99	5.03	5.45

(Contd.)

Note: i) CPI 2000-01 base year series converted into base year 2007-08.
ii) Core Inflation is defined as overall inflation adjusted for food and energy.
iii) The base for price indices have been changed as 2007-08 new base year and different new groups have been included. Therefore, data may differ from the previous one.

TABLE 7.1 (C)

PRICES INDICES

Groups/ Fiscal Year	B. Wholesale Price Index by Groups						Sensitive Price Indicator	GDP Deflator
	General	Food	Raw Materials	Fuel, Lighting & Lubricants	Manufactures	Building Materials		
	(Base Year : 2000-01 = 100)							
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	108.02
2001-02	102.01	101.95	100.31	103.14	101.87	101.10	103.37	110.71
2002-03	107.77	105.62	115.51	115.95	103.67	102.90	107.06	115.61
2003-04	116.29	112.99	135.12	119.23	111.83	126.48	114.38	124.55
2004-05	124.14	125.03	110.44	138.01	113.05	143.79	127.59	133.30
2005-06	136.68	133.78	121.93	174.57	116.27	144.18	136.56	100.00 *
2006-07	146.17	145.67	138.85	184.10	119.91	151.93	151.35	107.28
2007-08	170.15	173.27	156.57	223.34	128.33	177.18	176.78	121.13
2008-09	201.10	213.54	184.45	258.96	140.67	213.00	218.16	146.18
2009-10	226.49	239.01	238.11	296.48	154.94	201.40	247.22	161.89
2010-11	279.30	285.93	374.44	348.19	197.39	226.63	292.16	193.52

Groups/ Fiscal Year	General	Agriculture Forestry & Fishery Product	Ores & Minerals, Materials electricity gas & water	Food Product, Beverages & Tobacco, Textiles Appreal Leather Products	Other Transportable Goods	Metal Products Machinery & Equipment	Sensitive Price Indicator	GDP Deflator
	(Base Year : 2007-08 = 100)							
2008-09	118.93	119.10	125.31	114.57	125.21	109.07	121.14	146.18
2009-10	135.40	142.02	139.76	135.02	135.41	111.10	136.80	161.89
2010-11	164.17	183.20	159.13	166.49	155.77	128.10	159.48	193.50
2011-12	181.28	185.03	182.74	176.07	194.64	152.55	170.77	204.45
2012-13	194.61	198.23	211.17	188.39	203.93	159.29	184.04	219.00
2013-14	210.48	219.00	240.37	200.70	214.59	168.31	201.15	235.18
2014-15	209.85	220.56	245.47	206.76	197.12	172.72	205.18	245.40
2015-16	207.65	226.43	245.91	213.58	171.21	171.46	207.35	246.49
2016-17	216.02	248.00	242.08	225.59	168.07	174.40	210.59	256.25
Jul-Mar								
2016-17	215.17	245.95	242.13	225.50	166.98	173.71	210.74	256.25
2017-18	220.97	253.56	242.98	227.93	178.80	177.65	212.76	261.50

Source: Pakistan Bureau of Statistics

Note: i) WPI 1990-91 base year series converted into base year 2000-01 then into 2007-08.
ii) The base for price indices have been changed and different new groups have been included. Therefore, data may differ from the previous one.

TABLE 7.2

MONTHLY PERCENTAGE CHANGES IN CPI, WPI AND SPI

(Percent)

Months	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	A. CONSUMER PRICE INDEX (C.P.I) converted into Base year 2000-01								New Base Year 2007-08=100								
Jul	0.57	1.38	1.62	1.61	1.01	3.34	1.54	1.23	1.51	2.07	1.27	-0.25	2.02	1.70	0.43	1.34	0.34
Aug	0.66	0.58	0.04	1.25	1.32	2.14	1.70	2.51	1.81	2.19	1.40	0.90	1.16	0.33	0.24	-0.30	0.19
Sep	0.60	0.38	0.50	0.32	2.13	0.97	0.45	2.65	0.17	2.03	1.03	0.79	-0.29	0.35	-0.10	0.20	0.63
Oct	1.47	1.19	0.94	0.36	1.23	2.12	0.95	0.62	0.60	0.98	1.44	0.38	1.97	0.21	0.49	0.81	0.75
Nov	0.60	1.12	0.76	0.73	0.14	-0.12	1.39	1.52	1.32	0.99	0.29	-0.39	1.27	-0.51	0.59	0.21	0.37
Dec	0.90	-0.85	-0.27	0.47	0.58	-0.50	-0.49	-0.51	-0.73	-0.30	-0.70	0.23	-1.32	-1.01	-0.57	-0.68	-0.10
Jan	-0.09	0.97	1.20	-0.88	1.91	-0.42	2.42	1.30	2.59	1.21	1.54	1.67	0.49	0.08	0.21	0.18	0.03
Feb	-0.34	0.99	0.33	1.04	0.49	0.95	0.39	-0.74	0.38	-0.56	0.30	-0.34	-0.32	-0.92	-0.25	0.28	-0.31
Mar	1.02	1.29	0.23	0.49	3.08	1.37	1.25	1.48	1.24	1.40	1.17	0.41	0.96	0.23	0.15	0.84	0.31
Apr	0.96	1.74	1.02	0.31	3.04	1.41	1.73	1.62	1.83	1.40	1.83	1.09	1.70	1.32	1.55	1.40	
May	0.69	-0.44	0.45	0.92	2.69	0.23	0.06	0.23	0.13	0.23	1.15	0.51	-0.26	0.76	-0.21	0.01	
Jun	1.12	0.10	0.59	0.20	2.10	0.99	0.65	0.55	0.36	0.96	0.04	0.72	0.61	0.62	0.64	-0.41	
	. WHOLESALE PRICE INDEX (W.P.I.) converted into Base year 2000-0								New Base Year 2007-08=100								
Jul	1.31	-1.00	1.99	1.42	1.70	4.35	0.70	1.67	1.75	1.66	-0.40	0.36	1.65	0.54	-0.38	2.34	-0.24
Aug	0.98	-1.08	1.04	0.78	1.17	2.45	2.21	2.62	2.47	1.91	0.55	1.02	2.65	-0.48	-0.49	-0.03	0.33
Sep	0.34	0.40	0.54	0.44	1.62	-0.27	0.17	2.09	0.81	1.70	0.25	0.35	0.71	0.15	-0.46	-0.53	0.06
Oct	2.72	1.42	0.77	-0.49	1.82	-1.87	1.17	3.09	0.93	1.74	0.37	0.11	1.13	-0.31	0.53	-0.04	0.61
Nov	1.10	0.39	0.18	0.89	1.63	-5.11	2.78	3.48	1.83	2.54	-0.53	-0.37	0.25	-0.99	0.01	-0.21	0.36
Dec	1.39	-0.25	-0.13	0.37	-0.06	-1.97	0.20	1.06	0.18	1.97	-1.33	0.43	-0.99	-1.89	-0.65	-0.14	0.36
Jan	0.21	1.53	1.28	-1.20	1.78	0.15	4.23	1.65	3.26	1.91	2.26	1.25	0.53	-1.03	-0.53	0.51	1.81
Feb	0.40	1.52	0.77	0.51	1.24	0.66	0.36	1.87	0.94	1.96	0.56	0.34	-0.14	-1.09	-0.59	0.47	-0.15
Mar	1.77	1.39	0.07	1.02	3.99	0.42	2.53	3.34	1.51	3.31	0.67	0.26	0.34	0.01	-0.40	0.66	0.25
Apr	0.32	1.61	1.23	1.16	4.30	1.68	1.84	2.26	1.95	2.45	1.80	0.77	0.10	0.86	1.30	0.89	
May	0.98	-0.59	0.35	1.09	4.97	1.52	0.87	-1.55	1.15	-0.96	2.15	-0.43	-0.08	1.10	0.55	-0.20	
Jun	0.59	0.71	63.00	1.10	2.98	2.40	-0.63	0.22	0.17	0.57	-0.05	1.00	1.37	1.18	1.38	-0.46	
	C. SENSITIVE PRICE INDEX (S.P.I.) converted into Base year 2000-01								New Base Year 2007-08=100								
Jul	1.34	2.43	1.35	1.36	1.46	3.77	2.78	1.85	2.77	2.26	2.38	0.51	2.27	1.95	0.34	1.32	-0.45
Aug	0.70	1.18	0.26	2.18	1.67	2.34	1.68	2.86	2.28	2.26	0.83	1.29	1.54	0.83	-0.19	0.23	0.54
Sep	0.75	0.29	0.23	0.41	2.63	0.51	0.56	4.32	0.66	5.11	1.34	1.25	0.06	0.24	0.46	0.11	2.13
Oct	2.34	0.53	0.05	0.56	1.47	2.70	0.35	2.18	0.20	1.76	0.76	-0.45	1.17	-0.03	1.18	0.67	0.86
Nov	2.64	1.94	0.88	2.34	0.85	-1.35	2.49	3.79	1.97	3.40	0.74	0.03	3.22	-1.13	1.00	0.33	0.34
Dec	1.31	-0.98	-0.24	0.76	1.45	-1.69	0.66	-0.64	-0.18	-1.27	-2.01	0.05	-2.54	-1.52	-0.71	-0.78	-0.67
Jan	-0.69	0.91	0.80	-1.32	2.67	-1.42	2.88	0.47	3.28	0.07	1.00	1.92	-2.54	-0.87	-0.67	-0.80	-1.04
Feb	-0.61	0.54	1.46	0.09	-1.33	0.85	0.56	-1.13	0.45	-1.33	-0.12	0.07	-0.09	-0.99	-0.52	0.21	-1.21
Mar	1.30	1.07	0.84	-0.01	3.42	0.64	0.78	0.79	1.14	0.66	1.49	0.78	2.15	0.00	-0.15	1.79	-0.60
Apr	-0.51	1.29	1.33	0.09	5.48	1.68	0.43	0.55	0.77	0.31	1.67	-0.29	0.07	0.39	-0.12	-0.91	
May	2.14	-1.02	0.65	1.37	5.41	1.27	-0.06	-0.32	-0.24	-0.66	-0.14	0.07	-1.51	1.31	-0.96	-0.89	
Jun	1.31	0.70	0.45	1.48	1.56	1.17	0.95	1.16	0.56	-0.08	1.39	2.45	1.11	0.99	1.12	0.14	

Note: i) CPI, SPI and WPI 1990-91 base year series converted into Base Year 2000-01 then into 2007-08

ii) The base for price indices have been changed and different new groups have been included. Therefore, data may differ from the previous one.

Source: Pakistan Bureau of Statistics

TABLE 7.3 (A)

PRICE INDICES BY CONSUMER INCOME GROUPS

Income Group/ Fiscal Year	All Income Groups	Upto Rs 3000	Rs 3001 to 5000	Rs 5001 to 12000	Above Rs 12,000	
			Base Year 2000-01 = 100			
2000-01	100.00	100.00	100.00	100.00	100.00	
2001-02	103.54	102.97	104.88	103.44	103.64	
2002-03	106.75	105.95	106.70	106.68	106.83	
2003-04	111.63	111.61	112.18	111.72	111.39	
2004-05	121.98	123.01	123.16	122.26	121.35	
2005-06	131.64	132.47	132.44	131.51	131.45	
2006-07	141.87	143.52	143.42	142.05	141.19	
2007-08	158.90	163.98	163.64	160.24	156.32	
2008-09	191.90	200.20	199.83	194.91	186.86	
2009-10	214.41	224.33	223.81	218.07	208.34	
2010-11	244.26	258.35	257.12	249.10	236.38	
			Spliced with Base Year 2007-08 = 100			
Income Group/ Fiscal Year	**All Income Groups**	**Upto Rs 8000**	**Rs 8001 to 12000**	**Rs 12000 to 18000**	**Rs 18001 to - 35000**	**Above Rs 35,000**
2008-09	117.03	117.95	117.77	118.11	117.61	116.83
2009-10	128.85	130.39	130.19	130.61	129.77	128.25
2010-11	146.45	149.04	148.56	147.59	148.91	145.34
2011-12	162.57	164.00	164.37	163.06	165.01	162.09
2012-13	174.53	176.93	178.55	176.83	176.28	172.48
2013-14	189.58	192.57	193.69	193.00	192.26	186.72
2014-15	198.16	199.60	201.15	201.33	200.80	195.76
2015-16	203.82	204.45	206.72	206.14	206.80	201.65
2016-17	212.29	212.28	214.84	214.22	215.25	210.42
Jul-Mar						
2016-17	211.04	211.47	213.87	213.15	214.06	209.00
2017-18	219.01	217.44	220.38	219.91	221.21	218.13

Source: Pakistan Bureau of Statistics

Note: i) CPI 1990-91 Base Year series have been converted into Base Year 2000-01 and then into 2007-08
ii) The base for price indices have been changed and different new groups have been included. Therefore, data may differ from the previous one.

TABLE 7.3 (B)

ANNUAL CHANGES IN PRICE INDICES AND GDP DEFLATOR

Fiscal Year	Consumer Price Index	Wholesale Price Index	Sensitive Price Indicator	Annual GDP Deflator
		Base Year 2000-01 = 100		
2000-01	4.41	6.21	4.84	6.72
2001-02	3.54	2.08	3.37	2.49
2002-03	3.10	5.57	3.58	4.42
2003-04	4.57	7.91	6.83	7.74
2004-05	9.28	6.75	11.55	7.02
2005-06	7.92	10.10	7.02	10.49
2006-07	7.77	6.94	10.82	7.28 *
2007-08	12.00	16.64	16.81	12.91
2008-09	20.77	18.19	23.41	20.68
2009-10	11.73	12.63	13.32	10.75
2010-11	13.92	23.32	18.18	19.54
		(Base Year : 2007-08 = 100)		
2008-09	17.0	18.9	21.1	20.68
2009-10	10.1	13.8	12.9	10.75
2010-11	13.7	21.2	16.6	19.52
2011-12	11.0	10.4	7.1	5.66
2012-13	7.4	7.4	7.8	7.12
2013-14	8.6	8.2	9.3	7.39
2014-15	4.5	-0.3	1.7	4.34
2015-16	2.9	-1.0	1.3	0.45
2016-17	4.2	4.0	1.6	3.96
Jul-Mar				
2016-17	4.0	3.8	1.4	3.96
2017-18	3.8	2.7	1.0	2.05

Source: Pakistan Bureau of Statistics

Note: i) WPI, CPI & SPI Base Year = 1990-91 series have been converted into Base Year 2000-01 & then into 2007-08.
ii) The base for price indices have been changed and different new groups have been included. Therefore, data may differ from the previous one.

TABLE 7.4

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Price in Rs.)
(Weight in Kg.)

Fiscal Year	Wheat (Av.Qlty)	Wheat Flour (Av.Qlty)	Basmati Rice (Broken)	Moong Pulse (Washed)	Gram Pulse (Av.Qlty)	Beef (Cow/ Buffalo with bone)	Chicken (Farm)	Mutton (Goat) (Av.Qlty)	Eggs Hen (Farm) Doz.	Potato (Av.Qlty)	Dry Onion (Av.Qlty)	Tomato (Av.Qlty)
	Base Year 2000-01 = 100											
2000-01	8.67	9.80	15.35	30.30	29.52	56.01	50.65	109.38	26.35	9.74	10.72	17.24
2001-02	8.29	9.67	15.49	34.36	34.89	55.19	52.04	111.53	28.57	11.43	9.59	17.12
2002-03	8.73	10.14	18.07	30.46	31.13	61.21	54.01	124.95	30.69	9.43	8.70	13.30
2003-04	10.25	11.71	19.04	27.98	24.17	75.45	57.50	154.31	30.03	8.58	11.09	19.10
2004-05	11.68	13.28	20.19	31.66	29.35	94.83	66.43	185.19	37.45	14.94	13.82	25.03
2005-06	11.55	13.06	20.16	47.28	31.12	106.84	66.08	202.10	35.07	18.18	12.05	19.48
2006-07	11.96	13.64	23.11	56.53	41.38	117.87	74.16	224.07	38.31	17.22	20.95	27.43
2007-08	16.44	18.07	37.77	52.67	44.78	123.30	83.39	236.49	49.45	15.22	16.28	28.50
2008-09	23.87	25.64	47.12	50.10	57.15	143.82	103.12	262.03	58.80	20.35	25.77	29.67
2009-10	25.40	28.77	43.92	78.02	53.34	174.49	126.22	316.52	65.67	23.74	25.56	27.72
2010-11	25.79	29.56	50.32	136.49	70.25	215.42	130.98	411.48	72.78	27.59	33.27	44.86
	(Base Year : 2007-08 = 100)											
2008-09	240.70	255.34	47.12	50.10	57.15	143.82	103.13	262.03	58.80	20.36	25.77	29.70
2009-10	255.11	287.32	43.92	78.02	53.34	174.49	126.22	316.52	65.67	23.74	25.56	27.72
2010-11	259.75	294.05	50.32	136.49	70.25	215.42	130.98	411.48	72.78	27.58	33.28	44.86
2011-12	267.39	302.59	60.36	127.90	83.32	252.41	150.07	482.04	86.95	25.33	32.24	46.46
2012-13	306.07	345.26	69.01	115.95	99.70	268.38	143.93	517.83	92.02	26.09	36.71	49.80
2013-14	370.22	409.84	74.09	137.64	74.77	283.99	161.40	559.49	97.61	42.79	41.63	58.36
2014-15	345.59	392.78	72.38	161.94	79.33	301.55	153.64	592.56	98.71	42.49	35.80	55.05
2015-16	339.18	385.73	63.00	160.30	123.53	316.37	151.95	627.94	89.84	25.75	44.29	49.14
2016-17	337.74	379.91	63.90	139.93	149.85	327.52	145.88	662.65	101.86	34.09	30.08	51.82
Jul-Mar												
2016-17	340.63	382.42	62.53	143.71	156.62	325.65	141.19	655.92	106.72	34.09	30.00	54.46
2017-18	332.56	377.97	71.24	119.56	120.36	344.03	149.30	722.53	107.51	36.18	54.59	67.58

.. Not Available (Contd.)

Note: i) WPI, CPI & SPI Base Year = 1990-91 series have been converted into Base Year 2000-01 & then into 2007-08.
ii) The base for price indices have been changed and different new groups have been included. Therefore, data may differ from the previous one.

TABLE 7.4 (A)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Price in Rs.)
(Weight in Kg.)

Fiscal Year	Mustard Oil (Mill)	Vegeta-ble Ghee (Loose)	Rock Salt (Powder)	Red Chilies (Av.Qlty)	Sugar (Open Market)	Gur (Sup. Qlty)	Milk Fresh Ltr.	Tea in* Packet (Sup.Qlty) 250 grams
				Base Year 2000-01 = 100				
2000-01	56.92	44.82	3.43	66.75	27.11	26.31	18.23	53.73
2001-02	59.01	49.20	3.19	78.34	22.87	23.12	17.92	57.00
2002-03	60.80	55.25	3.21	75.87	20.77	20.45	18.35	61.50
2003-04	63.51	59.84	3.22	73.80	19.01	19.79	19.21	64.68
2004-05	65.63	59.60	3.50	76.64	23.45	23.98	21.28	61.99
2005-06	66.70	58.95	3.94	70.79	31.16	35.90	23.90	62.62
2006-07	76.71	70.81	4.68	94.66	31.85	39.26	26.72	68.39
2007-08	119.71	108.43	5.12	147.84	27.92	32.87	30.45	68.28
2008-09	142.25	110.63	6.08	145.32	38.72	43.65	36.62	97.94
2009-10	133.56	112.04	6.69	152.38	57.11	70.74	42.32	120.77
2010-11	156.56	150.31	7.23	230.27	72.72	83.86	50.10	139.17
				(Base Year : 2007-08 = 100)				
2008-09	142.25	110.62	6.09	145.32	38.72	43.65	36.62	88.89
2009-10	133.55	112.04	6.69	152.38	57.11	70.74	42.32	108.98
2010-11	156.56	150.31	7.28	230.27	72.72	83.86	50.10	123.19
2011-12	178.29	166.26	8.13	299.42	60.99	78.27	58.17	135.15
2012-13	185.88	160.73	8.74	254.06	53.25	74.50	65.24	146.01
2013-14	184.48	160.57	9.37	221.33	53.82	82.83	69.86	154.58
2014-15	183.08	151.90	9.98	261.42	57.14	83.95	76.21	133.80
2015-16	179.67	138.35	10.43	274.03	62.60	89.28	78.24	172.76
2016-17	181.15	143.34	10.64	272.60	64.94	88.20	80.59	177.24
Jul-Mar								
2016-17	181.04	142.68	10.61	275.46	67.15	89.69	80.36	168.67
2017-18	183.60	145.57	10.98	259.12	53.91	82.67	82.26	186.42

*: Tea packet prices in Bases year 2007-08=100 is quoted of 200 grams packet price.

(Contd.)

TABLE 7.4 (B)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/unit)

Fiscal Year	Cigarettes Pkt	Coarse Latha Mtr.	Voil Printed Mtr.	Shoes Gents Concord Bata	Firewood (Kikar/ Babul) 40 Kgs.	Match Box (40/ 50 Sticks) Each	Washing Soap 707/555 Cake	Life-buoy Soap Cake
	Base Year 2000-01 = 100							
2000-01	5.01	24.11	33.04	399.00	104.04	0.50	6.90	9.50
2001-02	5.82	26.81	33.30	399.00	99.30	0.51	7.37	10.02
2002-03	6.06	26.84	33.74	428.17	104.20	0.51	7.48	11.00
2003-04	6.08	28.80	34.52	499.00	118.40	0.51	7.48	10.82
2004-05	6.90	32.08	36.13	492.33	135.96	0.53	7.47	14.00
2005-06	7.23	34.26	36.74	399.00	166.03	0.62	7.73	13.93
2006-07	7.98	35.05	37.90	429.00	191.72	0.71	8.13	14.18
2007-08	8.38	39.04	40.29	499.00	220.74	0.92	9.78	17.38
2008-09	9.11	44.69	46.02	499.00	264.12	1.00	12.51	21.59
2009-10	11.55	47.25	48.91	499.00	296.64	1.00	12.87	22.00
2010-11	13.72	57.52	56.67	499.00	354.29	1.00	15.14	25.47
	(Base Year : 2007-08 = 100)							
2008-09	18.19	135.35	59.29	499.00	264.12	1.00	12.51	21.59
2009-10	23.11	135.69	63.31	499.00	296.64	1.00	12.87	22.00
2010-11	27.44	148.57	72.35	499.00	354.29	1.00	15.14	25.47
2011-12	29.10	111.21	88.07	499.00	441.74	1.06	18.39	30.50
2012-13	32.34	151.14	101.61	549.00	491.55	1.10	21.00	32.29
2013-14	38.45	176.59	112.40	671.92	538.12	1.42	23.34	35.86
2014-15	45.85	200.22	122.90	699.00	566.85	1.74	24.33	36.06
2015-16	57.75	203.29	123.29	699.00	593.42	1.99	24.74	36.16
2016-17	64.85	206.13	124.12	699.00	604.81	2.14	25.74	38.06
Jul-Mar								
2016-17	65.23	205.57	123.86	699.00	603.22	2.12	25.68	37.29
2017-18	50.76	212.71	126.04	699.00	619.57	2.22	25.94	41.17

Note: Prices of Long Cloth and Georgerette have been quoted in base year 2007-08 instead of prices of Coarse Latha and Voil Printed in previous base year.

(Contd.)

TABLE 7.4 (C)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/unit)

Fiscal Year	Electric Bulb (60-W)	Cooked Beef Plate	Cooked Dal Plate	Rice Irri-6 Kg	Masoor Pulse Kg	Mash Pulse Kg	Garlic Kg	Cooking Oil Dalda 2.5 Ltr	Vegetable Ghee 2.5 Kg
	Base Year 2000-01 = 100								
2000-01	14.10	18.53	11.87	11.56	36.97	48.38	28.07	155.64	153.43
2001-02	14.00	18.58	12.42	11.51	38.41	44.25	39.93	170.97	169.24
2002-03	13.30	18.88	13.09	12.23	38.41	37.56	34.11	199.68	196.77
2003-04	12.69	20.95	13.86	13.06	35.40	35.57	32.82	203.98	200.28
2004-05	12.07	24.21	14.71	15.41	43.11	38.52	44.22	204.99	204.15
2005-06	11.43	26.07	15.65	16.05	45.01	52.91	58.09	204.41	203.63
2006-07	11.95	29.80	17.84	17.59	44.54	70.51	61.81	224.48	224.06
2007-08	12.68	33.26	20.46	29.32	71.41	71.36	46.18	316.32	312.97
2008-09	14.83	40.18	25.59	39.35	122.16	77.31	41.64	371.38	356.44
2009-10	19.79	44.82	28.07	34.43	121.92	129.88	131.52	359.05	356.58
2010-11	24.07	52.88	33.65	38.87	117.72	163.16	198.92	435.88	435.98
	(Base Year : 2007-08 = 100)								
2008-09	112.96	40.18	25.59	39.35	122.16	77.31	41.68	371.38	356.44
2009-10	118.78	44.82	28.07	34.43	121.92	129.88	131.52	359.05	356.58
2010-11	124.75	52.88	33.65	38.87	117.72	163.16	198.92	435.88	435.98
2011-12	139.93	60.54	37.27	45.68	102.64	145.82	107.89	502.66	501.91
2012-13	151.82	68.55	40.16	49.90	100.39	132.72	123.18	535.55	519.06
2013-14	162.69	77.84	45.46	54.05	120.49	134.21	129.71	538.73	511.77
2014-15	165.49	82.86	48.41	51.99	135.32	163.82	139.00	513.55	495.00
2015-16	166.95	87.19	52.62	47.16	146.36	238.59	200.32	457.61	448.92
2016-17	167.79	92.56	56.70	48.71	140.36	223.70	273.46	460.79	452.68
Jul-Mar									
2016-17	167.79	92.24	56.62	48.39	144.65	234.09	287.61	458.41	449.89
2017-18	168.98	98.54	58.01	51.09	120.50	170.67	176.95	469.63	462.49

(Contd.)

Note: Prices of Energy Saver (14-volts) have been quoted in new base year 2007-08 instead of Electric Bulb (60 volts) prices in previous base year.

TABLE 7.4 (D)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS

(Rs/Unit)

Fiscal Year	Curd Kg	Tea Pre-pared Cup	Banana Doz.	Lawn Hussain Mtr.	Shirting Hussain Mtr.	Shoes Lady Bata	Chappal Gents Spang	Bread Plain M.Size	Milk Pow-der Nido 500 grams
	Base Year 2000-01 = 100								
2000-01	22.43	4.03	22.11	77.77	59.10	319.00	79.00	11.17	114.03 *
2001-02	21.90	4.18	22.14	70.79	55.17	319.00	79.00	11.14	116.00
2002-03	23.35	4.46	21.96	69.92	55.59	342.23	79.00	11.16	88.00
2003-04	23.33	4.72	23.01	69.96	56.78	364.00	79.00	11.77	94.75
2004-05	25.75	5.12	25.11	72.61	59.94	252.33	86.53	13.25	102.62
2005-06	28.38	5.77	28.18	76.42	62.36	299.00	89.00	14.23	108.50
2006-07	31.34	6.31	32.51	79.69	65.45	299.00	92.00	15.34	121.47
2007-08	35.76	6.91	35.43	83.45	71.01	299.00	101.50	18.43	145.93
2008-09	43.38	8.41	39.62	91.00	78.38	372.33	127.33	24.17	168.48
2009-10	49.74	10.07	40.94	96.46	81.55	379.00	129.00	26.42	183.31
2010-11	58.41	12.66	49.15	110.53	88.80	397.33	138.17	28.24	204.38
	(Base Year : 2007-08 = 100)								
2008-09	43.38	8.41	39.62	126.32	78.38	372.33	129.00	24.17	168.48
2009-10	49.74	10.07	40.94	137.48	81.55	379.00	129.00	26.42	183.31
2010-11	58.41	12.66	49.16	150.31	88.80	397.33	139.00	28.24	204.38
2011-12	68.19	14.25	65.10	166.26	108.37	399.00	152.08	31.23	247.85
2012-13	75.74	15.30	68.83	166.52	124.22	449.00	179.00	34.23	289.78
2013-14	81.88	16.97	70.63	198.05	144.91	499.00	179.00	39.17	310.50
2014-15	89.48	18.70	76.77	239.61	157.72	499.00	179.00	40.78	251.69
2015-16	92.10	19.36	75.70	244.90	162.32	500.61	179.02	40.82	372.70
2016-17	94.66	20.28	78.87	251.98	164.85	502.39	179.09	41.11	378.43
Jul-Mar									
2016-17	94.09	20.13	73.15	251.21	164.30	502.39	179.09	41.10	381.88
2017-18	98.44	21.16	72.99	256.10	169.83	502.39	179.09	41.91	377.74

Source: Pakistan Bureau of Statistics

* : The unit has changed from 500 gms to 400 gms in base year 2000-01

TABLE 7.4 (E)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS (Average of 17 Centers)

Fiscal Year	Kerosene (per ltr.)	Gas Charges (100 cf)*	Elect Charges (upto 50 units)	Petrol Super (per ltr.)	Tele Local Call Charges (per Call)
			Base Year 2000-01 = 100		
2000-01	16.84	248.55	1.46	29.34	2.22
2001-02	18.58	259.26	2.18	31.60	2.31
2002-03	22.48	259.35	2.45	33.08	2.31
2003-04	24.95	79.45	2.54	33.69	2.31
2004-05	29.11	84.60	2.47	40.74	2.31
2005-06	36.19	88.92	2.14	55.12	2.31
2006-07	39.09	99.79	2.49	56.00	2.31
2007-08	43.44	97.17	2.76	57.83	2.31
2008-09	66.79	96.91	3.18	67.68	2.38
2009-10	72.65	106.81	3.64	67.56	2.62
2010-11	84.88	115.40	4.32	75.70	3.59
			(Base Year : 2007-08 = 100)		
2008-09	66.79	94.57	1.40	67.68	2.38
2009-10	72.65	103.87	1.53	67.56	2.62
2010-11	84.89	110.20	1.84	75.70	3.59
2011-12	104.84	132.73	1.89	92.93	3.59
2012-13	116.07	119.58	2.00	101.26	3.74
2013-14	123.45	124.18	2.00	110.99	3.94
2014-15	100.94	124.18	2.00	88.58	3.94
2015-16	80.62	127.79	2.00	72.31	3.94
2016-17	77.48	128.66	2.00	69.09	3.94
Jul-Mar					
2016-17	77.02	128.64	2.00	67.34	3.94
2017-18	92.60	128.70	2.00	77.90	3.94

Source: Pakistan Bureau of Statistics

*: The unit has been changed form 100 CM to 100 CF in base year 2000-01.

TABLE 7.5

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES

Fiscal Year	Wheat	Rice	Gram (Whole)	Sugar Refined	Vegetable Ghee	Tea	Meat	Vegetables	Fresh Milk	Cotton	Motor Fuels
	(Base Year 2000-01 = 100)										
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001-02	96.10	109.64	84.23	82.36	114.12	99.28	102.04	107.57	99.79	91.31	102.90
2002-03	101.12	126.09	71.40	75.32	130.34	96.93	111.10	101.65	100.50	110.46	106.80
2003-04	191.89	138.50	74.17	67.72	141.44	96.94	137.55	116.00	105.41	144.44	111.03
2004-05	137.24	153.40	95.52	85.18	137.41	93.78	169.19	144.06	113.43	95.23	134.78
2005-06	135.61	154.78	127.43	120.70	136.94	93.99	185.95	160.14	122.83	103.91	181.46
2006-07	139.21	175.54	147.79	118.80	164.73	100.48	201.01	161.14	133.31	110.92	181.38
2007-08	190.75	285.63	139.22	98.78	249.36	100.92	207.99	163.85	154.42	136.71	192.88
2008-09	277.87	356.43	181.83	142.52	254.49	134.83	242.43	204.04	184.75	153.12	216.16
2009-10	300.58	317.20	215.86	209.50	262.63	160.82	292.57	267.37	206.54	203.26	219.11
2010-11	301.21	365.48	242.04	267.79	354.09	179.71	370.99	370.80	242.21	386.09	244.87
	(Base Year : 2007-08 = 100)										
2008-09	148.02	125.90	126.16	142.39	97.19	129.05	115.53	132.22	119.35	121.12	113.68
2009-10	157.54	111.40	144.32	209.80	94.75	151.22	139.74	151.74	135.32	144.08	119.93
2010-11	159.53	123.39	169.24	251.13	118.21	165.31	174.86	173.43	157.40	171.48	126.84
2011-12	163.44	149.45	-	229.24	141.37	192.23	214.40	211.52	190.29	189.55	155.00
2012-13	188.52	165.42	-	201.93	141.75	203.24	228.80	216.66	213.81	168.92	168.70
2013-14	227.13	177.67	-	206.98	141.51	215.49	238.93	254.41	225.98	185.58	184.99
2014-15	209.29	172.20	-	189.35	147.13	145.16	236.14	255.40	249.87	208.86	167.79
2015-16	209.07	147.58	-	237.16	119.85	242.82	267.79	258.45	255.23	249.16	120.71
2016-17	208.21	154.49	-	242.70	124.63	243.24	282.23	280.77	266.08	268.07	115.52
Jul-Mar											
2016-17	210.28	151.26	-	251.87	124.09	237.20	279.91	285.95	265.26	-	112.59
2017-18	203.33	170.42	-	202.90	126.46	257.60	306.76	312.63	272.55	-	130.13

-: Not available (Contd.)

Note: In the new base year 2007-08 prices of Motor Spirit has been quoted instead of Motor Fuel prices in previous base year 2000-01.

TABLE 7.5 (a)

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES

Fiscal Year	Other Oils	Fire Wood	Cotton Yarn	Matches	Soaps	Ferti-lizers	Trans-port	Leather	Timber	Cement
					Base Year 2000-01 = 100					
2000-01	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2001-02	103.59	101.33	95.35	100.55	103.89	102.26	106.66	100.00	101.45	100.42
2002-03	128.10	103.94	98.06	100.55	109.00	113.59	106.82	95.23	101.25	102.77
2003-04	139.86	115.41	121.03	105.61	110.68	123.64	108.70	93.64	121.75	102.45
2004-05	169.56	127.94	106.36	107.66	122.81	140.95	110.39	102.77	140.93	104.82
2005-06	227.55	152.23	108.07	107.67	122.05	156.16	111.71	110.65	142.05	122.67
2006-07	237.63	176.28	112.66	107.67	127.73	147.70	114.94	111.86	162.09	127.42
2007-08	264.00	205.70	112.15	111.86	147.59	215.18	114.99	121.84	170.93	111.61
2008-09	372.04	247.76	104.21	124.26	176.29	310.97	123.95	129.83	201.11	139.83
2009-10	434.55	273.93	138.40	124.26	182.99	296.52	128.03	134.14	210.60	129.35
2010-11	511.36	322.67	222.84	131.38	203.92	357.86	159.78	216.90	227.95	132.15
					(Base Year : 2007-08 = 100)					
2008-09	126.68	118.08	106.00	122.07	111.35	147.58	109.26	103.63	114.01	129.08
2009-10	122.94	129.86	150.86	108.52	117.69	143.70	113.20	104.89	118.75	117.30
2010-11	141.73	151.43	182.87	110.37	130.52	174.65	116.77	107.07	127.27	140.80
2011-12	166.98	190.47	196.06	118.84	151.04	258.65	-	109.08	139.00	162.19
2012-13	177.67	215.48	208.38	132.57	167.01	261.38	-	111.60	149.51	185.77
2013-14	178.30	238.11	213.03	143.20	180.26	266.33	-	168.48	170.36	203.42
2014-15	179.03	252.59	246.11	175.76	160.21	235.83	-	216.67	200.60	225.95
2015-16	162.08	263.90	173.44	162.62	183.87	260.00	-	220.42	214.44	212.15
2016-17	178.77	272.97	198.86	165.53	189.10	219.37	-	222.98	225.62	214.45
Jul-Mar										
2016-17	115.38	270.74	197.40	163.59	188.41	219.88	-	223.31	223.64	214.11
2017-18	148.51	282.06	210.65	171.36	191.50	220.33		216.81	232.94	215.18

-: Not available

Source: Pakistan Bureau of Statistics

Note: In the base year 2007-08 prices of Kerosene Oil has been quoted instead of Other Oils in previous base year of 2000-01 and prices of Motor Cycles instead of Transport.

TRADE AND PAYMENTS

TABLE 8.1

BALANCE OF PAYMENTS (SUMMARY)

US $ million

Items	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	July-Feb	
							2016-17	2017-18 P
Current account balance	-4,658	-2,496	-3,130	-2,795	-4,867	-12,439	-7,216	-10,826
Current account balance	-5,243	-2,898	-3,464	-3,121	-5,451	-12,945	-7,525	-11,212
(without official Transfers)								
Exports f.o.b	24,718	24,802	25,078	24,090	21,972	21,938	14,231	15,970
Imports f.o.b	40,370	40,157	41,668	41,357	41,255	48,506	30,401	35,661
Trade Balance	-15,652	-15,355	-16,590	-17,267	-19,283	-26,568	-16,170	-19,691
Services Balance (Net)	-3,305	-1,564	-2,650	-2,970	-3,006	-4,291	-2,760	-3,531
Credit	5,013	6,724	5,345	5,878	5,459	5,520	3,575	3,439
Debit	8,318	8,288	7,995	8,848	8,465	9,811	6,335	6,970
of which:								
Transportation	3,516	3,297	3,874	4,162	3,286	3,872	2,445	2,643
Travel	1,367	1,233	1,073	1,518	1,839	1,995	1,301	1,412
Income Account Balance (Net)	-3,245	-3,669	-3,955	-4,599	-5,347	-5,039	-3,064	-3,148
Credit	826	488	508	644	608	662	457	474
Debit	4,071	4,157	4,463	5,243	5,955	5,701	3,521	3,622
of Which Interest Payments	1,633	1,240	1,344	1,624	1,763	2,058	1,226	1,547
Current Transfer (Net)	17,544	18,092	20,065	22,041	23,169	23,459	14,778	15,544
of Which Worker remittances	13,186	13,922	15,837	18,721	19,917	19,351	12,410	12,835
Capital Account	183	264	1,857	375	273	339	251	230
Financial Account	-1,280	-549	-5,553	-5,074	-6,790	-9,976	-6,061	-7,217
Direct Investment (net)	-744	-1,258	-1,572	-915	-2,286	-2,630	-1,625	-1,936
Direct Investment in Pakistan	821	1,456	1,700	988	2,305	2,731	1,679	1,943
Direct Investment abroad	77	198	128	73	19	101	54	7
Portfolio Investment (net)	144	-26	-2,762	-1,886	429	235	-686	-2,285
Assets (net)	32	99	-23	-44	100	-16	-35	74
Liabilities (net)	-112	125	2,739	1,842	-329	-251	651	2,359
Other Investment Assets	-9	314	-211	-71	96	1,253	148	-46
Other Investment Liabilities	671	-421	1,010	2,200	5,029	8,834	3,898	2,950
of which:								
General Government	998	248	1,610	1,400	3,445	4,906	1,292	2,390
Disbursements	2,633	2,530	4,349	4,243	6,159	9,280	3,888	4,747
Long-term	2,633	2,274	3,617	3,088	4,498	8,117	3,480	3,413
Short-term	0	256	732	1,155	1,661	1,163	408	1,334
Amortization	1,577	2,282	2,734	2,841	2,714	4,374	2,596	2,357
Long-term	1,477	1,530	1,834	1,696	1,927	2,981	1,694	1,750
Short-term	100	391	0	582	734	1,393	902	607
Other Liabilities	-58	0	-5	-2	0	0	0	0
Net errors and omissions	-80	-309	-422	-8	456	178	-104	-396
Reserve and Related Items	-3,275	-1,992	3,858	2,646	2,652	-1,946	-1,008	-3,775
Reserves assets	-4,430	-4,530	3,285	4,595	4,661	-1,844	-906	-3,775
Use of fund credit and loans	-1,155	-2,538	-573	1,949	2,009	102	102	0
Exceptional financing	0	0		0	0		0	0

P : Provisional

Source: State Bank of Pakistan

TABLE 8.2

COMPONENTS OF BALANCE OF PAYMENTS (AS PERCENT OF GDP)

Year	Exports *	Imports *	Trade Deficit *	Worker's Remittances **	Current Account Deficit **
2000-01	12.9	15.1	2.1	1.5	0.7
2001-02	12.8	14.4	1.8	3.3	+ 1.9
2002-03	13.5	14.8	1.3	5.1	+ 3.8
2003-04	12.5	15.9	3.3	3.9	+ 1.3
2004-05	13.0	18.5	5.5	3.7	1.6
2005-06	12.0	20.9	8.9	3.4	3.6
2006-07	11.1	20.0	8.9	3.6	4.5
2007-08	11.2	23.5	12.3	3.8	8.2
2008-09	10.5	20.7	10.2	4.6	5.5
2009-10	10.9	19.6	8.7	5.0	2.2
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	18.5	8.2	6.5	1.3
2014-15	8.7	16.9	8.2	6.9	1.0
2015-16	7.4	16.0	8.6	7.1	1.7
2016-17	6.7	17.3	10.6	6.3	4.1
Jul-Feb					
2016-17	4.4	10.9	6.6	4.1	2.4
2017-18 P	4.7	12.5	7.7	4.1	3.5

P : Provisional
*** : Based on the data compiled by PBS**
**** : Based on the data compiled by SBP**

Source: Pakistan Bureau of Statistics, State Bank of Pakistan

TABLE 8.3

EXPORTS, IMPORTS AND TRADE BALANCE

Year	(Rs million) Current Prices			Growth Rate (%)			(US $ million) Current Prices			Growth Rate (%)		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
2000-01	539,070	627,000	-87,930	21.50	17.46	-2.42	9,202	10,729	-1,527	7.39	4.07	-12.24
2001-02	560,947	634,630	-73,683	4.06	1.22	-16.20	9,135	10,340	-1,205	-0.73	-3.63	-21.09
2002-03	652,294	714,372	-62,078	16.28	12.57	-15.75	11,160	12,220	-1,060	22.17	18.18	-12.03
2003-04	709,036	897,825	-188,789	8.70	25.68	204.12	12,313	15,592	-3,279	10.33	27.59	209.34
2004-05	854,088	1,223,079	-368,991	20.46	36.23	95.45	14,391	20,598	-6,207	16.88	32.11	89.30
2005-06	984,841	1,711,158	-726,317	15.31	39.91	96.84	16,451	28,581	-12,130	14.31	38.76	95.42
2006-07	1,029,312	1,851,806	-822,494	4.52	8.22	13.24	16,976	30,540	-13,564	3.19	6.85	11.82
2007-08	1,196,638	2,512,072	-1,315,434	16.26	35.66	59.93	19,052	39,966	-20,914	12.23	30.86	54.19
2008-09	1,383,718	2,723,570	-1,339,852	15.63	8.42	1.86	17,688	34,822	-17,134	-7.16	-12.87	-18.07
2009-10	1,617,458	2,910,975	-1,293,517	16.89	6.88	-3.46	19,290	34,710	-15,420	9.06	-0.32	-10.00
2010-11	2,120,847	3,455,286	-1,334,439	31.12	18.69	3.16	24,810	40,414	-15,604	28.61	16.43	1.19
2011-12	2,110,605	4,009,093	-1,898,488	-0.48	16.03	42.27	23,624	44,912	-21,288	-4.71	11.13	36.32
2012-13	2,366,478	4,349,879	-1,983,401	12.12	25.89	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	-19963	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	-22159	-5.75	1.67	11.00
2015-16	2,166,846	4,658,749	-2,491,903	-9.60	0.31	10.92	20,787	44,685	-23898	-12.17	-2.49	7.85
2016-17	2,138,186	5,540,921	-3,402,735	-1.32	18.94	36.55	20,422	52,921	-32,499	-1.76	18.43	35.99
Jul-Jan												
2016-17	1,221,408	3,037,456	-1,816,048	-2.68	14.04	28.94	11,670	29,021	-17351	-3.34	13.29	28.11
2017-18 P	1,379,907	3,654,290	-2,274,383	12.98	20.31	25.24	12,941	34,265	-21324	10.89	18.07	22.90

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.4

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

Groups	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	July-Jan	
									2016-17	2017-18 P
All Groups										
Exports	478.07	593.19	679.44	715.45	752.86	759.21	705.02	703.39	699.79	711.73
Imports	839.60	1,013.10	1,233.49	1,329.56	1,387.15	1,394.74	1215.80	1199.54	1177.38	1237.29
T.O.T.	56.94	58.55	55.08	53.81	54.27	54.43	57.99	58.64	59.44	57.52
Food & Live Animals										
Exports	693.35	747.72	800.09	884.48	954.07	1,057.47	944.46	912.62	920.23	997.64
Imports	688.76	743.82	791.79	802.28	838.74	891.28	839.11	839.73	822.33	955.00
T.O.T.	100.52	100.52	101.05	110.25	113.75	118.65	112.55	108.68	111.91	104.46
Beverages & Tobacco										
Exports	629.08	804.61	935.29	1,052.54	1,127.89	1,148.80	1217.42	1240.70	1206.24	1091.81
Imports	961.43	1,060.35	1,230.10	1,339.47	1,446.20	1,620.65	1700.77	1757.42	1615.85	1750.23
T.O.T.	65.43	75.88	76.03	78.58	77.99	70.89	71.58	70.60	74.65	62.38
Crude Materials										
(inedible except fuels)										
Exports	573.05	647.55	848.74	958.74	1,009.57	999.87	920.79	894.27	861.94	953.57
Imports	577.43	803.59	881.00	995.65	1,046.35	1,048.08	1031.47	1027.69	1019.11	984.62
T.O.T.	84.59	80.58	96.34	96.29	96.48	95.40	89.27	87.02	84.58	96.85
Minerals, Fuels & Lubricants										
Exports	1,115.54	1,333.56	1,500.63	1,615.08	1,682.81	1,713.20	1092.25	1136.42	1020.37	1378.61
Imports	975.40	1,255.86	1,651.93	1,720.77	1,757.91	1,511.85	919.48	811.76	787.69	961.34
T.O.T.	114.37	106.19	90.84	93.86	95.73	113.32	118.79	139.99	129.54	143.41
Chemicals										
Exports	634.75	620.91	739.66	876.11	939.50	935.18	1000.41	1029.70	1006.68	1052.19
Imports	725.54	796.89	897.56	994.50	1,098.60	1,256.50	1193.67	1264.82	1059.36	1015.19
T.O.T.	73.70	77.92	82.41	88.10	85.52	74.43	83.81	81.41	95.03	103.64
Animal & Vegetable										
Oils, Fats & Waxes										
Exports	-	-	-	-	-		–		–	–
Imports	861.02	1,005.72	1,240.29	1,103.29	1,054.13	1,037.83	1011.65	1086.72	1284.29	1237.57
T.O.T.	-	-	-	-	-		–	–	–	–
Manufactured Goods										
Exports	411.00	559.56	641.15	689.62	698.49	667.05	607.38	595.74	602.28	578.02
Imports	612.77	747.32	823.33	887.02	899.66	1,026.39	920.53	924.51	942.27	903.39
T.O.T.	67.07	74.88	77.87	77.75	77.64	64.99	65.98	64.44	63.92	63.98
Machinery and Transport										
Equipment										
Exports	988.72	1,286.13	1,517.96	1,603.48	1,650.17	1,789.37	1873.58	1740.35	2032.24	2098.49
Imports	965.15	1,183.62	1,407.29	1,738.91	1,866.32	1,985.27	1913.99	1878.69	1747.31	1928.28
T.O.T.	102.44	108.66	107.86	92.21	88.42	90.13	97.89	92.64	116.31	108.83
Miscellaneous Manufactured Articles										
Exports	498.40	558.25	650.31	657.15	700.75	728.76	774.38	799.30	783.92	812.21
Imports	964.44	1,174.99	1,274.46	1,342.66	1,458.63	1,854.42	2376.63	2445.41	2982.94	2802.95
T.O.T.	51.68	47.51	51.03	48.94	48.04	39.30	32.58	32.69	26.28	28.98

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.5 A

ECONOMIC CLASSIFICATION OF EXPORTS AND IMPORTS (EXPORTS)

(Values in Rs million)

Year	Primary Commodities		Semi-Manufactures		Manufactured Goods		Total Value*
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	
2000-01	67,783	13	81,288	15	389,999	72	539,070
2001-02	60,346	11	80,438	14	420,163	75	560,947
2002-03	71,194	11	71,323	11	509,777	78	652,294
2003-04	70,716	10	83,361	12	554,959	78	709,036
2004-05	92,018	11	86,483	10	675,586	79	854,088
2005-06	112,268	11	106,029	11	766,543	78	984,841
2006-07	113,954	11	121,930	12	793,428	77	1,029,312
2007-08	171,670	14	127,090	11	897,877	75	1,196,638
2008-09	224,873	16	130,693	10	1,028,151	74	1,383,718
2009-10	287,491	18	170,609	10	1,159,358	72	1,617,458
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	331,018	15	246,278	12	1,560,890	73	2,138,186
July-Jan							
2016-17	184,726	15	139,015	12	897,667	73	1,221,408
2017-18 P	223,709	16	155,303	11	1,000,895	73	1,379,907

P: Provisional

Source: Pakistan Bureau of Statistics

*: Total value may not be tally due to rounding of figures

TABLE 8.5 B

ECONOMIC CLASSIFICATION OF EXPORTS AND IMPORTS (IMPORTS)

Values in Rs million

Year	Capital Goods		Industrial Raw Material				Consumer Goods		Total
			Capital Goods		Consumer Goods				
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value*
2000-01	157,091	25	34,371	6	345,770	55	89,768	14	627,000
2001-02	176,702	28	39,038	6	346,865	55	72,025	11	634,630
2002-03	220,942	31	41,216	6	380,035	53	72,179	10	714,372
2003-04	316,082	35	57,310	7	441,586	49	82,847	9	897,825
2004-05	441,528	36	101,719	8	557,226	46	122,607	10	1,223,079
2005-06	631,644	37	124,480	7	769,336	45	185,698	11	1,711,158
2006-07	670,539	36	134,519	7	864,736	47	182,011	10	1,851,806
2007-08	731,017	29	202,538	8	1,322,329	53	256,187	10	2,512,072
2008-09	790,327	29	246,600	9	1,337,986	49	348,657	13	2,723,570
2009-10	812,016	28	209,051	7	1,509,081	52	380,827	13	2,910,975
2010-11	829,005	24	239,525	7	1,826,243	53	560,512	16	3,455,285
2011-12	911,561	24	262,212	6	2,292,309	56	552,018	14	4,009,093
2012-13	1,049,775	24	293,733	7	2,353,818	54	652,553	15	4,349,879
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	1,888,008	34	472,100	8	2,199,149	40	981,664	18	5,540,921
July-Jan									
2016-17	1,075,005	35	243,239	8	1,163,868	38	555,345	18	3,037,456
2017-18 P	1,173,693	32	360,479	10	1,494,555	41	625,562	17	3,654,290

P: Provisional

*: Total may not be tally due to rounding of figures

Source: Pakistan Bureau of Statistics

TABLE 8.6

MAJOR IMPORTS

Rs million

Items	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	July-Jan 2016-17	July-Jan 2017-18 P
1. Chemicals	395,889	435,801	447,521	498,340	532,197	540,558	579,680	313,468	380,923
2. Drugs and medicines	58,870	62,268	80,736	81,399	96,183	96,135	102,110	56,797	63,754
3. Dyes and colours	28,283	29,129	29,932	38,601	40,221	43,345	47,335	25,752	29,678
4. Chemical Fertilizers	45,947	110,626	63,277	73,058	92,641	75,667	67,064	46,318	58,717
5. Electrical goods	67,851	72,608	81,728	114,874	122,183	187,163	243,095	128,608	133,916
6. Machinery (non-electrical)	387,463	435,139	473,258	551,830	633,733	712,920	996,133	593,026	582,926
7. Transport equipments	184,075	192,247	228,987	219,877	263,622	297,225	332,568	174,403	263,149
8. Paper, board and stationery	44,845	38,081	38,970	44,362	56,130	56,930	59,973	32,939	37,948
9. Tea	28,560	31,292	35,632	30,827	34,532	53,491	54,845	31,959	36,281
10. Sugar-refined	58,669	1,167	501	636	631	645	536	313	333
11. Art-silk yarn	46,703	52,939	52,328	63,596	69,028	64,612	66,479	39,628	40,954
12. Iron, steel & manu-factures thereof	135,363	156,683	193,543	180,530	226,030	261,291	288,721	157,852	187,153
13. Non-ferrous metals	39,420	35,370	37,693	44,389	44,709	51,722	55,534	28,379	35,638
14. Petroleum & products	1,033,496	1,361,511	1,447,531	1,527,753	1,195,025	794,698	982,619	531,808	700,738
15. Edible oils	178,424	216,387	196,776	206,955	186,010	195,200	212,327	112,339	139,937
16. Grains, pulses & flours	44,858	48,691	45,239	52,710	71,742	77,525	110,469	56,855	39,823
17. Other imports	676,570	729,154	896,228	900,784	979,535	1,149,622	1,341,433	707,012	922,422
Grand Total	3,455,287	4,009,093	4,349,880	4,630,521	4,644,152	4,658,749	5,540,921	3,037,456	3,654,290

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.7

MAJOR EXPORTS

Rs million

		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Jul-Jan	
										2016-17	2017-18 P
1.	Rice	183,371	183,557	184,405	186,304	222,907	206,266	194,246	168,244	91,772	114,240
2.	Fish and Fish preparations	19,051	25,319	28,590	30,755	37,918	354,293	33,918	41,214	22,045	24,454
3.	Fruits	20,086	23,138	32,068	37,772	45,196	44,375	44,607	39,878	27,147	26,193
4.	Wheat	61	49,746	11,178	6,064	732	291	17	109	101	5
5.	Sugar	2	-	2,576	51,643	29,638	32,686	13,818	16,867	-	24,355
6.	Meat and Meat Preparations	8,327	13,027	15,522	20,362	23,650	24,664	28,036	23,152	12,814	12,142
7.	Raw Cotton	16,367	30,734	41,393	14,882	21,353	14,933	7,948	4,559	3,866	5,808
8.	Cotton Yarn	120,069	186,601	162,004	217,123	205,660	187,376	131,700	130,216	78,491	78,642
9.	Cotton Fabrics	150,937	219,065	218,160	260,347	285,130	248,431	230,757	223,675	132,878	133,132
10.	Hosiery (Knitwear)	147,866	196,110	176,682	196,408	235,565	243,719	246,267	247,242	143,711	164,996
11.	Bedwear	146,195	178,290	155,108	172,538	219,962	213,018	210,543	223,812	129,368	139,055
12.	Towels	56,012	64,978	61,326	75,060	78,889	80,778	83,681	83,819	47,099	48,862
13.	Readymade Garments	106,446	152,858	144,269	175,662	196,198	212,833	228,861	242,782	136,267	158,205
14.	Art Silk and Synthetic Textiles	37,422	57,103	48,817	39,369	39,508	33,485	30,005	19,638	9,323	18,385
15.	Carpets, Carpeting Rugs & Mats	11,473	11,285	10,757	11,839	12,935	12,098	10,186	8,219	5,090	4,829
16.	Sports Goods excl. Toys	25,021	27,839	30,240	31,888	37,260	34,294	33,862	32,285	18,484	19,589
17.	Leather Excluding Reptile Leather (Tanned)	28,699	39,569	39,841	48,378	56,496	49,515	37,803	36,183	20,378	20,138
18.	Leather Manufactures	38,413	46,178	46,536	54,000	64,368	60,429	54,788	51,421	31,249	33,073
19.	Foot wear	7,763	9,296	8,860	10,037	12,208	13,304	11,453	10,024	5,866	6,348
20.	Medical & Surgical Instruments	19,203	21,995	27,126	29,316	34,726	34,576	37,408	35,574	20,093	23,540
21.	Chemicals and Pharmaceuticals	62,251	77,816	96,009	84,213	120,391	99,339	83,752	92,176	49,197	65,893
22.	Engineering goods	19,294	21,650	24,726	28,030	33,487	22,919	19,645	18,355	10,101	12,053
23.	Jewellery	53,456	34,588	82,774	112,419	33,844	668	833	610	416	481
24.	Cement and cement Products	40,261	38,191	44,619	55,878	52,147	44,943	33,468	24,896	17,572	14,516
25.	All other items	299,412	411,914	417,019	421,592	483,295	128,280	359,244	363,236	208,080	230,973
	Total Exports	1,617,458	2,120,847	2,110,605	2,371,879	2,583,463	2,397,513	2,166,846	2,138,186	1,221,408	1,379,907

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.8

DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

% Share

REGION	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1. Developed Countries										
Exports	56.7	58.1	56.1	58.2	55.9	54.7	54.7	51.0	46.4	43.7
Imports	31.0	34.3	34.4	35.5	38.0	34.2	33.3	30.2	29.1	26.3
i. OECD										
Exports	56.3	57.6	55.6	57.6	55.2	53.8	53.8	50.0	45.5	42.8
Imports	30.5	33.7	33.5	34.7	34.7	32.4	31.5	27.1	27.8	25.3
ii. Other European Countries										
Exports	0.4	0.5	0.5	0.7	0.7	0.9	0.9	1.0	0.9	0.9
Imports	0.5	0.6	0.9	0.8	3.3	1.8	1.8	3.1	1.3	1.0
2. CMEA*										
Exports	0.4	0.5	0.6	0.7	0.9	0.9	1.1	1.2	1.2	1.2
Imports	0.9	1.1	0.8	1.2	2.1	2.2	1.8	1.4	3.1	1.2
3. Developing Countries										
Exports	42.9	41.4	43.3	41.1	43.2	44.4	44.2	47.8	52.4	55.1
Imports	68.1	64.6	64.8	63.3	59.9	63.6	64.9	68.4	67.8	72.5
i. OIC										
Exports	16.5	19.2	22.3	20.7	21.9	23.3	21.6	26.4	30.4	29.1
Imports	39.3	36.0	35.2	33.7	29.2	33.7	32.0	33.4	33.9	37.4
ii. SAARC										
Exports	2.9	2.5	2.4	3.2	4.6	4.4	4.8	4.4	5.0	5.4
Imports	2.9	2.4	1.9	3.1	3.2	3.3	4.5	5.0	3.8	3.9
iii. ASEAN										
Exports	3.6	2.7	2.9	2.7	2.1	1.7	1.9	1.7	2.1	2.8
Imports	10.6	11.7	12.2	11.1	10.0	9.1	9.5	9.9	10.4	11.4
iv. Central America										
Exports	0.8	1.0	0.9	0.9	0.9	0.9	1.1	1.0	1.0	0.9
Imports	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2
v. South America										
Exports	1.2	0.9	0.7	0.8	0.9	1.0	1.4	1.6	1.4	1.2
Imports	1.6	0.7	0.6	0.6	1.1	1.4	0.8	1.8	1.2	0.6
vi. Other Asian Countries										
Exports	13.0	11.4	9.9	9.4	8.7	8.9	9.2	8.4	8.5	11.2
Imports	10.6	10.9	12.5	12.3	13.7	13.7	15.9	15.7	15.2	16.3
vii. Other African Countries										
Exports	4.3	3.5	4.0	3.2	4.0	4.1	4.1	4.2	4.0	4.4
Imports	2.8	2.7	2.3	2.3	2.4	2.2	1.9	2.2	3.0	2.5
viii. Central Asian States										
Exports	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	..	0.1
Imports	0.1	0.1	..	0.1	0.2	0.1	0.1	0.3	0.1	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(Contd.)

TABLE 8.8 (Concluded)

DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

% Share

REGION	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Jul-Jan	
								2016-17	2017-18 P
1. Developed Countries									
Exports	43.3	40.3	41.5	44.7	46.6	51.6	53.4	53.2	53.3
Imports	22.2	21.0	21.5	20.5	20.9	23.3	22.5	22.0	22.3
i. OECD									
Exports	42.3	39.2	40.4	43.5	45.5	50.5	52.2	52.1	52.0
Imports	21.6	19.9	20.5	18.5	18.4	20.9	20.6	20.0	20.2
ii. Other European Countries									
Exports	1.0	1.1	1.1	1.2	1.1	1.1	1.2	1.2	1.3
Imports	0.6	1.1	1.0	2.0	2.5	2.4	1.9	2.0	2.1
2. CMEA*									
Exports	1.3	1.4	1.5	1.6	1.7	1.9	2.0	2.1	2.0
Imports	1.1	1.1	1.0	1.0	1.3	0.9	1.3	1.2	0.9
3. Developing Countries									
Exports	55.4	58.3	57.0	53.7	51.6	46.6	44.6	44.6	44.6
Imports	76.7	77.9	77.6	78.5	77.8	75.8	76.2	76.7	76.7
i. OIC									
Exports	28.3	28.8	26.5	23.3	20.9	18.6	17.2	16.9	17.4
Imports	38.0	40.8	40.5	39.4	33.2	24.7	26.2	26.4	27.4
ii. SAARC									
Exports	6.5	5.4	5.6	5.5	5.6	6.0	6.1	6.4	6.0
Imports	4.7	3.7	4.3	4.8	4.0	4.3	3.5	3.4	2.9
iii. ASEAN									
Exports	2.3	3.0	2.8	2.6	3.6	2.6	2.8	2.7	2.8
Imports	11.9	11.8	11.0	11.0	10.7	10.2	9.8	9.4	10.9
iv. Central America									
Exports	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.7	0.6
Imports	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1
v. South America									
Exports	1.5	1.4	1.4	1.4	1.3	1.2	1.2	1.2	1.2
Imports	1.1	0.6	0.8	0.8	1.3	2.2	1.4	1.2	1.5
vi. Other Asian Countries									
Exports	11.8	14.5	15.4	14.9	14.1	12.1	11.5	12.0	10.9
Imports	17.8	18.3	18.2	20.2	25.6	30.7	31.7	33.2	30.0
vii. Other African Countries									
Exports	4.1	4.3	4.4	5.2	5.2	5.0	4.7	4.6	5.4
Imports	2.9	2.6	2.6	2.2	2.9	3.4	3.4	3.0	3.8
viii. Central Asian States									
Exports	0.1	..	0.1	0.1	0.1	0.2	0.3	0.1	0.3
Imports	0.2	0.1	..	..	..	0.1	0.1	0.1	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

P : Provisional .. : Insignificant Source: Pakistan Bureau of Statistics

* : Council for Mutual Economic Assistance.

TABLE 8.9

WORKERS' REMITTANCES

(US $ Million)

COUNTRY	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
I. Cash Flow	2,340.79	4,190.73	3,826.16	4,152.29	4,588.03	5,490.97	6,448.84	7,810.95	8,904.93
Bahrain	39.58	71.46	80.55	91.22	100.57	136.28	140.51	153.27	151.35
Canada	20.52	15.19	22.90	48.49	81.71	87.20	100.62	79.07	115.12
Germany	13.44	26.87	46.52	53.84	59.03	76.87	73.33	100.71	81.21
Japan	5.97	8.14	5.28	6.51	6.63	4.26	4.75	5.10	5.68
Kuwait	89.66	221.23	177.01	214.78	246.75	288.71	384.58	432.05	445.09
Norway	6.55	8.89	10.19	18.30	16.82	22.04	28.78	24.94	34.68
Qatar	31.87	87.68	88.69	86.86	118.69	170.65	233.36	339.51	354.15
Saudi Arabia	376.34	580.76	565.29	627.19	750.44	1,023.56	1,251.32	1,559.56	1,917.66
Oman	63.18	93.65	105.29	119.28	130.45	161.69	224.94	277.82	287.27
U.A.E.	469.49	837.87	597.48	712.61	716.30	866.49	1,090.30	1,688.59	2,038.57
Abu Dhabi	103.72	212.37	114.92	152.51	147.89	200.40	298.80	669.40	1,130.32
Dubai	331.47	581.09	447.49	532.93	540.24	635.60	761.24	970.42	851.59
Sharjah	34.05	42.60	34.61	26.17	26.87	28.86	28.58	47.84	54.55
Others	0.25	1.81	0.46	1.00	1.30	1.63	1.68	0.93	2.11
U.K.	151.93	273.83	333.94	371.86	438.65	430.04	458.87	605.59	876.38
U.S.A	778.98	1,237.52	1,225.09	1,294.08	1,242.49	1,459.64	1,762.03	1,735.87	1,771.19
Other Countries	293.28	727.64	567.93	507.27	679.50	763.54	695.45	808.87	826.58
II Encashment*	48.26	46.12	45.42	16.50	12.09	2.68	2.40	0.48	1.02
Total (I+II)	2,389.05	4,236.85	3,871.58	4,168.79	4,600.12	5,493.65	6,451.24	7,811.43	8,905.95

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

Source: State Bank of Pakistan

TABLE 8.9

WORKERS' REMITTANCES

(% Share)

COUNTRY	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Cash Flow									
Bahrain	1.69	1.71	2.11	2.20	2.19	2.48	2.18	1.96	1.70
Canada	0.88	0.36	0.60	1.17	1.78	1.59	1.56	1.01	1.29
Germany	0.57	0.64	1.22	1.30	1.29	1.40	1.14	1.29	0.91
Japan	0.26	0.19	0.14	0.16	0.14	0.08	0.07	0.07	0.06
Kuwait	3.83	5.28	4.63	5.17	5.38	5.26	5.96	5.53	5.00
Norway	0.28	0.21	0.27	0.44	0.37	0.40	0.45	0.32	0.39
Qatar	1.36	2.09	2.32	2.09	2.59	3.11	3.62	4.35	3.98
Saudi Arabia	16.08	13.86	14.77	15.10	16.36	18.64	19.40	19.97	21.53
Oman	2.70	2.23	2.75	2.87	2.84	2.94	3.49	3.56	3.23
U.A.E.	20.06	19.99	15.62	17.16	15.61	15.78	16.91	21.62	22.89
Abu Dhabi	4.43	5.07	3.00	3.67	3.22	3.65	4.63	8.57	12.69
Dubai	14.16	13.87	11.70	12.83	11.77	11.58	11.80	12.42	9.56
Sharjah	1.45	1.02	0.90	0.63	0.59	0.53	0.44	0.61	0.61
Others	0.01	0.04	0.01	0.02	0.03	0.03	0.03	0.01	0.02
U.K.	6.49	6.53	8.73	8.96	9.56	7.83	7.12	7.75	9.84
U.S.A	33.28	29.53	32.02	31.17	27.08	26.58	27.32	22.22	19.89
Other Countries	12.53	17.36	14.84	12.22	14.81	13.91	10.78	10.36	9.28
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: State Bank of Pakistan

TABLE 8.9

WORKERS' REMITTANCES

(US $ Million)

COUNTRY	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	July-Februray 2016-17	July-Februray 2017-18 P
I. Cash Flow	11,200.90	13,186.58	13,921.56	15,837.68	18,719.80	19,916.76	19,351.40	12,410.50	12,833.60
Bahrain	167.29	210.95	282.83	318.84	388.99	448.44	396.40	258.10	261.80
Canada	184.62	177.71	177.19	160.03	170.99	175.99	187.40	116.30	135.00
Germany	106.64	88.74	83.18	85.58	78.13	93.66	94.10	57.60	83.10
Japan	8.13	9.03	5.15	7.09	7.75	13.18	14.30	9.20	11.80
Kuwait	495.19	582.57	619.00	681.43	748.12	773.97	763.80	503.50	513.10
Norway	36.99	38.49	37.84	30.77	27.58	34.87	41.30	27.10	30.30
Qatar	306.11	318.82	321.25	329.24	350.21	380.86	404.40	242.70	244.80
Saudi Arabia	2,670.07	3,687.00	4,104.73	4,729.43	5,630.43	5,968.25	5,469.80	3,573.50	3,263.00
Oman	337.59	382.66	384.80	530.52	685.71	819.44	760.90	506.00	444.70
U.A.E.	2,597.74	2,848.86	2,750.17	3,109.52	4,231.75	4,365.29	4,328.10	2,780.30	2,844.50
Abu Dhabi	1,328.82	1,367.62	1,485.03	1,512.45	1,750.65	1,418.28	1,426.80	1,011.40	690.10
Dubai	1,201.15	1,411.26	1,213.84	1,550.03	2,411.96	2,877.74	2,845.30	1,734.90	2,115.90
Sharjah	63.77	67.26	49.76	45.54	67.64	66.50	50.50	29.70	35.10
Others	4.00	2.72	1.54	1.50	1.50	2.77	5.50	4.40	3.40
U.K.	1,199.67	1,521.10	1,946.01	2,180.23	2,376.15	2,579.69	2,341.70	1,449.20	1,786.40
U.S.A	2,068.67	2,334.47	2,186.24	2,467.65	2,702.66	2,524.73	2,452.90	1,525.40	1,711.80
Other Countries	1,022.19	986.18	1,023.17	1207.35	1321.33	1738.39	2096.20	1,361.70	1,503.50
II Encashment*	0.07	0.04	0.10	0.03	0.20	-	-	-	-
Total (I+II)	11,200.97	13,186.62	13,921.66	15,837.71	18,720.00	19,916.76	19,351.40	12,410.50	12,833.60

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

P: Provisional

Source: State Bank of Pakistan

TABLE 8.9

WORKERS' REMITTANCES

(% Share)

COUNTRY	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	July-February 2016-17	July-February 2017-18 P
Cash Flow									
Bahrain	1.49	1.60	2.03	2.01	2.08	2.25	2.05	2.08	2.04
Canada	1.65	1.35	1.27	1.01	0.91	0.88	0.97	0.94	1.05
Germany	0.95	0.67	0.60	0.54	0.42	0.47	0.49	0.46	0.65
Japan	0.07	0.07	0.04	0.04	0.04	0.07	0.07	0.07	0.09
Kuwait	4.42	4.42	4.45	4.30	4.00	3.89	3.95	4.06	4.00
Norway	0.33	0.29	0.27	0.19	0.15	0.18	0.21	0.22	0.24
Qatar	2.73	2.42	2.31	2.08	1.87	1.91	2.09	1.96	1.91
Saudi Arabia	23.84	27.96	29.48	29.86	30.08	29.97	28.27	28.79	25.43
Oman	3.01	2.90	2.78	3.35	3.66	4.11	3.93	4.08	3.47
UAE	23.19	21.60	19.75	19.63	22.61	21.92	22.37	22.40	22.16
Abu Dhabi	11.86	10.37	10.67	9.55	9.35	7.12	7.37	8.15	5.38
Dubai	10.72	10.70	8.72	9.79	12.88	14.45	14.70	13.98	16.49
Sharjah	0.57	0.51	0.36	0.29	0.36	0.33	0.26	0.24	0.27
Others	0.04	0.02	0.01	0.01	0.01	0.01	0.03	0.04	0.03
U.K.	10.71	11.54	13.98	13.77	12.69	12.95	12.10	11.68	13.92
U.S.A	18.47	17.70	15.70	15.58	14.44	12.68	12.68	12.29	13.34
Other Countries	9.13	7.48	7.35	7.62	7.06	8.73	10.83	10.97	11.72
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

P: Provisional

Source: State Bank of Pakistan

TABLE 8.10

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

US $ million

Period	Cash(2)		Gold(1)		Total	
	June*	December*	June*	December*	June*	December*
2000	1,547	1,395	603	603	2,150	1,998
2001	2,100	3,595	566	566	2,666	4,161
2002	4,772	7,902	667	667	5,439	8,569
2003	9,975	10,807	725	725	10,700	11,532
2004	11,052	9,925	831	831	11,883	10,756
2005	10,487	10,030	917	903	11,404	10,933
2006	11,542	11,429	1,268	1,268	12,810	12,697
2007	15,070	13,804	1,344	1,732	16,414	15,536
2008	9,539	7,834	1,926	1,791	11,465	9,625
2009	10,255	12,863	1,935	2,286	12,190	15,149
2010	13,953	15,041	2,575	2,910	16,528	17,951
2011	16,614	14,451	3,117	3,170	19,731	17,621
2012	11,905	10,094	3,311	3,433	15,216	13,527
2013	7,197	4,862	2,469	2,489	9,667	7,351
2014	10,509	11,943	2,726	2,486	13,235	14,429
2015	14,836	17,220	2,428	2,203	17,265	19,423
2016	19,446	19,653	2,739	2,405	22,185	22,057
2017 P	17,551	15,764	2,578	2,691	20,130	18,455

P : Provisional *** : 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

TABLE 8.11

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

		(Average During the Year)								
Country	Currency	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Australia	Dollar	31.3747	32.1607	34.2101	41.0626	44.7141	44.7564	47.6760	56.1958	58.2931
Bangladesh	Taka	1.0794	1.0826	1.0108	0.9842	0.9774	0.9121	0.8723	0.9088	1.1423
Belgium	Franc	1.2934	1.3633	1.5198	1.7011	1.8725	1.8063	1.9627	2.2848	2.6632
Canada	Dollar	38.4434	39.1719	38.8234	42.8526	47.5567	51.4986	53.5778	61.9742	67.5867
China	Yuan	7.0601	7.4149	7.0613	6.9497	7.1676	7.4161	7.7526	8.6128	11.4930
France	Franc	7.9536	8.3867	9.3464	10.4614	11.5154	11.1084	12.0704	14.0512	16.3780
Germany	Mark	26.6543	28.1084	31.3464	35.0862	38.6209	37.2559	40.4822	47.1258	54.9294
Holland	Guilder	23.6655	24.9556	27.8205	31.1396	34.2767	33.0652	35.9286	41.8249	48.7508
Hong Kong	Dollar	7.4906	7.8720	7.4990	7.3970	7.6176	7.7127	7.7772	8.0273	10.1246
India	Rupee	1.2529	1.2787	1.2219	1.2682	1.3253	1.3389	1.3746	1.5417	1.6468
Iran	Rial	0.0332	0.0307	0.0073	0.0069	0.0067	0.0066	0.0066	0.0067	0.0081
Italy	Lira	0.0269	0.0284	0.0317	0.0354	0.0390	0.0376	0.0409	0.0476	0.0555
Japan	Yen	0.5109	0.4884	0.4888	0.5203	0.5558	0.5216	0.5122	0.5711	0.8012
Kuwait	Dinar	190.4592	200.7861	194.5677	194.3681	202.3816	205.3258	209.8118	228.2954	281.2742
Malaysia	Ringgit	15.3871	16.1621	15.3944	15.1532	15.6244	16.0515	17.0649	18.9021	22.3290
Nepal	Rupee	0.7893	0.8033	0.7515	0.7802	0.8169	0.8296	0.8575	0.9593	1.0285
Norway	Krone	6.4483	7.0288	8.1021	8.2191	9.1841	9.2141	9.7161	11.6417	12.4113
Singapore	Dollar	33.1605	33.9503	33.3406	33.5098	35.6797	36.4149	39.1651	43.6846	53.5502
Sri Lanka	Rupee	0.7026	0.6624	0.6057	0.5920	0.5813	0.5872	0.5649	0.5676	0.7024
Sweden	Krona	5.9379	5.9117	6.6910	7.5195	8.2949	7.7867	8.6143	9.8890	10.4330
Switzerland	Franc	34.1098	37.1824	41.4643	44.2489	49.0657	46.8551	49.2385	56.6736	70.0527
Saudi Arabia	Riyal	15.5868	16.3792	15.5961	15.3488	15.8027	15.9608	16.1656	16.6973	20.9341
Thailand	Baht	1.3438	1.4000	1.3742	1.4365	1.4841	1.5017	1.6820	1.8910	2.2652
UAE	Dirham	15.9133	16.7231	15.9261	15.6727	16.1586	16.2972	16.5107	17.0391	21.3856
UK	Pound	84.7395	88.5691	92.7433	100.1672	110.2891	106.4344	117.1852	125.2948	126.0915
USA	Dollar	58.4378	61.4258	58.4995	57.5745	59.3576	59.8566	60.6342	62.5465	78.4983
EMU	Euro	-	54.9991	61.3083	68.6226	75.5359	72.8661	79.1763	92.1700	107.4327
IMF	SDR	74.7760	78.0627	79.3198	83.2470	88.5631	86.9594	90.7726	98.6265	119.9599

Source: State Bank of Pakistan

TABLE 8.11

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

Country	Currency	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 P (Jul-Feb)
		(Average During the Year)								
Australia	Dollar	73.9643	84.6185	91.8961	99.2813	94.4043	84.6706	75.8551	78.9703	83.7042
Bangladesh	Taka	1.2118	1.2101	1.1385	1.2059	1.3232	1.3045	1.3327	1.3263	1.3170
Belgium	Franc	2.8879	2.8904	2.9549	3.1017	3.4580	3.0162	2.8664	2.8268	3.1539
Canada	Dollar	79.4785	85.4711	88.8631	96.3207	96.1939	86.6031	78.6541	78.9236	85.0409
China	Yuan	12.2840	12.9120	14.0507	15.5063	16.7639	16.3639	16.1983	15.4059	16.3215
France	Franc	17.7602	17.7753	18.1719	19.0748	21.2659	18.5489	17.6276	17.3844	19.3956
Germany	Mark	59.5651	59.6157	60.9459	63.9742	71.3227	62.2102	59.1204	58.3047	65.0502
Holland	Guilder	52.8650	52.9099	54.0905	56.7782	-	-	-		-
Hong Kong	Dollar	10.8074	11.0019	11.4768	12.4764	13.2668	13.0664	13.4416	13.5015	13.7263
India	Rupee	1.7995	1.8881	1.7836	1.7658	1.6757	1.6354	1.5735	1.5778	1.6644
Iran	Rial	0.0084	0.0082	0.0079	0.0079	0.0041	0.0037	0.0035	0.0033	0.0031
Italy	Lira	0.0602	0.0602	0.0616	0.0646	0.0720	0.0628	0.0597	0.0589	0.0657
Japan	Yen	0.9164	1.0301	1.1352	1.1116	1.0180	0.8865	0.8959	0.9611	0.9618
Kuwait	Dinar	291.6604	304.4159	322.3284	342.4219	364.0262	346.1203	345.2872	345.0024	355.3095
Malaysia	Ringgit	24.8037	27.7427	28.9142	31.3927	31.6823	29.3817	25.2457	24.4675	25.9226
Nepal	Rupee	1.1251	1.1800	1.1164	1.1044	1.0477	1.0222	0.9838	0.9861	1.0402
Norway	Krone	14.0698	14.7356	15.5404	16.8037	17.0596	14.2794	12.4110	12.4644	13.3818
Singapore	Dollar	59.6004	66.1304	70.7611	78.0767	81.6310	77.3079	74.9776	75.1927	79.4260
Sri Lanka	Rupee	0.7336	0.7694	0.7625	0.7524	0.7862	0.7701	0.7372	0.7031	0.6977
Sweden	Krona	11.5692	12.8272	13.2669	14.6811	15.7629	13.1103	12.4006	11.8827	13.1120
Switzerland	Franc	78.9664	89.9297	99.3752	102.7673	113.7726	107.4720	106.3904	105.5866	110.6077
Saudi Arabia	Riyal	22.3482	22.8047	23.7943	25.8099	27.4313	27.0040	27.7996	27.9260	28.5490
Thailand	Baht	2.5339	2.7958	2.8917	3.1909	3.2278	3.1076	2.9393	3.0034	3.2718
UAE	Dirham	22.8216	23.2883	24.2894	26.3384	28.0070	27.5787	28.3865	28.5170	29.1505
UK	Pound	132.4866	135.9640	141.1402	151.5965	167.2207	159.4351	154.4878	132.7123	143.0277
USA	Dollar	83.8017	85.5017	89.2359	96.7272	102.8591	101.2947	104.2351	104.6971	107.0362
EMU	Euro	116.4991	116.5981	119.1998	125.1227	139.4950	121.6726	115.6294	114.0341	127.2271
IMF	SDR	129.7431	133.3407	138.9409	147.2259	158.0043	146.9546	145.8777	143.8126	152.0511

- : Not available

Source: State Bank of Pakistan

PUBLIC DEBT

TABLE 9.1

PUBLIC & PUBLICLY GUARANTEED DEBT DISBURSED & OUTSTANDING AS ON 28-02-2018

Country/Creditor	$ Million
I. BILATERAL	**Amount**
a. Paris Club Countries	
AUSTRIA	31
BELGIUM	22
CANADA	416
FINLAND	4
FRANCE	1,794
GERMANY	1,570
ITALY	166
JAPAN	6,133
KOREA	407
THE NETHERLANDS	99
NORWAY	12
RUSSIA	85
SPAIN	69
SWEDEN	107
SWITZERLAND	92
UNITED KINGDOM	6
UNITED STATES	1,275
Sub Total I.a. Paris Club Countries	**12,290**
b. Non Paris Club Countries	
CHINA	8,411
KUWAIT	179
LIBYA	4
SAUDI ARABIA	192
UNITED ARAB EMIRATES	40
Sub Total I.b. Non-Paris Club Countries	**8,827**
c. Commercial Banks	6,342
Total I. (a+b+c)	**27,459**
II. MULTILATERAL & Others	
ASIAN DEVELOPMENT BANK (ADB)	11,209
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)	1,324
INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)	14,422
Other	1,518
ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB)	34
EUROPEAN INVESTMENT BANK (EIB)	3
ISLAMIC DEVELOPMENT BANK (IDB)	1,101
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)	239
NORDIC DEVELOPMENT FUND	9
OPEC FUND	87
ECO TRADE BANK	45
Sub Total II. Multilateral & Others	**28,473**
III. BONDS	7,300
IV. DEFENCE	-
V. IDB (SHORT TERM CREDIT)	1,085
VI. LOCAL CURRENCY BONDS (TBs & PIBs)	1
Grand Total: (I+II+III+IV+V+VI)	**64,318**

Source: Economic Affairs Division

TABLE 9.2

COMMITMENTS AND DISBURSEMENTS OF LOANS AND GRANTS (BY TYPE)

$ Million

Fiscal Year	Project Aid		Non-Project Aid								Total*	
			Non-Food		Food		BOP		Relief			
	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment	Comm-itment	Disburse-ment
2000-01	396	1,030	-	-	91	23	1,128	1,128	21	5	1,637	2,186
2001-02	973	741	-	-	40	114	2,589	1,880	0	21	3,603	2,756
2002-03	700	846	-	-	-	9	1,089	1,057	11	8	1,800	1,920
2003-04	1,214	622	-	-	-	-	1,263	755	2	3	2,479	1,380
2004-05	2,089	918	-	-	-	-	1,202	1,803	-	2	3,291	2,723
2005-06	3,250	2,084	-	-	22	10	1,225	1,262	1	1	4,498	3,357
2006-07	1,365	1,308	133	-	-	12	2,649	2,058	3	3	4,151	3,381
2007-08	2,440	1,565	-	80	-	-	1,309	2,013	2	2	3,751	3,660
2008-09	2,296	1,272	125	175	18	-	3,947	3,238	2	2	6,389	4,688
2009-10	3,729	1,213	100	100	-	-	2,846	2,305	68	49	6,744	3,668
2010-11	2,384	1,076	-	-	-	-	397	648	1,799	895	4,580	2,620
2011-12	3,341	1,753	100	73	-	-	1,135	949	103	314	4,679	3,089
2012-13	1,848	2,071	100	51	-	-	708	466	4	268	2,660	2,855
2013-14	9,809	2,015	125	80	-	-	5,019	4,612	4	133	14,957	6,840
2014-15	2,038	2,449	-	10	-	-	2,671	3,163	12	134	4,721	5,756
2015-16	12,325	2,337	-	-	-	-	5,069	5,199	6	15	17,400	7,551
2016-17	4,257	3,609	-	-	-	-	7,803	7,072	11	1	12,071	10,682
2017-18 (Jul-Feb)	1,534	2,240	-	-	-	-	5,536	5,312	1	1	7,071	7,553

*: Exclusive of IMF Loans

Source: Economic Affairs Division

Notes:

Project Aid includes commitments and disbursements for Earthquake Rehabilitation & Construction

BOP includes commitment and disbursement for Bonds, Commercial Banks, BOP Programme Loans, IDB Short-term credit and Tokyo Pledges

Relief includes commitment and disbursement for Afghan Refugees, IDPs, Earthquake and Flood Assistance

TABLE 9.3

ANNUAL COMMITMENTS, DISBURSEMENTS, SERVICE PAYMENTS AND EXTERNAL DEBT OUTSTANDING

$ Million

Fiscal Year	Debt Outstanding @		Transactions during period					Debt Servicing as % of		
					Service Payments***					
	Disbursed*	Undisbursed*	Commit-ment**	Disburse-ment**	Principal	Interest	Total	Export Receipts	Foreign Exchange Earning	GDP
2000-01	25,608	2,860	1,167	1,846	1,004	663	1,668	18.7	11.7	2.3
2001-02	27,215	3,504	3,293	2,423	772	538	1,309	14.3	8.5	1.8
2002-03	28,301	3,811	1,747	1,729	971	613	1,583	14.4	8.1	1.9
2003-04	28,900	5,392	2,125	1,372	2,513	702	3,215	25.8	15.0	3.3
2004-05	30,813	4,975	3,113	2,452	1,072	669	1,742	12.0	6.5	1.6
2005-06	33,033	5,838	4,507	3,163	1,424	712	2,136	12.9	6.9	1.6
2006-07	35,673	6,277	4,059	3,356	1,203	822	2,025	11.7	6.1	1.3
2007-08	40,770	6,540	3,398	3,160	1,133	983	2,116	10.4	5.7	1.2
2008-09	42,567	7,451	5,792	4,032	2,566	873	3,439	18.0	9.7	2.0
2009-10	43,187	9,634	6,171	3,099	2,339	756	3,095	15.7	8.1	1.7
2010-11	46,642	9,797	4,580	2,620	1,925	762	2,687	10.6	5.6	1.3
2011-12	46,391	10,316	4,679	3,089	1,534	717	2,251	9.1	4.7	1.0
2012-13	44,353	9,954	1,278	2,486	1,903	709	2,612	10.5	5.2	1.1
2013-14	48,984	15,770	11,263	3,760	2,074	736	2,810	11.2	5.5	1.1
2014-15	47,867	18,559	3,621	3,601	2,262	949	3,211	13.3	6.1	1.2
2015-16	52,978	20,669	14,215	4,693	3,202	1,092	4,294	19.5	8.4	1.5
2016-17	57,643	21,524	5,651	4,859	5,196	1,242	6,438	29.3	12.4	2.1
2017-18 (Jul-Feb)	64,318	21,051	2,230	2,457	2,420	918	3,338	28.3	12.5	1.1

* : Excluding grants

Source: Economic Affairs Division

** : Excluding IMF, Short Term Credit, Commercial Credits and Bonds

*** : Excluding IMF, Short Term Credit, Commercial Credits and Bonds up to the year 2003-04. From the Years 2004-05 onwards, debt servicing in respect of short-term borrowings and Eurobonds is included

@: Public and Publically Guaranteed Loans

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

US$ Million

Fiscal Year	Kind	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (Jul-Feb)
I. PARIS CLUB COUNTRIES										
1. Australia	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
2. Austria	Principal	3.387	3.581	2.760	3.664	4.923	3.767	3.768	3.989	2.288
	Interest	3.569	3.466	2.950	2.976	3.006	2.312	1.992	1.765	0.885
3. Belgium	Principal	0.715	0.711	0.901	1.014	1.223	1.222	1.318	1.497	0.883
	Interest	1.998	1.702	1.836	1.746	1.773	1.492	1.335	1.243	0.631
4. Canada	Principal	1.814	2.075	2.372	2.717	3.118	3.563	4.084	4.679	2.586
	Interest	1.276	1.018	0.965	0.989	0.754	0.674	0.799	1.164	0.646
5. Denmark	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
6. France	Principal	26.804	31.301	34.169	39.776	52.270	53.406	57.914	79.264	55.816
	Interest	87.354	87.466	81.713	77.533	79.165	66.812	60.554	57.907	30.479
7. Finland	Principal	0.119	0.136	0.156	0.179	0.206	0.424	0.268	0.308	0.17
	Interest	0.083	0.067	0.062	0.064	0.051	0.069	0.052	0.076	0.042
8. Germany	Principal	15.861	18.138	23.629	17.883	14.458	16.847	15.988	39.515	32.986
	Interest	18.639	18.619	17.290	16.513	26.691	25.119	24.761	22.365	11.598
9. Italy	Principal	20.098	22.712	0.576	0.652	0.764	0.826	0.924	1.054	0.598
	Interest	0.339	0.285	0.317	0.222	0.163	0.143	0.156	0.193	0.106
10. Japan	Principal	48.656	56.651	64.135	61.458	55.903	51.160	62.491	175.517	141.765
	Interest	118.509	129.489	134.327	117.640	103.270	88.094	90.449	93.757	47.525
11. Korea	Principal	9.678	11.068	12.656	14.492	16.626	19.009	22.177	25.847	14.274
	Interest	8.165	6.836	6.750	6.907	5.932	5.480	6.062	7.957	4.315
12. Norway	Principal	2.513	1.504	0.497	0.570	0.648	0.717	0.797	0.887	0.538
	Interest	1.010	0.346	0.304	0.273	0.202	0.179	0.172	0.220	0.121
13. The Netherlands	Principal	0.303	0.354	0.375	0.345	0.514	0.507	0.540	2.44	2.305
	Interest	3.457	3.244	3.285	2.970	3.221	2.959	2.587	2.54	2.457
14. Russia	Principal	2.475	2.831	3.238	3.707	4.255	4.863	5.573	6.385	3.529
	Interest	6.157	6.027	5.895	5.709	5.514	5.403	5.052	4.744	2.255
15. Sweden	Principal	3.126	3.578	4.092	4.681	5.366	6.130	7.028	8.053	4.451
	Interest	2.135	1.683	1.597	1.630	1.225	1.102	1.318	1.944	1.084
16. Spain	Principal	0.533	0.610	0.697	0.822	0.960	1.093	1.246	2.566	1.928
	Interest	1.980	1.987	1.905	1.846	1.782	1.753	1.780	1.736	0.934
17. Switzerland	Principal	1.687	2.235	2.554	2.878	3.431	3.722	4.097	5.225	3.12
	Interest	1.380	1.339	1.299	1.229	3.886	1.087	0.981	0.961	0.466
18. USA	Principal	3.565	4.078	4.663	5.339	6.124	7.004	8.028	25.505	21.391
	Interest	29.318	29.111	28.928	28.665	28.414	29.404	27.684	27.259	13.236
19. UK	Principal	0.151	0.223	0.250	0.282	0.342	0.370	0.403	0.395	0.228
	Interest	0.651	0.143	0.157	0.161	0.066	0.094	0.090	0.067	0.029
TOTAL (I)	Principal	141.485	161.786	157.720	160.459	171.131	174.630	196.644	383.126	288.856
	Interest	286.020	292.828	289.580	267.073	265.115	232.176	225.824	225.898	116.809
II. NON-PARIS CLUB COUNTRIES										
1. China	Principal	20.148	139.269	151.630	72.734	121.257	127.994	170.391	712.298	186.703
	Interest	46.620	76.892	43.799	74.575	103.488	139.299	141.463	205.754	207.743
2. Czecho-Slovakia	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
3. Kuwait	Principal	7.800	7.983	7.990	8.072	7.057	7.551	10.281	9.477	6.727
	Interest	2.793	2.760	2.797	2.842	3.121	3.061	3.200	3.794	2.107
4. Libya	Principal	1.785	0.100	0.100	-	-	-	-	-	-
	Interest	0.025	0.006	0.003	-	-	-	-	-	-
5. Saudi Arabia	Principal	82.296	180.009	103.851	76.116	166.669	121.934	111.221	167.129	26.118
	Interest	6.212	13.976	6.502	4.200	7.547	5.701	5.394	7.83	2.103
6. UAE	Principal	-	0.538	3.801	4.114	4.513	4.513	6.346	6.346	6.004
	Interest	2.122	1.845	2.095	1.879	3.025	1.697	1.723	1.55	1.329
7. EXIM Bank (FE)	Principal	4.224	5.594	5.523	6.324	7.257	8.297	9.509	10.896	6.022
	Interest	1.425	0.628	1.239	1.201	1.167	1.113	1.059	1.147	0.664
8. PL-480	Principal	1.171	1.153	1.153	1.154	1.154	1.154	1.153	3.147	3.147
	Interest	2.994	2.976	2.962	2.936	2.916	1.533	2.885	2.858	1.445
9. CCC	Principal	5.651	6.463	7.390	8.462	9.708	11.099	12.722	14.577	8.056
	Interest	16.982	16.623	16.258	15.746	15.209	14.594	13.927	13.084	6.218
TOTAL (II)	Principal	123.075	341.109	281.438	176.976	317.615	282.542	321.623	923.870	242.777
	Interest	79.173	115.706	75.655	103.379	136.473	166.998	169.651	236.017	221.609

(Contd..)

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

US$ Million

Fiscal Year	Kind	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (Jul-Feb)
III. MULTILATERAL										
1. ADB	Principal	511.695	626.773	714.870	737.087	728.130	721.223	755.354	778.363	470.847
	Interest	111.136	104.161	103.125	101.564	82.581	80.625	84.764	107.428	83.429
2. IBRD	Principal	225.073	172.956	156.078	177.063	165.637	156.074	147.323	128	81.027
	Interest	30.585	15.464	13.925	13.877	8.111	5.921	8.033	13.409	9.979
3. IDA	Principal	168.122	168.576	192.606	222.629	236.291	253.490	256.755	278.964	221.017
	Interest	82.620	82.377	92.352	92.770	96.215	113.079	125.357	151.118	111.363
4. IFAD	Principal	7.793	7.775	11.532	8.112	4.803	5.277	5.454	6.601	4.749
	Interest	1.754	1.721	1.798	1.698	1.618	1.649	1.670	1.701	1.052
5. IDB	Principal	6.840	9.488	7.025	17.440	23.604	31.612	44.580	50.782	29.638
	Interest	3.585	5.599	4.197	4.832	10.203	13.649	16.382	18.11	8.796
6. IDB (ST)	Principal	349.925	325.127	-	390.290	412.952	409.093	734.531	877.887	605.897
	Interest	18.551	28.614	23.028	11.185	15.737	18.368	47.592	51.46	44.232
TOTAL (III)	Principal	1,269.448	1,310.695	1,082.111	1,552.621	1,571.417	1,576.769	1,943.997	2,120.597	1,413.175
	Interest	248.231	237.936	238.425	225.926	214.465	233.291	283.798	343.226	258.851
IV. DEVELOPMENT FUNDS										
1. NORDIC	Principal	1.923	2.447	2.486	1.869	1.586	0.836	0.569	0.565	0.303
	Interest	0.210	0.203	0.171	0.137	0.117	0.060	0.074	0.066	0.036
2. OPEC Fund	Principal	4.015	3.298	2.666	3.016	3.016	4.453	6.354	6.076	2.759
	Interest	0.599	0.526	0.580	0.833	1.239	1.613	2.043	2.371	1.258
3. Turkey (EXIM Bank)	Principal	-	-	-	-	0.667	31.336	1.334	1.334	0.666
	Interest	-	-	0.212	0.215	0.190	0.877	0.696	1.472	0.885
4. E.I.Bank	Principal	7.525	5.277	7.816	8.083	8.365	8.167	6.959	5.461	2.500
	Interest	1.468	1.223	1.170	0.853	0.633	0.400	0.330	0.356	0.162
5. ANZ Bank / Standard Charted Bank	Principal	50.000	-	-	-	-	172.500	225.000	1003.793	463.865
	Interest	4.061	-	-	-	6.946	12.291	55.010	65.884	146.574
TOTAL (IV)	Principal	63.463	11.022	12.968	12.968	13.634	217.292	240.216	1,017.229	470.093
	Interest	6.338	1.952	2.133	2.038	9.125	15.241	58.153	70.149	148.915
V. GLOBAL BONDS										
1. Eurobonds	Principal	600.000	-	-	-	-	-	500.000	750	-
	Interest	132.040	110.904	110.872	110.852	110.816	301.426	354.328	366.946	171.931
2. Saindak Bonds	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
3. US Dollar Bonds (NHA)	Principal	21.903	-	-	-	-	-	-	-	-
	Interest	1.485	-	-	-	-	-	-	-	-
TOTAL (V)	Principal	621.903	-	-	-	-	-	500.000	750.000	-
	Interest	133.525	110.904	110.872	110.852	110.816	301.426	354.328	366.946	171.931
TOTAL (I+II+III+IV+V)	Principal	2,219.374	1,824.612	1,534.237	1,903.024	2,073.797	2,251.233	3,202.480	5,194.822	2,414.901
	Interest	753.287	759.326	716.665	709.268	735.994	949.132	1,091.754	1,242.236	918.115
	Total (P+I)	2,972.661	2,583.938	2,250.902	2,612.292	2,809.791	3,200.365	4,294.234	6,437.058	3,333.016
VI. OTHERS										
1. NBP	Principal	3.022	3.055	-	-	-	-	-	-	-
	Interest	0.168	0.048	-	-	-	-	-	-	-
2. Bank of Indosuez	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
3. NBP Bahrain	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-	-
4. ANZ Bank	Principal	-	75.000	-	-	-	-	-	-	-
	Interest	-	2.784	-	-	-	-	-	-	-
5. US Dollar Bonds	Principal		21.903	-	-	-	-	-	-	-
	Interest		0.301	-	-	-	-	-	-	-
6. Cash (ST)	Principal	116.279	-	-	-	-	-	-	-	-
	Interest	2.849	-	-	-	-	-	-	-	-
7. OTF	Principal	-	-	-	-	-	-	-	-	-
	Interest	-	-	-	0.192	0.160	-	-	-	-
8. Unspent Balance	Principal	-	-	-	-	-	10.686	0.000		5.269
	Interest	-	-	-	-	-	-	-	-	-
TOTAL (VI)	Principal	119.301	99.958	-	-	-	10.686	-	-	5.269
	Interest	3.017	3.133	-	0.192	0.160	-	-	-	-
TOTAL (I+II+III+IV+V+VI)	Principal	2,338.675	1,924.570	1,534.237	1,903.024	2,073.797	2,261.919	3,202.480	5,194.822	2,420.170
	Interest	756.304	762.459	716.665	709.460	736.154	949.132	1,091.754	1,242.236	918.115
Grand Total (P+I)		3,094.979	2,687.029	2,250.902	2,612.484	2,809.951	3,211.051	4,294.234	6,437.058	3,338.285

Note: Exclusive of IMF Loans

Source: Economic Affairs Division

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN

Lending Country/Agency		2008-09			2009-10		
		Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)	Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)
A.	Paris Club Countries						
	1. Germany	138.3	0.75	40	20.3	0.75	40
	2. Japan				249.4	1.2	30
	3. France	98.3	LIBOR EURO 6 Months + 200bps	20	103.6	1.6	20
	4.Italy						
	Sub-Total (A):	236.6			373.3		
B.	Non-Paris Club						
	1. China	800.0	0-5	10-15	1,979.8	6 and LIBOR 3 Months + 1.1	19-25
	2. Kuwait				49.9	1 Fixed	25
	3. Saudi Arabia	125.2	3.25	3	380.0	2 and LIBOR 3 Months + 0.5	3-20
	4. Korea	205.2	1.50	30-40			
	5. UAE						
	Sub-Total (B):	1,130.4			2,409.7		
C.	Multilateral						
	1. IDB (ST)	596.5	LIBOR+2.5	1	572.3	LIBOR + 2.5	1
	2. IDB	287.8	LIBOR + 0.55 and 1.5	18-26	362.2	5.1 US SWAP RATE 15 YRS +1.2	15-20
	3. IDA	1,528.7	0.75	35	508.4	0.75 Fixed	35
	4. ADB	1,759.7	1.5 and LIBOR 6 Months + 0.6	20-30	711.8	1.5 and LIBOR 6 Months + 0.6	20-30
	5. OPEC	66.3	LIBOR + 1.85	20	31.1	1.75 Fixed	20
	6. IBRD	173.4	LIBOR 6 Months + 0.75	30			
	7. IFAD				18.8	0.75 Fixed	26
	7. EIB				149.5	LIBOR 6 Months + 0.15	35
	Sub-Total (C):	4,412.4			2,354.1		
	Total (A+B+C)	5,779.4			5,137.1		

Lending Country/Agency		2010-11			2011-12		
		Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)	Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)
A.	Paris Club Countries						
	1. Germany						
	2. Japan	237.4	.01 Fixed	30	62.8	0.01 Fixed	30
	3.France	103.9	LIBOR 6 Months + 0.25	15-18			
	4. Italy	53.5	-	19	72.7	Free	40
	Sub-Total (A)	394.8			135.5		
B.	Non-Paris Club						
	1. China	213.7	2 Fixed	18-20	851.1	2 Fixed	12-14
	2. Kuwait	42.6	1 Fixed	25			
	3. Saudi Arabia	100.0	LIBOR 12 Months +0.85	1	100.0	LIBOR 12 months + 1.25	10
	4. Korea						
	Sub-Total (B)	356.3			951.1		
C.	Multilateral						
	1. IDB Short-term				256.0		
	2. IDB	220.0	1 Fixed	15			
	3. IDA	603.0	3.95 and 0.75 Fixed	25	1,703.3	1.68 Fixed	25
	4. ADB	892.6	1.5 and LIBOR 6 Months + 0.6	18-30	504.9	1.5 and LIBOR 6 months + 0.6	16
	5. OPEC						
	6.IBRD	261.4	LIBOR 6 Months + 0.75	25	500.0	LIBOR 6 months + 1	
	7. IFAD				40.0	0.75	40
	8. EIB						
	9. E.C.O. T / BANK	10.0	LIBOR 6 Months + 1.5	7			
	Sub-Total (C)	1,987.0			3,004.2		
	Total (A+B+C)	2,738.1			4,090.7		

(Contd.)

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN

Lending Country/Agency	2012-13			2013-14		
	Amount	Interest Rate/	Amortization	Amount	Interest Rate/	Amortization
	$ Million	Commission(%)	years	$ Million	Commission(%)	years
A. Paris Club Countries						
1. Germany				27.3	0.75 Fixed	40
2. Japan				49.3	LIBOR Yen 6 Month + 0.34	40
3.France				83.3	EIBOR+0.93	20
4. Italy	88.9	LIBOR 6 months + 0.93	15			
Sub-Total A	88.9			159.9		
B. Non-Paris Club						
1. China	448.0	LIBOR 6 months + 2.8	10	6,493.8	1 , 2 and 6 Fixed	28 to 30
2. Kuwait						
3. Saudi Arabia	100.0	LIBOR 12 months + 1.25	10	282.8	LIBOR 12 months + 1.25 and 2 Fixed	For Fixed 6 and for LIBOR 25
4. Korea						
Sub-Total B	548.0			6,776.6		
C. Multilateral						
1. IDB Short-term				1,006.5	5.25 Fixed, LIBOR 12 Months + 4.5, LIBOR 6 Months + 4.5, LIBOR Euro 12 Months+2.3	1
2. IDB	227.0	LIBOR 6 months + 1.35	24	264.4	2 to 2.5 Fixed	25
3. IDA	242.9	1.25 Fixed	25	1,554.1	1.25 to 2 Fixed	30
4. ADB	170.8	1.5 & LIBOR 6 months + 0.6	20-28	2,148.8	2 Fixed & LIBOR 6 months + 0.6	30
5. OPEC				50.0	1.75 Fixed	25
6.IBRD						
7. IFAD						
8. EIB				136.5	LIBOR + spread, Euribor + spread and Fixed (multiple rates for multiple tranches)	30
9. E.C.O BANK				30.0	LIBOR 6 MONTHS + 2	1
Sub-Total C	640.7			5,190.3		
D. Commercial Banks						
1. SCB (London)				172.5	LIBOR 3 Months + 4	1
2. SUISSE AG, UBL, ABL				200.0	LIBOR 3 Months + 4	1
Sub-Total (D)	-			372.5		
E. Commercial Banks						
1. Bonds 2019				1,000.0	7.25 Fixed	5
2. Bonds 2024				1,000.0	8.25 Fixed	10
3. Sukuk 2019				-		
Sub-Total (E)	-			2,000.0		
Total (A+B+C+D+E)	1,277.6			14,499.2		

Lending Country/Agency	2014-15			2015-16		
	Amount	Interest Rate/	Amortization	Amount	Interest Rate/	Amortization
	$ Million	Commission(%)	years	$ Million	Commission(%)	years
A. Paris Club Countries						
1. Germany				44.6	0.75 Fixed	40
2. Japan				109.8	LIBOR Yen 6 Months + 0.1	30 to 40
3.France				46.3	EIBOR + 0.25	20
4. Italy						
5. Korea				139.8	0.10 Fixed	40
Sub-Total A	-			340.4		
B. Non-Paris Club						
1. China	37.7	Fixed 2	20	9,422.7	2 and 5.2 Fixed	18 to 20
2. Kuwait						
3. Saudi Arabia				55.0	2 Fixed	20
Sub-Total B	37.7			9,477.7		
C. Multilateral						
1. IDB Short-term	488.8	5.0126 Fixed, LIBOR 6 Months 4.5, LIBOR EURO 12 Months	1	1,237.0	4.9 Fixed, LIBOR 12 months + 4.5 to 5.5	1
2. IDB				100.0	2 Fixed, LIBOR 6 months +1.35	16
3. IDA	1,425.4	1.25 to 2 Fixed	30	1,598.6	1.83 to 2 Fixed	24
4. ADB	762.1	2 Fixed & LIBOR 6 Months + 0.6	30	1,713.1	2 Fixed & LIBOR 6 months + 0.6	6 to 24
5. OPEC						
6. IBRD				100.0	LIBOR 6 months + 0.75	18
7. IFAD	31.6	Fixed 0.75		67.9		8
8. EIB						
9. E.C.O BANK				35.0	LIBOR 6 months + 2.5	1
10. AIIB				100.0	LIBOR 6 months + 0.75	20
Sub-Total C	2,707.9			4,951.6		
D. Commercial Banks						
1. SCB (London)	100.1	LIBOR 3 Months + 4.25	4			
2. SUISSE AG, UBL, ABL				983.0	LIBOR 3 months +2.66 & 3.25	1
3. DUBAI BANK				125.0	LIBOR 6 months + 2.5	1
4. NOOR BANK PJSC				340.0	LIBOR 3 months + 3.75 & 4.1	1
Sub-Total (D)	100.1			1,448.0		
E. Commercial Banks						
1. Sukuk 2019	1,000.0	6.75 Fixed	5			
2. Bonds 2025				500.0	8.25 Fixed	10
Sub-Total (E)	1,000.0			500.0		
Total (A+B+C+D+E)	3,845.7			16,717.7		

(Contd.)

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN

Lending Country/Agency	2016-17 Amount $ Million	2016-17 Interest Rate/ Commission(%)	2016-17 Amortization years	2017-18 (Jul-Feb) Amount $ Million	2017-18 (Jul-Feb) Interest Rate/ Commission(%)	2017-18 (Jul-Feb) Amortization years
A. Paris Club Countries						
1. Germany						
2. Japan	23.8	Fixed 0.1 & LIBOR Yen 06 Months + 0.1	30			
3.France	114.0	LIBOR EURO 06 Months + 0.52	20	203.2	LIBOR EURO 06 Months + 0.47 & 0.52	20
4. Italy						
5. Korea	76.3	Fixed 0.1	40			
Sub-Total A	214.1			203.2		
B. Non-Paris Club						
1. China	729.4	Fixed 2 & LIBOR 06 Months + 2.8	20			
2. Kuwait						
3. Saudi Arabia						
Sub-Total B	729.4			-		
C. Multilateral						
1. IDB Short-term	700.0	LIBOR 12 Months + 2.22	1	418.7	Fixed 4 & LIBOR 12 Months + 2.22	1
2. IDB						
3. IDA	761.2	1.88 to 3.2 Fixed	25	873.7	Fixed 2 to 3.36	25
4. ADB	2,001.0	2 Fixed & LIBOR 6 Months + 0.6	25	615.0	LIBOR 6 Months + 0.6	23
5. OPEC						
6. IBRD	690.0	LIBOR 6 Months + 0.5 & 0.75	21	430.0	LIBOR 6 Months + 0.75	21
7. IFAD	50.0	Fixed 1.75	20	82.6	Fixed 0.75	40
8. EIB						
9. E.C.O BANK	40.0	LIBOR 6 Months + 1.9	2			
10.AIIB	300.0	LIBOR 6 Months + 0.75	20			
Sub-Total C	4,542.2			2,420.0		
D. Commercial Banks						
1. SCB (London)	700.0	Fixed 4.47	10	200.0	LIBOR 12 Months + 1.4	1
2. SUISSE AG, UBL, ABL	1,000.0	LIBOR 6 Months + 2 to 3	1 & 9	450.0	LIBOR 3 Months + 2	1
3. DUBAI BANK						
4. NOOR BANK PJSC	445.0	LIBOR 3 Months + 2.3 to 2.5	2			
5. BANK OF CHINA SR.BD.	300.0	LIBOR 3 Months + 2.93	3			
6. CHINA DEV BANK	1,700.0	LIBOR 6 Months + 3.02	3			
7. CITI BANK	275.0	LIBOR 3 Months + 2.7	2	267.0	LIBOR 3 Months + 2.7	2
8. ICBC-CHINA	300.0	LIBOR 3 Months + 2.75	2	1,000.0	LIBOR 3 Months + 3.25	3
Sub-Total (D)	4,720.0			1,917.0		
E. Bonds						
1. Sukuk 2021	1,000.0	Fixed 5.5	5			
2. Eurobonds 2027				1,500.0	Fixed 6.875	10
3. Sukuk 2022				1,000.0	Fixed 5.625	5
Sub-Total (E)	1,000.0			2,500.0		
Total (A+B+C+D+E)	11,205.7			7,040.2		

Source: Economic Affairs Division

TABLE 9.6

GRANT ASSISTANCE AGREEMENTS SIGNED

($ Million)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (Jul-Feb)
I. Paris Club Countries									
1. Australia	-	-	-	-	-	-	-	-	-
2. Austria	-	-	-	-	-	-	-	-	-
3. Canada	-	-	-	-	-	-	-	-	-
4. France	-	-	-	0.5	3.4	-	6.5	-	-
5. Germany	68.4	11.3	28.8	13.1	18.4	9.0	56.8	1.1	-
6. Japan	39.8	67.8	13.6	28.4	19.2	79.7	38.1	10.7	-
7. The Netherlands	-	-	-	-	-	-	-	-	-
8. Norway	4.4	5.0	-	12.4	-	-	-	-	-
9. Korea	1.5	5.0	-	-	-	-	-	-	-
10. Switzerland	-	1.3	-	-	-	-	-	-	-
11. UK	363.4	89.0	408.9	1,173.3	-	534.4	-	49.8	-
12. USA	1,046.1	1,215.3	-	70.0	150.0	-	43.0	677.3	-
13. Italy	-	-	-	-	-	-	-	-	-
14. Denmark	-	24.8	-	-	-	-	-		-
Sub-Total (I)	1,523.6	1,419.5	451.4	1,297.6	191.0	623.0	144.5	738.9	-
II. Non Paris Club Countries									
1. China	-	249.5	20.7	11.4	-	123.9	4.5	-	-
2. Iran	-	-	-	-	-	-	-	-	-
3. UAE	-	-	-	-	-	-	-	-	-
4. Oman	-	-	-	-	-	-	-	-	-
5. Saudi Arabia	-	-	-	-	26.7	-	53.5		
Sub-Total (II)	-	249.5	20.7	11.4	26.7	123.9	58.0	-	-
III. Multilateral									
1. ADB	-	3.0	3.0	-	-	-	247.6	3.5	19.2
2. EEC / EU	80.2	144.6	37.7	19.6	200.7	-	230.2		
3. Islamic Development Bank	-	0.3	-	-	-	-	0.6	0.3	
4. IDA	-	18.5	8.0	-	9.0	-	-		
5. IBRD	-	-	61.0	39.4	18.1	127.2	-	111.2	10.6
6. IFAD	-	-	-	-	-	0.5	-	-	-
7. UN and Specialised Agencies	-	-	-	-	2.4	-	-	-	-
8. UNDP Special Grant	-	-	-	-	-	-	-	-	-
9. World Food Programme	-	-	-	-	-	-	-	-	-
10. UNFPA	-	-	-	-	-	-	-	-	-
Sub-Total (III)	80.2	166.4	109.7	59.0	230.2	127.8	478.3	114.9	29.8
IV. Relief Assistance for									
A. Afghan Refugees	2.7	6.1	6.4	4.2	-	1.0	1.3	1.1	1.1
B. Earthquake							-	-	-
1. Afghanistan	-	-	-	-	-	-	-	-	-
2. Algeria	-	-	-	-	-	-	-	-	-
3. Austria	-	-	-	-	-	-	-	-	-
4. Azerbaijan	-	-	-	-	-	-	-	-	-
5. Bhutan	-	-	-	-	-	-	-	-	-
6. Brunei	-	-	-	-	-	-	-	-	-
7. China	-	-	-	-	-	-	-	-	-
8. Cyprus	-	-	-	-	-	-	-	-	-
9. Indonesia	-	-	-	-	-	-	-	-	-
10. Jordan	-	-	-	-	-	-	-	-	-
11. Malaysia	-	-	-	-	-	-	-	-	-
12. Morocco	-	-	-	-	-	-	-	-	-
13. Oman	-	-	-	-	-	-	-	-	-
14. Pak-Turk foundation	-	-	-	-	-	-	-	-	-
15. Saudi Arabia	-	-	-	-	-	-	-	-	-
16. South Korea	-	-	-	-	-	-	-	-	-
17. Thailand	-	-	-	-	-	-	-	-	-
18. Turkey for FATA TDPs	-	-	-	-	-	-	-	10.0	-
19. UK	-	-	-	-	-	-	-	-	-
20. ADB	-	-	-	-	-	-	-	-	-
21. WB (IDA)	-	-	-	10.0	-	-	-	-	-
22. Germany	-	-	-	-	-	-	-	-	-
23. IDB	-	-	-	-	-	-	-	-	-
24. Mauritius	-	-	-	-	-	-	-	-	-
Sub-Total (IV)	2.7	6.1	6.4	14.2	-	1.0	1.3	11.1	1.1
Grand Total (I+II+III+IV)	1,606.5	1,841.6	588.3	1,382.3	447.9	875.6	682.1	864.9	30.9

Source : Economic Affairs Division

TABLE 9.7

TOTAL LOANS AND CREDITS CONTRACTED

($ Million)

Lending Country/Agency	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (Jul-Feb)
A. Paris Club Countries									
1. Austria	-	-	-	-	-	-	-	-	-
2. Australia	-	-	-	-	-	-	-	-	-
3. Belgium	-	-	-	-	-	-	-	-	-
4. Canada	-	-	-	-	-	-	-	-	-
5. France	103.6	103.9	-	88.9	83.3	-	46.3	114.0	203.2
6. Germany	20.3	-	-	-	27.3	-	44.6	-	-
7. Japan	249.4	237.4	62.8	-	49.3	-	109.8	23.8	-
8. Korea	-	-	-	-	-	-	139.8	76.3	-
9. Netherlands	-	-	-	-	-	-	-	-	-
10. Norway	-	-	-	-	-	-	-	-	-
11. Spain	-	-	-	-	-	-	-	-	-
12. UK	-	-	-	-	-	-	-	-	-
13. USA	-	-	-	-	-	-	-	-	-
14. Italy	-	53.5	72.7	-	-	-	-	-	-
15. Sweden	-	-	-	-	-	-	-		
Sub-Total (A)	373.3	394.8	135.5	88.9	159.9	-	340.4	214.1	203.2
B. Non-Paris Club Countries									
1. China	1,979.8	213.7	851.1	448.0	6,493.8	37.7	9,422.7	729.4	-
2. Kuwait	49.9	42.6	-	-	-	-	-	-	-
3. Saudi Arabia	380.0	100.0	100.0	100.0	282.8	-	55.0	-	-
4. Turkey (EXIM Bank)	-	-	-	-	-	-	-	-	-
5. Abu Dhabi Fund	-	-	-	-	-	-	-	-	-
Sub-Total (B)	2,409.7	356.3	951.1	548.0	6,776.6	37.7	9,477.7	729.4	-
C. Multilateral									
1. IBRD	-	261.4	500.0	-	-	-	100.0	690.0	430.0
2. IDA	508.4	603.0	1,703.3	242.9	1,554.1	1,425.4	1,598.6	761.2	873.7
3. ADB	711.8	892.6	504.9	170.8	2,148.8	762.1	1,713.1	2,001.0	615.0
4. IFAD	18.8	-	40.0	-	-	31.6	67.9	-	82.6
5. European Investment Bank	149.5	-	-	-	136.5	-	-	-	-
6. ECOTDB	-	10.0	-	-	30.0	-	35.0	40.0	-
7. OPEC Fund	31.1	-	-	-	50.0	-	-	50.0	-
8. IDB	362.2	220.0	-	227.0	264.4	-	100.0	-	-
9. SCB (Singapore)	-	-	-	-	-	-	-	-	-
10.IDB (ST)	572.3	-	256.0	-	1,006.5	488.8	1,237.0	700.0	418.7
11.AIIB	-	-	-	-	-	-	100.0	300.0	-
Sub-Total (C)	2,354.1	1,987.0	3,004.2	640.7	5,190.3	2,707.9	4,951.6	4,542.2	2,420.0
D. Bonds									
1. Bonds/Sukuk	-	-	-	-	2,000.0	1,000.0	500.0	1,000.0	2,500.0
Sub-Total (D)	-	-	-	-	2,000.0	1,000.0	500.0	1,000.0	2,500.0
E. Commercial Banks									
1. SCB London	-	-	-	-	172.5	100.1		700.0	200.0
2. Dubai Bank	-	-	-	-	-	-	125.0	-	-
3. Noor Bank	-	-	-	-	-	-	340.0	445.0	-
4. SUISSE AG, UBL, ABL	-	-	-	-	200.0	-	983.0	1,000.0	450.0
5. BANK OF CHINA SR.BD	-	-	-	-	-	-	-	300.0	-
6. CHINA DEV BANK	-	-	-	-	-	-	-	1,700.0	-
7. ICBC-CHINA	-	-	-	-	-	-	-	300.0	1,000.0
8. CITI BANK	-	-	-	-	-	-	-	275.0	267.0
Sub-Total (E)	-	-	-	-	372.5	100.1	1,448.0	4,720.0	1,917.0
Grand-Total (A+B+C+D+E)	5,137.1	2,738.1	4,090.7	1,277.6	14,499.2	3,845.7	16,717.7	11,205.7	7,040.2

Note: Total may differ due to rounding off

Source : Economic Affairs Division

EDUCATION

TABLE 10.1

NUMBER OF EDUCATIONAL INSTITUTIONS BY KIND, LEVEL & SEX

Numbers

Year	Primary* Schools (000)		Middle Schools (000)		High Schools (000)		Technical & Vocational Institutions		Higher Sec/ Inter Colleges		Degree Colleges		Universities
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
2000-01	147.7	54.3	25.5	12.0	14.8	4.6	630	236	1,710	691	366	171	59
2001-02	149.1	55.3	26.8	12.8	15.1	4.6	607	239	1,784	731	376	177	74
2002-03	150.8	56.1	28.0	13.5	15.6	4.8	585	230	1,855	768	386	186	96
2003-04	155.0	57.6	28.7	13.9	16.1	5.1	624	228	1,989	822	426	206	106
2004-05	157.2	58.7	30.4	14.8	16.6	5.3	747	328	1,604	684	677	331	108
2005-06	157.5	59.8	39.4	19.3	22.9	8.1	3,059	1,475	2,996	1,484	1,135	664	111
2006-07	158.4	60.9	40.1	17.5	23.6	9.0	3,090	1,491	3,095	1,420	1,166	631	120
2007-08	157.4	64.9	40.8	20.6	24.0	9.0	3,125	1,507	3,213	1,642	1,202	700	124
2008-09	156.7	63.4	40.9	20.4	24.3	9.2	3,159	1,523	3,242	1,707	1,336	733	129
2009-10	157.5	60.6	41.3	19.5	24.8	10.6	3,192	2,182	3,329	1,763	1,439	821	132
2010-11	155.5	58.2	41.6	20.4	25.2	9.5	3,224	2,206	3,435	1,690	1,558	814	135
2011-12	154.7	57.0	41.9	21.0	28.7	11.6	3,257	2,229	4,515	2,184	1,384	643	139
2012-13	159.7	60.1	42.2	21.4	29.9	12.3	3,290	2,253	5,030	2,410	1,534	683	147
2013-14	157.9	60.3	42.9	21.1	30.6	12.6	3,323	2,276	5,179	2,462	1,086	518	161
2014-15	165.9	66.0	44.8	22.4	31.3	13.1	3,579	1,819	5,393	2,567	1,410	308	163
2015-16	164.6	65.3	45.7	27.0	31.7	15.6	3,746	1,514	5,470	1,437	1,418	260	163
2016-17 (P)	169.6	59.0	49.0	28.0	31.6	14.7	3,798	1,536	5,130	2,689	1,431	344	185
2017-18 (E)	173.7	58.7	51.4	31.0	31.9	15.5	3,979	1,370	5,114	2,772	1,583	305	-

P : Provisional **E: Estimated** ***: Including Pre-Primary, Mosque Schools, BECS and NCHD**

Notes:

1. All figures include Public and Private Sector data
2. Figures of 2017-18 are based on estimation
3. Female institutions include percentage of mixed institutions

Sources:

1. Figures of Primary, Middle, High and Higher Sec. From 2000-01 to 2016-17 is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
2. Figures of Inter Colleges and Degree Colleges from 2004-05 onward is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
3. Figures of Private School data from 2000-01 to 2004-05 is based on 'Census of Private Education Institution 1999-2000', Pakistan Bureau of Statistics, Islamabad.
4. Figures of Private School data from 2005-06 is based on 'National Education Census, 2005', NEMIS, AEPAM, Islamabad.
5. Figures of Technical & Vocational from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
6. Figures of Universities is provided by Higher Education Commission (HEC), Islamabad.

TABLE 10.2

ENROLMENT IN EDUCATIONAL INSTITUTIONS BY KIND, LEVEL & SEX

Year	Primary Stage I-V in 000		Middle Stage VI-VIII in 000		High Stage IX-X in 000		Technical & Vocational in 000		Higher Sec/ Inter Colleges in 000		Degree Colleges Numbers		Universities Numbers	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
2000-01	14,105	5,559	3,759	1,706	1,565	675	83	14	582	283	305,200	149,600	124,944	36,699
2001-02	14,560	5,871	3,821	1,506	1,574	644	83	15	582	285	300,400	148,000	276,274	101,770
2002-03	15,094	6,132	3,918	1,551	1,589	658	94	19	625	306	320,800	158,400	331,745	128,066
2003-04	16,207	6,606	4,321	1,737	1,800	709	105	14	691	338	329,007	163,059	423,236	178,723
2004-05	18,190	7,642	4,612	1,885	1,936	780	114	21	307	141	453,275	220,118	471,964	195,555
2005-06	17,757	7,710	5,322	2,191	2,188	905	239	90	891	444	355,705	209,806	521,473	212,997
2006-07	17,993	7,848	5,431	2,264	2,373	974	251	94	942	473	380,012	224,263	605,885	255,695
2007-08	18,360	8,032	5,427	2,279	2,484	1,022	256	96	960	452	383,810	226,517	741,092	342,125
2008-09	18,468	8,144	5,414	2,298	2,556	1,071	265	99	1,074	508	366,518	222,850	803,507	356,233
2009-10	18,772	8,320	5,504	2,337	2,583	1,078	273	102	1,166	495	383,954	217,621	935,599	426,323
2010-11	18,063	7,971	5,644	2,421	2,630	1,103	281	106	1,188	408	431,180	218,374	1,107,682	521,284
2011-12	18,677	7,905	6,020	2,573	2,753	1,155	290	109	1,294	367	497,152	222,098	1,319,799	642,198
2012-13	18,790	8,278	6,188	2,653	2,898	1,215	302	113	1,400	395	641,539	234,006	1,594,648	805,062
2013-14	19,441	8,567	6,461	2,798	3,109	1,303	309	117	1,234	497	674,451	326,858	1,594,648	805,062
2014-15	19,847	8,778	6,582	2,843	3,501	1,493	320	112	1,665	662	1,144,826	171,324	1,299,160	602,550
2015-16	21,551	9,534	6,922	3,026	3,653	1,580	315	112	1,698	675	937,132	86,134	1,355,649	602,509
2016-17 (P)	21,686	9,660	6,996	3,088	3,583	1,541	345	120	1,595	618	956,395	89,512	1,463,279	667,912
2017-18 (E)	22,521	10,070	7,189	3,194	3,765	1,634	358	121	1,751	668	1,089,664	67,846	1,423,097	629,984

P : Provisional **E : Estimated**

Notes:

1. All figures include Public and Private Sector data
2. Figures of 2017-18 is based on estimation
3. Enrolment of Deeni Madaris, BECS and NCHD is included

Sources:

1. Figures of Primary, Middle, High and Higher Sec. From 2000-01 to 2016-17 is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
2. Figures of Inter Colleges and Degree Colleges for 2004-05 onwards is based on Annual Pakistan Education Statistics Reports, AEPAM, NEMIS, Islamabad.
3. Figures of Private School data from 2000-01 to 2004-05 is based on 'Census of Private Education Institution 1999-2000', Pakistan Bureau of Statistics, Islamabad.
4. Figures of Private School data from 2005-06 onward is based on 'National Education Census, 2005' NEMIS, AEPAM, Islamabad.
5. Figures of Private School data from 2006-07 onward is provided by provincial / regional EMIS.
6. Figures of Technical & Vocation from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.
7. Figures of Universities is provided by Higher Education Commission (HEC), Islamabad.

TABLE 10.3

NUMBER OF TEACHERS IN EDUCATIONAL INSTITUTIONS IN PAKISTAN, BY KIND, LEVEL & SEX

Year	Primary Schools* in 000		Middle Schools in 000		High Schools in 000		Technical & Vocational Institutions Numbers		Higher Sec/ Inter Colleges Numbers		Degree Colleges Numbers		Universities Numbers
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
2000-01	408.9	183.6	209.7	127.8	260.3	125.3	9,441	1,959	48,054	21,506	11,019	4,218	5,988
2001-02	413.9	183.5	230.1	139.3	270.2	126.1	7,192	1,863	55,146	23,016	10,598	4,164	5,160
2002-03	433.5	191.7	236.3	145.8	278.0	131.9	7,273	1,623	57,681	24,146	11,164	4,410	6,180
2003-04	432.2	195.3	239.4	146.6	276.9	134.2	7,042	1,325	57,881	24,190	11,245	4,505	37,428
2004-05	450.1	206.5	246.7	151.5	282.1	138.6	7,356	1,450	57,661	24,366	15,653	6,690	37,469
2005-06	454.2	210.6	310.8	201.6	417.1	209.9	14,565	4,658	69,425	33,959	20,568	10,485	37,509
2006-07	456.0	212.6	313.5	203.3	421.7	213.0	14,622	4,676	71,246	34,996	20,768	10,587	44,537
2007-08	452.6	216.0	320.6	208.2	429.9	219.7	14,914	4,770	74,223	36,162	20,971	10,690	46,893
2008-09	465.3	216.2	320.5	209.0	439.3	225.5	15,264	5,061	76,184	37,149	21,176	10,794	52,833
2009-10	441.7	208.9	331.5	216.6	447.1	230.4	15,338	4,905	77,248	37,595	30,754	14,313	57,780
2010-11	440.5	210.1	335.0	220.3	452.8	235.3	15,591	4,993	81,183	39,378	36,349	16,181	63,557
2011-12	427.4	198.6	351.4	233.9	458.7	271.3	15,847	5,079	97,633	52,746	40,191	16,815	70,053
2012-13	428.8	209.1	362.6	241.5	489.6	287.2	16,109	5,168	132,011	71,121	48,809	19,319	77,557
2013-14	420.1	209.5	364.8	243.6	500.5	296.3	16,377	5,259	124,336	58,867	25,964	7,599	77,557
2014-15	430.9	218.9	380.8	256.1	514.2	306.2	19,393	5,353	118,079	63,569	36,587	7,239	88,288
2015-16	444.6	226.3	394.2	270.3	529.5	318.0	18,157	4,384	123,061	66,528	37,082	7,379	83,375
2016-17 (P)	475.2	258.9	455.4	325.7	560.6	342.6	18,207	4,304	120,336	63,386	37,857	7,541	58,733
2017-18 (E)	496.0	279.3	493.1	362.3	583.1	360.4	18,885	4,043	119,046	65,008	43,637	7,522	53,981

P : Provisional **E : Estimated** *** : Including Pre-primary, Mosque Schools, BECS and NCHD**

Notes:

1. All figures include Public and Private Sector data

2. Figures of 2016-17 is based on estimation

Sources:

1. Figures of Primary, Middle, High and Higher Sec. From 2000-01 to 2016-17 is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.

2. Figures of Inter Colleges and Degree Colleges for 2004-05 and onwards is based on Annual Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.

3. Figures of Private School data from 2000-01 to 2004-05 is based on 'Census of Private Education Institution 1999-2000', Pakistan Bureau of Statistics, Islamabad.

4. Figures of Private School data from 2005-06 onward is based on 'National Education Census, 2005' NEMIS, AEPAM, Islamabad.

5. Figures of Private School data from 2006-07 onward is provided by provincial / regional EMIS.

6. Figures of Technical & Vocation from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad.

7. Figures of Universities is provided by Higher Education Commission (HEC), Islamabad.

HEALTH AND NUTRITION

TABLE 11.1

NATIONAL MEDICAL AND HEALTH ESTABLISHMENTS, Progressive (Calendar Year Basis)

(Number)

Year	Hospitals	Dispen-saries	BHUs Sub Health Centres	Maternity & Child Health Centres	Rural Health Centres	TB Centres	Total Beds	Population per Bed
2000	876	4,635	5,171	856	531	274	93,907	1,456
2001	907	4,625	5,230	879	541	272	97,945	1,427
2002	906	4,590	5,308	862	550	285	98,264	1,454
2003	906	4,554	5,290	907	552	289	98,684	1,479
2004	916	4,582	5,301	906	552	289	99,908	1,492
2005	919	4,632	5,334	907	556	289	101,490	1,483
2006	924	4,712	5,336	906	560	288	102,073	1,508
2007	945	4,755	5,349	903	562	290	103,285	1,544
2008	948	4,794	5,310	908	561	293	103,037	1,575
2009	968	4,813	5,345	906	572	293	103,708	1,592
2010	972	4,842	5,344	909	577	304	104,137	1,701
2011	980	5,039	5,449	851	579	345	107,537	1,647
2012	1,092	5,176	5,478	628	640	326	111,802	1,616
2013	1,113	5,413	5,571	687	667	329	118,378	1,557
2014	1,143	5,548	5,438	670	669	334	118,170	1,591
2015	1,172	5,695	5,478	733	684	339	119,548	1,604
2016	1,205	5,797	5,473	734	668	342	122,769	1,592
2017 (P)	1,211	5,697	5,508	738	676	431	126,019	1,580

P : Provisional data in respect of Punjab province

Source: Ministry of Health, Planning Commission of Pakistan Pakistan Bureau of Statistics

TABLE 11.2

REGISTERED MEDICAL AND PARAMEDICAL PERSONNEL (Progressive) AND EXPENDITURE ON HEALTH, (Calendar Year Basis)

(Number)

Year	Regis-tered Doctors *	Regis-tered Dentists *	Regis-tered Nurses *	Register-ed Mid-wives	Register-ed Lady Health Visitors	Population per		Expenditure (Mln. Rs)**	
						Doctor	Dentist	Develop-ment	Non-Deve-lopment
2000	92,838	4,165	37,528	22,525	5,443	1,529	33,629	5,944	18,337
2001	97,260	4,612	40,019	22,711	5,669	1,516	31,579	6,688	18,717
2002	102,644	5,058	44,520	23,084	6,397	1,466	29,405	6,609	22,205
2003	108,164	5,531	46,331	23,318	6,599	1,404	27,414	8,500	24,305
2004	113,309	6,128	48,446	23,559	6,741	1,359	25,107	11,000	27,000
2005	118,113	6,734	51,270	23,897	7,073	1,310	25,297	16,000	24,000
2006	123,146	7,438	57,646	24,692	8,405	1,254	20,839	20,000	30,000
2007	128,042	8,215	62,651	25,261	9,302	1,245	19,417	27,228	32,670
2008	133,925	9,012	65,387	25,534	10,002	1,212	18,010	32,700	41,100
2009	139,488	9,822	69,313	26,225	10,731	1,184	16,814	37,860	41,000
2010	144,901	10,508	73,244	27,153	11,510	1,222	16,854	18,706	23,382
2011	152,368	11,649	77,683	30,722	12,621	1,162	15,203	26,250	28,870
2012	160,880	12,692	82,119	31,503	13,678	1,123	14,238	33,471	92,486
2013	167,759	13,716	86,183	32,677	14,388	1,099	13,441	58,736	114,680
2014	175,223	15,106	90,276	33,687	15,325	1,073	12,447	69,134	130,188
2015	184,711	16,652	94,766	34,668	16,448	1,038	11,513	78,071	147,260
2016	195,896	18,333	99,228	36,326	17,384	997	10,658	101,726	190,170
2017***	208,007	20,463	103,777	38,060	18,400	957	9,730	40,662	126,499

Source : Ministry of Health, Planning Commission of Pakistan
Pakistan Bureau of Statistics

* : Registered with Pakistan Medical and Dental Council and Pakistan Nursing Council.
** : Expenditure figures are for respective financial years 2017 = 2017-18
*** : Expenditure figure for the year 2017 are for the period (Jul-Feb) 2017-18

Note: Data regarding registered number of Doctors/Dentists is vulnerable to few changes as it is affected by change of province or if there is any change in registration status from time to time

Date for medical personal for the year 2011 is estimated by adding the output actually achieved during the year to the medical manpower in 2010.

TABLE 11.3
DATA ON EXPANDED PROGRAMME OF IMMUNIZATION VACCINATION PERFORMANCE

(Nos. in 1000)

Vaccine/doze.		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
B.C.G.		5,884.4	6,133.4	5,924.9	5,813.3	6,062.0	6,186.4	6,150.8	5,848.5	6,233.7	6,356.5
POLIO	0	3,428.7	3,650.0	3,773.1	3,844.4	4,200.3	4,464.2	4,746.2	4,796.7	5,120.1	5,420.8
	I	5,556.1	5,884.9	5,852.6	5,698.5	5,822.8	5,905.2	5,838.7	5,743.6	5,990.7	6,001.4
	II	5,034.4	5,402.7	5,526.7	5,356.0	5,445.9	5,538.9	5,494.8	5,387.8	5,537.9	5,618.4
	III	4,819.1	5,277.4	5,422.4	5,218.1	5,330.5	5,398.0	5,369.4	5,257.4	5,378.7	5,455.2
	IV	-	-	-	-	-	-	-	-	-	-
	BR	60.9	35.8	81.3	86.1	-	-	-	-	-	-
COMBO											
	I	5,071.7	-	-	-	-	-	-	-	-	-
	II	4,612.5	-	-	-	-	-	-	-	-	-
	III	4,356.2	-	-	-	-	-	-	-	-	-
D.P.T											
	I	-	-	-	-	-	-	-	-	-	-
	II	-	-	-	-	-	-	-	-	-	-
	III	-	-	-	-	-	-	-	-	-	-
	BR	-	-	-	-	-	-	-	-	-	-
H.B.V											
	I	-	-	-	-	-	-	-	-	-	-
	II	-	-	-	-	-	-	-	-	-	-
	III	-	-	-	-	-	-	-	-	-	-
Pentavalent											
	I	-	5,925.0	5,862.9	5,606.3	5,773.2	5,921.6	5,843.5	5,713.7	5,933.6	6,009.0
	II	-	5,461.3	5,555.1	5,266.8	5,400.2	5,552.8	5,491.0	5,353.2	5,532.2	5,625.0
	III	-	5,338.5	5,407.3	5,129.2	5,275.6	5,411.6	5,370.8	5,225.9	5,371.7	5,472.0
T.T											
	I	4,307.1	4,919.8	5,050.2	5,089.9	5,361.9	5,157.2	4,536.5	5,048.2	4,569.7	4,690.3
	II	3,385.0	3,791.7	4,065.1	4,121.0	4,279.0	4,235.0	3,708.5	4,063.1	3,934.9	3,993.8
	III	865.7	937.8	897.0	812.9	815.1	783.2	577.7	586.7	398.5	191.4
	IV	279.0	284.9	268.2	234.4	229.8	312.3	185.4	157.9	97.8	51.9
	V	152.1	168.9	165.0	127.2	128.4	130.1	105.8	86.6	56.8	27.4
MEASLES		5,277.8	5,297.4	5,299.6	8,211.3	9,085.8	4,490.3	5,370.8	5,192.1	5,516.8	5,606.5
	II	-	1,806.3	2,799.7	2,799.7	-	5,622.7	4,536.5	4,193.5	4,684.7	4,710.9
Pneumococcal (PCV10)											
	I	-	-	-	-	-	3,588.7	5,526.3	5,641.8	5,884.3	5,994.4
	II	-	-	-	-	-	3,195.3	5,197.4	5,388.6	5,505.8	5,605.1
	III	-	-	-	-	-	3,008.4	5,072.4	5,175.9	5,374.9	5,470.6

-: Not available

Source: Ministry of Health, Pakistan Bureau of Statistics

B.C.G. Bacilus+Calamus+Guerin
D.P.T Diphteira+Perussia+Tetanus
T.T Tetanus Toxoid

Note:
The DPT from the year 2007 onward has discontinued and is replaced by Combo - a combination of DPT and HBV

TABLE 11.4

DOCTOR CONSULTING FEE IN VARIOUS CITIES

(In rupees)

Period*	Faisal-abad	Gujran-wala	Hyder-abad	Islam-abad	Karachi	Lahore	Pesha-war	Quetta	Rawal-pindi	Sukkur	Average
AVERAGE DOCTOR CALL FEE IN VARIOUS CITIES											
2000	40.00	40.00	33.75	33.13	32.40	38.93	30.00	107.50	32.92	30.00	41.86
2001	40.00	40.00	33.75	33.13	33.00	41.96	43.33	107.50	33.75	30.00	43.64
2002	40.00	50.00	30.00	33.13	35.00	41.25	43.33	95.00	33.96	30.00	43.17
2003	40.00	50.00	31.25	45.00	36.35	41.96	50.00	100.00	38.75	30.00	46.33
2004	41.25	50.00	33.00	45.00	36.25	41.96	50.00	100.00	38.75	30.00	46.62
2005	41.25	50.00	33.75	46.25	38.08	44.29	50.00	100.00	42.08	30.00	47.57
2006	41.25	50.00	33.75	55.00	41.73	52.68	50.00	100.00	43.75	50.00	51.81
2007	43.75	50.00	50.00	55.00	55.00	52.68	50.00	120.00	43.75	75.00	59.52
2008	75.00	65.00	50.00	75.00	80.00	63.21	100.00	130.00	61.67	75.00	77.49
2009	75.00	65.00	50.00	75.00	93.85	68.93	100.00	120.00	61.67	75.00	78.45
2010	75.00	75.00	60.00	90.00	93.85	68.93	125.00	130.00	71.67	100.00	88.95
2011	80.00	75.00	68.75	100.00	93.85	70.00	166.67	180.00	85.00	100.00	101.93
2012	90.00	75.00	80.00	200.00	100.00	70.36	191.61	200.00	110.00	100.00	121.70
2013	90.00	75.00	100.00	146.25	100.00	100.00	225.00	200.00	135.00	100.00	127.13
2014	90.00	75.00	100.00	175.00	100.00	100.00	220.83	200.00	166.67	100.00	132.75
2015	125.00	75.00	100.00	175.00	100.00	100.00	266.67	200.00	166.67	100.00	140.83
2016	125.00	75.00	100.00	175.00	100.00	100.00	266.67	200.00	166.67	100.00	140.83
2017 P	125.00	75.00	100.00	175.00	100.00	100.00	266.67	200.00	166.67	100.00	140.83

P: Provisional

Source: Pakistan Bureau of Statistics

POPULATION, LABOUR FORCE AND EMPLOYMENT

TABLE 12.1

POPULATION

Year	Population (mln)	Labour Force Participation Rate(%)	Civilian Labour Force (mln)	Employed Total (mln)	Crude Birth Rate	Crude Death Rate	Infant Mortality Rate	Growth Rate
					(per 1000 persons)			
2000	139.55	28.97	40.38	37.22	-	-	-	2.60
2001	142.76	28.48	41.23	38.00	-	-	-	2.61
2002	146.02	29.61	43.01	39.45	27.03	8.20	85.00	-
2003	149.32	29.61	43.88	40.25	27.30	8.00	83.00	1.90
2004	152.66	30.41	45.95	42.42	27.80	8.70	79.90	-
2005	156.04	30.41	46.82	43.22	-	-	-	-
2006	159.46	32.22	50.50	47.37	26.10	7.10	76.70	-
2007	162.91	31.82	50.78	48.07	25.50	7.90	72.40	1.76
2008	166.41	32.17	52.23	49.52	25.00	7.70	70.20	1.73
2009	169.94	32.81	55.76	52.71	28.40	7.60	73.50	2.08
2010	173.51	32.98	57.22	54.05	28.00	7.40	72.00	2.05
2011	177.10	32.98	58.41	55.17	27.50	7.30	70.50	2.03
2012	180.71	32.83	59.33	55.80	27.20	7.20	69.00	2.00
2013	184.35	32.88	60.35	56.58	26.80	7.00	67.50	1.97
2014	188.02	32.28	60.09	56.52	26.40	6.90	66.10	1.95
2015	191.71	32.30 **	61.04 **	57.42 **	26.10	6.80	64.60	1.92
2016	195.40	-	-	-	25.60	6.70	63.20	1.89
2017 *	207.77	-	-	-	25.40 ***	6.40 ***	-	2.40 ^

- : Not available
*** : Provisional results of Census Year 2017**
**** : Data taken from Labour Force Survey 2014-15**
***** : Projected Data (NIPS)**
^: 2.40 is average annual growth rate covering period of 1998-2017

Sources : Pakistan Bureau of Statistics
Ministry of Planning, Development & Reforms

Note: Labour Force Survey has not been conducted for the last two years (2015-16 and 2016-17) due to Population Census

TABLE 12.2

POPULATION IN RURAL / URBAN AREAS

(Population in Million)

Year	All Areas	Male	Female	Rural areas	Urban areas
2000	139.96	72.65	67.11	93.63	46.13
2001	142.86	74.23	68.63	95.36	47.50
2002	146.02	75.69	70.33	97.76	48.26
2003	149.32	77.38	71.93	99.74	49.57
2004	152.66	79.10	73.57	101.34	51.33
2005	156.04	80.83	75.21	102.12	53.92
2006	159.46	82.57	76.88	103.66	55.80
2007	162.91	84.34	78.57	105.20	57.72
2008	166.41	86.13	80.28	106.73	59.68
2009	169.94	87.94	82.01	108.08	61.87
2010	173.51	89.76	83.75	109.41	64.09
2011	177.10	91.59	85.51	110.73	66.37
2012	180.71	93.43	87.28	112.02	68.69
2013	184.35	95.29	89.06	113.28	71.07
2014	188.02	97.16	90.86	115.52	72.50
2015	191.71	99.04	92.67	116.52	75.19
2016	195.40	100.92	94.49	117.48	77.93
2017*	207.77	106.44	101.31	132.18	75.58

* : Provisional results of Census Year 2017

Source: Ministry of Planning, Development & Reforms

TABLE 12.3

POPULATION IN URBAN, RURAL AREAS 1972, 1981, 1998 AND 2017 CENSUS

(In thousands)

Region/ Province	Population* Total Both Sexes	Total Male	Total Female	Urban Both Sexes	Urban Male	Urban Female	Rural Both Sexes	Rural Male	Rural Female	Density (Per sq. km)
				1972 CENSUS						
PAKISTAN	65,309	34,833	30,476	16,594	9,027	7,567	48,716	25,806	22,909	82
Islamabad**	238	131	106	77	46	31	161	86	75	259
Punjab**	37,607	20,209	17,398	9,183	4,977	4,206	28,424	15,232	13,192	183
Sindh	14,156	7,574	6,582	5,726	3,131	2,595	8,430	4,443	3,987	100
Khyber Pakhtunkhwa	8,388	4,363	4,026	1,196	647	549	7,193	3,716	3,477	113
Balochistan	2,429	1,290	1,139	399	218	181	2,029	1,071	958	7
FATA	2,491	1,266	1,225	13	8	5	2,478	1,258	1,220	92
				1981 CENSUS						
PAKISTAN	84,253	44,232	40,021	23,841	12,767	11,074	60,412	31,465	28,947	106
Islamabad	340	185	155	204	113	91	136	72	64	376
Punjab	47,292	24,860	22,432	13,052	6,952	6,100	34,241	17,909	16,332	230
Sindh	19,029	9,999	9,030	8,243	4,433	3,810	10,786	5,566	5,220	135
Khyber Pakhtunkhwa	11,061	5,761	5,300	1,665	898	767	9,396	4,863	4,533	148
Balochistan	4,332	2,284	2,048	677	371	306	3,655	1,913	1,742	13
FATA	2,199	1,143	1,056	-	-	-	2,199	1,143	1,056	81
				1998 CENSUS						
PAKISTAN	132,352	68,874	63,478	43,036	22,752	20,284	89,316	46,122	43,194	166
Islamabad	805	434	371	529	291	238	276	143	133	889
Punjab	73,621	38,094	35,527	23,019	12,071	10,948	50,602	26,023	24,579	359
Sindh	30,440	16,098	14,342	14,840	7,904	6,935	15,600	8,193	7,407	216
Khyber Pakhtunkhwa	17,744	9,089	8,655	2,994	1,589	1,405	14,750	7,500	7,250	238
Balochistan	6,566	3,057	3,059	1,569	849	719	4,997	2,657	2,340	19
FATA	3,176	1,652	1,524	85	46	39	3,091	1,606	1,485	117
				2017 CENSUS^						
PAKISTAN	207,774	106,449	101,314	75,584	39,149	36,428	132,189	67,300	64,886	-
Islamabad	2,006	1,055	951	1,014	540	475	992	516	475	-
Punjab	110,012	55,958	54,046	40,387	20,760	19,621	69,625	35,197	34,425	-
Sindh	47,886	24,927	22,956	24,910	13,008	11,900	22,975	11,919	11,056	-
Khyber Pakhtunkhwa	30,523	15,467	15,054	5,730	2,972	2,757	24,793	12,495	12,298	-
Balochistan	12,344	6,483	5,860	3,401	1,794	1,607	8,944	4,690	4,253	-
FATA	5,001	2,556	2,445	142	74	67	4,860	2,481	2,378	-

- : Not available

Source: Pakistan Bureau of Statistics

* : This population does not include the population of AJK and Gilgit Baltistan

** : Adjusted due to transfer of some mouzas from Rawalpindi to Islamabad district

^ : Provisional results of Census Year 2017

Note : Total may differ due to rounding off figures

TABLE 12.4

POPULATION BY AGE, IN URBAN, RURAL AREAS 1981 AND 1998 CENSUS

(In thousands)

Age (in years)	Total			Rural			Urban		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
					1981 Census				
All ages	82,055	43,090	38,965	58,214	30,323	27,891	23,841	12,767	11,074
0- 4	12,574	6,200	6,373	8,995	4,387	4,608	3,579	1,813	1,766
5- 9	13,142	6,811	6,331	9,591	4,973	4,618	3,552	1,839	1,713
10-14	10,803	5,857	4,946	7,684	4,204	3,480	3,119	1,653	1,467
15-19	7,763	4,193	3,571	5,223	2,828	2,395	2,540	1,365	1,175
20-24	6,228	3,270	2,958	4,119	2,111	2,008	2,108	1,159	950
25-29	5,479	2,891	2,588	3,760	1,948	1,812	1,719	944	776
30-34	4,617	2,388	2,229	3,226	1,631	1,595	1,391	757	634
35-39	4,197	2,121	2,077	2,922	1,452	1,469	1,276	668	608
40-44	3,865	1,937	1,928	2,733	1,332	1,402	1,132	606	526
45-49	3,076	1,610	1,466	2,194	1,121	1,074	882	490	392
50-54	2,966	1,638	1,328	2,170	1,179	991	796	459	337
55-59	1,611	859	751	1,187	618	569	424	242	182
60-64	2,216	1,299	917	1,667	973	695	549	327	222
65-69	987	555	431	755	420	334	232	135	97
70-74	1,161	678	484	900	526	374	261	152	109
75 and above	1,369	782	588	1,088	622	466	281	160	121
					1998 Census*				
All ages	129,176	67,222	61,954	86,225	44,516	41,709	42,951	22,705	20,245
0- 4	19,118	9,761	9,357	13,534	6,907	6,627	5,584	2,854	2,730
5- 9	20,215	10,571	9,644	14,211	7,466	6,745	6,004	3,105	2,899
10-14	16,732	8,909	7,822	11,106	5,973	5,133	5,625	2,935	2,690
15-19	13,400	6,909	6,490	8,553	4,396	4,158	4,846	2,514	2,333
20-24	11,588	5,815	5,773	7,402	3,610	3,791	4,186	2,205	1,981
25-29	9,521	4,879	4,643	6,092	3,024	3,067	3,429	1,854	1,575
30-34	8,040	4,232	3,807	5,083	2,604	2,479	2,956	1,628	1,328
35-39	6,167	3,254	2,912	3,846	1,984	1,862	2,320	1,270	1,050
40-44	5,745	2,931	2,815	3,660	1,812	1,848	2,086	1,119	967
45-49	4,563	2,360	2,203	2,995	1,512	1,483	1,569	849	720
50-54	4,148	2,201	1,948	2,776	1,459	1,318	1,372	742	630
55-59	2,777	1,505	1,272	1,868	1,001	867	909	504	405
60-64	2,637	1,418	1,219	1,838	987	851	799	431	368
65-69	1,554	850	704	1,076	585	491	478	265	214
70-74	1,408	778	631	1,022	564	458	386	214	172
75 and above	1,563	849	714	1,162	632	531	400	217	183

*** : Figures regarding FATA is not included** **Source: Pakitan Bureau of Statistics**

Note: Figures will be updated after the release of final result of Population Census 2017

TABLE 12.5

POPULATION OF PAKISTAN BY PROVINCE, LAND AREA AND PERCENTAGE DISTRIBUTION 1951-2017

	Area	Population (In thousand)					
	Sq km	1951	1961	1972	1981	1998	2017
PAKISTAN	796,096	33,740	42,880	65,309	84,254	132,352	207,774
	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Khyber Pakhtunkhwa	74,521	4,557	5,731	8,388	11,061	17,744	30,523
	(9.4)	(13.5)	(13.4)	(12.8)	(13.1)	(13.4)	(15.0)
FATA	27,220	1,332	1,847	2,491	2,199	3,176	5,001
	(3.4)	(3.9)	(4.3)	(3.8)	(2.6)	(2.4)	(2.0)
Punjab	205,345	20,541	25,464	37,607	47,292	73,621	110,012
	(25.8)	(60.9)	(59.4)	(57.6)	(56.1)	(55.6)	(53.0)
Sindh	140,914	6,048	8,367	14,156	19,029	30,440	47,886
	(17.7)	(17.9)	(19.5)	(21.7)	(22.6)	(23.0)	(23.0)
Balochistan	347,190	1,167	1,353	2,429	4,332	6,566	12,344
	(43.6)	(3.5)	(3.2)	(3.7)	(5.1)	(5.0)	(6.0)
Islamabad	906	96	118	238	340	805	2,006
	(0.1)	(0.3)	(0.3)	(0.4)	(0.4)	(0.6)	(1.0)

Note : Percentage distribution is given in parenthesis

Source: Pakistan Bureau of Statistics

TABLE 12.6

LITERACY RATIOS OF POPULATION BY SEX, REGION AND URBAN/RURAL AREAS, 1998 AND 1981 CENSUS

Sex	Total			Urban			Rural		
	1998		1981	1998		1981	1998		1981
	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above	15 Years & Above	10 Years & Above	10 Years & Above
Pakistan									
Both	41.0	43.9	26.2	60.5	63.1	47.1	30.4	33.6	17.3
Male	53.0	54.8	35.1	68.7	70.0	55.3	44.0	46.4	26.2
Female	28.0	32.0	16.0	51.0	55.2	37.3	16.2	20.1	7.3
Islamabad									
Both	69.7	72.4	47.8	75.2	77.3	57.6	58.4	62.5	32.5
Male	79.5	80.6	59.1	82.2	83.2	65.8	73.2	75.1	48.1
Female	57.7	62.4	33.5	65.9	69.7	46.8	42.1	48.8	14.7
Punjab									
Both	43.4	46.6	27.4	61.9	64.5	46.7	34.5	38.0	20.0
Male	55.2	57.2	36.8	69.8	70.9	55.2	47.9	50.4	29.6
Female	30.8	35.1	16.8	53.0	57.2	36.7	20.5	24.8	9.4
Sindh									
Both	43.9	45.3	31.4	62.6	63.7	50.8	23.9	25.7	15.6
Male	54.5	54.5	39.7	70.0	69.8	57.8	37.2	37.9	24.5
Female	32.0	34.8	21.6	54.9	56.7	42.2	9.8	12.2	5.2
Khyber Pakhtunkhwa									
Both	31.5	35.4	16.7	51.0	54.3	35.8	27.2	31.3	13.2
Male	48.2	51.4	25.9	65.5	67.5	47.0	44.1	47.7	21.7
Female	14.6	18.8	6.5	33.9	39.1	21.9	10.6	14.7	3.8
Balochistan									
Both	22.4	24.8	10.3	43.4	46.9	32.2	15.2	17.5	6.2
Male	32.5	34.0	15.2	55.9	58.1	42.4	24.0	25.8	9.8
Female	11.0	14.1	4.3	28.0	33.1	18.5	5.6	7.9	1.7
FATA									
Both	-	17.4	6.4	-	39.3	-	-	16.8	6.4
Male	-	29.5	10.9	-	59.7	-	-	28.6	10.9
Female	-	3.0	0.8	-	12.0	-	-	2.8	0.8

FATA: Federally Administered Tribal Areas

Source: Pakistan Bureau of Statistics

- : Not available

Note: Literacy Ratio will be updated after the release of final result of Population Census 2017

TABLE 12.7

LAND AREA, POPULATION AND PERCENTAGE DISTRIBUTION

(Population in Thousand)

Region / Years		Area Sq. Kms	1951	1981	1998	2012	2013	2014	2015	2016	2017	2017 (Census)
Pakistan		796,096	33,740	84,254	132,352	180,711	184,349	188,019	191,708	195,390	199,110	207,774
		100	100	100	100	100	100	100	100	100	100	100
i.	Punjab	205,345	20,541	47,292	73,621	98,355	100,174	102,005	103,837	105,670	107,490	110,012
		25.79	60.88	56.13	55.63	54.43	54.34	54.25	54.16	54.08	53.98	53.0
ii.	Sindh	140,914	6,048	19,029	30,440	43,132	44,080	45,032	45,988	46,960	47,910	47,886
		17.70	17.93	22.59	23.00	23.87	23.91	23.95	23.98	24.03	24.06	23.0
iii.	Khyber Pakhtunkhwa	74,521	4,556	11,061	17,744	24,277	24,788	25,308	25,836	26,360	26,900	30,523
		9.36	13.50	13.13	13.41	13.43	13.45	13.46	13.47	13.49	13.51	15.0
iv.	Balochistan	347,190	1,167	4,332	6,566	9,278	9,495	9,717	9,942	10,160	10,410	12,344
		43.61	3.46	5.14	4.96	5.13	5.15	5.17	5.18	5.19	5.22	6.0
v.	FATA	27,220	1,332	2,199	3,176	4,307	4,410	4,516	4,623	1,510	4,840	5,001
		3.42	3.95	2.61	2.40	2.38	2.39	2.40	2.41	0.77	2.43	2.0
vi.	Islamabad	906	96	340	805	1,362	1,401	1,441	1,479	4,730	1,560	2,006
		0.11	0.28	0.40	0.61	0.75	0.76	0.77	0.77	2.42	0.78	1.00

Sources : Ministry of Planning, Development & Reforms
Pakistan Bureau of Statistics

TABLE 12.8

PERCENTAGE DISTRIBUTION OF POPULATION OF 10 YEARS AND ABOVE AND CIVILIAN LABOUR FORCE BY GENDER YEAR 2014-15

(Percent Share)

	Population			Civilian Labour Force								
				Total Civilian Labour Force			Employed			Unemployed		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
PAKISTAN	100	50.69	49.31	45.22	34.36	10.86	42.54	32.65	9.89	2.69	1.71	0.97
Rural	100	50.30	49.70	49.01	34.70	14.31	46.55	33.20	13.35	2.46	1.49	0.96
Urban	100	51.38	48.62	38.66	33.78	4.88	35.57	31.69	3.88	3.08	2.09	1.00
Punjab	100	49.66	50.34	48.62	34.54	14.08	45.59	32.60	12.99	3.03	1.95	1.09
Rural	100	49.14	50.86	53.03	34.86	18.16	50.16	33.09	17.07	2.87	1.77	1.09
Urban	100	50.65	49.35	40.27	33.94	6.33	36.92	31.66	5.26	3.35	2.28	1.07
Sindh	100	52.89	47.11	42.96	36.59	6.36	40.96	35.29	5.67	2.00	1.31	0.69
Rural	100	53.63	46.37	48.90	38.85	10.05	47.70	38.18	9.52	1.20	0.67	0.53
Urban	100	52.20	47.80	37.46	34.51	2.96	34.73	32.62	2.11	2.74	1.89	0.85
Khyber Pakhtunkhwa	100	49.23	50.77	36.34	29.22	7.12	33.53	27.54	5.99	2.80	1.68	1.12
Rural	100	48.98	51.02	36.86	29.03	7.83	34.18	27.45	6.74	2.68	1.58	1.09
Urban	100	50.32	49.68	34.16	30.01	4.15	30.83	27.93	2.90	3.33	2.08	1.25
Balochistan	100	54.31	45.69	43.15	35.00	8.15	41.10	33.70	7.40	2.05	1.29	0.75
Rural	100	54.21	45.79	46.09	36.13	9.96	44.20	34.96	9.24	1.89	1.17	0.71
Urban	100	54.51	45.49	36.73	32.51	4.21	34.33	30.96	3.36	2.40	1.55	0.85

Note: Labour Force Survey has not been conducted for the last two years (2015-16 and 2016-17) due to Population Census

Source: Pakistan Bureau of Statistics
Labour Force Survey 2014-15

TABLE 12.9

LABOUR FORCE AND EMPLOYMENT

(in Million)

Mid Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12*	2012-13	2013-14	2014-15
Population	162.91	165.45	168.99	172.57	176.20	180.71	183.57	186.19	189.19
Rural	108.22	103.08	104.38	105.70	107.00	120.10	121.66	121.56	123.36
Urban	54.69	62.37	64.61	66.87	69.20	60.61	61.91	64.63	65.83
Working Age Population	116.01	117.83	121.42	124.06	126.60	129.84	132.07	132.24	134.99
Rural	74.86	76.28	78.28	80.08	81.77	83.87	84.96	83.62	85.60
Urban	41.15	41.55	43.14	43.98	44.83	45.97	47.11	48.62	49.39
Labour Force	52.41	53.22	55.91	56.92	57.84	59.33	59.74	60.10	61.04
Rural	36.62	37.19	38.82	39.56	40.12	41.15	41.23	41.14	41.95
Urban	15.79	16.03	17.09	17.36	17.72	18.18	18.51	18.96	19.09
Employed Labour Force	49.68	50.45	52.86	53.76	54.40	55.80	56.01	56.52	57.42
Rural	34.90	35.44	36.99	37.66	38.24	39.22	39.14	39.07	39.85
Urban	14.79	15.01	15.87	16.10	16.16	16.58	16.87	17.45	17.57
Unemployed Labour Force	2.73	2.77	3.05	3.16	3.44	3.53	3.73	3.58	3.62
Rural	1.72	1.75	1.83	1.90	1.88	1.93	2.09	2.06	2.10
Urban	1.00	1.02	1.22	1.26	1.56	1.60	1.64	1.52	1.52
Unemployment Rate (%)	5.20	5.20	5.46	5.55	5.95	5.95	6.24	6.00	5.90
Rural	4.71	4.71	4.73	4.82	4.68	4.68	5.10	5.00	5.00
Urban	6.34	6.34	7.11	7.21	8.84	8.84	8.80	8.00	8.00
Labour Force Partici-pation Rates (%)	32.17	32.17	32.81	32.98	32.83	32.83	32.90	32.30	32.30
Rural	33.84	33.84	34.29	34.50	34.26	34.26	34.23	33.80	34.00
Urban	28.87	28.87	29.87	29.99	29.99	29.99	30.21	29.40	29.00

*** : Data supplied by Ministry of Planning, Development & Reforms**

Source : Pakistan Bureau of Statistics (Labour Force Survey)
Ministry of Planning, Development & Reforms

Note: Labour Force Survey has not been conducted for the last two years (2015-16 and 2016-17) due to Population Census

TABLE 12.10

POPULATION AND LABOUR FORCE

(In Million)

Years	Popula-tion	Crude Activity Rate(%)	Labour Force	Unemp-loyed Labour Force	Employed Labour Force	Agricul-ture	Mining & Manu-facturing	Const-ruction	Electricity & Gas Distri-bution	Transport Storage & Commu-cation	Whole-Sale & Retail Trade	Others
2000-01	142.86	28.97	41.38	3.24	38.14	18.47	4.40	2.21	0.26	1.92	5.15	5.73
2001-02	145.96	28.97	43.21	3.57	39.64	16.68	5.51	2.40	0.32	2.34	5.89	6.50
2002-03	149.03	28.97	44.12	3.65	40.47	17.03	5.63	2.45	0.33	2.39	6.01	6.63
2003-04	150.47	30.41	45.76	3.52	42.24	18.18	5.83	2.46	0.28	2.42	6.25	6.82
2004-05	153.96	30.41	46.82	3.60	43.22	18.60	5.96	2.52	0.29	2.48	6.39	6.98
2005-06	156.77	32.22	50.50	3.13	47.37	20.54	6.60	2.91	0.31	2.72	6.95	7.34
2006-07	161.98	31.82	51.55	2.75	48.80	21.29	6.66	3.21	0.37	2.63	7.03	7.61
2007-08	165.45	32.17	53.22	2.77	50.45	22.52	6.61	3.18	0.36	2.75	7.38	7.65
2008-09	168.99	32.81	55.91	3.05	52.86	23.63	6.89	3.46	0.36	2.74	8.63	7.15
2009-10	172.57	32.98	56.92	3.16	53.76	24.18	7.17	3.62	0.43	2.82	8.75	6.79
2010-11	176.20	32.83	57.84	3.44	54.40	24.51	7.51	3.78	0.26	2.78	8.78	6.78
2011-12*	180.71	32.83	59.33	5.95	55.80	25.14	7.70	3.88	0.27	2.85	8.28	7.68
2012-13	183.57	32.88	60.34	3.76	56.58	24.73	8.03	4.21	0.30	2.82	8.14	8.35
2013-14	186.19	32.28	60.09	3.58	56.52	24.57	8.00	4.15	0.27	3.07	8.24	8.21
2014-15	189.19	32.30	61.04	3.62	57.42	24.27	8.89	4.20	0.45	3.11	8.41	8.09

* : Data supplied by Ministry of Planning, Development & Reforms

Note: Labour Force Survey was not conducted in the years 2000-01, 2002-03, 2004-05, 2011-12, 2015-16 and 2016-17.

Source: Ministry of Planning, Development & Reforms
Pakistan Bureau of Statistics
(Labour Force Survey)

TABLE 12.11

DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRIES

(in Percentage)

Years	Agricul-ture	Mining & Manu-facturing	Const-ruction	Electricity & Gas Distri-bution	Transport Storage & Commu-cation	Whole-Sale & Retail Trade	Others
2000-01	48.42	11.55	5.78	0.70	5.03	13.50	15.02
2001-02	42.09	13.91	6.05	0.81	5.90	14.85	16.39
2002-03	42.09	13.91	6.05	0.81	5.90	14.85	16.39
2003-04	43.05	13.80	5.83	0.67	5.73	14.80	16.12
2004-05	43.05	13.80	5.83	0.67	5.73	14.80	16.12
2005-06	43.37	13.93	6.13	0.66	5.74	14.67	15.49
2006-07	43.61	13.65	6.56	0.75	5.39	14.42	15.60
2007-08	44.65	13.11	6.29	0.70	5.46	14.62	15.17
2008-09	45.08	13.14	6.62	0.69	5.23	16.47	12.77
2009-10	44.96	13.34	6.74	0.80	5.24	16.28	12.64
2010-11	45.05	13.80	6.95	0.48	5.11	16.15	12.46
2011-12 *	-	-	-	-	-	-	-
2012-13	43.71	14.20	7.44	0.53	4.98	14.39	14.75
2013-14	43.48	14.16	7.33	0.48	5.44	14.58	14.53
2014-15	42.27	15.49	7.31	0.79	5.41	14.64	14.09

- : Not available

Source: Pakistan Bureau of Statistics

*: Labour Force Survey 2011-12 was not conducted

Note: Labour Force Survey has not been conducted for the last two years (2015-16 and 2016-17) due to Population Census

TABLE 12.12
PERCENTAGE DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRY 2014-15

(In Percentage)

	Major Industry Division	Pakistan			Punjab			Sindh			Khyper Pakhtunkhwa			Balochistan		
		Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
	Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1.	Agriculture, Forestry and Fishing	42.27	58.62	5.17	44.70	60.15	5.50	39.28	66.94	4.15	34.56	41.15	4.06	43.43	52.83	11.07
2.	Mining and Quarrying	0.16	0.18	0.10	0.07	0.08	0.06	0.11	0.16	0.04	0.28	0.32	0.10	1.12	1.09	1.21
3.	Manufacturing	15.33	10.60	26.06	16.47	12.18	27.37	15.17	5.84	27.01	11.26	9.74	18.32	11.34	11.28	11.53
4.	Electricity, Gas Steam and Air Conditioning Supply	0.41	0.23	0.83	0.34	0.24	0.60	0.65	0.24	1.16	0.32	0.18	0.99	0.33	0.15	0.93
5.	Water Supply, Sewerage, Waste, Management & Remediation Activity	0.38	0.23	0.73	0.22	0.12	0.48	0.77	0.53	1.07	0.30	0.19	0.81	0.62	0.45	1.23
6.	Construction	7.31	7.10	7.78	6.59	6.18	7.61	7.00	6.32	7.87	12.46	13.25	8.78	6.53	6.15	7.85
7.	Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles	14.64	9.25	26.87	13.85	8.88	26.43	15.82	7.17	26.80	15.51	12.86	27.79	16.64	12.12	32.18
8.	Transport, storage	5.00	4.08	7.08	4.13	3.28	6.29	5.74	3.96	8.00	8.19	8.00	9.09	5.14	4.53	7.24
9.	Accomodation and Food Services Activities	1.60	1.06	2.82	1.28	0.79	2.50	2.29	1.44	3.38	1.82	1.65	2.64	1.77	1.45	2.88
10.	Informationa and Communication	0.41	0.17	0.95	0.46	0.19	1.14	0.36	0.08	0.72	0.37	0.25	0.93	0.15	0.09	0.36
11.	Financial and Insurance Activities	0.59	0.17	1.53	0.47	0.21	1.14	1.12	0.08	2.44	0.23	0.14	0.64	0.21	0.10	0.56
12.	Real Estate Activities	0.38	0.15	0.90	0.39	0.14	1.01	0.37	0.07	0.74	0.46	0.32	1.13	0.15	0.06	0.44
13.	Professional, Scientific and Technical Activities	0.45	0.29	0.83	0.57	0.38	1.04	0.28	0.10	0.52	0.35	0.21	0.99	0.12	0.04	0.38
14.	Administrative and Support Service Activities	0.50	0.28	0.98	0.56	0.34	1.12	0.47	0.19	0.82	0.35	0.25	0.84	0.19	0.06	0.66
15.	Public Administration and Defence Compulsory Scocial Security	2.44	1.49	4.60	1.80	1.01	3.80	3.16	1.66	5.06	2.69	2.10	5.42	5.96	4.63	10.55
16.	Education	3.85	2.93	5.96	3.48	2.42	6.20	3.77	2.81	4.98	6.13	5.46	9.21	3.83	3.19	6.03
17.	Human Health and Social Work Activities	1.28	0.95	2.04	1.21	0.86	2.09	1.15	0.81	1.58	2.03	1.62	3.95	1.24	0.94	2.26
18.	Arts, Entertainment & Recreation	0.12	0.08	0.22	0.15	0.11	0.26	0.10	0.05	0.17	0.08	0.05	0.21	0.01	-	0.05
19.	Other Services Activities	1.80	1.48	2.52	1.94	1.59	2.82	1.58	1.13	2.16	1.85	1.83	1.95	1.04	0.72	2.16
20.	Activities of Households as Employer; Undifferentiated Goods & Services - Producing Activities of Household for own use	1.06	0.65	1.99	1.30	0.82	2.52	0.81	0.42	1.30	0.67	0.36	2.07	0.19	0.12	0.42
21.	Activities Extraterritorial Organizations and Bodies	0.02	0.02	0.03	0.02	0.02	0.20	0.01	-	0.02	0.08	0.07	0.10	-	-	-

- : Not available
Source: Pakistan Bureau of Statistics (Labour Force Survey 2014-15)
Note: Labour Force Survey has not been conducted for the last two years (2015-16 and 2016-17) due to Population Census

TABLE 12.13

AGE SPECIFIC LABOUR FORCE PARTICIPATION RATE

(in Percentage)

Age Group	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2012-13	2013-14	2014-15
10 years & over										
Both Sexes	43.74	46.01	45.18	45.17	45.66	45.89	45.69	45.70	45.45	45.22
Male	70.61	71.97	70.14	69.54	69.31	68.83	68.70	68.89	68.07	67.78
Female	15.93	18.93	19.10	19.59	20.66	21.51	21.67	21.50	22.17	22.02
10-14										
Male	18.45	20.68	16.92	17.09	16.20	15.42	14.27	14.46	12.62	11.22
Female	6.69	9.21	9.18	9.69	9.48	9.24	8.83	7.98	8.37	7.71
15-19										
Male	59.00	60.87	56.29	53.94	52.74	52.68	51.59	51.16	49.68	47.55
Female	14.51	16.91	16.60	17.61	18.90	19.17	19.58	18.19	19.32	18.01
20-24										
Male	85.70	87.63	86.76	85.12	85.39	84.54	84.27	82.38	81.71	82.32
Female	18.03	20.67	20.66	20.98	22.76	23.88	24.20	24.41	25.14	25.74
25-34										
Male	96.27	97.03	97.16	96.90	97.19	96.89	97.42	96.73	96.91	97.33
Female	18.31	21.62	21.66	21.87	23.63	25.48	25.44	26.01	26.57	27.15
35-44										
Male	97.36	97.57	98.01	97.87	98.37	97.53	98.34	98.45	98.06	98.33
Female	21.64	25.07	25.93	26.75	27.67	27.88	29.46	28.72	30.00	29.43
45-54										
Male	95.63	96.37	96.62	96.65	96.69	96.96	97.29	97.02	97.13	97.24
Female	20.95	24.78	25.01	24.42	25.86	29.41	28.35	29.11	29.37	30.75
55-59										
Male	89.68	90.62	92.20	92.54	93.71	93.26	92.24	92.61	92.78	93.80
Female	18.57	22.84	22.45	25.53	26.37	27.98	26.27	26.60	27.48	27.29
60+										
Male	58.37	59.38	58.52	59.46	56.38	55.49	54.95	52.42	53.33	55.16
Female	12.90	14.69	15.70	15.50	15.22	13.54	14.62	13.58	12.77	11.95

Note: Labour Force Survey has not been conducted for the last two years (2015-16 and 2016-17) due to Population Census

Source: Pakistan Bureau of Statistics (Labour Force Surveys)

TABLE 12.14

DAILY WAGES OF CONSTRUCTION WORKERS IN DIFFERENT CITIES

(In Pak Rupees)

Category of workers and cities	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Carpenter										
Islamabad	600.00	625.00	650.00	687.50	775.00	900.00	1,000.00	1,200.00	1,200.00	1,250.00
Karachi	575.00	600.00	600.00	632.92	700.00	700.00	792.31	861.54	861.54	861.54
Lahore	527.00	527.00	582.00	611.17	682.14	682.14	780.36	830.36	830.36	925.00
Peshawar	488.00	500.00	500.00	508.33	608.33	666.67	741.67	800.00	800.00	1,000.00
Quetta	600.00	600.00	650.00	691.67	750.00	900.00	900.00	900.00	900.00	900.00
Mason (Raj)										
Islamabad	600.00	625.00	650.00	685.42	775.00	900.00	1,000.00	1,200.00	1,200.00	1,250.00
Karachi	625.00	650.00	650.00	662.50	800.00	800.00	861.54	1,061.54	1,061.54	1,061.54
Lahore	557.00	557.00	589.00	618.17	689.29	689.29	826.79	926.79	926.79	1,025.00
Peshawar	500.00	508.00	575.00	579.17	733.33	850.00	900.00	900.00	1,000.00	1,200.00
Quetta	600.00	600.00	750.00	816.67	900.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
Labour (Unskilled)										
Islamabad	300.00	325.00	350.00	387.50	450.00	525.00	600.00	700.00	700.00	800.00
Karachi	350.00	375.00	375.00	410.42	500.00	500.00	530.00	630.77	663.46	719.23
Lahore	300.00	300.00	375.00	389.58	475.00	475.00	600.00	600.00	600.00	725.00
Peshawar	233.00	275.00	300.00	308.33	400.00	466.67	483.33	500.00	500.00	600.00
Quetta	300.00	300.00	350.00	397.92	425.00	550.00	550.00	550.00	550.00	550.00

Data pertains to month of November each year

Source: Pakistan Bureau of Statistics

TRANSPORT AND COMMUNICATIONS

TABLE 13.1 A

LENGTH OF ROADS

(In Kilometers)

Fiscal Year	Total	High Type	Low Type
2000-01	249,972	144,652	105,320
2001-02	251,661	148,877	102,784
2002-03	252,168	153,225	98,943
2003-04	256,070	158,543	97,527
2004-05	258,214	162,841	95,373
2005-06	259,021	167,530	91,491
2006-07	259,197	172,827	86,370
2007-08	259,038	175,000	84,038
2008-09	260,200	177,060	83,140
2009-10	260,040	180,190	79,850
2010-11	259,463	180,866	78,597
2011-12	261,595	181,940	79,655
2012-13	263,415	182,900	80,515
2013-14	263,755	184,120	79,635
2014-15	265,404	188,430	76,974
2015-16	265,905	190,355	75,550
2016-17 P	267,002	193,871	73,131
2017-18 P	268,935	197,452	71,483

E : Estimated

P: Provisional Data

Source: National Transport Research Centre

TABLE 13.1 B

RAILWAYS

Fiscal Year	Locomo-tives (Nos.)	Freight Wagons (Nos.)	Route (Kms.)	Number of Passengers carried (Million)	Freight carried (Million Tonnes)	Freight Tonne (Million Kms.)	Gross Earnings (Rs. Million)
2000-01	610	23,893	7,791	68.80	5.89	4,520	11,938
2001-02	577	23,460	7,791	69.00	5.90	4,573	13,346
2002-03	577	23,722	7,791	72.40	6.18	4,830	14,810
2003-04	592	21,812	7,791	75.70	6.14	5,336	14,635
2004-05	557	21,556	7,791	78.18	6.41	5,532	18,027
2005-06	544	20,809	7,791	81.43	6.03	5,916	18,184
2006-07	544	19,638	7,791	83.89	6.42	5,453	19,195
2007-08	555	18,638	7,791	79.99	7.23	6,178	19,973
2008-09	551	17,259	7,791	82.54	6.94	5,896	23,160
2009-10	528	16,499	7,791	74.93	5.83	4,847	21,886
2010-11	528	18,468	7,791	64.90	2.61	1,757	18,740
2011-12	522	17,611	7,791	41.90	1.30	403	15,444
2012-13	493	16,635	7,791	42.00	1.00	419	18,071
2013-14	421	16,179	7,791	48.00	1.00	1,090	22,800
2014-15	458	15,452	7,791	52.90	3.60	3,301	31,924
2015-16	460	15,164	7,791	52.19	5.00	4,774	36,582
2016-17	455	16,085	7,791	52.39	5.63	5,031	40,065
2017-18 Jul-Dec (P)	481	16,436	7,791	27.89	3.77	3,501	23,506

P : Provisional

Source: Ministry of Railways

TABLE 13.1 C

PAKISTAN NATIONAL SHIPPING CORPORATION (PNSC)

Fiscal Year	No. of Vessels	Dead Wt. Tonnes	Gross Earnings (Rs. Million)
2000-01	14	243,802	5,458.7
2001-02	14	243,749	4,555.5
2002-03	13	229,579	5,405.0
2003-04	14	469,931	6,881.9
2004-05	14	570,466	7,860.0
2005-06	15	636,182	7,924.6
2006-07	14	636,821	9,089.1
2007-08	14	636,821	10,753.5
2008-09	14	477,238	11,474.0
2009-10	10	633,273	8,738.8
2010-11	11	646,666	9,293.0
2011-12	9	610,167	8,875.3
2012-13	9	642,207	12,252.9
2013-14	9	642,207	15,726.5
2014-15	9	681,806	15,536.3
2015-16	9	681,806 *	12,543.0
2016-17	9	681,806	12,477.0
2017-18 Jul-Dec	9	681,806	13,469.1

P: Provisional

Source: Pakistan National Shipping Corporation

* : Highest carring capacity since 1979 inception of PNSC

TABLE 13.1 D

PORTS-Cargo Handled

Fiscal Year	Karachi Port (000 tonnes)			Port Qasim (000 tonnes)			Gwadar Port (000 tonnes)
	Total	Imports	Exports	Total	Imports	Exports	Imports
2000-01	25,981	20,063	5,918	13,588	11,841	1,747	-
2001-02	26,692	20,330	6,362	13,317	10,932	2,385	-
2002-03	25,852	19,609	6,244	15,109	11,980	3,129	-
2003-04	27,813	21,732	6,081	14,123	11,264	2,859	-
2004-05	28,615	22,100	6,515	19,437	16,006	3,431	-
2005-06	32,270	25,573	6,697	21,573	17,588	3,985	-
2006-07	30,846	23,329	7,517	24,350	19,511	4,839	-
2007-08	37,192	25,517	11,675	26,424	21,607	4,817	63.6
2008-09	38,732	25,367	13,364	25,030	19,443	5,286	1,496.5
2009-10	41,420	27,892	13,528	25,606	19,226	6,380	1,261.8
2010-11	41,431	28,589	12,842	26,168	19,511	6,657	476.0
2011-12	37,875	26,201	11,674	24,025	18,075	5,950	1,426.0
2012-13	38,850	26,700	21,150	24,801	17,754	7,047	507.6
2013-14	41,350	30,343	11,007	25,725	18,076	7,699	649.0
2014-15	43,422	29,672	13,750	30,114	21,607	8,405	438.9
2015-16	50,045	34,594	15,451	33,321	25,857	7,464	50.6
2016-17	52,493	42,638	9,855	37,358	30,995	6,363	80.4
2017-18 Jul-Feb (P)	27,198	31,673	5,525	28,660	24,354	4,306	23.8

P : Provisional   - : Not available

Source: Karachi Port Trust
Port Qasim Authority
Gawardar Port Authority

TABLE 13.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION-Operational

Year	PIA Fleet No. of Planes	Available Seat (Million Kms.)	Route Kms.	Passenger Load Factor %	Available Tonne (Million Kms.)	Operating Expenses (Million Rs.)
2000*	45	18,692	317,213	65.0	2,631	42,033
2001	45	17,756	265,643	66.0	2,541	43,242
2002	44	15,776	257,858	68.0	2,242	38,097
2003	43	17,259	290,129	70.0	2,476	42,574
2004	42	20,354	354,664	66.0	2,973	55,872
2005	42	20,816	343,525	70.0	3,103	67,075
2006	42	22,092	446,570	69.0	3,369	79,164
2007	39	20,313	383,574	67.0	3,126	76,415
2008	44	18,528	311,131	71.0	2,934	120,499
2009	42	19,859	380,917	70.0	2,933	98,629
2010	40	21,219	424,570	74.0	3,091	106,811
2011	40	21,726	460,719	72.0	2,972	135,023
2012	38	19,850	448,120	70.0	2,859	133,930
2013	38	17,412	411,936	70.0	2,471	129,588
2014	34	16,537	389,455	72.0	2,396	114,944
2015	34	16,666	367,251	70.0	2,436	108,478
2016	37	19,201	382,057	72.0	2,798	121,863
2017	-	-	360,937	73.2	-	-

(Contd.)

TABLE 13.2

PAKISTAN INTERNATIONAL AIRLINES CORPORATION-Revenue

Year	Revenue Passengers (Million Kms.)	Revenue Passengers Carried (000)	Revenue Load Factor (%)	Revenue Kilometers Flown (000)	Revenue Tonne (Million Kms.)	Revenue Hours Flown	Operating Revenue (Million Rs.)
2000*	12,056	5,297	55.0	76,212	1,452	134,066	39,228
2001	11,652	4,877	57.0	70,958	1,438	121,860	43,608
2002	10,780	4,166	59.0	61,921	1,331	105,553	43,674
2003	12,009	4,556	59.0	68,851	1,448	115,017	47,951
2004	13,520	5,120	55.0	80,087	1,635	130,977	57,786
2005	14,506	5,499	56.0	82,550	1,729	134,039	64,074
2006	15,124	5,732	54.0	88,302	1,801	141,479	70,587
2007	13,681	5,415	51.0	80,759	1,593	132,416	70,481
2008	13,925	5,617	54.0	79,580	1,581	132,378	88,863
2009	13,891	5,535	52.0	80,108	1,525	132,155	94,564
2010	15,657	5,538	56.0	81,588	1,746	142,940	107,532
2011	15,664	5,953	56.0	84,898	1,678	141,727	116,551
2012	13,874	5,236	53.0	75,750	1,513	127,268	112,130
2013	12,237	4,449	55.0	63,144	1,351	106,476	95,771
2014	11,903	4,202	52.0	61,389	1,242	101,556	99,519
2015	11,711	4,394	49.0	67,630	1,191	111,455	91,269
2016	13,751	5,486	49.0	79,842	1,375	131,838	88,998
2017	-	5,342	55.2	75,207	-	122,081	-

***: PIA Financial Year has changed to Calendar Year** **Source: Pakistan International Airlines Corporation**

TABLE 13.3

NUMBER OF MOTOR VEHICLES REGISTERED

(Nos.)

Calendar Year	Motor Cycle (2 Wheels)	Motor Cycle (3 Wheels)	Motor Cars Jeeps & Station Wagons	Motor Cabs/ Taxis	Buses	Trucks	Others	Total
2006	2,757,842	136,394	1,372,191	105,373	175,589	189,950	896,014	5,633,353
2007	2,895,734	143,215	1,440,801	103,397	184,368	199,447	940,851	5,907,813
2008	3,039,815	156,068	1,549,854	104,431	187,367	202,574	961,646	6,201,755
2009	3,215,583	167,910	1,657,860	106,463	195,163	210,944	1,005,441	6,559,364
2010	4,305,121	201,827	1,726,347	122,882	198,790	216,119	1,081,916	7,853,002
2011	5,781,953	266,390	1,881,560	124,651	202,476	225,075	1,178,890	9,660,995
2012	7,500,182	323,189	2,094,289	143,859	215,374	240,888	1,270,788	11,788,569
2013 R	9,169,528	380,579	2,281,083	145,234	220,347	247,197	1,340,963	13,784,931
2014 R	11,006,421	466,185	2,437,735	145,424	224,403	253,574	1,406,819	15,940,561
2015 P	12,571,554	545,919	2,580,922	164,045	228,959	262,288	1,772,361	17,826,048
2016 P	14,501,024	646,939	2,776,588	167,067	232,181	266,763	1,536,388	20,126,950
2017 P	15,664,098	698,059	2,889,500	167,086	233,884	272,934	1,581,080	21,506,641

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 13.4

MOTOR VEHICLES ON ROAD-LCV

(In 000 Nos.)

Year	Mcy/ Scooter	Motor Car	M. Cab/ Taxi	Motor Rickshaw	D.Van	Pickup	Jeep	Station Wagon
2000-01	2,218.9	928.0	79.8	72.4	72.4	68.4	18.3	93.8
2001-02	2,481.1	1,040.0	96.4	80.8	116.9	78.3	43.4	122.7
2002-03	2,656.2	1,110.0	104.1	80.9	120.3	80.6	44.4	126.4
2003-04	2,882.5	1,193.1	112.6	81.0	121.3	84.4	47.8	132.4
2004-05	3,063.0	1,264.7	120.3	81.3	121.9	87.6	51.8	140.5
2005-06	3,791.0	1,999.2	122.1	77.8	143.3	93.5	65.7	140.8
2006-07	4,463.8	1,682.2	119.1	79.0	148.9	104.5	85.4	169.1
2007-08	5,037.0	1,853.5	129.8	89.3	163.5	115.3	82.9	163.2
2008-09	5,368.0	2,029.1	138.6	88.4	167.2	125.5	79.0	155.6
2009-10	5,412.1	2,387.2	146.4	89.1	170.4	130.3	78.3	171.4
2010-11	5,468.8	2,822.2	154.6	89.8	173.6	135.3	78.5	175.2
2011-12	4,463.6	3,205.0	158.7	102.4	176.6	141.3	78.6	178.3
2012-13	5,550.0	3,600.0	160.7	120.5	180.0	150.2	78.7	180.1
2013-14	6,100.0	4,600.0	168.8	108.0	181.0	150.0	60.0	185.0
2014-15	6,405.0	4,820.0	178.0	112.0	190.0	158.0	64.0	191.0
2015-16	6,669.3	6,131.7	186.5	118.1	191.4	166.3	54.2	192.0
2016-17 P	7,177.0	6,954.0	197.4	122.1	204.2	176.4	58.3	201.9
2017-18 P	7,723.4	7,887.1	208.8	126.1	217.9	187.2	62.6	211.2

(Contd.)

TABLE 13.4

MOTOR VEHICLES ON ROAD-HCV

(In 000 Nos.)

Year	Ambu-lance	Buses	Trucks	Tractor	Tankers (Oil & Water)	Others	Total
2000-01	1.7	86.6	132.3	579.4	8.0	89.0	4,471.0
2001-02	4.1	96.6	145.2	630.5	8.4	71.5	5,016.0
2002-03	4.3	98.3	146.7	663.2	8.4	71.4	5,315.0
2003-04	4.4	100.4	149.2	722.7	8.6	71.3	5,711.9
2004-05	4.5	102.4	151.8	778.1	8.5	69.4	6,048.3
2005-06	4.5	103.6	151.8	822.3	8.6	60.2	7,084.5
2006-07	4.6	108.4	173.3	877.8	8.8	38.6	8,063.6
2007-08	5.2	109.9	177.8	900.5	9.8	40.7	8,878.4
2008-09	5.6	111.1	181.9	911.7	10.8	41.3	9,413.7
2009-10	4.0	123.3	200.5	940.8	11.1	21.8	9,886.4
2010-11	4.5	125.6	209.5	970.9	11.4	24.0	10,443.8
2011-12	5.0	138.2	230.5	1,068.0	12.5	26.4	11,488.2
2012-13	3.7	130.2	220.5	1,128.7	12.3	60.5	11,576.1
2013-14	4.0	140.0	240.0	1,228.0	12.6	65.0	13,242.4
2014-15	4.0	148.0	252.0	1,283.0	12.6	68.0	13,885.6
2015-16	3.8	150.6	263.8	1,351.6	14.0	75.5	15,568.8
2016-17 P	4.0	156.3	276.2	1,430.1	14.5	74.7	17,046.7
2017-18 P	4.2	162.1	289.2	1,513.2	15.1	73.9	18,682.0

P: Provisional

Source: Ministry of Communication (NTRC)

TABLE 13.5

MOTOR VEHICLES-PRODUCTION

(In Nos.)

Fiscal Year	Motor Cycle/Rickshaw	Cars & Jeeps	L.C.Vs	Buses	Trucks	Tractors
2000-01	117,858	39,573	6,960	1,332	948	32,556
2001-02	133,334	41,171	8,491	1,099	1,141	24,331
2002-03	176,591	63,267	12,174	1,340	1,950	26,501
2003-04	327,446	100,070	14,089	1,380	2,022	36,103
2004-05	571,145	128,381	23,613	1,762	3,204	43,746
2005-06	751,667	163,114	29,581	825	4,518	49,439
2006-07	839,224	179,314	19,672	993	4,410	54,610
2007-08	1,057,751	166,300	21,354	1,146	4,993	53,607
2008-09	917,628	85,240	16,158	657	3,135	60,107
2009-10	1,389,047	122,819	15,568	628	3,425	71,730
2010-11	1,638,457	134,855	19,142	490	2,810	70,855
2011-12	1,649,532	154,706	20,929	568	2,597	48,152
2012-13	1,675,071	121,807	14,517	522	1,923	50,871
2013-14	1,728,137	117,498	17,477	559	2,674	34,524
2014-15	1,777,251	153,633	28,189	575	4,039	48,883
2015-16	2,071,123	180,717	35,836	1,070	5,666	34,914
2016-17	2,500,650	190,466	24,265	1,118	7,712	35,975
2017-18 Jul-Feb	1,865,434	154,732	19,907	487	6,081	45,576

Source: Pakistan Bureau of Statistics

TABLE 13.6

MOTOR VEHICLES-IMPORTS

in Nos.

Fiscal Year	Bicycle	Motorised Cycles	Motor Cycles	Motor Rickshaw	Rickshaw chassis with Engine	Cars	Passengers M. Cars (NES)	Car Chassis with Engine	Pickup	Jeeps
2004-05	61,187	4,143	189,721	3	144	66,338	244	-	5,394	5,409
2005-06	52,022	9,472	167,626	15	315	36,563	1,587	-	23,303	2,108
2006-07	28,509	12,467	164,078	1,727	421	202,785	1,174	6	21,898	1,938
2007-08	38,249	18,512	209,098	1,029	187	540,025	690	-	8,169	210
2008-09	42,966	20,726	200,745	125	6	425,721	557	20	1,871	14
2009-10	99,349	33,596	175,577	10,816	84	750,888	176	1	21,096	27
2010-11	184,023	103,694	216,080	14,746	-	675,810	344	163	35,462	27
2011-12	199,876	29,645	246,332	51,142	-	874,386	137	2	63,786	35
2012-13	211,535	36,839	275,931	19,043	-	671,531	923	-	35,101	29
2013-14	260,532	42,840	213,466	32,745	-	778,073	54	-	29,459	14
2014-15	386,981	58,270	291,882	97,591	-	1,854,622	10	2	65,751	21
2015-16	541,381	102,593	327,001	44,911	1	1,384,775	5	-	69,146	13
2016-17	780,275	106,174	323,180	30,810	314	1,293,707	6	-	90,659	3
2017-18 P (Jul-Jan)	686,087	75,926	216,870	19,464	-	976,374	-	-	60,209	5

(Contd.)

Fiscal Year	Station Wagon	Delivery Van	Lorries Trucks Ambulance	Passenger Vehicles Public	Special Lorries Trucks & Vans	Bus etc. Chassis	Buses, Trolly Buses	Motor Vehicles for Goods	Spl. Truck etc. Chassis	Road Tractors for Trailers
2004-05	37	178	2,616	1,519	1,544	18	411	269	-	117
2005-06	284	2,586	13,463	5,228	551	7	2,104	3,844	38	498
2006-07	2,817	1,583	16,610	2,123	573	24	652	297	48	997
2007-08	345	311	4,331	836	875	314	217	22	335	2,409
2008-09	28	37	2,405	363	1,203	1,017	232	2	9	2,149
2009-10	109	2	12,819	364	5,325	671	285	-	12	2,154
2010-11	29	4	24,728	225	3,371	1,553	861	5	233	1,345
2011-12	73	1	11,942	441	563	1,828	1,555	2	16	1,598
2012-13	42	735	31,027	16,947	2,832	1,586	668	-	9	1,252
2013-14	8	2,732	23,946	1,282	1,406	3,997	425	7	17	1,309
2014-15	18	5,477	33,489	2,810	927	4,818	847	-	3,063	9,991
2015-16	126	8,707	47,645	3,036	1,398	9,136	1,234	1	3,267	4,442
2016-17	4	10,552	49,710	2,652	1,929	21,299	736	10	26,826	4,343
2017-18 P (Jul-Jan)	2	8,417	25,811	3,167	604	12,067	439	-	25	1,515

(Contd.)

Fiscal Year	Tractor Agricul-tural	Tractor Cater-pillar	Tractor Heavy Duty for const.	Tractor Roads	Tractor (NES)	Electric Vehicles	Electric Bikes	Sport Utility Vehicle	3-Wheel Loader
2004-05	6,543	232	563	1,646	2,167		-	-	-
2005-06	20,769	12	632	2,284	3,378		-	-	-
2006-07	30,588	1	845	904	7,213		-	-	-
2007-08	8,914	1	744	1,892	19,623		-	-	-
2008-09	2,636	-	402	434	14,205		-	-	-
2009-10	12,052	-	245	165	6,189		-	-	-
2010-11	905	-	148	144	12,208		-	-	-
2011-12	3,684	-	68	0	12,930		-	-	-
2012-13	1,988	-	131	225	18,773		-	-	-
2013-14	2,088	-	347	157	16,796	13	15	1	-
2014-15	3,086	-	476	434	28,743	13	104	14	100
2015-16	1,843	4	369	675	30,464	25	64	10	10,202
2016-17	4,831	-	646	737	51,864	12	59	42	3,459
2017-18 P (Jul-Jan)	-	32	430	584	47,617	-	-	-	-

P : Provisional - : Not Available Source: Pakistan Bureau of Statistics

TABLE 13.7

POST AND TELECOMMUNICATIONS

Fiscal Year	No. of Post Offices			Telephones (000 Nos.)	Broad Band Subscribers (000 Nos.)	Mobile Phones (000 Nos.)
	Urban	Rural	Total			
2000-01	2,302	9,932	12,233	3340	-	742.6
2001-02	1,983	10,284	12,267	3656	-	1,698.5
2002-03	1,808	10,446	12,254	4940	-	2,404.4
2003-04	2,267	9,840	12,107	4460	-	5,022.9
2004-05	1,831	10,499	12,330	5191	-	12,771.2
2005-06	1,845	10,494	12,339	5128	26.6	34,506.6
2006-07	1,849	10,494	12,343	4806	45.2	63,160.9
2007-08	1,849	10,493	12,342	4546	168.0	88,019.8
2008-09	1,852	10,514	12,366	3523	413.8	94,342.0
2009-10	1,580	10,455	12,035	3417	688.4	99,185.8
2010-11	1,580	10,455	12,035	5,720 *	1,491.5	108,894.5
2011-12	1,797	10,238	12,035	5,803 *	2,101.3	120,151.2
2012-13	2,178	10,650	12,828	6,371 *	2,723.7	128,933.6
2013-14	1,813	10,264	12,077	5,232 *	3,795.9 @	139,974.8
2014-15	1,813	10,264	12,077	3,931	16,885.5	114,658.4
2015-16	1,782	9,962	11,744	3,295	40,148.0	133,241.5
2016-17	2,046	9,450	11,496	2,986	44,586.7	139,758.1
2017-18 July-Dec	2,046	9,450	11,496	2,759	45,376.1	144,525.6

Source: (i) : Pakistan Post Office
(ii) : Pakistan Telecommunications Company Ltd

- : Not Available
@ : Includes dial-up and broadband connection
* : Including Fixed Local Loop and Wireless Local Loop

ENERGY

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

	1. Oil/Petroleum (tons)						
Fiscal Year	Households	Industry	Agricul-ture	Transport	Power	Other Govt.	Total
2000-01	450,960	1,924,048	254,833	8,157,893	6,487,988	372,176	17,647,898
2001-02	334,501	1,611,995	225,742	8,018,777	6,305,419	463,654	16,960,088
2002-03	282,521	1,604,068	196,747	8,082,273	6,019,958	266,387	16,451,954
2003-04	231,459	1,493,080	183,506	8,464,042	2,739,763	309,263	13,421,113
2004-05	192,750	1,542,398	142,062	9,024,783	3,452,581	316,686	14,671,260
2005-06	128,651	1,681,517	81,896	8,156,831	4,218,982	358,807	14,626,684
2006-07	106,148	1,595,981	97,232	7,981,893	6,740,559	325,318	16,847,131
2007-08	120,961	1,071,191	109,351	9,384,482	7,083,933	310,501	18,080,419
2008-09	97,332	969,193	69,793	8,837,197	7,570,418	367,266	17,911,199
2009-10	90,312	984,690	58,072	8,860,880	8,814,274	323,472	19,131,700
2010-11	85,449	1,355,443	40,597	8,892,268	8,138,956	373,794	18,886,507
2011-12	79,448	1,419,125	23,297	9,265,883	7,594,663	295,847	18,678,263
2012-13	97,847	1,379,096	31,828	9,817,546	7,749,007	317,805	19,393,129
2013-14	100,679	1,297,035	46,655	10,299,718	9,006,085	358,512	21,108,684
2014-15	89,017	1,300,151	37,197	11,371,283	8,995,231	365,471	22,158,350
2015-16	74,357	2,023,377	14,512	13,022,573	7,765,629	386,232	23,286,680
2016-17	77,169	1,990,398	12,671	14,582,925	8,531,825	366,958	25,561,946
Jul-Feb							
2016-17	50,347	1,294,208	8,201	9,532,433	5,538,626	236,324	16,660,139
2017-18*	48,707	1,245,335	9,497	10,616,898	4,353,569	220,542	16,494,548

P : Provisional **(Contd...)**

(a): HSD consumption in agricultural sector is not available seprately and is included under transport sector. Agricultural sector represents LDO only.

*** Oil/POL product consumtion for the months of Feb-2016 and Mar-2016 are not available.**

Source : Oil Companies Advisory Committee.

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

	2. Gas (mm cft)*							
Fiscal Year	Households	Commercial	Cement	Fertilizer	Power	Industry	Transport CNG**	Total
2000-01	140,899	20,618	6,977	175,393	281,255	138,503	4,423	768,068
2001-02	144,186	22,130	7,063	177,589	314,851	151,416	7,369	824,604
2002-03	153,508	22,776	3,445	180,611	335,636	164,968	11,320	872,264
2003-04	155,174	24,192	7,711	185,350	469,738	193,395	15,858	1,051,418
2004-05	172,103	27,191	13,383	190,409	507,398	226,116	24,443	1,161,043
2005-06	171,109	29,269	15,335	198,175	491,766	278,846	38,885	1,223,385
2006-07	185,533	31,375	14,686	193,682	433,672	306,600	56,446	1,221,994
2007-08	204,035	33,905	12,736	200,063	429,892	322,563	72,018	1,275,212
2008-09	214,113	35,536	7,305	201,100	404,140	319,003	88,236	1,269,433
2009-10	219,382	36,955	1,944	220,124	366,906	333,508	99,002	1,277,821
2010-11	232,244	36,466	1,378	228,460	337,401	291,667	113,055	1,240,671
2011-12	261,915	39,627	1,266	211,828	358,381	296,181	119,000	1,288,198
2012-13	291,917	40,689	586	188,020	362,262	284,278	100,228	1,267,980
2013-14	269,135	38,117	522	216,518	349,535	259,032	87,634	1,220,493
2014-15	278,069	35,187	831	225,512	371,562	247,214	66,517	1,224,892
2015-16	271,302	33,633	497	262,923	440,593	231,517	64,455	1,304,920
2016-17	290,868	32,858	583	276,805	446,941	262,006	67,245	1,377,307
Jul-Feb								
2016-17	194,643	21,627	-	164,025	266,328	194,400	46,899	887,922
2017-18	208,980	21,384	-	150,660	324,891	180,063	46,413	932,391

P : Provisional - : Not available (Contd…)

* Sector wise natural gas consumption for the month of Mar-2016 is not available.

** Sector wise natural gas consumption for the month of Mar-2017 is not available.

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Fiscal Year	3. Electricity (Gwh)								4. Coal (000 metric ton)					
	Trac-tion	House-hold	Comm-ercial	Indus trial	Agricul-tural	Street Lights	Other Govt.	Total	House-hold	Power	Brick Kilns	Cement	Other Govt.	Total
2000-01	13	22,765	2,774	14,349	4,924	213	3,547	48,585	1.0	205.8	2,837.9	1,000.0	-	4044.7
2001-02	11	23,210	2,951	15,141	5,607	212	3,490	50,622	1.1	249.4	2,577.5	1,580.6	-	4408.6
2002-03	10	23,624	3,218	16,181	6,016	244	3,363	52,656	1.1	203.6	2,607.0	2,078.2	-	4,889.9
2003-04	9	25,846	3,689	17,366	6,669	262	3,650	57,491	1.0	184.9	2,589.4	3,289.2	-	6,064.5
2004-05	12	27,601	4,080	18,591	6,988	305	3,750	61,327	-	179.9	3,906.7	3,807.2	-	7,893.8
2005-06	13	30,720	4,730	19,803	7,949	353	4,035	67,603	-	149.3	4,221.8	3,342.8	-	7,714.0
2006-07	12	33,335	5,363	21,066	8,176	387	4,373	72,712	1.0	164.4	3,277.5	4,451.2	-	7,894.1
2007-08	8	33,704	5,572	20,729	8,472	415	4,500	73,400	1.0	162.0	3,760.7	6,186.9	-	10,110.6
2008-09	5	32,282	5,252	19,330	8,795	430	4,277	70,371	0.8	112.5	3,274.8	5,001.8	-	8,389.9
2009-10	2	34,272	5,605	19,823	9,689	458	4,499	74,348	-	125.5	3,005.2	5,007.8	-	8,138.5
2010-11	1	35,885	5,782	21,207	8,971	456	4,797	77,099	-	96.5	3,003.6	4,617.1	-	7,717.1
2011-12	1	35,589	5,754	21,801	8,548	478	4,590	76,761	-	104.6	3,108.2	4,456.9	-	7,669.7
2012-13	-	36,116	6,007	22,313	7,697	457	4,199	76,789	-	63.0	2,696.0	4,129.9	-	6,889.0
2013-14	-	39,549	6,375	24,356	8,290	458	4,381	83,409	-	160.7	2,727.6	3,669.2	-	6,557.5
2014-15	-	41,450	6,512	24,979	8,033	441	4,403	85,818	-	151.2	3,010.4	5,553.8	-	8,715.4
2015-16	-	44486	7181	25035	8526	459	4742	90431	-	204.4	3337.1	5485.3		9,026.8
2016-17	-	48698	7856	24010	9221	484	5260	95530	-	859.6	2855.3	7470.8		11,185.8
Jul-Feb														
2016-17	-	30,478	5035	15,708	6,020	273	3,300	60,813	-	68.4	2,718.2	2,586.7		5,373.3
2017-18	-	31,538	5019	15,311	5,935	271	3,411	61,485	-	3,753.0	4,830.4	3,000.0		11,583.4

-: Not available

* Consumption of coal for the period Jul-15 to Mar-16 is estimated.

** Consumption of coal is estimated based on available information.

Source: Ministry of Petroleum Natural Resources, Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.2

COMMERCIAL ENERGY SUPPLIES (ELECTRICITY)

Fiscal Year	Installed Capacity MW	Generation GW/h (a)	Hydroelectric Installed Capacity (MW) (b)	Hydroelectric Generation (GW/h)	Thermal Installed Capacity (MW)	Thermal Generation (GW/h)	Nuclear Installed Capacity (MW)	Nuclear Generation (GW/h)	Renewable Installed Capacity (MW)	Renewable Generation (GW/h)	Imported (GW/h)
2000-01	17,498	68,117	4,867	17,194	12,169	48,926	462	1,997	-	-	-
2001-02	17,799	72,406	5,051	18,941	12,286	51,174	462	2,291	-	-	-
2002-03	17,798	75,682	5,051	22,351	12,285	51,591	462	1,740	-	-	0.36
2003-04	19,257	80,826	6,496	26,944	12,299	52,122	462	1,760	-	-	73
2004-05	19,384	85,737	6,499	25,671	12,423	57,162	462	2,795	-	-	109
2005-06	19,450	93,775	6,499	30,862	12,489	60,283	462	2,484	-	-	146
2006-07	19,419	98,384	6,479	31,953	12,478	63,972	462	2,288	-	-	171
2007-08	19,420	95,860	6,480	28,707	12,478	63,877	462	3,077	-	-	199
2008-09	19,786	91,843	6,481	27,784	12,843	62,214	462	1,618	-	-	227
2009-10	20,921	95,607	6,481	28,093	13,978	64,371	462	2,894	-	-	249
2010-11	22,477	94,653	6,481	31,811	15,209	59,153	787	3,420	-	-	269
2011-12	22,797	95,364	6,556	28,517	15,454	61,308	787	5,265	-	-	274
2012-13	22,812	96,496	6,773	29,857	15,289	61,711	750	4,553	-	-	375
2013-14	23,530	104,089	6,893	31,873	15,887	66,707	750	5,090	-	-	419
2014-15	23,759	107,409	7,030	32,474	15,541	67,886	750	5,804	438	802	443
2015-16	25,878	111,762	7,122	34,633	17,104	70,512	750	4,605	902	1,549	463
2016-17	26,188	117,326	7,126	32,419	16,736	74,743	1,090	6,999	1,236	2,668	497
<u>Jul-Feb</u>											
2016-17	22,600	68,592	7,097	21,862	13,514	42,545	1,005	3,082	984	1,102	315
2017-18	29,573	69,956	7,248	18,858	19,816	44,486	1,321	5,236	1,188	1,377	322

P : Provisional - : Not Available Source: Ministry of Water and Power
(a) GWh: Giga Watt hour (b) MW: Mega Watt

TABLE 14.3

COMMERCIAL ENERGY SUPPLIES (OIL, GAS, PETROLEUM, COAL)

Fiscal	Oil		Gas		Petroleum Products		Coal		
Year	Crude Oil Imports 000 barrels	Local Crude Extraction 000 barrels	Produc-tion mcf*	Imports mcf	Imports 000 tons	Produc-tion 000 tons	Imports 000 tons	Produc-tion 000 tons	
2000-01	52,505	21,084	857,433	-	10,029	8,337	950	3,095	
2001-02	51,982	23,195	923,758	-	9,023	9,028	1,081	3,328	
2002-03	52,512	23,458	992,589	-	8,437	9,084	1,578	3,312	
2003-04	57,699	22,625	1,202,750	-	5,170	9,740	2,789	3,275	
2004-05	61,161	24,119	1,344,953	-	5,676	10,474	3,307	4,587	
2005-06	63,546	23,936	1,400,026	-	6,009	10,498	2,843	4,871	
2006-07	60,694	24,615	1,413,581	-	8,330	10,314	4,251	3,643	
2007-08	64,912	25,603	1,454,194	-	9,025	10,754	5,987	4,124	
2008-09	62,115	24,033	1,460,679	-	9,974	9,828	4,652	3,738	
2009-10	53,081	23,706	1,482,847	-	11,178	8,996	4,658	3,481	
2010-11	51,306	24,041	1,471,591	-	12,371	8,911	4,267	3,450	
2011-12	47,104	24,573	1,558,959	-	11,507	8,395	4,057	3,613	
2012-13	57,037	27,841	1,505,841	-	10,489	9,914	3,710	3,179	
2013-14	61,933	31,585	1,493,508	-	11,523	10,926	3,119	3,438	
2014-15	64,208	34,490	1,465,760	20,191	13,347 *	11,733	5,004	3,712	*
2015-16	66,855	31,652	1,481,551	102,735	13,550	11,021	4,885	4,142	
2016-17	66,737	32,269	1,471,855	190,406	15,145	11,513	7,021	4,165	
Jul-Feb									
2016-17	42,648	21,505	986,728	126,938	10,097	7,675	4,681	2,777	
2017-18	60,374	21,754	978,246	192,226	7,749	7,934	8,197	3,386	

P : Provisional * : Million cubic feet Source: Hydrocarbon Development Institute of Pakistan (HDIP)
LNG import is available till September 2015. Ministry of Petroleum Natural Resources,
-: Not available

TABLE 14.4

SCHEDULE OF ELECTRICITY TARIFFS

DESCRIPTION	Fixed	Variable Charge w.e.f 11-10-2014										GOP
	Charge Rs./kW/M.	IESCO	GEPCO	LESCO	FESCO	MEPCO	PESCO	HESCO	QESCO	SEPCO	TESCO	Applicable Rate
Residential												
Up to 50 Units		4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.00
Load up to 5 kW												
01-100 Units		10.50	13.26	10.00	11.09	13.00	13.00	11.06	10.50	10.50	12.70	5.79
101-200 Units		12.50	16.90	12.33	14.00	16.90	16.24	12.50	12.50	12.50	14.50	8.11
201-300 Units		12.50	16.90	12.33	14.00	16.90	16.24	12.50	12.50	12.50	14.50	12.09
301-700 Units		15.00	17.90	15.00	15.00	17.90	17.90	15.50	15.00	15.50	16.50	15.00
Above 700 Units		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Load Exceeding 5 kW												
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Time of Use (TOU) - Off-Peak		11.50	13.50	11.50	11.50	13.30	13.30	11.50	11.50	11.50	11.50	11.50
Total Residential												
Commercial - A2												
Load up to 5 kW		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Load Exceeding 5 kW												
Regular	400.00	15.00	16.00	15.00	15.00	16.00	16.00	15.00	15.00	15.00	15.00	15.00
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Time of Use (TOU) - Off-Peak	400.00	11.50	13.50	11.50	11.50	13.30	13.30	11.50	11.50	11.50	11.50	11.50
Total Commercial												
Industrial												
B1		14.50	15.50	14.50	14.50	15.50	15.50	14.50	14.50	14.50	14.50	14.50
B1 Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
B1 Off Peak		11.50	13.50	11.50	11.50	13.30	13.30	11.50	11.50	11.50	11.50	11.50
B2	400.00	14.00	15.00	14.00	14.00	15.00	15.00	14.00	14.00	14.00	14.00	14.00
B2 - TOU (Peak)		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
B2 - TOU (Off-peak)	400.00	11.30	13.30	11.30	11.30	13.10	13.10	11.30	11.30	11.30	11.30	11.30
B3 - TOU (Peak)		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
B3 - TOU (Off-peak)	380.00	11.20	13.20	11.20	11.20	13.00	13.00	11.20	11.20	11.20	11.20	11.20
B4 - TOU (Peak)		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
B4 - TOU (Off-peak)	360.00	11.10	13.10	11.10	11.10	12.90	12.90	11.10	11.10	11.10	11.10	11.10
Total Industrial												
Bulk Supply												
C1(a) Supply at 400 Volts- up to 5 kW		15.00	16.00	15.00	15.00	16.00	16.00	15.00	15.00	15.00	15.00	15.00
C1(b) Supply at 400 Volts-exceeding 5 kW												
	400.00	14.50	15.50	14.50	14.50	15.50	15.50	14.50	14.50	14.50	14.50	14.50
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Time of Use (TOU) - Off-Peak	400.00	11.50	13.50	11.50	11.50	13.30	13.30	11.50	11.50	11.50	11.50	11.50
C2 Supply at 11 kV	380.00	14.30	15.30	14.30	14.30	15.30	15.30	14.30	14.30	14.30	14.30	14.30
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Time of Use (TOU) - Off-Peak	380.00	11.30	13.30	11.30	11.30	13.10	13.10	11.30	11.30	11.30	11.30	11.30
C3 Supply above 11 kV	360.00	14.20	15.20	14.20	14.20	15.20	15.20	14.20	14.20	14.20	14.20	14.20
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	17.50
Time of Use (TOU) - Off-Peak	360.00	11.20	13.20	11.20	11.20	13.00	13.00	11.20	11.20	11.20	11.20	11.20
Total Bulk Supply												
Agricultural												
Scarp		14.50	15.50	14.50	14.50	15.50	15.50	14.50	14.00	13.60	13.50	13.01
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	10.35
Time of Use (TOU) - Off-Peak	200.00	11.20	13.20	11.20	11.20	13.00	13.00	11.20	11.20	11.20	11.20	10.35
Agricultural Tube-wells	200.00	14.00	15.00	14.00	14.00	15.00	15.00	14.00	13.61	13.00	12.97	11.51
Time of Use (TOU) - Peak		17.50	19.00	17.50	17.50	19.00	19.00	17.50	17.50	17.50	17.50	
Time of Use (TOU) - Off-Peak	200.00	11.20	13.20	11.20	11.20	13.00	13.00	11.20	11.20	11.20	11.20	
Total Agricultural												
Public Lighting		15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Resid. Colon.att. to ind		15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Railway Traction				15.00		15.00						15.00
Special Contracts - AJK	360.00	14.38	15.00				14.38					12.22
Time of Use (TOU) - Peak		17.50	19.00				19.00					17.50
Time of Use (TOU) - Off-Peak	360.00	11.20	13.20				13.00					11.20
Special Contracts - Rawat Lab.		15.00										15.00

Source : NEPRA

TABLE 14.4

SCHEDULE OF ELECTRICITY TARIFFS

DESCRIPTION	Fixed Charge Rs./kW/M.	Variable Charge w.e.f 10-06-2015										GOP Applicable Rate*
		IESCO	GEPCO	LESCO	FESCO	MEPCO	PESCO	HESCO	QESCO	SEPCO	TESCO	
Residential												
Up to 50 Units		4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.00
Load up to 5 kW												
01-100 Units		9.00	11.82	9.25	9.00	9.52	12.50	9.79	12.50	11.00	14.30	5.79
101-200 Units		11.00	14.00	11.00	10.20	12.00	16.50	14.00	15.00	13.52	17.30	8.11
201-300 Units		11.00	14.00	11.00	10.20	12.00	16.50	14.00	15.00	13.52	17.30	10.20
301-700 Units		13.00	17.00	13.33	14.00	15.00	17.90	15.00	17.00	16.00	18.00	16.00
Above 700 Units		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	19.00	19.00	18.00
Load Exceeding 5 kW												
Time of Use (TOU) - Peak		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	19.00	19.00	18.00
Time of Use (TOU) - Off-Peak		9.25	13.00	9.50	10.00	10.50	13.30	10.20	13.00	13.00	14.50	12.50
Total Residential												
Commercial - A2												
Load up to 5 kW		15.00	19.00	16.00	15.00	16.00	19.00	15.00	19.00	19.00	19.00	18.00
Load Exceeding 5 kW												
Regular	400.00	12.00	15.00	12.00	14.50	14.00	15.00	13.00	15.00	15.00	17.00	16.00
Time of Use (TOU) - Peak		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	19.00	19.00	18.00
Time of Use (TOU) - Off-Peak	400.00	9.25	13.00	9.50	10.00	10.50	13.30	10.20	13.00	3.00	14.50	12.50
Total Commercial												
Industrial												
B1		12.00	14.50	12.00	13.00	13.50	14.50	12.50	14.50	14.50	15.00	14.50
B1 Peak		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	19.00	19.00	18.00
B1 Off Peak		9.25	13.00	9.50	10.00	10.50	13.30	10.20	13.00	13.00	14.50	12.50
B2	400.00	11.50	14.00	11.50	12.50	13.00	14.00	12.00	14.00	14.00	14.50	14.00
B2 - TOU (Peak)		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	19.00	19.00	18.00
B2 - TOU (Off-peak)	400.00	9.05	12.80	9.30	9.60	10.30	13.10	10.00	12.80	12.80	14.30	12.29
B3 - TOU (Peak)		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	19.00	19.00	18.00
B3 - TOU (Off-peak)	380.00	8.85	12.70	9.10	9.50	10.20	13.00	9.80	2.70	12.70	14.20	12.20
B4 - TOU (Peak)		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	19.00	19.00	18.00
B4 - TOU (Off-peak)	360.00	8.75	12.60	9.00	9.40	10.10	12.90	9.70	12.60	12.60	14.10	12.10
Total Industrial												
Bulk Supply												
C1(a) Supply at 400 Volts- up to 5 kW		12.50	15.00	12.50	13.50	14.00	15.00	13.00	15.00	15.00	15.50	15.00
C1(b) Supply at 400 Volts-exceeding 5 kW	400.00	12.00	14.50	12.00	13.00	13.50	14.50	12.50	14.50	14.50	15.00	14.50
Time of Use (TOU) - Peak		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	19.00	19.00	18.00
Time of Use (TOU) - Off-Peak	400.00	9.25	13.00	9.50	10.00	10.50	13.30	10.20	13.00	13.00	14.50	12.50
C2 Supply at 11 kV	380.00	11.80	14.30	11.80	12.80	13.30	14.30	12.30	14.30	14.30	14.80	14.30
Time of Use (TOU) - Peak		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	19.00	19.00	18.00
Time of Use (TOU) - Off-Peak	380.00	9.05	12.80	9.30	9.60	10.30	13.10	-	12.80	12.80	14.30	12.30
C3 Supply above 11 kV	360.00	11.70	14.20	11.70	12.70	13.20	14.20	12.20	14.20	14.20	14.70	14.20
Time of Use (TOU) - Peak		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	9.00	19.00	18.00
Time of Use (TOU) - Off-Peak	360.00	8.85	12.70	9.10	9.50	10.20	13.00	9.80	12.70	12.70	14.20	12.20
Total Bulk Supply												
Agricultural												
Scarp		12.00	14.50	12.00	13.00	13.50	14.50	12.50	15.20	15.50	15.00	12.00
Time of Use (TOU) - Peak		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	19.00	19.00	15.00
Time of Use (TOU) - Off-Peak	200.00	8.85	12.70	9.10	9.50	10.20	13.00	9.80	12.70	12.70	14.20	8.85
Agricultural Tube-wells	200.00	11.50	14.00	11.50	12.50	13.00	14.00	12.00	14.70	15.00	14.50	11.50
Time of Use (TOU) - Peak		15.00	19.00	15.00	16.00	16.00	19.00	16.00	19.00	19.00	19.00	10.35
Time of Use (TOU) - Off-Peak	200.00	8.85	12.70	9.10	9.50	10.20	13.00	9.80	12.70	12.70	14.20	8.85
Total Agricultural												
Public Lighting		14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00	15.00
Resid. Colon.att. to ind		14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00	15.00
Railway Traction				14.00		14.00						15.00
Special Contracts - AJK	360.00	11.24	14.00				14.00					12.22
Time of Use (TOU) - Peak		15.00	19.00				19.00					18.00
Time of Use (TOU) - Off-Peak	360.00	8.85	12.70				13.30					12.20
Special Contracts - Rawat Lab.		14.00										15.00

* : GOP Tarrif w.e.f. 10-06-2015 also includes an amount of Tarrif Rationalization Surcharge

Source : NEPRA

TABLE 14.4

SCHEDULE OF ELECTRICITY TARIFFS

DESCRIPTION	Fixed Charge Rs./kW/M	Variable Charge w.e.f 22-03-2018 (Rs./kWh)										GOP Applicable Rate (Rs./kWh)
		IESCO	GEPCO	FESCO	LESCO	MEPCO	PESCO	HESCO	QESCO	SEPCO	TESCO	
Residential												
Up to 50 Units		4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.00
For peak load requirement less than 5 kW						-	-	-	-	-	-	
01-100 Units		9.31	8.60	10.72	9.52	10.67	13.82	16.46	9.71	14.26	11.93	5.79
101-200 Units		12.71	10.61	14.23	11.32	12.17	17.31	19.96	12.12	15.56	14.23	8.11
201-300 Units		14.23	11.92	14.96	12.33	13.59	17.41	20.36	12.17	18.26	15.23	10.20
301-700Units		15.54	14.78	15.40	14.08	16.21	18.76	20.97	14.12	20.11	15.62	16.00
Above 700 Units		17.27	15.41	16.51	16.04	17.73	19.86	21.97	16.12	22.46	16.43	18.00
For peak load requirement exceeding 5 kW)						-	-	-	-	-	-	
Time of Use (TOU) - Peak		16.63	15.36	16.51	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
Time of Use (TOU) - Off-Peak		9.30	8.86	9.36	9.54	10.67	14.27	16.46	9.72	16.50	11.93	12.50
Temporary Supply		16.93	15.36	16.51	15.19	17.17	19.82	22.26	16.12	20.10	16.43	22.26
Total Residential												
Commercial - A2												
For peak load requirement less than 5 kW		15.68	14.36	15.41	15.73	15.77	19.82	21.26	16.12	22.35	16.43	18.00
For peak load requirement exceeding 5 kW												
Regular	400.00	12.68	10.86	15.26	11.76	13.77	15.27	19.26	12.12	20.35	14.43	16.00
Time of Use (TOU) - Peak		16.63	15.36	16.51	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
Time of Use (TOU) - Off-Peak	400.00	9.33	8.86	9.36	9.54	10.67	14.27	16.46	9.72	16.50	11.93	12.50
Temporary Supply		15.68	14.36	16.51	15.74	15.77	19.82	21.26	16.12	22.35	16.43	22.35
Total Commercial												
General Services-A3		14.58	12.51	14.01	13.84	15.47	15.77	17.86	13.07	17.68	16.23	14.75
Industrial												
B1		12.73	10.00	12.53	11.74	13.27	15.32	18.76	11.62	19.85	12.43	14.50
B1 Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
B1 Off Peak		9.43	8.86	8.46	9.59	10.67	14.27	16.46	9.72	16.50	11.93	12.50
B2	400.00	12.23	9.36	12.03	11.24	12.77	14.82	18.26	11.12	19.35	11.93	14.00
B2 - TOU (Peak)		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
B2 - TOU (Off-peak)	400.00	9.23	8.66	8.36	9.36	10.47	14.07	16.26	9.52	16.30	11.73	12.29
B3 - TOU (Peak)		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
B3 - TOU (Off-peak)	380.00	9.03	8.56	8.26	9.16	10.37	13.97	16.06	9.42	16.20	11.63	12.20
B4 - TOU (Peak)		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
B4 - TOU (Off-peak)	360.00	8.83	8.46	8.16	9.04	10.27	13.87	15.96	9.32	16.10	11.53	12.10
Temporary Supply		12.73	9.86	16.51	11.74	13.27	15.32	18.76	11.62	19.85	12.43	19.85
Total Industrial												
Single Point Supply for further distribution												
C1(a) Supply at 400 Volts-less than 5 kW		13.23	10.36	13.03	12.24	13.77	15.82	19.26	12.12	20.35	12.93	15.00
C1(b) Supply at 400 Volts-exceeding 5 kW	400.00	12.73	9.86	12.53	11.74	13.27	15.32	18.76	11.62	19.85	12.43	14.50
Time of Use (TOU) - Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
Time of Use (TOU) - Off-Peak	400.00	9.30	8.86	8.46	9.59	10.67	14.27	16.46	9.72	16.50	11.93	12.50
C2 Supply at 11 kV	380.00	12.53	9.66	12.33	11.54	13.07	15.12	18.56	11.42	19.65	12.23	14.30
Time of Use (TOU) - Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
Time of Use (TOU) - Off-Peak	380.00	9.10	8.66	8.26	9.36	10.47	14.07	16.26	9.52	16.30	11.73	12.30
C3 Supply above 11 kV	360.00	12.43	9.56	12.23	11.44	12.97	15.02	18.46	11.32	19.55	12.13	14.20
Time of Use (TOU) - Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	18.00
Time of Use (TOU) - Off-Peak	360.00	8.88	8.56	8.16	9.16	10.37	13.97	16.06	9.42	16.20	11.63	12.20
Total Single Point Supply												
Agricultural Tube-wells - Tariff D												
Scarp		13.63	10.86	12.33	13.14	13.82	15.32	18.76	12.32	18.95	12.43	12.00
Time of Use (TOU) - Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	15.00
Time of Use (TOU) - Off-Peak	200.00	8.95	8.56	8.36	9.14	10.37	14.27	16.06	9.42	16.20	11.63	8.85
Agricultual Tube-wells	200.00	11.58	9.86	12.33	13.44	15.02	14.82	18.26	11.84	18.50	11.93	11.50
Time of Use (TOU) - Peak		16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	10.35
Time of Use (TOU) - Off-Peak	200.00	9.03	8.56	8.36	9.14	10.37	14.27	16.06	9.42	16.20	11.63	8.85
Total Agricultural												
Public Lighting - Tariff G		14.62	9.36	12.26	14.84	13.77	14.82	20.26	11.12	19.35	12.43	15.00
Residential Colonies		14.62	9.36	12.26	14.84	13.77	14.82	20.26	11.12	19.35	12.43	15.00
Tariff K - AJK	360.00	11.85	9.36	-	-	-	14.82	-	-	-	-	12.23
Time of Use (TOU) - Peak		16.52	15.36	-	-	-	19.82	-	-	-	-	18.00
Time of Use (TOU) - Off-Peak	360.00	8.82	10.06	-	-	-	14.27	-	-	-	-	12.20
Railway Traction		-	-	-	14.84	13.77	-	-	-	-	-	15.00
Tariff K -Rawat Lab		14.63	-	-	-	-	-	-	-	-	-	15.00
Sub-Total												
Special Contract - Tariff-J												
J-1 For Supply at 66 kV & above	360.00	12.43	9.56	12.23	11.44	12.97	15.02	18.46	11.32	19.55	12.13	
Time of Use (TOU) - Peak	-	16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	
Time of Use (TOU) - Off-Peak	360.00	8.88	8.56	8.16	9.16	10.37	13.97	16.06	9.42	16.20	11.63	
J-2 (a) For Supply at 11, 33 kV	380.00	12.53	9.66	12.33	11.54	13.07	15.12	18.56	11.42	19.65	12.23	
Time of Use (TOU) - Peak	-	16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	
Time of Use (TOU) - Off-Peak	380.00	9.10	8.66	8.26	9.36	10.47	14.07	16.26	9.52	16.30	11.73	
J-2 (b) For Supply at 66 kV & above	360.00	12.43	9.56	12.23	11.44	12.97	15.02	18.46	11.32	19.55	12.13	
Time of Use (TOU) - Peak	-	16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	
Time of Use (TOU) - Off-Peak	360.00	8.88	8.56	8.16	9.16	10.37	13.97	16.06	9.42	16.20	11.63	
J-3 (a) For Supply at 11, 33 kV	380.00	12.53	9.66	12.33	11.54	13.07	15.12	18.56	11.42	19.65	12.23	
Time of Use (TOU) - Peak	-	16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	
Time of Use (TOU) - Off-Peak	380.00	9.10	8.66	8.26	9.36	10.47	14.07	16.26	9.52	16.30	11.73	
J-3 (b) For Supply at 66 kV & above	360.00	12.43	9.56	12.23	11.44	12.97	15.02	18.46	11.32	19.55	12.13	
Time of Use (TOU) - Peak	-	16.63	15.36	16.23	16.04	16.37	19.82	21.96	16.12	22.45	16.43	
Time of Use (TOU) - Off-Peak	360.00	8.88	8.56	8.16	9.16	10.37	13.97	16.06	9.42	16.20	11.63	

Source: NEPRA

i. No Subsidy or Srucharges where intimated by GoP for Category "Special Contract - Tariff-J" therefore tariff determined by NEPRA for each DISCO is applicable
ii. Incase of FESCO and GEPCO the GoP of applicable rate for the Category "Agricultural Tube-wells - Tariff D" is lower than rest of the DISCO
iii. In addition to above mentioned GoP applicable rate, the fixed charges applicable to private agriculture consumers under tariff D-2 and D-1 (b) is also picked by GoP as Subsidy.

Note:
"Neelum-Jhelum Surcharge" at the rate of Rs. 0.10/kWh applicable on all electricity consumers except lifeline domestic consumers of the category "Residential A-1" for electrcity sold.
"Financing Cost Surcharge" at the rate of Rs. 0.43/kWh applicable to all the of electricity consumers except lifeline domestic consumers of the category "Residential A-1" for electrcity sold.

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	22-11-2012	22-12-2012	22-01-2013	01-03-2013	04-03-2013	01-07-2013	01-08-2013	01-09-2013
EX-NRL/PRL KARACHI								
Motor Gasoline	102.65	101.42	103.07	106.60	103.07	69.40	71.74	75.52
HOBC (Automotive 100 Octane)	-	-	-	-	-	87.68	92.52	97.47
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	99.03	98.81	99.90	103.69	99.90	72.28	76.54	80.30
HSD	109.77	110.13	109.21	113.56	109.21	78.49	82.33	85.27
LDO	93.89	94.34	94.33	98.26	94.78	71.47	74.84	76.99
Aviation gasoline (100LL)								
JP-1:								80.57
i) For sale to PIA Domestic Flight	88.22	88.04	89.24	93.52	93.52	72.54	76.8	
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4	-	-	-	-	-	-		
JP-8	87.90	87.72	88.80	93.21	93.21	72.28	76.54	80.30

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5
OIL SALE PRICES

Rs/Ltrs

Date	01-10-2013	01-11-2013	01-12-2013	01-01-2014	01-02-2014	02-03-2014	01-04-2014	01-05-2014
EX-NRL/PRL KARACHI								
Motor Gasoline	80.05	77.82	78.26	80.83	78.31	75.43	74.02	73.68
HOBC (Automotive 100 Octane)	102.19	99.84	104.30	107.38	103.55	100.97	95.87	94.25
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	82.11	82.05	82.98	85.31	81.13	81.33	75.97	73.88
HSD	87.54	81.40	82.36	84.43	80.79	80.86	77.53	73.93
LDO	78.75	79.48	80.13	81.63	78.07	78.47	74.07	72.83
Aviation gasoline (100LL)								
JP-1:	82.39	82.33	83.26	-	-	-	-	-
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	82.11	82.05	82.98	-	-	-	-	-

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-06-2014	01-07-2014	01-08-2014	01-09-2014	01-10-2014	01-11-2014	01-12-2014	)1-01-2015
EX-NRL/PRL KARACHI								
Motor Gasoline	74.89	107.97	107.97	106.56	103.62	94.19	84.53	78.28
HOBC (Automotive 100 Octane)	96.45							
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	74.19	97.40	97.05	96.99	95.68	87.52	83.18	71.92
HSD	75.30	109.34	109.34	108.34	107.39	101.21	94.09	86.23
LDO	73.67	94.13	93.27	92.08	91.94	83.37	77.98	67.50
Aviation gasoline (100LL)								
JP-1:	-	86.71	86.74	84.84	85.00	77.60	73.05	59.10
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	-	87.06	86.42	85.52	84.66	77.01	72.72	58.76

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-02-2015	01-03-2015	01-07-2015	01-08-2015	01-09-2015	01-10-2015	01-11-2015	)1-12-2015
EX-NRL/PRL KARACHI								
Motor Gasoline	70.29	70.29	77.79	76.76	73.76	73.76	76.26	76.26
HOBC (Automotive 100 Octane)			83.81	82.79	79.79	79.79	79.79	80.66
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	61.44	61.44	64.94	60.11	57.11	57.11	57.11	56.32
HSD	80.61	80.61	87.11	85.05	82.04	82.04	83.79	83.79
LDO	57.94	57.94	61.51	56.59	53.59	53.59	53.59	53.23
Aviation gasoline (100LL)								
JP-1:	47.30	53.59	55.81	49.33	42.65	45.31	46.12	45.24
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	46.96	53.25	55.47	48.99	42.31	44.96	45.77	44.90

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-01-2016	01-02-2016	01-03-2016	01-04-2016	01-05-2016	01-06-2016	01-07-2016	01-08-2016
EX-NRL/PRL KARACHI								
Motor Gasoline	76.25	71.25	62.77	64.27	64.27	64.27	64.27	64.27
HOBC (Automotive 100 Octane)	80.66	75.66	72.68	72.68	72.68	72.68	72.68	72.68
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	48.25	43.25	43.25	43.25	43.25	43.25	43.25	43.25
HSD	80.79	75.79	71.12	72.52	72.52	72.52	72.52	72.52
LDO	44.94	39.94	37.97	37.97	37.97	37.97	43.35	43.35
Aviation gasoline (100LL)								
JP-1:	37.50	29.66	32.67	36.35	38.87	38.87	48.82	45.19
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	37.15	29.31	31.36	36.01	37.37	37.37	44.81	42.27

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Date	01-09-2016	01-10-2016	01-11-2016	01-12-2016	01-01-2017	16-01-2017	01-02-2017	16-02-2017
EX-NRL/PRL KARACHI								
Motor Gasoline	64.27	64.27	64.27	66.27	67.27	68.04	70.29	71.29
HOBC (Automotive 100 Octane)	72.68	72.68						
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)								
Kerosene	43.25	43.25	43.25	43.25	43.25	43.25	43.25	43.25
HSD	72.52	72.52	72.52	75.22	75.22	77.22	49.48	80.48
LDO	43.34	43.34	43.34	43.34	43.34	43.34	43.34	43.34
Aviation gasoline (100LL)								
JP-1:	40.51	42.19	46.67	44.61				
i) For sale to PIA Domestic Flight								
ii) For sale to PIA foreign flights & foreign airline								
iii) For Cargo & Technical Landing Flights								
JP-4								
JP-8	40.17	41.84	46.33	43.47				

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-03-2017	01-04-2017	01-05-2017	01-06-2017	01-07-2017	01-08-2017	06-08-2017
EX-NRL/PRL KARACHI							
Motor Gasoline	73.00	74.00	74.00	72.80	71.30	71.30	69.50
HOBC (Automotive 100 Octane)							
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)							
Kerosene	44.00	44.00	44.00	44.00	44.00	44.00	44.00
HSD	82.00	83.00	83.00	81.40	79.90	79.90	77.40
LDO	44.00	44.00	44.00	44.00	44.00	44.00	44.00
Aviation gasoline (100LL)							
JP-1:					44.40	45.98	45.98
i) For sale to PIA Domestic Flight							
ii) For sale to PIA foreign flights & foreign airline							
iii) For Cargo & Technical Landing Flights							
JP-4							
JP-8					44.05	45.63	45.63

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-09-2017	01-10-2017	01-11-2017	01-12-2017	01-01-2018	01-02-2018
EX-NRL/PRL KARACHI						
Motor Gasoline	71.50	73.50	75.99	77.47	81.53	84.51
HOBC (Automotive 100 Octane)						
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)						
Kerosene	44.00	48.00	53.19	57.58	64.34	70.18
HSD	77.40	79.40	84.59	85.95	89.91	95.83
LDO	44.00	46.00	49.00	52.12	58.37	64.30
Aviation gasoline (100LL)						
JP-1:	48.77	52.26	52.91	57.22	62.34	65.85
i) For sale to PIA Domestic Flight						
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4						
JP-8	48.41	51.91	52.96	56.87	59.41	65.48

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.6

GAS SALE PRICES

Unit: Rupees/MMbtu.

Category	1-1-2013	23-8-13	1-1-14	1-9-2015	1-1-2016	1-4-2016	1-7-2016	15-12-16	1-1-17	1-7-17
DOMESTIC (Slab)										
i) Upto 1.77 M cu.ft./month										
ii) Upto 1.77 to 3.55 M cu.ft./month	106.14	106.14	106.14	110.00			110.00	110.00		
iii) Upto 3.55 to 7.10 M cu.ft./month										
iv) Upto 7.10 to 10.64 Mcu.ft./month	212.28	212.28	212.28	220.00			220.00	220.00		
v) Upto 10.64 to 14.20 M cu.ft./month	530.00	530.69	530.69	600.00			600.00	600.00		
vi) Upto 14.20 to 17.75 M cu.ft./month										
vii) All over 17.75										
BULK METER	530.00	530.69	530.69	600.00			600.00	600.00		
COMMERCIAL	636.83	636.83	636.83	700.00						
SPECIAL COMMERCIAL ROTI TANDOOR*										
Upto 50										
Over 50 upto 100	106.14	106.14	106.14	110.00			110.00	110.00		
Over 100 upto 200										
Over 200 upto 300	212.28	212.28	212.28	220.00			220.00	220.00		
Over 300	636.83	636.83	636.83	700.00						
ICE FACTORIES	636.83	636.83	636.83	700.00			700.00	700.00		
General Industry	488.23	488.23	488.23	700.00			600.00	600.00		
Cement	742.97	742.97	742.97	750.00			750.00	750.00		
CNG Station	656.32	656.32	656.32	700.00			700.00	700.00		
Pakistan Steel										
Captive Power	488.23	573.28	573.28	600.00			600.00	600.00		
Independent Power Projects	488.23	488.23	488.23	600.00		613.00	613.00	400.00		
FERTILIZER										
SNGPL'S SYSTEM										
(i) For Feed Stock										
Pak American Fertilizer Ltd.	123.41	123.41	123.41	200.00		123.41	123.00	123.00		
F.F.C Jorden										
Engro Fertilizer Ltd.	67.38	*-69.10	73.17	70.61	72.73		72.72	72.72		
Dawood Hercules/ Pak Arab	123.41	123.41	123.41	200.00		123.41	123.00	123.00		
Pak China /Hazara	123.41	123.41	123.41	200.00		123.41	123.00	123.00		
SSGCL'S SYSTEM										
F.F.Bin Qasim Ltd.	123.41	123.41	123.41	200.00		123.41	123.00	123.00		
F.F.Bin Qasim Ltd. (Add. 10mmcfd FS)	67.38	69.10	73.17	70.61	72.73		72.72	72.72		
(ii) For Fuel Generation all Fertilizer Co.	488.23	488.23	488.23	600.00			600.00	600.00		
FOR MARI GAS CO. SYSTEM										
(i) For Feed Stock										
(a) Engro Chemical	123.41	123.41	123.41	200.00		123.41	123.00	123.00		
FFC (Goth Machi)	123.41	123.41	123.41	200.00		123.41	123.00	123.00		
Fatima Fertilizer	67.38	69.10	73.17	70.61	72.73		72.72	72.72		
FFC (Mirpur M)	123.41	123.41	123.41				123.00	123.00		
Foundation Power Company	488.23	488.23	488.23				613.00	400.00		
(ii) For Power Generation	488.23	488.23	488.23							
POWER Stations										
SNGPL & SSGCL'S SYSTEM	488.23	488.23	488.23	600.00						
Liberty Power Limited	1,505.20	1,505.20	1,505.20	713.89	648.52		443.58	443.58	574.53	669.45
GAS DIRECTLY SOLD TO										
WAPDA'S GUDDU POWER STATION										
SUI FIELD (917 BTU)	488.23	488.23	488.23	600.00		613.00				
KANDKOT FIELD (866 BTU)	488.23	488.23	488.23	600.00		613.00				
MARI FIELD (754 BTU)	488.23	488.23	488.23	600.00		613.00	613.00	400.00		
SARA /SURI FIELDS										
Foundation Power Company	488.23	488.23	488.23	600.00		613.00	613.00	400.00		

Source : Directorate General of Gas.

ABBREVIATIONS

AJK	Azad Jammu Kashmir
AMCs	Assets Management Companies
APHCA	Animal Production & Health Commission for Asia
AQD	Animal Quarantine Department
BATS	Bonds Automated Trading System
BISP	Benazir Income Support Programme
BOT	Build Own and Transfer
BPA	Bond Pricing Agency
CBOs	Community Based Organizations
CBR	Crude Birth Rate
CCI	Council of Common Interest
CDNS	Central Directorate of National Savings
CDR	Crude Death Rate
CFIs	Commercial Financial Institutions
CGT	Capital Gain Tax
CiC	Currency in Circulation
CMOs	Cellular Mobile Operators
CPEC	China-Pak Economic Corridor
CPI	Consumer Price Index
CPR	Contraceptive Prevalence Rate
CRR	Cash Reserve Requirement
CSC	Customer Services Centers
CSF	Coalition Support Fund
CSP	Child Support Programme
CVT	Capital Value Tax
DGPC	Directorate General Petroleum Concessions
DNA	Damage and Needs Assessment
DRS	Disaster Risk Management
DSNGS	Digital Satellite News Gathering System
ECB	External Commercial Borrowings
ECNEC	Executive Committee of the National Economic Council
ECO	Economic Cooperation Organization
EDL	External Debt and Liabilities
EFA	Education for All
EMO	Expanding Microfinance Outreach
EMOs	Electronic Money Order Services
EOBI	Employees Old Age Benefits Institution
EPA	Environment Protection Agency
EPS	Earning per Share
EU	European Union
FAO	Food Agriculture Organization
FATA	Federally Administrated Tribal Areas
FATE	Facilitation and Taxpayers Education
FCA	Federal Committee on Agriculture
FDI	Foreign Direct Investment
FEE	Foreign Exchange Earnings
FEL	Foreign Exchange Liabilities
FER	Foreign Exchange Reserves
FLL	Fixed Local Loop
FMD	Foot and Mouth Disease
FWC	Family Welfare Center
GCC	Gulf Co-operation Council
GDP	Gross Domestic Product
GDR	Global Depository Receipts
GNP	Gross National Product
GPI	Gender Parity Index
GST	General Sales Tax
HDI	Human Development Index
HEC	Higher Education Commission
HIES	Household Income and Expenditure Survey
HPEHPs	High Priority Early Harvest Projects
HRD	Human Resource Development

IAEA	International Atomic Energy Agency
IBFT	Inter Bank Fund Transfer
ICT	Islamabad Capital Territory
IFA	Individual Financial Assistance
IFIs	International Financial Institutions
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IPPs	Independent Power Producers
ITMS	Integrated Tax Management System
KIBOR	Karachi Interbank Offer Rate
KPT	Karachi Port Trust
KSE	Karachi Stock Exchange
KYE	Know Your Customer
LFS	Labour Force Survey
LSM	Large Scale Manufacturing
MDG	Millennium Development Goals
MFBs	Microfinance Banks
MMR	Maternal Mortality Rate
MRTB	Market Related Treasury Bills
MSU	Mobile Service Unit
MTBF	Medium Term Budgetary Framework
MTEF	Medium Term Expenditure Framework
NAVTEC	National Vocational and Technical Education Commission
NBFCs	Non Banking Financial Companies
NBFIs	Non Banking Financial Institutions
NCCPL	National Clearing Company of Pakistan Limited
NCEL	National Commodity Exchange Limited
NCHD	National Commission for Human Development
NCRCL	National Center for Rehabilitation of Child Labour
NDMA	National Disaster Management Authority
NEP	National Education Policy
NEQ	National Environment Quality Standards
NFC	National Finance Commission
NGMS	Next Generation Mobile Services
NHA	National Highways Authority
NICL	National Insurance Company Limited
NID	National Immunization Day
NPLs	Non Performing Loans
NSDWQ	National Standards for Drinking Water Quality
NTCP	National Trade Corridor Programme
NVL	National Veterinary Laboratories
OBB	Output Based Budget
OECD	Organization for Economic Cooperation & Development
OGRA	Oil & Gas Regulatory Authority
OIE	Office International des Epizooties
OLP	Outstanding Loans Portfolio
OMC	Oil Marketing Companies
OMOs	Open Market Operations
OPHI	Oxford Poverty and Human Development Initiative
PAEC	Pakistan Atomic Energy Commission
PBC	Pakistan Broadcasting Corporation
PBM	Pakistan Bait-ul-Mal
PDMA	Provincial Disaster Management Authority
PDS	Pakistan Demographic Survey
PEMRA	Pakistan Electronic Media Regulatory Authority
PER	Price Earning Ratio
PFFPS	Pakistan Fertility & Family Planning Survey
PGR	Population Growth Rate
PIBs	Pakistan Investment Bonds
PMEX	Pakistan Mercantile Exchange Limited

PNSC	Pakistan National Shipping Corporation
PPAF	Pakistan Poverty Alleviation Fund
PPAF	Pakistan Poverty Elevation Fund
PPCBL	Punjab Provincial Corporative Bank Limited
PPIB	Private Power Infrastructure Board
PPR	Peste des Petits Ruminants
PRISM	Pakistan Real-Time Inter Bank Settlement
PSDF	Punjab Skills Development Fund
PSDP	Public Sector Development Programme
PSEs	Public Sector Enterprises
PSLM	Pakistan Social and Living Standard Measurement Survey
PSM	Pakistan Steel Mill
PTA	Pakistan Telecommunication Authority
QIM	Quantum Index Manufacturing
RAR	Refined Activity Rate
RBM	Roll Back Malaria
REER	Real Effective Exchange Rate
REIT	Real Estate Investment Trusts
RHS	Reproductive Health Services
RSP	Rural Support Program
SAARC	South Asia
SBAs	Skilled Birth Attendants
SBP	State Bank of Pakistan
SDR	Special Drawing Rights
SECP	Security & Exchange Commission of Pakistan
SLIC	State Life Insurance Corporation
SLR	Statutory Liquidity Requirement
SME	Small & Medium Enterprise
SOEs	State Owned Enterprises
SPI	Sensitive Price Index
T-bill	Treasury Bills
	Technologies
	Technologies
TFC	Term Finance Certificate
TFR	Total Fertility Rate
TS&C	Transport, Storage &Communication
UAE	United Arab Emirates
VPS	Voluntary Pension System
WALR	Weighted Average Lending Rate
WAPDA	Water and Power Development Authority
WLL	Wireless Local Loop
WPI	Whole Sale Price Index
WWF	Workers' Welfare Fund
ZTBL	Zarai Taraqiati Bank Limited
3G	3rd Generation of Mobile Cellular
4G	4th Generation of Mobile Cellular

WEIGHTS AND MEASURES

RUPEES

One Lakh	=One hundred thousand	=100,000
Ten Lakh	=One million	=1,000,000
One Crore	=Ten million	=10,000,000
One Billion	=One thousand million	
One Trillion	=One thousand billion	

CURRENCY EQUIVALENT

Prior to 1972

One Rupee = US$ 0.21 One US$ = Rs. 4.76

With effect from 8th January, 1982, Rupee is floating against Dollar and is linked to a basket of currencies.

WEIGHTS

One Gram	=0.035 Ounce	=0.0857 Tola	
One Pound	=16 ounces	=453.592 grams	
One Kilogram	=1000 grams	=1.07 seers	=2.205 pounds
One Metric tonne	=1000 Kilograms	=0.9842 ton	=26.792 Maunds
One Maund	=37.3242 Kilograms		
One Tonne	=2240 pounds	=1.016 metric tonnes	
One cotton bale	=375 Ibs.	=170.2 kg	
One bushel	=0.73 mds	=27.25 kg	

LENGTH

One yard	=3 feet =36 inches	=0.914 metre
One mile	=1760 yards	=1.609 kilometres
One sq. yard	=0.83613 sq. metres	
One sq. metre	=1.196 sq. yards	
One Acre	=4840 sq. yards	=0.4049 hectare
One Hectare	=2.47 Acres	

VOLUME

One cubic metre	=35.315 cubic feet

LIQUID MEASURE

One barrel	=36 gallons (imperial)	=163.656 litres

YEAR

Fiscal/Trade/Agriculture Year in Pakistan starts from 1st July and ends on 30th June every year

CROPPING SEASONS

Kharif – Crop sowing from April to June and harvested during October-December

Rabi – Crops sowing from October to December and harvested during April-May

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   Satisfactory/Good/ Need Improvement

2. Descriptive part consists upon the useful information on Pakistan's Economy prevailed during the financial year.

   Your rating: 0% --------100%

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