PAKISTAN ECONOMIC SURVEY 2012-13

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OVERVIEW OF THE ECONOMY

The fiscal year 2012-13 started with continuous problems of power and gas shortages along with other internal and external challenges. The energy crisis deepened presenting paradoxical situation. While generating capacity is reported 20,000 MW, actual generation remains far below the demand resulting in nationwide long hours load shedding. The circular debt kept on increasing despite injections of the government, which built pressure on fiscal side. Similarly, the working of PSEs also deteriorated resulted in further supplementing the burden on budget. The adverse impact of these economic difficulties was further compounded by the ongoing war against extremism which continued unabated and not only on one hand caused irreparable loss to the economy but wiped out mental peace and harmony among the masses of the country. Karachi is the main hub of the economic activities, faced the series of attacks as well as similar incidence occurred in Punjab, KPK and Balochistan. In retaliation to these attacks and terrorists activities long and big sit down stage protests took place which sent a bad signal to outside world about the insecurity prevailing in the country. Investment which is the mirror image of the economy nosedived to 14.2% if to compare with 2008 when it was hovering around 19.21 % (base on year 2005-06). The resilience of economy was tested several times by one crisis than other. The financial global meltdown in 2008 which shocked the developed and developing economies of the world and its effects are still being felt, Pakistan in no exception to feel the heat. The GDP growth which was at 5.0 % in 2007-08 dropped to 0.4% in 2008-09 (base 2005-06). The inflation reached to highest level of 25 percent in October 2008. There was unprecedented surge in oil and commodities prices. In addition the behavior of natural climate during 2010 and 2011 further added to the overall economic suffering.

The economy on average grew since 2008-09 at 2.94%. During FY12 and FY13 the power shortage became so severe that it wiped out 2% from our GDP. Agriculture, Manufacturing as well as Services sector performed below their capacity. Though economy has the growth trajectory of more than 6%, but the worst energy crises, bleeding public sector enterprises, economic mismanagement and menace of informal economy hemorrhaged the system.

The other challenges to the macroeconomic environment emanated from the external front. After remaining in primarily surplus driven by inflows under Coalition Support Fund (CSF), strong remittances and a lower trade deficit, turned current account into deficit of US$ 1.4 billion in July-April 2012-13. Although the cumulative current account deficit was much lower than the same period of last year, the external outlook remains challenging with scheduled payments to the IMF in the rest of FY13. The liquid foreign reserves have declined to US$ 11.5 billion. On domestic front, the growth in FBR revenues remained sluggish, while expenditure on power subsides and debt servicing increased sharply. Finally the government had to resort increasingly to borrow from SBP to finance fiscal deficit. The fiscal deficit remained at 4.6 percent during July-March FY13 as compared to 6.4 percent of the GDP in the comparable period of last year. The improvement came on account of CSF inflows and provincial budget surpluses.

On a positive note, inflation fell significantly, and LSM showed signs of recovery. Fiscal year 2012-13 started with single digit inflation and likely to remains during the current financial year, food and non-food inflation as well as whole sale price index, sensitive price index and core inflation remained in single digit.

The growth in industrial sector increased on the back of recovery in large scale manufacturing, construction and mining and quarrying. Amid of severe energy crisis, the LSM performed well. The latest data of March FY13 suggests a growth 9.3% on YoY basis and 4.3% on average July-March FY 13. If this trend continues it may help in overall improvement in GDP. However, Services sector remained subdued due to decline in growth rates of transport, storage and communication. Thus overall recent growth of GDP (at new base 2005-06) is registered at 3.6 percent in FY13 as compared to 4.4 percent in FY12.

The economy received nominal support from farms income particularly from minor crop and livestock whereas the major crops particularly cotton and rice missed the target but to some extent compensated by the better crops of sugarcane and wheat. The Rabi crop has done well; as fertilizer prices remained relatively stable compared to last year, the government raised the support price for wheat, adequate irrigation water was available at the time of sowing (unlike the kharif season) the frequent rains and moderate temperatures throughout the season helped improving the crop productivity and finally, agri-credit disbursement were higher compared to last year. The kharif crops of rice and cotton, on the other hand, were adversely affected due to heavy rains and localized flooding. Therefore, the overall growth in major crops during FY13 has remained lower than last year.

The outgoing fiscal year has seen some improvement in foreign direct investment in third quarter of current fiscal year. The pace of foreign direct investment at the start of fiscal year was slow which continued till February, but from March it started picked up and in April reached to US$ 213.6 million posted a growth of 289 percent over last year US$ 59.6 million. During July-April FY13 the foreign direct investment witnessed a growth of 29.7% and stood at US$ 853.5 million compared to US$ 658.2 million in corresponding period of last fiscal year. The Foreign Private Investment registered a growth of 80.4 percent during the period under discussion on account of 445.5 percent growth in portfolio investment. The main contributions in foreign direct inflows, on average were from United States, UAE and United Kingdom having share 14.0, 12.6 and 10.2 percent, respectively. Oil and Gas Exploration remains the significant sector which attracted 23.5 percent foreign inflows followed by Financial Business and Communications which attracted 18.1 and 10.6 percent, respectively. The outflow was seen in communications and power sectors.

Despite the global slowdown, the uptrend in KSE-100 index encouraged foreign investment in stock market. The Karachi Stock Exchange (KSE) reached to historical height of 22000 plus points. This positivity of foreign portfolio investment further reinforced the confidence of investors. In capital market the major contribution came from USA, UK and Hong Kong.

This year the National Accounts have been rebased on 2005-06 and System of National Accounts improved from 1993 to 2008. Many countries in the world update their base year periodically, some after five years and some after 10 years or even every year. This become essential on account of continuous process of development and innovations as a number of new products appears in the market and at the sometime many products disappear. Moreover, on the demand side of the economy consumption and investment pattern also face structural changes. All these factors make it necessary and in conformity to international best practice the National Accounts have been rebased to 2005-06 from 1999 to 2000.

Under rebasing of 2005-06, new versions of International Classifications have been introduced. According to the latest international concepts, basic prices instead of factor cost valuation, double deflation, exploration costs, FISIM and many others have been adopted. The classifications applied are industrial, consumption, product, functions, occupation, etc, which are parallel to the latest available international classifications. The new base has expanded its coverage to include new economic activities. National accounts are now using more surveys, census and studies for the computation of value addition for different sectors. The growth rate recorded of small scale manufacturing has increased from 7.5 percent in the earlier base to 8.2 percent. This revision was made following results of the new survey of small household and manufacturing industries. The financial sector has been changed on the basis of SNA 2008. Since this sector's output was neither visible nor directly measurable. SNA 2008 was an indirect measurement method, called "Financial Intermediation Services Indirectly Measured" (FISIM).

A slight improvement in trade sector has been witnessed as the trade deficit contracted by 2.5 percent on July-April FY13. This improvement was due to 0.15 percent rise in export and 0.9 percent decline in import. During the first ten months of current FY13, exports stood at $20.5 billion as recorded the same in the comparable period of FY12, while imports amounted to

$33.0 billion against $33.3 billion during the same period of FY12. Trade deficit has been reduced to US$ 12.5 billion during July-April, FY13 as compared to US$12.9 billion in the comparable period of FY12. During July-April FY13, the worker's remittances stood at $11.6 billion against $10.9 billion last year, showing a growth of 6.4 percent.

During July to 10th May FY13, money supply (M2) increased by 9.9 percent (Rs.753.2 billion) against the growth of 9.1 percent (Rs.606.8 billion) in the comparable period last year. The growth in M2 during July to 10th May FY13 was mainly contributed by the improvement in Net foreign assets (NFA), rise in Net domestic assets (NDA) and credit off take by the Public Sector Enterprises (PSEs). NDA of the banking sector increased by 13.4 percent (Rs.950.0 billion) as compared to net expansion of 14.8 percent (Rs.875.0 billion) in the same period last year. The PSEs borrowed Rs.48.9 billion during July to 10th May, FY13 against the retirement of Rs.142.6 billion during the same period last year. Net Foreign Assets (NFA) during the period under review reduced to Rs.196.8 billion as compared to the net contraction of Rs.268.7 billion last year. NFA remained under tremendous pressure due to decline in foreign exchange reserves on account of debt repayment to IMF since February 2012. Till 25th May, Pakistan has repaid $4.1 billion to IMF. The recent improvement to be compared last year is mainly on account of realization of $1.8 billion under the Coalition Support Fund (CSF) during the first half of FY13.

Alongside the above developments there have been some weak areas which require serious attention in the short to medium term. First, the foremost is the issue of handling energy crisis on a sustainable basis. The real outcome is to tap more hydel resources and to complete the ongoing along with revival of dormant hydel projects. Similarly, the PSEs issue also required urgent attention; efforts are underway but need to be put on fast track as it is a burden on fiscal side and putting government into problem in managing fiscal discipline. In the past five year the economy is growing at a slow pace and this slow growth contributed to other serious socio-economic problem, unemployment, social unrest, lawlessness. At the moment the unemployment rate is 6% and to absorb this rate at least 6-7% growth as well good economic governance is required.

Global Outlook:

Four years after eruption of the global financial crisis, the world economy is still struggling to recover. During 2012, global economic growth has weakened further. A growing number of developed economies have fallen into a double-dip recession. Those in severe sovereign debt distress moved even deeper into recession, caught in the downward spiraling dynamics from high unemployment, weak aggregate demand compounded by fiscal austerity, high public debt burdens and financial sector fragility. Growth in the major developing countries and economies in transaction has also decelerated notably, reflecting both external vulnerabilities and domestic challenges. Most low-income countries have held up relatively well so far, but now face intensified adverse spillover effects from the slowdown in both developed and major middle-income countries. The prospects for the next two years continue to be challenging, loaded with major uncertainties and risks inclined towards the downside.

The IMF has reflected in the forecast that entire world economy growth is forecasted to reach 3.3. per cent in 2013 and 4.0 percent in 2014. The growth projected for Euro areas is -0.3 percent for 2013 and for 2014, 1.1 percent. In contrast USA growth is forecasted to be 1.9 percent in 2013 and 3.0 percent in 2014, while for Japan 1.6 percent in 2013 and 1.4 for 2014. Growth in developing Asian economies is projected at 7.1 percent in 2013 and 7.3 percent for the year 2014. The IMF expects growth in oil exporting countries in the Middle East is also not encouraging. Unfortunately, Europe is now caught in a vicious cycle of high debt and low growth. Problems in this area can impact Pakistan's trade, however, emerging markets and developing economies, the expansion of output is expected to be broad based. In Asia, growth has already returned to a healthy pace. In China, external demand, high consumption will keep in its growth. The other economies of the world are expected to benefit from upturn in advance economies. With regard to global inflation it is slowdown, the FAO index suggests that prices are declining down and it will continue in stabilizing commodity prices.

But near term risk in Euro Area could re-emerge and other downside risk persists.

Growth and Investment: The framework for economic growth approved by the government in FY11 identified a coherent approach to growth that targets public service delivery, productivity, competitive markets, innovation and entrepreneurship. The strategy was based on sustained reform that builds efficient and knowledgeable governance structure, and markets in attractive and well-connected locations, however, the desired objectives are yet to be realized. Pakistan's economic problems are structural in nature. Major structural reforms which are needed contains tax legislation, trade reforms, privatization of State Owned Enterprises (SOEs), financial sector reforms, human resource development and social protection.

The real GDP growth for FY 13 has been estimated at 3.6 percent based on nine month data as compared to 4.4 percent (revised) in the previous year after rebasing the national accounts at constant prices of 2005-06. The Agriculture sector recorded a growth of 3.3 percent against the previous year's growth rate of 3.5 percent. The Large Scale Manufacturing sector grew by 2.8 percent as compared to the growth of 1.2 percent last year. The Services sector recorded a growth of 3.7 percent as compared to 5.3 percent in FY 12.

Commodity Producing Sector (CPS) consists of agriculture and industry. CPS accounted for 42.3 percent of GDP after rebasing of national accounts during the outgoing fiscal year. The commodity producing sector has performed better in outgoing fiscal year as compared to last year; its growth rate this year was 3.4 percent against the growth of 3.1 percent last year. However, the growth of the commodity producing sector remained far below its potential due to heavy rains, energy crises, law and order situation etc.

Agriculture provides food items and raw materials for industrial units and accounts for 21.4 percent of GDP, 45 percent of employment and also contributes in the development of other sectors as a supplier of raw materials to industry as well as a market for industrial products and is also the main source of foreign exchange earnings. The performance of the agriculture sector remained weak due to unfavorable weather conditions which resulted in lower production of cotton and rice. However, this sector posted a growth of 3.3 percent against the growth of 3.5 percent last year. The agriculture sector consists of various sub-sectors which include crops, livestock, fisheries and forestry. The crop sub-sector is further divided into important crops, other crops and cotton ginning.

The important crops account for 25.24 percent of agricultural value added and registered a growth of 2.3 percent compared to a growth of 7.4 percent last year. The important crops included wheat, maize, rice, sugarcane and cotton witnessed growth of 3.23 percent, 6.74 percent,-10.05 percent, 6.98 percent and -4.19 percent, respectively. The main reason for the negative growth of rice and cotton was unfavorable weather conditions and affects of rains in the rice and cotton growing areas.

Other crops contributed 12.34 percent to value addition in overall agriculture. Growth in the production of this sub-sector was recorded at 6.7 percent against the negative growth of -7.7 percent last year. Cotton Ginning has a 2.91 percent share in overall agriculture sector. Cotton Ginning has recorded a growth of -2.9 percent as compared to 13.8 percent growth last year. Previously it was a component of manufacturing sector, now under new base 2005-06; it is included in the agriculture sector.

Livestock is an important sub sector of agriculture, which accounts for 55.44 percent of agriculture value addition. Its share in GDP is 11.9 percent. This sub-sector is highly labour intensive. It has also emerged as a major source of income for the small farmers as well as the landless rural poor. Livestock has recorded a growth of 3.7 percent against the growth of 3.9 percent last year. The fisheries sector having 2.05 percent share in agriculture recorded a growth of 0.7 percent against the growth of 3.8 percent last year. The growth of the forestry sub-sector was recorded at 0.1 percent as compared to the growth of 1.7 percent last year. Forests are a key component of our environment and degradation of forests can pose severe socio-economic challenges for the coming generations.

The manufacturing sector is another important sector of the economy having much contribution in the progress of our economy. The manufacturing sector captured 63 percent share of the overall industrial sector. It has been hard hit by domestic and international factors. Power crises, unstable law and order situation, campaign against terrorism have created uncertain environment, resulted in loss of working hours. All these factors have caused slower growth in manufacturing sector. The growth was recorded at 3.5 percent compared to the growth of 2.1 percent last year.

The construction sector is one of the potential components of industrial sector having 11.42 percent share in overall industrial sector. The construction sector has recorded 5.2 percent growth as compared to 3.2 percent growth last year. The increase in growth is due to rapid execution of work on the rehabilitation of the flood affected areas, increased investment in small scale construction and rapid implementation of PSDP schemes and other development projects of Federal and Provincial Governments. The mining and quarrying component contains 14.74 percent share of the overall industrial sector. Pakistan has economically exploitable reserves of coal, rock salt, limestone and onyx marble, china clay, dolomite, fire clay, gypsum, silica sand and granite, as well as precious and semi- precious stones. The mining and quarrying sector recorded a growth of 7.6 percent during the year 2012-13 against the growth of 4.6 percent last year. Much of the country's mining reserve exists in remote areas. Infrastructure improvements are necessary to sustain and achieve higher growth rates in future. The electricity generation & distribution and gas distribution contains 10.86 percent share in overall industrial sector. This sub-sector has recorded a negative growth at 3.2 percent as compared to 2.7 percent last year.

The services sector has emerged as the main driver of economic growth and playing a vital role in sustaining economic activities in Pakistan. The share of the services sector has increased from 56 percent of GDP in 2005-06 to 57.7 percent in 2012-13. The services sector consists of the sub-sectors: Transport, Storage and Communication; Wholesale and Retail Trade; Finance and Insurance; Housing Services (Ownership of Dwellings); General Government Services (Public Administration and Defense); and Other Private Services (Social Services). The services sector has recorded a growth rate of 3.7 percent in 2012-13. This performance was mainly contributed by Finance and Insurance at 6.6 percent, General Government Services at 5.6 percent, Housing Services at 4.0 percent, Other Private Services at 4.0 percent, Transport, Storage and Communication at 3.4 percent and Wholesale and Retail Trade at 2.5 percent. Services sector in our economy has a great potential to grow at a rapid pace. In order to develop the services sector, the government has recognized the needs to liberalize operating rights and has separated regulators from operators.

The expansion of output is the sum of consumption (both private and public), investment (public and private) and net exports of goods and services. Pakistan's economic growth is historically characterized as consumption-led growth like other developing countries. The growth driven by the private consumption expenditure reached to 76.98 percent of GDP, whereas public consumption expenditures were 10.68 percent of GDP. Total consumption expenditure has reached to 87.66 percent of GDP in 2012-13 compared to 88.86 percent last fiscal year. Total consumption has declined 1.2 percent of GDP, private consumption decreased by 1.55 percent of GDP as it declined from 78.53 percent of GDP to 76.98 percent of GDP. While public consumption increased by 0.35 percent of GDP as it increased from 10.33 percent of GDP to 10.68 percent of GDP. Decline in consumption expenditure might be positive thing if consumption is diverted to investment expenditure.

Per capita income is regarded as one of the key indicators of economic well-being over a period of time. Per Capita Income in dollar terms grew at a nominal rate of 3.4 percent in 2012-13 and increased to $ 1,368 in 2012-13.

Investment plays the key role in the determination of economic growth of a country. Investment has been hard hit by internal and external factors during the last few years and is considered as a key concern. Total investment has decreased from 19.21 percent of GDP in 2007-08 to 14.22 percent of GDP in 2012-13. Fixed investment has declined to 12.6 percent of GDP in 2012-13 from 17.61 percent of GDP in 2007-08. Private investment recorded a contraction of 8.7 percent in 2012-13 compared to 12.8 percent of GDP in 2007-08. Public investment as a percent of GDP also decreased to 3.9 percent in 2012-13 against the 4.8 percent in 2007-08. The resolve of the government is to address this issue and create an enabling environment to revive the confidence of the investors. National savings were 13.5 percent of GDP in 2012-13 compared to 11.0 percent in 2007-08. Domestic savings have also decreased from 9.1 percent of GDP in 2007-08 to 8.7 percent of GDP in 2012-13. Net foreign resource inflows are financing the saving investment gap.

Foreign direct investment (FDI) has emerged as a major source of private external flows for developing countries. Pakistan during last few years could not attract FDI as per potential of the country due to number of reasons as explained above. Some signs of improvements have been seen in March and April suggesting improvement in investor's confidence and also due to peaceful transition of democracy the investment is likely to pick up. As is evident that post 2013 election, the capital market crossed 22,000 plus points emitting positive signals to the investor's confidence. The new government has a comprehensive plan to create investment friendly environment and to attract foreign investors in the country.

Workers' remittances from overseas have been a major source of foreign exchange earnings during the last few years. Inflows of remittances also improving the standard of living of recipient household and increase domestic demand and indirectly play a role to reduce unemployment. SBP resolve is to further bring additional remittances through its PRI scheme. The new elected government is also aiming to explore more markets to export its manpower as well as incentives for the remittances to further enhance its growth. The approval of National Policy for Overseas is a welcome development. According to which legal rights of overseas Pakistanis & their families abroad and in Pakistan are restored and protected. There is motivations and encouragement for overseas Pakistanis to save and send their remittances through legal channels. Workers' Remittances totaled $ 11569.82 million in July-April of 2012-13, as against $ 10876.99 million in the comparable period of last year, which indicate an increase of 6.37 percent over the period. Remittances from Saudi Arabia and UK recorded massive growth of 12.84 percent and 27.49 percent during the period under review.

Agriculture: Agriculture is central to economic growth and development in Pakistan. Being the dominant sector it contributes 21.4 percent to GDP, employs 45 percent of the country's labour force and contributes in the growth of other sectors of the economy. Overall agriculture development strategy revolves to foster private sector-led development with public sector providing enabling environment through policy interventions and play capacity building role to improve agriculture related practices.

During 2012-13, agriculture sector exhibited a growth of 3.3 percent on the back of nominal growth in agriculture related sub sectors, Crops grew at 3.2 percent, Livestock 3.7 percent, Forestry 0.1 percent and fishing 0.7 percent. The agriculture subsector which included important crops, other crops, grew by 2.3 percent and 6.7 percent, cotton ginning declined by 2.9 percent. Important crops accounted for 25.2 percent of agricultural value added and has experienced a growth of 2.3 percent in fiscal year 2012-13 against growth of 7.4 percent in 2011-12. The lower growth in important crops is attributed to decline in production of rice and cotton by 10.0 percent and 4.2 percent, respectively.

Other crops that contributed 12.3 percent value addition in agriculture witnessed a positive growth of 6.7 percent in 2012-13 against negative growth of 7.7 percent during the same period last year. The cotton ginning under new base 2005-06 has been included in agriculture value addition showed a negative growth of 2.9 percent in 2012-13 against the positive growth of 13.8 percent during the same period last year. The Livestock sector which has a 55.4 percent share in the agriculture grew by 3.7 percent in 2012-13. The Fishing sector grew by 0.7 percent as against last year's positive growth of 3.8 percent. Forestry sector posted a nominal growth of 0.1 percent this year as compared to growth of 1.7 percent last year.

Keeping in view the increasing demand of credit has provisionally set an indicative agriculture credit disbursement target of Rs 315.0 billion during 2012-13 as against Rs. 285.0 billion fixed last year. Out of which Rs. 220.2 billion was allocated to Commercial Banks, Rs. 72.0 billion to Zarai Taraqiati Bank Limited (ZTBL), Rs. 13.8 billion to Microfinance Banks (MFBs), and Rs. 9.0 billion to Punjab Provincial Cooperative Bank Limited (PPCBL).During (July-March), 2012-13, banks' disbursement to the agriculture sector surged by 17 percent year-on-year basis i.e. Rs 231.0 billion or 73.0

percent of the target, Rs. 315.0 billion as compared to the disbursement of Rs 197.4 billion of last year.

Kharif 2012 started with inventory of 800 thousand tons of urea. Total availability of urea (including 511 thousand tons of imported supplies, 2068 thousand tons of domestic production) was about 3379 thousand tons against the off-take of 2689 thousand tons, leaving inventory of 684 thousand tons for Rabi 2012-13. Availability of DAP was 773 thousand tons comprising 177 thousand tons of inventory, 243 thousand tons of imported supplies and 353 thousand tons of local production. DAP off-take was 544 thousand tons leaving an inventory of 227 thousand tons to meet the requirements of the Rabi 2012-13.

Rabi 2012-13 started with inventory of 684 thousand tons of urea. Total availability of urea (including 288 thousand tons of imported supplies, 2114 thousand tons of domestic production) was about 3086 thousand tons against the off-take of 2855 thousand tons, leaving inventory of 220 thousand tons of Kharif 2013. Availability of DAP was 903 thousand tons comprising of 227 thousand tons of inventory, 327 thousand tons of imported supplies and 349 thousand tons of local production. DAP off-take was 700 thousand tons leaving an inventory of 197 thousand tons. The leftover of this season is transferred to next season to meet the requirements of the Kharif 2013.

Manufacturing Sector: Manufacturing sector having forward and backward linkages with other sectors of the economy is considered as the main source of economic growth. Manufacturing sector accounts 13.2 percent of GDP and employ 13.8 percent of the labor force. The Manufacturing sector is further divided into three sectors namely Large Scale Manufacturing, Small Scale Manufacturing and Slaughtering. Large Scale Manufacturing (LSM) accounts 10.6 percent of GDP followed by Small Scale Manufacturing 1.6 percent and Slaughtering 0.9 percent.

Large Scale Manufacturing (LSM) witnessed a positive growth of 9.32 percent during March 2013 as compared to negative growth 1.19 percent in the comparable period of last year. On average July-March 2012-13 LSM registered a growth of 4.26 percent as compared to 1.49 percent in the comparable period of last year.

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 growth as 0.73 percent, 1.35 percent and 2.18 percent, respectively.

The LSM group wise increase witnessed in Paper & Board (21.97 percent), Rubber Products (17.61 percent), Pharmaceuticals (16.35 percent), Coke & Petroleum Products (13.31 percent), Iron and Steel Products (13.24 percent), Food Beverages & Tobacco (7.30 percent), Non metallic mineral Products (5.86 percent) and Textile (0.92 percent). Most energy intensive sectors recorded negative growths including Engineering Products (15.60 percent), Wood Products (18.98 percent), Automobiles (11.84 percent), Electronics (6.43 percent), Fertilizers (5.03 percent), Leather Products (2.33 percent) and Chemicals (1.08 percent). The recovery in LSM was broad based such as improved producer's margin on account of falling raw material prices, better sugarcane crop, capacity enhancement in iron & steel and paper & board, strength in construction activities and higher external demand for cotton yarn. The government is also making efforts to improve energy situation to boost industrial growth as the improvement in gas supplies to fertilizers industries helped to enhance their capacity utilization. The industries like paper & board and steel production constraint eased out by investing in alternate energy arrangement i.e. coal and furnace oil. However, consumer durables continued to struggle with import competition as production of automobiles and electronics declined. The pickup in private construction activities also depict in higher cement dispatches and import of iron and construction machinery that helped to spur overall manufacturing growth. All these positive factors may support to achieve the planned target but until and unless the energy situation is not improved to the required level, the energy intensive industries will continue to suffer.

During July-March 2012-13, in automotive industry only jeeps and tractors managed a significant growth at 67.1 percent and 34.5

percent respectively as compared to same period last year. The other sub items of automobile sector such as buses, cars and LCVs registered a negative growth of 8.8 percent, 23.2 percent and 30.2 percent, respectively. The growth in cars suffered on account of amnesty scheme as well second hand imported cars. The Mining and Quarrying sector estimated to grow at 7.6 percent in 2012-13 as against 4.6 percent last year.

Fiscal Development: During the past five years the economy faced numerous challenges on external and internal front on account of power crisis, persistent inflationary pressures, unprecedented floods, low tax to GDP ratio, high fiscal deficit, mounting public debt, high interest payments, high growth in subsidies on account of circular debt and resource drain through PSEs. Consequently, the expenditure overrun surpassed the revenue increases, thereby resulted pressure on the fiscal deficit.

However, it is worth noting that amid mounting pressures on public spending, government's various corrective measures during the past five years to rationalize expenditure and broadening of tax base have brought fiscal deficit to 6.8 percent in 2011-12 from 7.3 percent in 2007-08. Fiscal deficit during the first nine months of 2012-13 stood at 4.6 percent against 6.4 percent of GDP (including debt consolidation of Rs 391 billion arrears of electricity).

On the other hand provincial resource mobilization performed remarkably well during the first nine months of fiscal year 2012-13 with the growth rate of 20.8 percent. After the announcement of 7th NFC award, provinces received a significant amount of the federal government taxes as their share from the divisible pool along with additional grants.

Government continued its efforts to broaden the tax base and simplifying the tax structure. During the current fiscal year various measures to increase the revenues expected to generate additional tax revenues of Rs 41 billion e.g, the sectors with zero rating facility have been brought under tax as 2.0 percent sales tax was imposed on local supplies of five leading export sectors (Sports, Surgical, Carpet, Textile and Leather, standardized withholding tax regime at the import stage by imposing a uniform rate of 5 percent tax on the imports of commercial and industrial importers, mobile telephone sets, silver, all fibers, yarns, fabrics and goods covered by the five leading export sectors, broadening of sales tax, withholding regime, withdrawal of concessionary rate of 5 percent on tea.

FBR tax collection for the fiscal year 2012-13 was targeted at Rs.2,381 billion which was 26.4 percent higher over the actual collection of Rs.1883.0 billion during 2011-12. During first ten months of current fiscal year, FBR tax collection reached to Rs.1505.2 billion against Rs 1,426.2 billion in the same period last year, posting a growth of 5.5 percent.

Money and Credit: Monetary policy in Pakistan has undergone substantial changes in tandem with volatile economic conditions within the country. The current policy stance has been largely supportive of the dual objective of promoting economic growth and price stability along with the revival of credit to private sector. SBP has adopted relatively an expansionary policy stance for the past two years as the policy rate has been reduced by cumulative 400 basis points from 13.5 percent in August 2011 to 9.5 percent in December 2012.

During July-10th May 2012-13, money supply (M_2) increased by 9.9 percent against the growth of 9.1 percent in the comparable period last year on account of improvement in Net foreign assets (NFA), rise in Net domestic assets (NDA) and credit off take by the Public Sector Enterprises (PSEs). The improvement in NFA however, was mainly on account of realization of $1.8 billion under the Coalition Support Fund (CSF) during the first half of 2012-13. Despite some improvement, NFA remained under great pressure due to decline in foreign exchange reserves on account of debt repayment to IMF since February 2012 and drying up of external financial inflows. Till 25th May, 2013 Pakistan has repaid $ 4.1 billion to IMF.

Credit to private sector increased to Rs. 92.9 billion during July-10th May 2012-13 as compared to the expansion of Rs. 235.1 billion in the comparable period of last year

During the current fiscal year, following a decline in policy rate by 250 bps points, weighted average lending rates of commercial banks also reduced by 267 bps points to 10.5 percent in March, 2013 against 13.1 percent in June, 2012. Weighted average lending rate (including zero mark-up) on outstanding loans stood at 10.46 percent, while weighted average deposit rate (including zero mark-up) stood at 5.21percent. Banks have also cut the deposit rates from its peak level of 7.11percent in July, 2012 to 5.21percent in March 2013, in order to avoid fall in their profits.

A declining trend has been witnessed in the banking spread, as it reduced to 4.45 percent in February, 2013, while it rose to 5.25 percent in March, 2013. Lending rate is expected to reduce further due to low level of investment and fresh disbursements by the banks. On the other hand, deposit rate is likely to increase from April, 2013 onwards, because the banks will start paying interest on average balance of saving accounts instead of minimum as per directives issued by the SBP.

Capital Market: The capital market not only reflects the general condition of the economy, but also smoothens and accelerates the process of economic growth. Various institutions of the capital market like nonbank financial intermediaries allocate the resources rationally in accordance with the development needs of the country. The proper allocation of resources results in the expansion of trade and industry in both public and private sectors, thus promoting balanced economic growth in the country. In Pakistan, Capital Market mainly consists of stock (equity) and Debt Markets.

Pakistan Stock Markets has outperformed during current fiscal year among Global Stock Markets including India, China, Hong Kong, Tokyo, USA and UK. Participation of foreign investment was the main reason behind the better performance of Karachi Stock Exchange (KSE). In addition, the better return on Pakistan Stocks has also attracted the foreigners which they did not find in the other Global Markets, Beside this, the local investors has found the best avenue in the capital market because of consecutive decline in the discount rate.

Pakistan's stock markets showed robust growth during current financial year mainly due to the pre and post election political environment of the country. The KSE 100 index which was at the level of 13,801.41 at the end of last financial year crossed first the barrier of 19,000 level mark at the end of April, 2013 and was trading around 19,900 level on 10th May before election and then broke all previous records and reached all time high level of above 22,000. The KSE 100 index in cumulative terms increased by 57 percent during current fiscal year (Jul-May). Other factors which contributed to this bullish trend include implementation of long awaited Capital Gain Tax Rules, Demutualization of the stock exchanges, considerable decline in the discount rate by SBP which was brought down to 9.5% in December 2012, substantial foreign interest in stocks and declining inflation.

In global scenario, the US S&P 500 has registered an increase of 15.2 per cent while the UK FTSE 100 was up by 15.1 per cent during Jul-March, FY13. The Index of Tokyo NIKKEI 225 , however, stood at 12,397.91 with an impressive increase of 37.7 per cent The Hong Kong market went upward by 14.7 per cent but China Shanghai Composite could not perform and increased only by 0.5 percent. Beside this, Bombay Sensex Index stood at 18,835.77. It may be noted that as compared with the other world indices, Pakistan Stock market performed well during current fiscal year.

It has been observed over the years that Pakistan's economy mostly relied on the banking system to meet the financing needs of the economy whereas capital markets relatively developed slowly. During the past few years, the significance of debt markets and in particular bond markets has been realized as a complimentary source of finance. The major drivers of financial assets in Pakistan are deposits and government bonds, whereas corporate bonds remain a very small portion. During July-March, FY13 a total of 6 debt securities issued through private placement which also included two Sukuk issues of Rs.108.393 billion by Pakistan Domestic Sukuk Company Ltd.

Inflation: The inflationary trend in the economy subdued during 2012-13. The annualized inflation rate measured in terms of Consumer Price Index (CPI) for (July-May) 2012-13 averaged at 7.5 percent as against 10.9 percent recorded in the same period of 2011-12. Food and non-food inflation followed almost the overall inflationary trends. Food inflation averaged at 6.6 percent against 11.1 percent last year and non-food inflation at 8.1 percent as compared to 10.9 percent in the same period of last year. Similarly, the Sensitive Price Indicator (SPI) and Wholesale Price Index (WPI) each increased by 7.8 percent and 7.6

percent during the period under review. The slower increase in inflation is the result of better supply situation domestically and decline in international commodity prices.

The CPI headline inflation on year on year (YoY) basis dropped to 5.1 percent in May 2013 as compared to 12.3 percent last year. WPI stood at 4.1 percent and SPI inflation 6.8 percent as compared to 7.1 percent and 8.1 percent, respectively during the same period last year. Food inflation down to 6.5 percent on year on year (YoY) basis and that of non food 4.1 percent while core inflation stood at 8.1 percent as compare to 11.3, 13.1 and 11.1 percent, respectively last year. Food inflation in this fiscal year is much slower than a year earlier, reflecting improved supply while deceleration in non-food inflation stemmed mainly from decreased prices of gas and fuel related component. The lower trend in Wholesale Price Index (WPI) inflation was mainly due to a decrease in wholesale prices of sugar, pulses, fertilizers, fuel and cotton related items while the downward trend in Sensitive Price Index inflation was due to decrease in retail prices of chicken, potatoes, sugar, pulses and fresh vegetables.

Trade and Payments: The world trade statistics reflect weakening demand that originated in the euro area transmitting to the rest of the word during 2nd half of 2011 and further declined in 2012. As a result, imports of the United States and Japan also slowed significantly in the second half of 2012. East Asian economies that trade significantly with the major developed countries have experienced commensurate declines in exports.

The EU and the US represent the most important destinations of Pakistan exports and their markets absorb 31 percent and 23 percent of exports. While China represents the third most important destination with an 11.5 percent share. UAE, Afghanistan, Oman and Turkey have recently become important destinations. Therefore, slow down in US and European economies and weak demand have significant impact on Pakistan's export growth.

The government started the three year policy cycle and presented its first Strategic Trade Policy Framework 2009-12 in September 2009. STPF 2009-12 achieved its export targets at the end of 2010-2011. In spite of various challenges faced by economy, our trade has shown consistent improvement. Our exports increased by 27 percent in the year 2010-11 and touched a record level of US $ 25.4 billion. There was a slight fall of 4.7 percent in exports during 2011-12, due to external factors like shrinkage in global demand in wake of the global financial crisis and lower prices of cotton in the international market etc.

The second Strategic Trade Policy Framework (STPF) for next three-year period, 2012-15 essentially build on the STPF 2009-12 and seeks to identify those aspects of Pakistan's export competitiveness which have been relatively less attended such as focusing on regional trade, promotion of export of services sector, facilitating export industry by over-coming energy crises and many more.

For the promotion of regional trade between India and Pakistan, both governments have in the past two years shown courage and taken steps to follow up. Pakistan took the initiative in November 2011 by announcing that it would apply Most Favored Nation (MFN) treatment to goods coming from India by the end of 2012 (India granted Pakistan MFN in 1996). In February 2012, both countries announced the conclusion of agreements on customs cooperation, mutual recognition of standards, and redressal of trade grievances. In September 2012, both governments announced a new visa agreement that included provisions designed to facilitate business travel and build an atmosphere of confidence and trust and for that the only way is economic partnership. It is expected that outcomes and benefits of these measures will emerged shortly.

Public Debt: Pakistan's public debt reached to Rs.13,626 billion by end-March 2013 that is 59.5 percent of GDP as compared with 59.8 percent during the same period last year. The composition of public debt has witnessed major changes over past few years with increasing reliance on domestic debt due to non-availability of sufficient funds from external sources i.e. domestic borrowings increased in share from 50.5 percent of total public debt in 2008-09 to 64.5 percent at end-March 2013. As at end-March, 2013, the domestic debt was positioned at Rs.8,796 billion represented an increase of Rs.1,159 billion, whereas, external debt posed at Rs.4,831 billion represented a decrease of Rs.200 billion as compared to end-June 2012. This decline in external debt is mainly attributed to repayments against IMF loans, translational gain on account of US Dollar appreciation against other major currencies and marginal fresh disbursements. The servicing of the public debt reached at Rs.936 billion against the annual budgeted estimate of Rs.1,142 billion, thereby, consumed nearly 44 percent of total revenues during first nine months of ongoing fiscal year.

The total domestic debt increased by Rs.1,159 billion or 15 percent during first nine months of the current fiscal year. This increase stems from net issuance of market debt namely Treasury Bills (Rs.528 billion), Special Savings Certificate and Accounts (Rs.159 billion), Pakistan Investment Bonds (Rs.144 billion), Market Related Treasury Bills (Rs.105 billion) and Ijara Sukuk (Rs.76 billion). The composition of major components shaping the domestic debt portfolio has undergone a transformation from dominance of unfunded debt to an increasing dependence on short term floating debt that led to shortening of maturity profile of public debt. The unfunded category comprising about 45 percent of the aggregate domestic debt stock in 2001-02 has declined to 23 percent by end-March 2013. Contrary to this, the share of floating debt to total domestic debt has reached 54 percent by end-March 2013 as compared with 31 percent in 2001-02 indicating an over reliance on shorter duration instruments.

External Debt and Liabilities (EDL) stock was recorded at US$ 60.9 billion by end-March 2013, represented a decrease of US$ 5 billion. As at end-March, 2013, EDL has been dominated by Public and Publically Guaranteed Debt having share of 73 percent owing to current account deficit which is financed through loans from multilateral and bilateral donors. Borrowing from IMF contributed 9 percent in EDL Stock as compared with 11 percent at the end of 2011-12 owing to hefty repayment during first nine months of ongoing fiscal year.

As a percentage of GDP in dollar terms, EDL stock was down by 362 basis points in first nine months of current fiscal year as compared to end-June 2012 and approximated to 25.5 percent of GDP. The servicing on EDL was recorded at US$ 5.3 billion during first nine months of current fiscal year. Out of total external debt servicing, an amount of US$ 3.9 billion was repaid out of which around US$ 2.0billion was against IMF loans. During first nine months of 2012-13, appreciation of the US Dollar against other major currencies caused the foreign currency component of public debt to decrease by US$ 1.5 billion.

Education: National Education policy (2009) aims to address the issues of access, equity and quality of education at all levels. Under this policy, the government is committed to allocate 7 percent of GDP to education and provide free universal primary education by 2015. Under the 18th Constitutional Amendment, the education sector has been devolved to provinces. Now provinces are committed to implement National Education Policy in letter and spirit.

According to Pakistan Social and Living Standard Measurement (PSLM) survey 2011-12, the literacy rate for the population (10 years and above) remained 58 percent during 2011-12.Literacy remained much higher in urban areas than in rural areas and much higher for men than women. Province wise data suggests that Punjab and Sindh leads with 60 percent literacy followed by Khyber Pakhtunkhwa with 52 percent and Balochistan with 46 percent. The GER at the primary level excluding Katchi (prep) for the age group 5-9 years at national level during 2011-12 decreased to 91 percent from 92 percent in 2010-11. Amongst the provinces, Punjab and Khyber Pakhtunkhwa remained stable with 98 and 89 percent in 2011-12 while Balochistan and Sindh declined from 69 percent to 74 percent and 79 percent to 84 percent in 2011-12.

The NER at the national level during 2011-12 slightly increased to 57 percent from 56 percent in 2010-11. Punjab witnessed an increase of 64 percent in 2011-12 as compared to 61 percent in 2010-11. Sindh data suggests a decline from 53 percent in 2010-11 to 50 percent in 2011-2012; Khyber Pakhtunkhwa witnessed a slight improvement from 51 percent in 2010-11 to 53 percent in 2011-12 while Balochistan witnessed a prominent decline from 47 percent in 2010-11 to 39 percent in 2011-12 due to unstable law and order situation.

The overall number of enrolments during 2011-12 was 40.1 million as compared to 38.5 million last year. This shows an increase of 4.2 percent. It is estimated to increase to 41.3 million during 2012-13.The overall number of institutes stood at 231.2 thousands during 2011-12 as compared to 227.4 thousands last year. This shows an increase of 1.7 percent. However, the number of institutes is estimated to increase to 233.2 thousands during 2012-13.The overall number of teachers during 2011-12 was 1.44 million compared to 1.41 million last year showing an increase of 2.1 percent. This number of teachers is estimated to increase further to 1.50 million during the year 2012-13.

An amount of Rs 1429.64 million has been allocated in the Federal PSDP for the expansion and development of basic and college education. In Provincial Annual Development Programmes (ADPs) 2012-13, the Government of Punjab has allocated Rs 15000/- million for 62 new and ongoing development projects of School Education, whereas the Government of Sindh has allocated Rs 12000/- million for 157 new and on-going development projects. The Government of Khyber Pakhtunkhwa has allocated Rs 7116/- million for 57 new and on-going development projects of Elementary and Secondary Education. The Government of Balochistan has allocated Rs.2150.394 million for 163 new and on-going development projects.

During July-March 2012-13, a total of 6,755 youth received vocational & technical training under the President's Fanni Maharat Programme and Prime Minister's Hunermand Pakistan Programme and 9,837 youth are under training.

HEC is also playing its role in running different scholarship programmes to enhance academic qualification at various levels on merit basis in line with requirements. During the period 2008-13, a total of 6081 scholarships were awarded under different programmes. In the development portfolio of HEC, there are 168 development projects having allocation of Rs.15.590 billion.

Health and Nutrition: The government is committed to improve the quality of health care and to achieve the better health outcomes. The health sector in Pakistan has improved and the number of registered doctors has increased to more than 160,289, 12,544 dentists, while 82,119 nurses and 13,678 lady health visitors (LHV) have been registered. The current ratio of population density versus health facilities is 1,127 person against one doctor, 14,406 per dentist and one hospital bed for 1,786 person.

The achievements of health sector during 2012-13 included an addition of 4,200 hospital beds, establishment of 7 Rural Health Centers (RHCs), 32 Basic Health Units (BHUs) and up gradation of 10 existing RHCs and 37 BHUs along with the addition of 4,400 new doctors, 430 dentists, 3,300 Nurses, 4,500 paramedics and 450 Traditional Birth Attendants. To improve the health status of people and to reduce burden of disease a series of programs and projects are on track. These included T.B, Malaria and AIDS Control Programmes. Improvements in nutrition and food adequacy are important for a healthy productive life. Various programmes remained in progress to address the micro nutrient deficiencies through food fortification and supplementation while a National Zero Hunger Program is being finalized to address hunger and malnutrition in the country. The per capita food intake has increased from 2410 calories daily in 2011-12 to 2450 calories in 2012-13. The per capita protein availability has also increased from 71.5 grams per day in 2011-12 to 72.5 grams in 2012-13.

Population, Labour force and Employment: Pakistan is sixth most populous country in the world with an estimated population of 184.35 million in 2012-2013. The growth rate of population during 2012-2013 is 2.0 percent. Under current circumstances, it is expected that Pakistan will attain fifth position in the world in terms of total population in 2050. Government is making efforts to control the population growth rate through various population welfare programmes and by creating awareness among people. In this regard, the population welfare program has established 2891 family welfare centres (FWC), 340 reproductive health centres and 292 mobile service units during 2011-12. These Population welfare programmes are contributing significantly in controlling population growth rate, fertility rate, infant mortality rate and maternal mortality rate.

According to the Labour Force Survey 2010-11, Pakistan has a labour force of 57.24 million people which is 0.91million more than the last year. Out of which, total number of people employed during 2010-11 were 53.84 million. Most of the labour force in Pakistan works in the rural areas where agriculture is the dominant activity. The total labour force working in the agricultural sector remained unchanged during the period 2008-2011. In manufacturing sector the participation rate has increased from 13.2 percent in 2009-10 to 13.7 percent in 2010-11and the share of community/social and personal sector has decreased from 11.2 percent to 10.8 percent.

Unemployment is the central problem being faced by every developing country in the 21st century. The unemployment rate has increased to 6.0 percent in 2010-11. The unemployment rate in rural area has decreased from 4.8 percent in 2009-10 to 4.7 percent in 2010-11 while in urban area the unemployment rate has increased from 7.2 percent 2009-10 to 8.8 percent in 2010-11. Often it is perceived that the unemployment rate in rural areas is greater because in rural areas there is a lower chance of employment as compared to the urban areas where employment opportunities are relatively better due to greater economic activities. The apparent reason of this hard reality is that the industrial sector is facing an acute shortage of energy resources and therefore there was a reduction in job opportunities.

The government is committed in producing skilled workers in order to send them abroad to ensure higher foreign exchange. In this regard, MOUs have been signed with a number of labour importing countries e.g. Qatar, Malaysia and Saudi Arabia. The number of emigrant which was 0.45 million in 2011 increased to 0.63 million in 2012 which included 0.26 million unskilled, 0.26 million skilled, 0.1 million semi skilled workers.

Social Safety Nets: The government's commitment to follow a sustained poverty reduction strategy and to allocate a minimum of 4.5 percent of GDP to social and poverty related expenditures is clearly reflected in the allocations to the pro-poor sectors. The government prioritized 17 pro-poor sectors through the Medium Term Expenditure Framework (MTEF) in the PRSP-II, which provided a link between the policy priorities and the budget reality. Expenditure on pro-poor sectors in 2008-09 stood at 7.4 percent of GDP. During 2011-12, total expenditures for these sectors were increased further and amounted to Rs 1,980.819 billion, which was 9.9 percent of GDP. During July-December of the current fiscal year 2012-13, Rs.775.620 billion expenditures have been made.

Pakistan Poverty Alleviation Fund (PPAF) is the lead institution in the country with the aim to provide assistance in microcredit, water and infrastructure, drought mitigation, education, health and emergency response interventions. The overall disbursements for its ongoing core operations during the period July-December were Rs.7.5 billion.

Benazir Income support program launched by the government with the primary objectives to provide immediate relief to poor. BISP has made progress and provided relief to over 4.7 million beneficiaries including flood affectees and bomb blast victims across the country. As of March 1, 2013, BISP since its inception has spent almost Rs. 165 billion on various activities including cash transfers, graduation program and emergency relief along with conducting a nationwide poverty scorecard survey. BISP has an allocation of Rs.70.00 billion for the fiscal year 2012-13. It has launched a number of programmes including (i) Payment to Recipients, (ii) Waseela-e-Haq, (iii) Waseela-e-Rozgar, (iv) Waseela-e-Sehat and (v) Waseela-e-Taleem to help the needy, and vulnerable segment of the society.

Pakistan Bait-ul-Mal (PBM) is also making a significant contribution towards poverty reduction through its various poorest- of- the poor focused services by providing assistance to destitute, widow, orphan, invalid, infirm and other needy persons irrespective of their gender, caste, creed and religion through its on-going core projects/schemes. During July to March FY 13, an expenditure of Rs.1504.713 million has been incurred to support programs activities.

Zakat plays an important role in poverty alleviation. Zakat funds are utilized to assist the needy, indigent, poor, orphans, widows, handicapped and disabled. Under the 18th Constitutional Amendment, the subject of Zakat has been devolved to the provinces/federal areas. Upto March, 2013 an amount of Rs.3,951.667 million has been distributed in bulk amongst the provinces and other administrative areas.

Peoples Works programme (PWP) I & II are the welfare programmes comprising of small development schemes for provision of electricity, gas, farm to market roads, telephone, education, health, water supply, and sanitation facilities to the rural poor. During July-December 2012-13, Rs.32.8 billion has been provided to PWP-I and PWP-II.

EOBI provides monetary benefits to old age workers through various programmes such as Old Age Pension on attaining superannuation, Invalidity Pension on sustaining Invalidity affecting insured person's earning more than one third of the normal, Survivors Pension in case of death of insured person/pensioner and Old Age Grant not meeting the benchmark for old-age pension. During the period July to December 2012-13, an amount of Rs. 6,603.492 million has been utilized for 373,433 beneficiaries.

Workers' Welfare Fund is also facilitating the poor labourers in industrial sector by providing funds for scholarships, marriage grant, death grant and housing facilities etc. During July-March 2012-13, Rs.1727.091 million has been incurred on these schemes.

Transport and Communications:

Performance of Pakistan Railway and Pakistan International Air Lines were not encouraging mainly due to the heavily burdened administrative and management expenditure like in Railway; huge pension payments, over staffing, increased fuel cost, subsidized fares resultantly revenue earning have dropped by 25% and working expenses have increased by 33%. PIA performance also remained sluggish; revenues have declined by 4.7% during 2012 as compared to 2011. Government of Pakistan supported these two organizations and made plans to revitalize their performance and allocated Rs.23 billion in PSDP 2012-13 as a grant to Pakistan Railway.

To drag out PIA from its financial crisis, GoP has approved a bailout package amounting to Rs.49 billion. In addition, GoP is also facilitating PIA in extension of guarantees which are being expired and issuing fresh guarantees against loans taken by PIA. GoP is also supporting PIA for induction of five A320 narrow body aircrafts with guarantee amounting to $46 million for security deposit, spare parts / materials and training.

Pakistan Electronic Media, Telecommunication Sector and Pakistan Post Office performed well in 2011-12. There has been a cumulative investment of approximately US$ 4.0 billion in the electronic media industry in Pakistan. New jobs more than 200,000 people of diversified skills and qualifications have been provided. Pakistan Television is operating 6 multiple channels in the country, one TV Channel has been established in Azad Jammu and Kashmir, PTV has also launched English News Channel in January 2013. Pakistan Broadcasting Corporation has started work to transfer precious audio material of historical value from magnetic tapes to computer in MP-3 via Digitalization Project. During the first nine months of current fiscal year, Pakistan Post has received the foreign remittances amounting to US $ 78.7 million equivalent to Rs. 7,551.2 million. During the period July 2012 to December 2012 an amount of Rs.85,490.0 million has been collected through National Savings Schemes and earned commission amounting to Rs.538.725 million during this period. Teledensity of the country has increased by 71.95 percent at the end of March 2013. The cellular mobile network is covering 92 percent of the land of Pakistan. Cellular industry has shown a healthy growth of 8.4 percent in cell sites during 2012. Mobile penetration rose 64.9 percent in 2011-12 against 60.4 percent in 2010-11. Total mobile subscribers have reached 122.13 million by the end of March 2013 as compared 118.32 million in the same period last year, which is 3.2 percent increase. Revenues of the telecom sector during 2012 stood at Rs.411.4 billion registering a growth of 13 percent over the same period last year.

Performance of Ports and Shipping is also encouraging, despite a depressed shipping scenario worldwide, Pakistan National Shipping Corporation and three ports namely Karachi Port, Port Qasim and Gawadar Port have also performed well. PNSC has improved its profitability and earned a profit of Rs.2,558.2 million during July-March 2011-12 against Rs.1466.0 million of same period last year which is 74.5% increase. Similarly total cargo lifted during July-March 2012-13 was 8,730 thousand tonnes against 6009.7 thousand tonnes last year that is 45% increase. KPT handled 28.8 million tonnes of cargo during the first nine months of the current fiscal year against 27.8 million tonnes during the same period last year. Port Qasim handled 18.57 million tonnes of total cargo during the financial year 2012-13 (July-March) as compared to 19.7 million tonnes during the same period last year. At Gwadar Port, 341.0 tonnes Urea import handled during July-March 2012-13.The total cargo handled at the port up till now is 5.0

million tonnes. Total 145 Ships were called at Gawadar Port since 2008.

Energy: Energy outages hampered economic growth of Pakistan for last few years. Since early 2000s, the energy sector (especially its sub sector electricity) received greater attention because of the faster rate of growth in its demand. The crisis has affected every one, thus resolving energy crisis got immediate priority in manifestos of all political parties which competed in the election 2013. There is no doubt that there exists high correlation between growth rate of GDP and that of energy consumption.

During calendar year 2012, net primary energy supply remained 64,727 thousand TOEs compared to 64,522 thousand TOEs last year thus posting growth of 0.32 percent, however, on average the growth rate of net primary energy supply remained 1.8 percent for last six years. The final energy use during current year became 40, 026 thousand TOE as almost 29 percent (18,462 thousand TOEs) was used in transformation while 10 percent (6,239 thousand TOEs) was used in diversion which included 3 percent transport and distribution losses (1,999 thousand TOE). Statistics on energy consumption by source revealed that gas and oil were holding largest share.

In Pakistan oil and gas are two key components of energy mix contributing almost 65 percent (oil 15% and gas 50%) share to the 64.7 million TOE of energy supplies during 2012 while share of coal and nuclear is almost 7 percent and 2 percent, respectively.

The total oil resource potential is 27 million barrels with production of 66,032 barrels per day. 24, 573 thousand barrels (67,140 barrels per day) of crude oil is extracted or produced locally while almost double of it 47, 104 thousand barrels was imported during 2012. Likewise, 8,395 thousand tonnes of petroleum was produced domestically while 11, 507 thousand tonnes was imported. In 2012 the import bills increased to US$ 10,292 million. The main users in the consumption of petroleum products remained transport and power which jointly have almost ninety percent share in total consumption. Almost 65 percent electricity is generated by thermal in which contribution from furnace oil and diesel was 52 percent in power generation.

During 2012 total production of gas remained 1,559 billion cubic feet that is equivalent to 32 million TOEs which shows a growth of 6 percent when compared to last year in billion cubic feet while in TOEs it shows a growth of 4.5 percent. The highest share in consumption of gas was in power sector (27.5 %) followed by industry (22.6 %) during July-March 2012-13 while the transport sectors posted negative growth of 16 percent during period under discussion. Two Gas utility companies (SNGL & SSGCL) have invested Rs. 1513 million on Transmission Projects, Rs. 11,925 million on Distribution Projects and Rs.1, 898 million on other projects bringing total investment to about Rs. 15,336 million. 237588 additional gas connections included 236997 Domestic, 221 Commercial and 370 Industrial were provided across the country during the period under discussion.

Despite 3,377 MW was added since 2008-09, the generation capacity could not be operated at full due to constraints in fuel availability. The installed capacity in the PEPCO system was 20,986 MW as of June 2011; with hydro 6627 MW and thermal 14,359 MW. During the period July-March 2012-13 its consumption increased to 57,754 GWh from 56,930 GWh in corresponding period 2011-12 posted a growth of 1.4 percent. The number of consumers has been increasing due to rapid expansion of electric network to villages and other un-electrified areas. During the period under discussion, the progressive number of electrified villages was 8995. By March 2013, the number of consumers has been increased to 21.704 million.

The government in its bid to diversify its energy mix, has been giving due attention towards fast track development of Alternative / Renewable Energy (ARE) resources in the country. 50 MW project in Jhampir developed by M/s Fauji Fertilizer Company is completed and providing electricity to National Grid (HESCO) since December 2010 and another project of capacity 56.4 MW developed by M/s Zorlu Enerji Ltd (Turkish company) has also been completed, however, it will achieve commercial operation soon. 3000 Solar Home Systems have been installed in 49 villages of district Tharparkar, Sindh. Likewise 15000 units of Solar Water Heaters have been imported. These heaters have been deployed all over the country especially in Balochistan, Gilgit Baltistan, Khyber Pakhtunkhawa and Northern Punjab. Also 1429 units of Solar Water Pumping System have been imported and these will be installed for community drinking and agriculture purpose all over Pakistan.

Environment: Like other developing countries, Pakistan is also facing environment problems mainly due to demographic growth, lack of public awareness and education, catastrophic mismanagement of water and other natural resources and ill planned urban and industrial expansion. Air pollution, inadequate water supply, sanitation, agricultural soil degradation, deforestation and rangeland degradation are other core environmental challenges. Vehicle emissions represent the greatest source of air pollution in the country. Indoor air pollution in Pakistan is also very high and poses a serious problem. Biomass burnt in poorly ventilated homes has severe health consequences, particularly for women, young children and the elderly who are most likely to be exposed to indoor pollutants.

Pakistan faces serious deterioration of surface and ground water quality because of unabated industrial, municipal, and agricultural pollution. The associated adverse health and productivity impacts are significant, with the poor bearing the brunt. Hence, polluted water is the cause of a rising incidence of water borne diseases such as diarrhea, dysentery, cholera, pneumonic, and hepatitis. Commercial and household plastic bags are another spreading menace in the country. Due to lack of resources and weak planning at the implementation level of local bodies, only about 60 percent of urban solid waste can be transported to final disposal sites, which generally are open dumping system.

The International Union for Conservation of Nature and other partners are jointly implementing National Impact Assessment Programme (NIAP) in the country. The programme involves interventions at the policy level through introduction of Strategic Environmental Assessment (SEA), capacity building at all levels and sectors, development of tools, procedures and mechanisms, improved understanding of impact assessment processes, for "Integration of the principles of sustainable development into country's policies and programmes."

Pakistan Environmental Protection Agency (Pak-EPA), with the approval of the Ministry of Climate Change and after obtaining consent of the Law and Justice Division, notified a regulation effective from April,2013 prohibiting manufacturing, import, sale and use of non degradable plastic bags and other plastic products within the limits of Islamabad Capital Territory. This landmark step taken by the Ministry of Climate Change will have long term benefits to control spread of waste.

The concept of Green Economy, still under defining debate at the global level, can become a reality in Pakistan by tackling the resource inefficiencies within the water, energy and agriculture sectors as well as addressing the damaging trends of unregulated urbanization and rising unemployment.

The Government of Pakistan has also made institutional arrangements to handle climate change issues, which among others include the Prime Minister's Committee on Climate Change (PMCCC) and a multi stakeholder and inter-ministerial Core Advisory group on climate change.

Chapter 1

Growth and Investment

Introduction

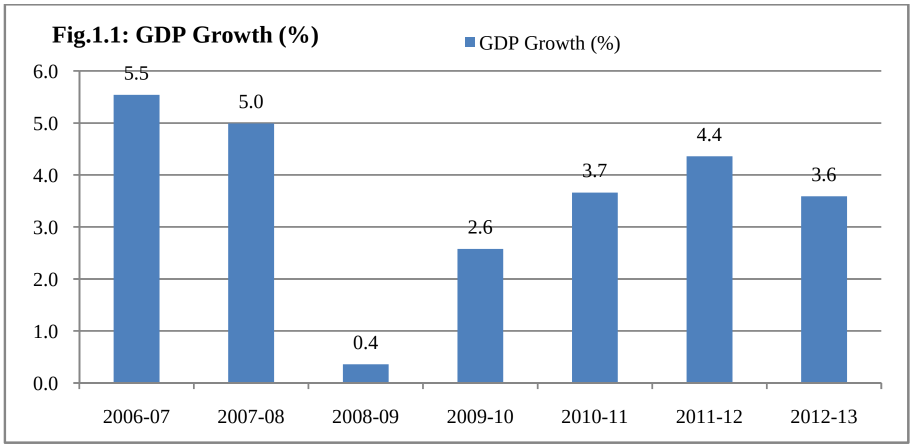
Pakistan's economy continues to face numerous domestic and external shocks from 2007 onwards. Economic performance was affected from the devastating floods and rains, the internal security hazards, and the energy crisis. The economy of Pakistan during the last five years grew on average at the rate of 2.9 percent per annum. Deterioration in the power sector is the main constraint on growth. It is true that the energy crisis is frustrating the realization of our true economic potential. Power outages have shaved off annual GDP growth 2 percent. Gross Domestic Product (GDP) growth has been stuck at a level, which is half of the level of Pakistan's long-term trend potential of about 6.5 percent per annum and is lower than what is required for sustained increase in employment and income and a reduction in poverty. The past few years' economic performance has suggested that the country has the potential to move towards which is needed to generate adequate employment and meaning full poverty reduction provided that power crises is addressed.

The framework for economic growth approved by the government in FY11 identifies the restructuring of public sector enterprises as a key focus area. It is an approach to accelerate economic growth and sustain. It identified a coherent approach to growth that goes well beyond projects and targets public service delivery, productivity, competitive markets, innovation and entrepreneurship. The strategy is based on sustained reform that builds efficient and knowledgeable governance structure, and markets in attractive and well-connected locations. It focuses on the 'software' of economic growth (issues of economic governance, institutions, incentives, human resources, etc.), and provides an environment in which the 'hardware' of growth (physical infrastructure) could be expanded and productive at every level. However, the desired output is yet to be realized.

Aimed of the challenges at external and domestic front and slow growth in Euro-zone, our economy is showing modest improvement. The commodity producing sectors (agriculture plus industrial sector) are picking up economic activities gradually. The performance of the agriculture sector remained good due to better availability of seeds, fertilizers and weather conditions, stimulated healthy activities in other sectors of the economy due to its forward and backward linkages. However, the achievements remained behind the desired targets. Some improvement is also witnessed in the Large Scale Manufacturing (LSM) sector. The Service sector also gained from healthy wholesale and retail trade, finance and insurance activities and improvements in the commodity producing sectors. However the economic growth remained well below the potential of the economy due to number of shocks, which hampered economic activities. Pakistan has the potential to grow at 6 to 7 percent in the next couple of years which is also needed to absorb new workforce entrants.

The GDP growth for 2012-13 was targeted at 4.3 percent on the back of 4.0 percent growth in Agriculture, 2.5 percent growth in LSM and 4.6 percent in Services sectors. However, the heavy rains in Sindh and Punjab province damaged the crops which affected performance of agriculture and other related sectors.

The real GDP growth for 2012-13 has been estimated at 3.6 percent based on nine month data as compared to 4.4 percent (revised) in the previous fiscal year 2012 after rebasing the national accounts at constant prices of 2005-06. The Agriculture sector recorded a growth of 3.3 percent against the previous year's growth rate of 3.5 percent. The Large Scale Manufacturing sector grew by 2.8 percent as compared to the growth of 1.2 percent in the last year. The Services sector recorded a growth of 3.7 percent as compared to 5.3 percent in 2011-12. Figure-1.1 presents an overview of GDP growth over the previous years.



The 3.6 percent growth based on the nine months data 2012-13, up from 0.4 percent in 2008-09 and lower than 4.4 percent of the last year. The country has enormous potential to grow at much higher rate which is demonstrated by the achievement of the 3.6 percent growth this year despite the numerous internal and external challenges like energy crises and law and order situation brought on by the campaign against extremism with its associated destruction of physical infrastructure etc.

Some economic problems of Pakistan are structural in nature. The targets of sustaining high growth, low inflation, and external payment capability can not be achieved without eliminating certain structural barriers. Major structural reforms which are needed contains tax legislation, trade reforms, further privatization of State Owned Enterprises (SOEs), financial sector reforms, human resource development and social protection. The EU approval of duty waiver on textile items will certainly help in improving the exports and providing the support to the business environment. Pakistan-China multi-dimensional cooperation for peace and development deepened further with the signing of an agreement on February 18, 2013, for the handing over operations of Gawadar deep seaport to China Overseas Port Holding Authority (COPHA). The handover of the Gawadar Port to COPHA will boost the economic activities in the region. COPHA has assured to invest $750 million to improve the infrastructure. The new investment and the antecedent development activity will create thousands of new jobs in the country and making Gawadar a regional hub of economic and trade activities.

Pakistan has also undergone the general election recently, the election results indicates that people of Pakistan are well aware with their rights and socio-economic needs in this global village. There are expectations that new governments will launch more investment and growth friendly policies in a comprehensive way. Domestic and foreign investors will gain confidence to initiate new business activities on a peaceful democratic transition which will increase production, employment and stability in the economy.

Global Developments

Four years after the onset of the global financial crisis, the world economy continues to struggle for uplift of economic activities. Developing economies are still the main driver of global growth, but their output has slowed compared with the pre-crisis period. To regain pre-crisis growth rates, developing countries must once again emphasize internal productivity enhancing policies. To keep growing rapidly, developing countries will need to maintain the reform momentum that underpinned the acceleration of growth during the 1990s and 2000s. In the absence of additional efforts to raise productivity through structural reforms, investment in human capital, and improved governance and investment conditions, developing countries growth may not improve.

The *Asian Development Outlook 2013* estimates regional growth will pick up to 6.6% in 2013 and to reach 6.7% in 2014. While this is a distinct improvement on 2012, when growth stood at just over 6%, it is far from the double-digit pace before the global financial crisis. But in many ways this new Asian reality is a positive development. Asia's contributions to global imbalances—its persistent current account surpluses—are smoothly winding down. With the major industrial economies expected to grow by only 1% in 2013, the role of domestic demand and intra-Asian trade will continue to expand. The rising importance of intraregional trade is evident in Southeast Asia. Economies in the

Association of Southeast Asian Nations (ASEAN) will maintain their robust growth supported by increasingly strong trade ties within Asia. Making this vision a reality will further enhance Asia's dynamism. Looking further ahead, Asia must secure sufficient energy to drive economic expansion in the decades to come. The region already consumes roughly a one third of global energy, and is set to rise to over half by 2035. Asia must also prioritize renewable energy supplies and new technologies that can make conventional power cleaner and more efficient.

Emerging markets and developing economies are still going strong, but in advanced economies, there appears to be a growing bifurcation between the United States on one hand and the Euro Area on the other. The International Monetary Fund (IMF) has reflected in the forecasts that entire world economy growth is forecasted to reach 3.3 percent in 2013 and 4.0 percent in 2014. IMF has warned the Euro Area growth at -0.3 percent in 2013 and 1.1 percent in 2014. The forecast for negative growth in the Euro area reflects not only weakness in the periphery but also some weakness in the core. Germany's growth is strengthening but is still forecast to be less than 1 percent in 2013. In contrast to this growth US is forecasted to be 1.9 percent in 2013 and 3.0 percent in 2014. In this scenario China has remained a bright spot as its growth rate is forecasted at 8.0 percent for this year and 8.2 percent for the year 2014. If China maintains its growth, it's good for the world, providing support for commodities markets and growth in other countries.

The IMF maintained its forecast of 1.6 percent growth for Japan for 2013 and for 2014 it is 1.4 percent. Growth in developing Asian economies is projected at 7.1 percent in 2013 and 7.3 percent for the year 2014. The IMF expects growth in oil exporting countries in the Middle East is also not much encouraging. The growth forecast for African and South Asian countries are better for the year 2013 and also for 2014. The country wise details of projections are provided in table 1.1. Unfortunately, Europe is now caught in a vicious cycle of high debt and low growth. Highly burdened by debt, most of the economies in the region may not attain respectable levels of growth to improve their fiscal position. This will imply potential debt servicing difficulties which limit their abilities to tap their growth potential. More than 17 percent of total exports of Pakistan have their destination in the Euro zone and a reasonable portion of its total import from this region. Problems in this area can impact Pakistan's trade and hence its overall growth. Asia on the other hand, continues to move ahead with China and India leading the growth.

Table-1.1: Comparative Real GDP Growth Rates (%)

Region/Country	2009	2010	2011	2012	2013	2014 (P)
World GDP	**-0.6**	**5.2**	**4.0**	**3.2**	**3.3**	**4.0**
Euro Area	-4.4	2.0	1.4	-0.6	-0.3	1.1
United States	-3.1	2.4	1.8	2.2	1.9	3.0
Japan	-5.5	4.7	-0.6	2.0	1.6	1.4
Germany	-5.1	4.0	3.1	0.9	0.6	1.5
Canada	-2.8	3.2	2.6	1.8	1.5	2.4
Developing Countries	6.9	9.9	8.1	6.6	7.1	7.3
China	9.2	10.4	9.3	7.8	8.0	8.2
Hong Kong SAR	-2.5	6.8	4.9	1.4	3.0	4.4
Korea	0.3	6.3	3.6	2.0	2.8	3.9
Singapore	-0.8	14.8	5.2	1.3	2.0	5.1
Vietnam	5.3	6.8	5.9	5.0	5.2	5.2
	ASEAN					
Indonesia	4.6	6.2	6.5	6.2	6.3	6.4
Malaysia	-1.5	7.2	5.1	5.6	5.1	5.2
Thailand	-2.3	7.8	0.1	6.4	5.9	4.2
Philippines	1.1	7.6	3.9	6.6	6.0	5.5
	South Asia					
India	5.0	11.2	7.7	4.0	5.7	6.2
Bangladesh	5.9	6.4	6.5	6.1	6.0	6.4
Sri Lanka	3.5	8.0	8.2	6.4	6.3	6.7
Pakistan	**0.4**	**2.6**	**3.7**	**4.4**	**3.6**	**4.4**

Table-1.1: Comparative Real GDP Growth Rates (%)

Region/Country	2009	2010	2011	2012	2013	2014 (P)
			Middle East			
Saudi Arabia	1.8	7.4	8.5	6.8	4.4	4.2
Kuwait	-7.1	-2.4	6.3	5.1	1.1	3.1
Iran	3.9	5.9	3.0	-1.9	-1.3	1.1
Egypt	4.7	5.1	1.8	2.2	2.0	3.3
			Africa			
Algeria	1.7	3.6	2.4	2.5	3.3	3.4
Morocco	4.8	3.6	5.0	3.0	4.5	4.8
Tunisia	3.1	3.1	-1.9	3.6	4.0	4.5
Nigeria	7.0	8.0	7.4	6.3	7.2	7.0
Kenya	2.7	5.8	4.4	4.7	5.8	6.2
South Africa	-1.5	3.1	3.5	2.5	2.8	3.3

Source: World Economic Outlook (IMF), April 2013.
P: Projected.

Economy of Pakistan is closely linked to the rest of the world due to its strategic position and high external sector exposure. A contraction or stagnation in economic activity in the global economy, can potentially affect the level of our exports, foreign direct investment (FDI) and home remittances.

Box-1
Re- Basing the National Accounts from 1999-2000 to 2005-06

National accounts aggregate at constant prices provide important indicators for measuring growth in the economy. All countries are compiling national accounts aggregate at current and constant prices. They also update the base year periodically. It is a fact that structural change takes place in production of goods/services and in the relative prices of various items in any economy over a period of time. On account of continuous process of development and innovations a number of new products appear in the market and at the same time many products disappear, moreover quality changes also result in the non-comparability of goods and services among periods. Furthermore, on the demand side of the economy consumption and investment patterns also experience structural changes. All these factors make it necessary to rebase the National Accounts series periodically. Rebasing the National Accounts captures the structural changes in the economy and thus gives a more accurate description.

Majority of the countries, namely Bangladesh, Hong Kong China, India Nepal, Philippines, Sri Lanka and Thailand undertake their rebasing exercise at a gap of 10 years. Macau China, Malaysia, Republic of Korea and Singapore undertake their rebasing exercise at a gap of 5 years. Bhutan and Cambodia are in developing stage of their rebasing exercise. India is now going to rebase its national accounts series every 5 years. Presently India and Bangladesh having 2004-05 and 1995-96 base year respectively.

The national accounts of Pakistan had been estimated on current prices until the base was set as 1959-60 which was adopted in 1962-63. The first change of base took place in 1987 when the year 1980-81 was adopted as base year. The next change of base was adopted in 2003 setting the base as 1999-2000.

This was established totally on the studies and the need was felt to change the base establishing it on the surveys which are definitely preferred to studies. Survey information is more reliable and objective than studies. Therefore the efforts started to rebase the national accounts and 2005-06 was selected as a base year, the CDWP approved a project named “Rebasing of National Accounts (RNA) from 1999-2000 to 2005-06”. The project continued up to June 2010. Surveys were conducted for the major sectors and studies were designed to fill the small gaps and to capture emerging fields. Observing the performance of the economy and its main macro-economic variables requires fairly long time series of data which are comparable to those of other countries. Therefore, it is necessary for National Accounts to keep the methods, concepts and definitions of the respective figures constant over time and space. All necessary changes are to be stalled and then implemented as a bundled exercise called “rebasing” or “revision”. According to international recommendation such a revision should be undertaken every five to seven years. Pakistan has now completed its rebasing for the year 2005-06. The new base year will replace the existing one of 1999-2000. It implemented

- New censuses, surveys, studies
- New price basis
- New concepts (System of National Accounts)
- Changes in classifications

As a result of re-basing, Gross Domestic Product (GDP) estimates for 2005-06 have improved from Rs.7159 billion to Rs. 7716 billion, showing an increase of 7.8 % over the old base estimates. Estimates of the agriculture sector improved by 21.8 %, the industrial sector changed by -16.0 % and the services sector by 14.5 % over the old base. Per capita income has been estimated at Rs.53846 ($897) for the re-based year 2005-06 as compared to Rs.49276 ($823) on the basis of the 1999-2000 base. Similarly, estimates of fixed investment have improved by 73.2 % to Rs.1457 billion over 1999-2000 based estimates of Rs.841billion.

Comparative Statement of GDP & GCFC Estimates for the period 2005-06 (Rs. Billion)

	Base 2005-06	Base 1999-2000	%Change
GDP	7716	7159	7.8
Agriculture	1775	1457	21.8
Industry	1616	1927	-16.0
Services	4324	3778	14.5
GCFC	1457	841	73.2
Agriculture	255	70	264.3
Industry	392	245	60.1
Services	612	403	52.0
General Government	198	123	60.6

Pakistan's National Accounts are calculated on annual basis. After finalizing the rebasing 2005-06, the annual time-series will be quarterized and quarterly accounts will be launched. Supply and use tables for the base year 2005-06 will also be prepared. It will help in future to produce the supply – use tables along with the future rebasing which will provide the synergy to the estimation.

Sectoral Analysis of Growth

It is important to examine the performance of various sectors and subsectors of Gross National Product (GNP) to recognize what is happening to overall economic growth. The growth performance of all specified components of GDP over the last seven years is presented in table-1.2. These data indicates the relative importance of various sectors and sub-sectors and their inter- relationship.

Table 1.2: Growth Rate (%)

Sectors/Sub-Sectors	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-2013(P)
1. Agriculture	**3.4**	**1.8**	**3.5**	**0.2**	**2.0**	**3.5**	**3.3**
Crops	4.4	-1.0	5.2	-4.2	1.0	2.9	3.2
Important Crops	6.5	-4.1	8.4	-3.7	1.5	7.4	2.3
Other Crops	2.1	6.0	0.5	-7.2	2.3	-7.7	6.7
Cotton Ginning	-0.8	-7.0	1.3	7.3	-8.5	13.8	-2.9
-Livestock	2.8	3.6	2.2	3.8	3.4	3.9	3.7
-Forestry	2.7	8.9	2.6	-0.1	4.8	1.7	0.1
-Fishing	0.4	8.5	2.6	1.4	-15.2	3.8	0.7
Industrial Sector	**7.7**	**8.5**	**-5.2**	**3.4**	**4.7**	**2.7**	**3.5**
2. Mining & Quarrying	7.3	3.2	-2.5	2.8	-4.4	4.6	7.6
3. Manufacturing	9.0	6.1	-4.2	1.4	2.5	2.1	3.5
-Large Scale	9.6	6.1	-6	0.4	1.7	1.2	2.8
-Small Scale	8.3	8.3	8.6	8.5	8.5	8.4	8.2
-Slaughtering	3.2	3.3	3.8	3.2	3.7	3.6	3.5
Electricity Generation & Distribution & Gas Distt	-12.8	37.2	-12.1	16.7	66.4	2.7	-3.2
4. Construction	12.9	15.4	-9.9	8.3	-8.6	3.2	5.2
Commodity Producing Sector (A+B)	**5.5**	**5.1**	**-0.9**	**1.8**	**3.3**	**3.1**	**3.4**
Services Sector	**5.6**	**4.9**	**1.3**	**3.2**	**3.9**	**5.3**	**3.7**
7. Wholesale & Retail Trade	5.8	5.7	-3.0	1.8	2.1	1.7	2.5
6.Transport,Storage and Communication	6.9	5.5	5.0	3.0	2.4	8.9	3.4
8. Finance & Insurance	9.1	6.3	-9.6	-3.3	-4.2	1.0	6.6
Housing Services (Ownership of Dwellings	4.0	4.0	4.0	4.0	4.0	4.0	4.0
General Government Services	2.7	0.2	5.6	8.0	14.1	11.1	5.6
Other Private Services	4.6	5.4	6.5	5.8	6.6	6.3	4.0
GDP (fc)	**5.5**	**5.0**	**0.4**	**2.6**	**3.7**	**4.4**	**3.6**

Sources: Pakistan Bureau of Statistics
P: Provisional

Commodity Producing Sector

The commodity producing sector (CPS) consists of agriculture and industry. It is the most central sector of the economy with relatively stronger forward and backward linkages for economic development and prosperity of the country. It accounted for 42.3 percent of GDP after rebasing of national accounts during the outgoing fiscal year. It witnessed a decline from 44.0 percent of GDP in 2005-06, representing that the share of the non-commodity producing sector has improved. The commodity producing sector has performed better in outgoing fiscal year as compared to last year; its growth rate this year was 3.4 percent against the growth of 3.1 percent last year. Both agriculture and industrial sector, have contributed to its growth. However, the growth of the commodity producing sector remained far below its potential due to heavy rains, energy crises, law and order situation etc.

Agriculture Sector

In spite of persistently falling share in GDP agriculture remains a key sector of the economy. It provides food items and raw materials for industrial units and accounts for 21.4 percent of GDP, 45 percent of employment and also contributes in the development of other sectors as a supplier of raw materials to industry as well as a market for industrial products and is also the main source of foreign exchange earnings. Majority of the population lives in rural areas and are directly and indirectly rely on agriculture sector for their livelihood. The agriculture sector has strong backward and forward linkages. As a result its growth has a larger impact on the overall economic performance. The performance of the agriculture sector remained weak due to unfavorable weather conditions which results in lower production of cotton and rice.

However, this sector resulted in a growth of 3.3 percent against the growth of 3.5 percent last year. The decline in its growth was due to fall in the estimated rice and cotton production but somehow compensated by the better output of other crops. The performance is mainly attributed to a sharp pick-up in the wheat and sugarcane. Livestock also registered a significant growth. The agriculture sector consists of various sub-sectors which include crops, livestock, fisheries and forestry. The crop sub-sector is further divided into important crops, other crops and cotton ginning.

Important Crops: The important crops account for 25.24 percent of agricultural value addition and registered a growth of 2.3 percent compared to a growth of 7.4 percent last year. The important crops including wheat, maize, rice, sugarcane and cotton witnessed growth in production of 3.23 percent, 6.74 percent,-10.05 percent, 6.98 percent and -4.19 percent respectively. The main reason for the negative growth of rice and cotton are unfavorable weather conditions and affects of rains in the rice and cotton growing areas.

Other Crops: Other crops contributed 12.34 percent to value addition in overall agriculture. Growth in the production of this sub-sector is recorded at 6.7 percent against the negative growth of -7.7 percent last year. This growth is picked up mainly by the growth in Gram by 136.6 percent against the negative growth of -42.7 percent last year and potatoes by 11.0 percent against -2.8 percent last year. The positive growth is also observed in vegetables and other minor items. The negative growth is observed in mango, banana, dates, orange, water melon, apricots, canola and tobacco etc.

Cotton Ginning: Cotton is a natural fiber used primarily as a raw material for textiles and Pakistan is one of the leading producers of cotton in the world. Textile fibers are divided into three basic types according to their sources such as cotton fiber, manmade fiber and wool. Ginning is the first mechanical process involved in the processing of cotton. Ginning is the process for separating lint from the seed to cotton. Cotton Ginning has a 2.91 percent share in overall agriculture sector. Cotton Ginning has recorded a growth of -2.9 percent as compared to 13.8 percent growth in last year due to less production of cotton as compared to last year. Previously it was a component of manufacturing sector, now in rebasing of national accounts 2005-06, it is included in the agriculture sector.

Livestock: Livestock is an important sub sector of agriculture, which accounts for 55.44 percent of agriculture value addition. It is highly labour intensive and a good source of job creation; its share in agriculture is much more than combined shares of all other subsectors of agriculture. Its share in GDP is 11.9 percent. Livestock includes cattle, buffalos, sheep, goat, camel, horses, asses, mules and poultry and their products. The demand for livestock has grown at a phenomenal pace. The increase in prices has provided incentive for greater production and spurred growth. The importance of this sector may be recognized by the fact that the majority of people living in rural areas depends directly or indirectly on the livestock and dairy sector. This sub-sector is highly labour intensive. It has also emerged as a major source of income for the small farmers as well as the landless rural poor.

Livestock has recorded a growth of 3.7 percent against the growth of 3.9 percent last year. The production of milk, poultry products and other livestock items has increased at the rate of 3.2 percent, 7.3 percent and 1.1 percent respectively.

Fisheries: The fisheries sector having 2.05 percent share in agriculture recorded a growth of 0.7 percent against the growth of 3.8 percent last year. The sub-components of fisheries such as marine fishing and in-land fishing contributed to an overall increase in value addition in the fisheries sub-sector. The gross value addition of marine fish augmented by 0.43 percent and inland fish by 0.76 percent.

Forestry: The growth of the forestry sub-sector is recorded at 0.1 percent as compared to the growth of 1.7 percent last year. Forests are a key component of our environment and degradation of forests can pose severe socio-economic challenges for the coming generations. The share of forestry sub-sector in agriculture is 2.03 percent having main components of forestry, timber and fire wood.

Manufacturing Sector: The manufacturing sector is another important sector of the economy having much contribution in the progress of our economy. The manufacturing sector is one component of the industrial sector capturing 63 percent share of the overall industrial sector. It has been hard hit by domestic and international factors. Power crises, unstable law and order situation, campaign against terrorism have created uncertain environment, resulting in loss of working hours. This sector has also been badly affected by acute energy shortages. Continuous power breakdowns prevented industries from operating at their capacity level. All these factors have caused slower growth in manufacturing sector. The share of the manufacturing sector in GDP was 14.4 percent in 2007-08. This has slightly decreased to 13.2 percent of GDP in 2012-13. The growth of the manufacturing sector is recorded at 3.5 percent compared to the growth of 2.1 percent last year.

Manufacturing having 63 percent share in overall industrial sector has three main sub-components; namely the Large-Scale Manufacturing (LSM) with the share of 50.9 percent, Small Scale Manufacturing with the share of 7.6 percent and Slaughtering with the share of 4.5 percent. Small scale manufacturing recorded growth at 8.2 percent as compared to 8.4 percent last year and slaughtering growth is estimated at 3.5 percent against 3.6 percent last year. Large Scale Manufacturing (LSM) has witnessed a slight improvement. It has shown a growth of 2.8 percent against the growth of 1.2 percent last year. The major LSM industries which registered notable growth include; refrigerators 9.11 percent, electric transformers 17.4 percent, knitting wool 14.55 percent, cooking oil 14.75 percent, beverages 20.06 percent, tea blended 20.13 percent, petroleum products 11.48 percent, injections 17.0 percent, paints and varnishes 28.18 percent, tractors 60.94 percent, paper and board 27.42 percent, motor tyres 21.76 percent and plywood 20.17 percent etc. On the whole 45 major industries group recorded positive growth. The industries which reported negative growth include; woolen and carpet yarn -7.52 percent, sugar –2.82 percent, toilet soap -7.54 percent, glass plates and sheets -9.50 percent, buses -9.09 percent, Nit. fertilizers -7.75 percent, deep freezers -16.86 percent, air conditioners -15.36 percent, electric tubes -23.08 percent, heavy machinery & equipment -15.23 percent, diesel engine -50.72 percent, sugarcane machines -44.51 percent, chip board 20.56 percent etc.

Construction Sector: The construction sector is one of the potential components of industrial sector having 11.42 percent share in overall industrial sector. The construction sector has recorded 5.2 percent growth as compared to 3.2 percent growth last year. The increase in growth is due to rapid execution of work on the rehabilitation of the flood affected areas, increased investment in small scale construction and rapid implementation of PSDP schemes and other development projects of federal and provincial governments.

Mining and Quarrying: The mining and quarrying component contains 14.74 percent share of the overall industrial sector. Pakistan has economically exploitable reserves of coal, rock salt, limestone and onyx marble, china clay, dolomite, fire clay, gypsum, silica sand and granite, as well as precious and semi- precious stones. Extraction of minerals and ores through efficient mining and quarrying provides convenient and economical access to raw materials and a competitive edge to the country. The mining and quarrying sector recorded a growth of 7.6 percent during the year 2012-13 against the growth of 4.6 percent last year. The output of crude oil, iron ore, bentonite, marble, lime stone, gypsum, and shale clay increased by 15.83 percent, 55.33 percent, 65.90 percent, 83.93, 10.68, 2.94 and 43.17 percent, respectively. The output of copper declined by -12.12 percent, chromite by -10.13 percent, granite by -16.39 percent and chalk by -71.30 percent. Much of the country's mining reserve exists in remote areas. Infrastructure improvements are necessary to sustain and achieve higher growth rates in future. Improvement in the security situation in the country would also lead to greater production in near future.

Electricity generation & distribution and Gas Distribution: The electricity generation & distribution and gas distribution contains 10.86 percent share in overall industrial sector. This sub-sector has recorded a negative growth at -3.2 percent as compared to 2.7 percent last year. The output of electricity WAPDA component recorded negative growth -5.61 percent as compared to 16.29 percent last year, whereas KESC has positive growth of 5.40 percent as compared to negative growth of -0.69 percent growth last year. Gas distribution recorded negative growth of -9.52 percent in grass value addition as compared to 40.98 percent growth last year.

Services Sector:

The services sector has been growing at a faster pace than the commodity producing sector of the economy for quite some time. This sector has emerged as the main driver of economic growth and playing a vital role in sustaining economic activities in Pakistan. The economy has gone through a major transformation in its economic structure. The share of the services sector has increased from 56 percent of GDP in 2005-06 to 57.7 percent in 2012-13. In developed countries the share of services sector in GDP is around 75 percent. This share is 73 percent in Singapore, 65 percent in India, and 54 percent in Bangladesh.

The services sector consists of the following sub-sectors: Transport, Storage and Communication; Wholesale and Retail Trade; Finance and Insurance; Housing Services (Ownership of Dwellings); General Government Services (Public Administration and Defense); and Other Private Services (Social Services). The Services sector has recorded a growth rate of 3.7 percent in 2012-13. This performance is mainly contributed by Finance and Insurance at 6.6 percent, General Government Services at 5.6 percent, Housing Services at 4.0 percent, Other Private Services at 4.0 percent, Transport, Storage and Communication at 3.4 percent and Wholesale and Retail Trade at 2.5 percent. Services sector in our economy has a great potential to grow at a rapid pace. In order to develop the services sector, Pakistan has recognized the needs to liberalize operating rights and has separated regulators from operators.

Finance and Insurance Sector: The finance and insurance sector contributed 5.2 percent in the over all services sector in 2012-13. The finance and insurance sector comprises the State Bank of Pakistan; all scheduled banks (domestic and foreign), Development Financial Institutions (DFIs), all insurance (life and general) companies, Modaraba/Leasing companies, Money Changers and stock exchange brokers. The financial sub-sector consists of all resident corporations principally engaged in financial intermediations or in auxiliary financial activities related to financial intermediation. Pakistan's financial sector is integrated with the world economy and is reflected in its performance. This sector recorded a growth of 6.6 percent in 2012-13 as against of 1.0 percent last year.

Transport, Storage and Communication: The Transport, Storage and Communication (TS&C) sector is playing very important role in boosting the economic activities in the country. The value added in this sub sector is based primarily on the profits and losses of Pakistan Railways, Pakistan International Airlines and other airlines, Pakistan posts and courier services, Pak telecom and motors vehicles of different kinds on the road. This subsector has a share of 23.74 percent in overall services sector, but it directly and indirectly contributes in the growth of all sectors of the economy. The TS&C sub-sector grew at 3.4 percent as compared to 8.9 percent last year. Due to bad performance of Railways its growth has declined by -471.03 percent, Water Transport has declined by -4.04 percent during 2012-13, and Air Transport has increased by 38.22 percent. Sub-sectors pipeline transport showed a positive growth of 2.46 percent, communication 8.07 percent, road transport recorded a growth of 2.24 percent and growth in storage is estimated at 2.31 percent.

Wholesale and Retail Trade Sector: The wholesale and retail trade is the largest subsector of the services. Its share in the overall services sector is estimated at 31.5 percent. The wholesale and retail trade sector is based on the margins taken by traders on the transaction of commodities traded. In 2012-

13, this sector grew at 2.5 percent as compared to 1.7 percent in the last year.

General Government Services: The General Government Services (Public Administration and Defense) recorded a growth of 5.6 percent as compared to 11.1 percent last year. The positive change in the wage component of public sector employees, and an increase in defense and security related expenditures were main contributors in its growth. The share of this sub sector is estimated at 11.74 percent in the overall services sector.

Housing Services: The Housing Services (Ownership of Dwellings) has maintained the growth of 4.0 percent during the year 2012-13 compared to the same of last year. Its share in services sector is estimated at 11.68 percent. Other Private Services (Social Services) having a share of 16.18 percent in the overall services sector grew by 4.0 percent against the last year's growth of 6.3 percent. The growth in the Housing Services and other private services is mainly the outcome of the fast track work on reconstruction and rehabilitation of flood affected areas by the government, NGOs and private sectors.

Contribution to Real GDP Growth

(Production Approach)

Just like the previous years the contribution to economic growth is dominated by the services sector and the contribution of commodity producing sector has declined. The services sector contributed 59.61 percent to overall economic growth; while the commodity producing sector (CPS) shared only 40.39 percent. The agriculture sector contributed 20.06 percent to economic growth with almost same contribution of 20.33 percent contributed by the industrial sector.

The overall growth of 3.59 percent is shared between the Commodity producing sector and Services sector. Within the commodity producing sector, agriculture contributed 0.72 percentage points to overall GDP growth, while industry contributed 0.73 percentage points. The services sector contributed the remaining 2.14 percentage points. The sectoral point contribution to the GDP growth is shown below in table-1.3.

Table 1.3: Sectoral Contribution to the GDP growth (% Points)

Sector	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Agriculture	**0.41**	**0.76**	**0.05**	**0.43**	**0.75**	**0.72**
Industry	**1.81**	**-1.15**	**0.71**	**0.99**	**0.56**	**0.73**
- Manufacturing	0.87	-0.60	0.19	0.34	0.29	0.46
Services	**2.77**	**0.75**	**1.81**	**2.24**	**3.05**	**2.14**
Real GDP (Fc)	**4.99**	**0.36**	**2.58**	**3.66**	**4.36**	**3.59**

Source: Pakistan Bureau of Statistics

Contribution to Real GDP Growth

(Aggregate Demand Side Analysis)

Consumption, investment and export are figuratively described as the three horses of troika that drives economic growth. In all economies of the world the expansion of output is the sum of consumption (both private and public), investment (public and private) and net exports of goods and services. Consumption comprises a major chunk of economic growth in almost all economies. Pakistan's economic growth is historically characterized as consumption-led growth and this is true for the recent years. Aggregate demand is the addition of consumption, investment and net exports (exports minus imports) of the goods and services. Pakistani society like other developing countries is a consumption oriented society, having a high marginal propensity to consume. As a result private consumption is the major sub-component of aggregate demand.

The demand side remained more insightful as the growth was driven by the private consumption expenditure reached to 76.98 percent of GDP, whereas public consumption expenditures are 10.68 percent of GDP. Total consumption expenditures has reached to 87.66 percent of GDP in 2012-13 compared to 88.86 percent of last fiscal year. Total consumption has declined 1.2 percent of GDP, private consumption decreased by 1.55 percent of GDP as it declined from 78.53 percent of GDP to 76.98 percent of GDP. While public consumption increased by 0.35 percent of GDP as it increased from 10.33 percent of GDP to 10.68 percent of GDP. Decline in consumption expenditure might be positive thing, if consumption is diverted to investment expenditure.

It is estimated that the improvement in economic growth in 2012-13 came mainly from the consumption with dominant play from private consumption on account of high flow of remittances. Consumption contributed 4.13 percentage point to overall economic growth, which is 67.99 percent contribution in growth. While the investment contributed only 0.21 percentage point, which is 3.39 percent contribution in overall growth. Net exports contributed 1.74 percentage points, which is 28.62 percent contribution in overall growth. Domestic demand continued to be the most significant driving force for economic growth, with private consumption being the major contributor for sustaining aggregate demand. Point contribution to the GDP growth is presented below in table-1.4.

Table-1.4: Composition of GDP Growth

Point Contribution

Flows	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Private Consumption	3.30	2.69	-0.56	1.32	3.37	4.50	3.13
Public Consumption	-0.11	-0.09	1.21	-0.06	0.00	0.73	1.00
Total Consumption [C]	**3.18**	**2.60**	**0.66**	**1.26**	**3.37**	**5.23**	**4.13**
Gross Fixed Investment	0.48	0.85	-0.70	-0.85	-0.98	0.21	0.11
Change in Stocks	0.08	0.03	0.05	0.03	0.04	0.06	0.10
Total Investment [I]	**0.56**	**0.88**	**-0.66**	**-0.82**	**-0.94**	**0.27**	**0.21**
Exports (Goods & Serv.) [X]	0.21	-0.62	-0.43	1.90	0.33	-2.09	1.36
Imports (Goods & Serv.) [M]	-0.88	1.16	-3.26	0.73	-0.02	-0.60	-0.37
Net Exports [X-M]	**1.09**	**-1.78**	**2.83**	**1.17**	**0.35**	**-1.49**	**1.74**
Aggregate Demand (C+I+X)	**3.96**	**2.86**	**-0.43**	**2.34**	**2.77**	**3.42**	**5.70**
Domestic Demand (C+I)	**3.74**	**3.48**	**0.00**	**0.44**	**2.44**	**5.50**	**4.33**
GDP MP	**4.83**	**1.70**	**2.83**	**1.61**	**2.79**	**4.02**	**6.07**

Source: Pakistan Bureau of Statistics

Composition of Gross Domestic Product

A growing economy witnesses a shift in sectoral pattern, analysis of which provides further insight into a country's growth dynamics. The economy of Pakistan is in the process of structural transformation, which most of the developing economies are experiencing all over the world. There is a clear shift away from the Commodity Producing Sector (CPS) to services sector. Commodity producing sector accounted for almost 62 percent of the GDP in 1969-70 which has come down to 42.3 percent in 2012-13. The turn down in the share of CPS is compensated due by increase in the share of the services sector. A further breakdown of the CPS shows that the share of the agriculture sector has been declining over time. In 1969-70, agriculture accounted for 38.9 percent of GDP. It has decreased gradually to 21.4 percent in 2012-13. The decline in the share of agriculture in GDP reflects that the non-agriculture sectors grew more rapidly as compared to the agriculture sector.

Scientific innovations and technological development encouraged all sectors of the economy but the manufacturing and services sectors benefitted more as compared to the agriculture sector. Structural, social and cultural characteristics attached with the agriculture sector, the higher risk and vulnerability to natural calamities have encouraged investors to switch towards the non-agriculture sectors, which also have more certain and higher profit margin. The share of agriculture to overall GDP will continue to decline as economic and technical development takes place. This is an unavoidable outcome of the process of growth and development.

It has been observed during the last two decades that the major impetus to economic growth has come from the services sector which has emerged as the main driver of the economic growth. Within the services sector, almost all the sub-sectors have rising contributions. The share of manufacturing in GDP has remained stagnant, at around 14.7 percent, for 30 years until 1999-2000. Its contribution to GDP has reached to 13.2 percent in 2012-13.

Table 1.5: Sectoral Share in Gross Domestic Product (GDP)

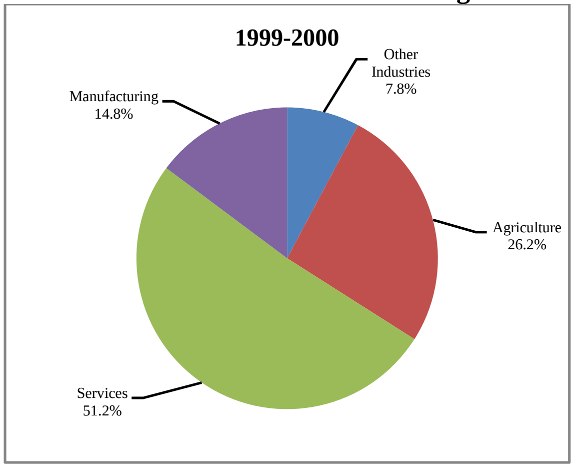
Sectors/Sub-Sectors	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
A. Commodity Producing Sector (A+B)	**44.0**	**43.9**	**44.0**	**43.4**	**43.1**	**42.9**	**42.4**	**42.3**
Agriculture	**23.0**	**22.5**	**21.9**	**22.5**	**22.0**	**21.7**	**21.5**	**21.4**
1. Crops	9.9	9.8	9.3	9.7	9.1	8.8	8.7	8.7

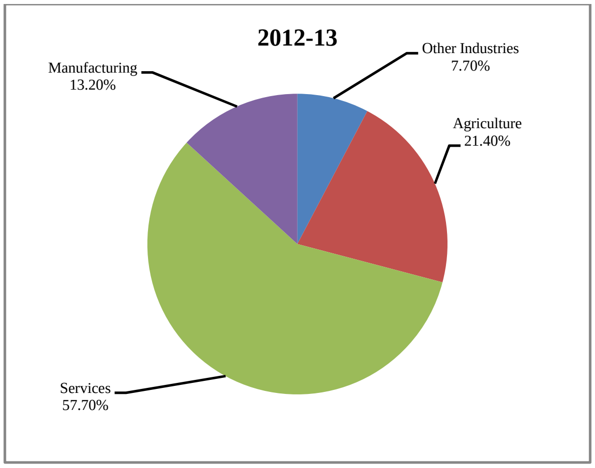
Table 1.5: Sectoral Share in Gross Domestic Product (GDP)

Sectors/Sub-Sectors	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Important Crops	5.8	5.9	5.4	5.8	5.4	5.3	5.5	5.4
Other Crops	3.3	3.2	3.2	3.3	2.9	2.9	2.6	2.6
Cotton Ginning	0.8	0.7	0.7	0.7	0.7	0.6	0.7	0.6
2. -Livestock	12.1	11.7	11.6	11.8	11.9	11.9	11.9	11.9
3. -Forestry	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.4
4. -Fishing	0.6	0.5	0.6	0.6	0.6	0.5	0.5	0.4
B. Industrial Sector	**20.6**	**21.4**	**22.1**	**20.9**	**21.0**	**21.2**	**20.9**	**20.9**
1. Mining & Quarrying	3.3	3.4	3.3	3.2	3.2	3.0	3.0	3.1
2. Manufacturing	13.8	14.3	14.4	13.8	13.6	13.4	13.2	13.2
-Large Scale	11.7	12.2	12.3	11.5	11.3	11.0	10.7	10.6
-Small Scale	1.2	1.2	1.2	1.3	1.4	1.5	1.5	1.6
-Slaughtering	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
3. Electricity Generation & Distribution & Gas Distt	1.4	1.2	1.5	1.3	1.5	2.5	2.4	2.3
4. Construction	2.4	2.6	2.8	2.5	2.7	2.4	2.3	2.4
C. Services Sector	**56.0**	**56.1**	**56.0**	**56.6**	**56.9**	**57.1**	**57.6**	**57.7**
1. Wholesale & Retail Trade	19.7	19.8	19.9	19.3	19.1	18.8	18.3	18.2
2.Transport,Storage and Communication	12.4	12.6	12.7	13.3	13.3	13.1	13.7	13.7
3. Finance & Insurance	3.7	3.8	3.8	3.5	3.3	3.0	2.9	3.0
4.Housing Services (Ownership of Dwellings	6.5	6.4	6.4	6.6	6.7	6.7	6.7	6.7
5. General Government Services	5.5	5.4	5.1	5.4	5.7	6.2	6.6	6.8
6. Other Private Services	8.1	8.1	8.1	8.6	8.9	9.1	9.3	9.3
GDP (fc)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Fig-1.2 shows the structural shift in the economy. During the last 13 years the sectoral share of the agriculture sector has decreased from 26.2 percent to 21.4 percent. The sectoral share of the manufacturing sector has changed from 14.8 percent to 13.2 percent and the share of other industries has remained more or less stagnant around 7 to 8 percent of the GDP over the last 13 years. The share of the services sector has increased from 51.2 percent to 57.7 percent in the same period. It may be concluded that on the whole structural transformation has been moderate during the period under discussion.

Fig-1.2: Contribution to GDP



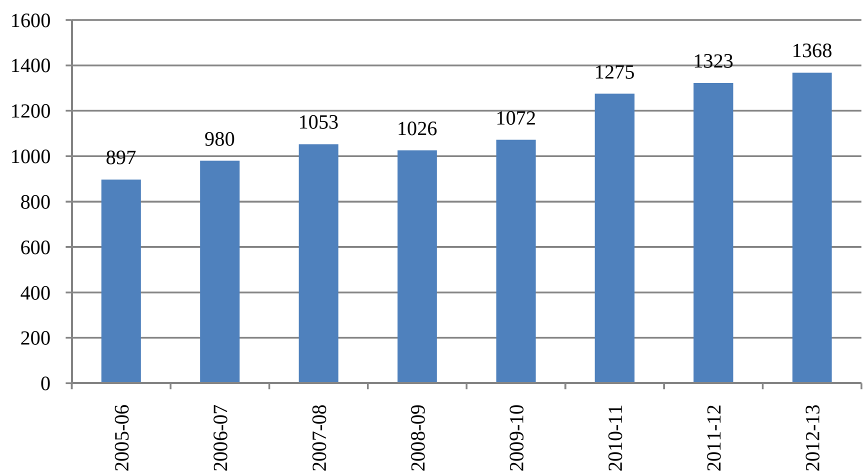


Per Capita Income:

Per capita income is regarded as one of the key indicators of economic well-being over a period of time. With the emergence of more analytical tools and sophisticated indicators, numerous indicators and measures of well being are added to economic literature. However, none of these could undermine the importance of per capita income in providing simple reflection of the average level of prosperity in the country or average standards of living of the people in a country. Per capita income is defined as Gross National Product at market price in dollar term divided by the country's population. Per Capita Income in dollar terms grew at a modest rate of 3.4 percent in 2012-13 compared to 3.8 percent growth last year.

The per capita income in dollar terms has risen from $ 897 in 2005-06 to $ 1,368 in 2012-13. The main factors, which are responsible for increase in per capita income, include acceleration in real GDP growth, relatively lower growth in population and the stable exchange rate. Fig 1.3 shows the improvement in per capita income during the last eight years.

Fig 1.3: Per Capita Income ($)



Investment and Savings

Investment has a key role in the determination of economic growth of a country. It increases the productive capacity of the economy, creates the employment opportunities, and promotes technological advancements through embodiment of new techniques. Investment spending is considered a volatile, component of aggregate demand because it depends on multiple factors. That is why it causes much fluctuations of the GDP. Investment has been hard hit by internal and external factors during the last few years and is considered as a key concern. Total investment has decreased from 18.79 percent of GDP in 2006-07 to 14.22 percent of GDP in 2012-13. Fixed investment has declined to 12.6 percent of GDP in 2012-13 from 17.61 percent of GDP in 2007-08. Private investment recorded a contraction of 8.7 percent in 2012-13 compared to 12.8 percent of GDP in 2007-08. Public investment as a percent of GDP also decreased to 3.9 percent in 2012-13 against the 4.8 percent in 2007-08. Although the investment climate remained challenging in view of unstable security situation on account of campaign against extremism, yet the resolve of the government is to address this issue and create an enabling environment to revive the confidence of the investors.

Contribution of national savings to domestic investment is indirectly the mirror image of foreign savings required to meet the investment demand. The requirement of foreign savings needed to finance the saving investment gap, reflects the current account deficit in the balance of payments. National savings are 13.5 percent of GDP in 2012-13 compared to 15.2 percent in 2005-06. Domestic savings have also decreased from 13.4 percent of GDP in 2005-06 to 8.7 percent of GDP in 2012-13. Net foreign resource inflows are financing the saving investment gap. Theoretically, there are two ways of improving the savings investment gap. One is through rising savings and the other is through declining investment. Pakistan required gearing up both savings and investment to augment the employment generating ability of the economy as well as raise resource availability for investment.

Public sector investment is vital for catalyzing economic development. It generates spillover effects for private sector investment because private sector development is facilitated through public sector development spending particularly on infrastructure. However, reduction of development expenditures limits private sector development. Public sector investment decreased from 4.8 percent of GDP in 2007-08 to just 3.9 percent in 2012-13. Table 1.6

presents Saving and Investment as percentage of GDP.

Table 1.6: Structure of Savings and Investment (As Percent of GDP)

Description	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 P	2012-13(P)
Total Investment	**19.33**	**18.79**	**19.21**	**17.55**	**15.80**	**14.11**	**14.92**	**14.22**
Changes in Stock	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Gross Fixed Investment	**17.73**	**17.19**	**17.61**	**15.9**	**14.20**	**12.51**	**13.32**	**12.6**
-Public Investment	4.2	4.6	4.8	4.3	3.7	3.2	3.7	3.9
-Private Investment	13.5	12.6	12.8	11.7	10.5	9.3	9.6	8.7
Foreign Savings	-4.11	-4.83	-8.16	-5.51	-2.22	0.10	-2.07	-0.72
National Savings	**15.2**	**14.0**	**11.0**	**12.0**	**13.6**	**14.2**	**12.8**	**13.5**
Domestic Savings	13.4	12.3	9.1	9.4	9.8	9.7	7.7	8.7

Source: EA Wing Calculations
P: Provisional

Foreign Direct Investment

Foreign direct investment (FDI) has emerged as a major source of private external inflows for developing countries. During more than last two decades most of the countries have liberalized their FDI regimes and pursued investment-friendly economic policies to attract investment. Countries have tried to address the issue of making domestic policies to maximize the benefits of foreign presence in the domestic economy. FDI has triggered technology spillovers, assisted human capital formation, contributed to international trade integration, helped in creating a more competitive business environment and promoted enterprises development. These developments contributed positively to higher economic growth, which is the most effective tool for alleviating poverty.

Pakistan like many other developing countries, has initiated wide ranging structural reforms in various sectors of the economy to restore macroeconomic stability and improve enabling environment to attract FDI. Pakistan during last few years could not attract FDI as per potential of the country due to number of reasons as explained above, now the situation has improved, there is stability in the system, new government has a comprehensive plan to create investment friendly environment and to attract foreign investors in the country. As is evident that post 2013 election, the capital market crossed 21,000 plus points emitting positive signals for restoring the investor’s confidence.

Pakistan has a very fruitful market for foreign investors having its very large consumer base of more than 180 million people. People need food, energy and other amenities to live and thrive. There is a great potential in the power and infrastructure sector and in natural resources. There seems to be huge scope for investment in hydel and coal based power projects, alternative energy like wind power, and natural gas transmission from foreign lands. The country also needs infrastructure, world class education systems, exploration of its natural resources and mechanization of industries. Foreign investors can exploit all such opportunities.

Foreign Direct Investment (FDI) in Pakistan stood at $ 853.5 million during July-April 2012-13 as against $ 658.2 million last year, posting an increase of 29.7 percent. Oil & Gas Exploration remained the major sector for foreign investors.

Pakistan will undoubtedly attract foreign direct investment with the resolution of the energy shortages and improvement in the law and order situation. The Board of Investment (BOI) under the Prime Minister’s Secretariat has approved new investment policy recently to provide more investment friendly environment to investors. In particular, efforts are also going on to encourage the setting up of fruit processing industries and more export processing zones in the country, so that sustained high economic growth through exports may be achieved and series of investment opportunities may be generated.

Workers Remittances

Workers remittances from overseas have been a major source of foreign exchange earnings during the last few years. These remittances are providing significant support to the balance of payments on one hand and also helping in stimulating the domestic economy and to alleviate poverty in the country. Inflows of remittances are also improving the standard of living of recipient household and increase domestic demand and indirectly play a role to reduce unemployment. It also supports to maintain the foreign exchange reserve and debt payments. The flow of remittances is free of cost, documented, secure and efficient. The SBP resolve is to further bring additional remittances through its

PRI scheme through continuous improvement in payment system, infrastructure, fact finding, visits and market research, tapping Pakistani Diaspora as well as strengthening PRI core team. The new elected government is also aiming to explore more markets to export its manpower as well as incentives for the remittances to further enhance its growth.

Bilateral arrangements of commercial banks with foreign entities under Pakistan Remittance Initiatives (PRI) have facilitated the flows of remittances from informal to formal channels. Furthermore, initiatives under the PRI such as introduced Xpress money, Inter bank Fund Transfer (IBFT) facility have also helped to improve the remittance flow to Pakistan. Increase in remittances is mainly the result of the higher demand of Pakistani workers in rest of the world. An overview of country wise remittances is presented in table 1.7.

Table-1.7: Country Wise Workers' Remittances US$ Million

Country	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13 July-April*
USA	1242.49	1459.64	1762.03	1735.87	1771.19	2068.67	2334.47	1819.85
U.K.	438.65	430.04	458.87	605.59	876.38	1199.67	1521.10	1611.11
Saudi Arabia	750.44	1023.56	1251.32	1559.56	1917.66	2670.07	3687.00	3371.59
U.A.E.	716.30	866.49	1090.30	1688.59	2038.52	2597.74	2848.86	2312.01
Other GCC Countries	816.87	757.33	983.39	1202.65	1237.86	1908.62	2382.63	1331.67
EU Countries	761.98	149.00	176.64	247.66	252.21	314.92	338.18	297.69
Total	4600.12	5493.65	6451.24	7811.43	8905.90	11200.97	13186.56	11569.82

Source: SBP
* : Provisional

Workers' Remittances totaled $ 11569.82 million in July-April of 2012-13, as against $ 10876.99 million in the comparable period of last year, which indicate an increase of 6.37 percent over the period. Monthly data on remittances suggests that the monthly average for the period of July-April 2012-13 stood at $ 1,156.98 million compared to $ 1087.70 million during the corresponding period last year. Remittances from Saudi Arabia recorded massive growth of 12.84 percent and from U.K. it is 27.49 percent during the period under review.

Conclusion and the Way forward

Economy of Pakistan has been confronted with number of challenges either in the form of floods/ rains, paying heavy price against terrorism activities yet a slow and sustained growth is witnessed over the period after the global financial crises. Presently the problems affecting the economy include energy shortages, poor law and order situation, and a host of other structural impediments that have held back investment and growth in the country. Measures to stimulate growth will not yield full potential unless the structural weaknesses responsible for the decline in the investment are addressed.

Pakistan's middle class has been expanding and trying to play a significant role in socio-economic development of the country. A vibrant middle class not only creates demand of goods and services but also provide savings to fund productive investments and also breeding the professional and skilled labour force. Such human capital is essential for growth in the long run, which can provide a strong impetus to economic growth. There is rising trend of youth entrepreneurship in Pakistan. These young entrepreneurs have great potential to cause a paradigm shift in the economy of Pakistan. Opening up of trade relations with India is another major initiative that can boost economic growth by providing greater market access as well as easy and cheaper availability of raw materials for domestic producers.

Reinitiating the privatization process will attract foreign investment in Pakistan. Foreign investment may also be attracted from the Middle East in agriculture and livestock sectors. Savings are the mover of growth. There is also need to expand the network of National Savings Schemes, microfinance institutions, banks and postal savings to far flung areas of the country to enhance household savings.

Investment may be enhanced by identifying the number of projects, which are technically feasible and financially/ economically viable and different donors may be approached to fund these projects. This arrangement may stimulate private investment and bridge saving investment gap in short to medium term. Public and foreign investment may be made supportive to private investment by proper strategic planning. A future vision and strategy need to be framed regarding public sector development program and foreign investment, so that infrastructure and social sector may grow consistently on sustainable basis, which will enhance economic activity in the long run to supplement saving and investment.

However, several policy areas are important to make some considerable reforms like; law and order situation, good governance, improvement of port services, privatization, modernization of business law, Improving the country’s image abroad, economic and commercial diplomacy, confidence building measures with neighbors, development of Infrastructure and human resources and to ensure transfer of technology. Auction of 3G spectrum technology licensing may be taken up on fast track basis. Chinese FDI commitment to invest $ 750 million to improve infrastructure on Gawadar port need to be materialized quickly. This will give a boost to the economic activities in the region and will create thousands of new jobs in the country and lead to make Gawadar a regional hub of economic and trade activities. Economic Zones needs to be established with complete package of industrial facilitation. Role of government will be as a facilitator not an entrepreneur which will encourage multi-national companies to invest in Pakistan. A comprehensive Plan for infrastructure development needs to be launched along with modern teaching & training Institutions, so that investment friendly climate may be encouraged, which will certainly attract FDI. Better arrangements need to be introduced by the Board of Investment and Ministry of Commerce to develop the global chain system in the country, which will minimize cost of doing business and attract investors.

Chapter 2

Agriculture

Agriculture is central to economic growth and development in Pakistan. Being the dominant sector it contributes 21.4 percent to GDP, employs 45 percent of the country's labour force and contributes in the growth of other sectors of the economy. The healthy expansion in agriculture stimulates domestic demand for industrial goods and other services and supplying raw material to agro-based industry notably cotton textile industry which is the largest subsector of manufacturing sector. The government under paradigm of the new growth strategy envisioned to enhance growth in agriculture sector by facilitating agriculture productivity sustainable environment, increasing competitiveness in agriculture marketing and trade by providing friendly climate for more investment in the sector. However, draft tenth 5 years plan also envisages improving the productivity, profitability competitiveness and environmental sustainability of agriculture.

Overall agriculture development strategy revolves to foster private sector-led development with public sector providing enabling environment through policy interventions and play capacity building role to improve agriculture related practices. The emphasis is on improving productivity and moving from subsistence to market oriented farming in the country to meet the domestic demand and surplus for export. The objective is to exploit potentials of our agriculture sector and use it as engine for economic growth and food security for the country.

Consequent upon the devolution of Ministry of Food & Agriculture and Ministry of Livestock and Dairy Development, their development projects were divided into three categories i.e. devolved to provinces, transferred to other federal ministries and closed down owing to near completion or completion. A new ministry namely Ministry of National Food Security and Research has been established assigning the critical federal level functions of the devolved ministry.

Ministry of National Food Security and Research has been set up by the government realizing the Food Security concerns across the country and coordinating food production and R&D of food and agriculture related issues in the country. The Ministry's main focus is ensuring food availability through boosting domestic food production in coordination with the provincial agriculture, food and livestock departments. In the face of price spike of food commodities it has been emphasized that additional efforts would be required for supporting marginalized and vulnerable segment of society. There is also greater appreciation that integrated efforts may be taken for improving nutrition and quality of food for ensuring better food utilization. The Ministry of National Food Security and Research plans to focus more on improving productivity of food crops and launching of programme for enhancing food access as envisaged in the Zero Hunger Programme (ZHP). This include:

- School feeding programme in the most food insecure districts
- Nutrition programme for children under five years of age
- Nutrition programme for pregnant women and lactating mothers
- Targeted and conditional social safety nets

Ministry of National Food Security and Research is also drafting a policy "National Food & Nutritional Security Policy" (2013-15) in line with the recommendations of Task Force on Food Security (2008) which are as under:

- Evolve a comprehensive National Food Security Strategy
- Evolving an efficient and equitable system of food procurement, storage and distribution to ensure that food is available at affordable prices
- Ensuring adequate supply of food
- Improving the access of poor households to food by adopting a pro-poor growth strategy

Recent performance

During 2012-13, agriculture sector exhibited a growth of 3.3 percent on the back of positive growth in agriculture related sub sectors, Crops grew at 3.2 percent, Livestock 3.7 percent, Forestry 0.1 percent and Fishing 0.7 percent. The agriculture subsector component which includes important crops, other crops, grew by 2.3 percent and 6.7 percent, respectively except cotton ginning that declined 2.9 percent. Important crops accounted for 25.2 percent of agricultural value added and has experienced a growth of 2.3 percent in fiscal year 2012-13 against growth of 7.4 percent in 2011-12. The lower growth in important crops is attributed to decline in production of rice and cotton by 10.0 percent and 4.2 percent respectively. As the performance of agriculture sector dependent upon weather condition, timely availability of input (water). During 2012-13 weather condition and water situation has an impact on these Kharif crops that paved the way for decrease in output of rice and cotton crops.

Table 2.1: Agriculture growth percentages (Base=2005-06)

Sector	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Agriculture	**3.4**	**1.8**	**3.5**	**0.2**	**2.0**	**3.5**	**3.3**
Crops	4.4	-1.0	5.2	-4.2	1.0	2.9	3.2
i) Important Crops	6.5	-4.1	8.4	-3.7	1.5	7.4	2.3
ii) Other Crops	2.1	6.0	0.5	-7.2	2.3	-7.7	6.7
iii)Cotton Ginning	-0.8	-7.0	1.3	7.3	-8.5	13.8	-2.9
Livestock	2.8	3.6	2.2	3.8	3.4	3.9	3.7
Forestry	2.7	8.9	2.6	-0.1	4.8	1.7	0.1
Fishing	0.4	8.5	2.6	1.4	-15.2	3.8	0.7

Source: Pakistan Bureau of Statistics
P:Provisional

Other crops that contributed 12.3 percent value addition in agriculture witnessed a positive growth of 6.7 percent in 2012-13 against negative growth of 7.7 percent during the same period last year. The cotton ginning under new base 2005-06 has been included in agriculture value addition showed a negative growth of 2.9 percent in 2012-13 against the positive growth of 13.8 percent during the same period last year. The Livestock sector which has a 55.4 percent share in the agriculture grew by 3.7 percent in 2012-13. The Fishing sector grew by 0.7 percent as against last year's positive growth of 3.8 percent. Forestry sector posted a nominal growth of 0.1 percent this year as compared to positive growth of 1.7 percent last year.

Pakistan has two crop seasons, "Kharif" being the first sowing season starting from April-June and harvested during October-December. Rice, sugarcane, cotton, maize, moong, mash, bajra and jowar are "Kharif" crops. "Rabi", the second sowing season, begins as on October-December and is harvested in April-May. Wheat, gram, lentil (masoor), tobacco, rapeseed, barley and mustard are "Rabi" crops. The crops performance is dependent upon timely availability of irrigation water. During 2012-13, the availability of water as an essential input for Kharif 2012 was 14 percent less than the normal supplies but to compare with Kharif 2011, it was 4.4 percent less. The water availability during Rabi season 2012-13 was estimated 31.9 MAF, which was 12.4 percent less than the normal availability, but 8.5 percent higher than last year's Rabi crop (Table 2.2).

Table 2.2: Actual Surface Water Availability (Million Acre Feet)

Period	Kharif	Rabi	Total	%age incr/decr. Over the Avg.
Average system usage	67.1	36.4	103.5	-
2004-05	59.1	23.1	82.2	- 20.6
2005-06	70.8	30.1	100.9	- 2.5
2006-07	63.1	31.2	94.3	- 8.9
2007-08	70.8	27.9	98.7	- 4.6
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

Source: Indus River System Authority

I. Crop Situation

Important crops, such as wheat, rice, maize, cotton and sugarcane account for 25.2 percent of the value added in overall agriculture and 5.4 percent to GDP. The other crops account for 12.3 percent of the value added in overall agriculture. Livestock contributes 55.4 percent to agricultural value added much more than the combined contribution of important and other crops (37.6 percent). The production performance of important crops is given in Table 2.3.

Table 2.3: Production of Important Crops (in thousands of tonnes)

Year	Cotton (000 bales)	Sugarcane	Rice	Maize	Wheat
2006-07	12,856	54,742	5,438	3,088	23,295
	-	-	-	-	-
2007-08	11,655	63,920	5,563	3,605	20,959
	(-9.3)	(16.8)	(2.3)	(16.7)	(-10.0)
2008-09	11,819	50,045	6,952	3,593	24,033
	(1.4)	(-21.7)	(25.0)	(-0.3)	(14.7)
2009-10	12,914	49,373	6,883	3,261	23,311
	(9.3)	(-1.3)	(-1.0)	(-9.2)	(-3.0)
2010-11	11,460	55,309	4,823	3,707	25,214
	(-11.3)	(12.0)	(-29.9)	(13.7)	(8.2)
2011-12	13,595	58,397	6,160	4,338	23,473
	(18.6)	(5.6)	(27.7)	(17.0)	(-6.9)
2012-13 (P)	13,026	62,472	5,541	4,631	24,231
	(-4.2)	(7.0)	(-10.0)	(6.8)	(3.2)

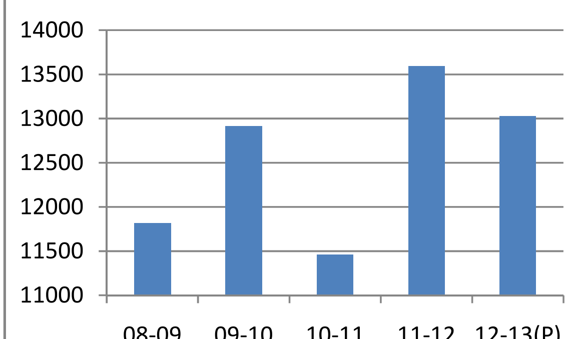
Source: Pakistan Bureau of Statistics
P: Provisional (July-March), Figures in parentheses are growth/decline rates

a) Important Crops

i) Cotton:

Pakistan's economy depends heavily on Cotton crop which significantly contributes by providing raw material to the textile industry, such as cotton lint as an export item. It accounts for 7.0 percent of value added in agriculture and 1.5 percent of GDP. During 2012-13, the crop was sown on an area of 2879 thousand hectares, 1.6 percent more than last year (2835 thousand hectares). The production of 13.0 million bales during the period 2012-13 against the target of 14.5 million bales resulted in decline of 10.3 percent against the target and decrease of 4.2 percent over the preceding year production which was 13.6 million bales. Mild attack of Thrips, white fly and Cotton Leaf Curl Virus (CLCV) adversely affected the production of cotton boll which affected the production and yield per hectare as compared to last year. In credible time localized monsoon also affected the crops in Punjab and Sindh. The area, production and yield of cotton for the last five years is shown in Table 2.4 and Figure 2.1.

Figure 2.1: Cotton Production (000 bales)



Source: PBS

Table 2.4: Area, Production and Yield of Cotton

Year	Area (000 Hectare)	Area % Change	Production (000 Bales)	Production % Change	Yield (Kgs/Hec)	Yield % Change
2008-09	2820	-	11819	-	713	-
2009-10	3106	10.1	12914	9.3	707	-0.8
2010-11	2689	-13.4	11460	-11.3	725	2.5
2011-12	2835	5.4	13595	18.6	816	12.6
2012-13(P)	2879	1.6	13026	-4.2	769	-5.8

Source: Pakistan Bureau of Statistics
P: Provisional (July-March)

World Cotton Outlook

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

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

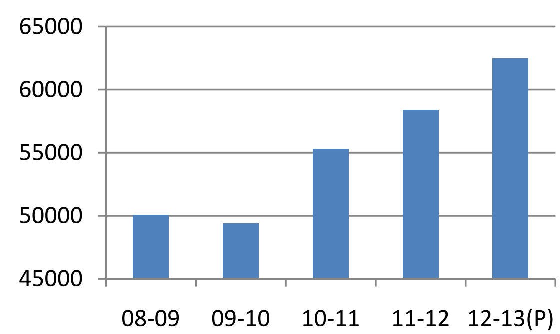
	2010-11 E	2011-12 E	2012-13 P
Production			
China	6.40	7.40	7.30
India	5.86	6.00	5.61
USA	3.94	3.39	3.70
Pakistan	1.91	2.29	2.09
Brazil	1.96	1.88	1.30
Uzbekistan	0.91	0.88	1.00
Others	4.38	5.60	5.00
World Total	25.36	27.44	26.01
Consumption			
China	10.19	8.63	8.29
India	4.30	4.35	4.70
Pakistan	2.39	2.10	2.44
East Asia/Australia	1.89	1.64	1.83
Europe & Turkey	1.60	1.49	1.51
Brazil	1.02	0.88	0.89
USA	0.77	0.71	0.74
Others	3.34	2.87	2.98
World Total	25.52	22.78	23.41

Source: Pakistan Central Cotton Committee, M/o Textile Industry
E: Estimated, P: Provisional

ii) Sugarcane:

Sugarcane crop occupies an important position in national economy in order to drive the large sugar industry. It also provides raw materials to clip board, paper and ethanol. Its share in value added in agriculture and GDP is 3.2 and 0.7 percent, respectively. Sugarcane crop was cultivated on an area of 1124 thousand hectares, 6.2 percent more than last year's area of 1058 thousand hectares. The production of sugarcane for the year 2012-13 is reported at 62.5 million tonnes, against the target 59 millions tonnes set for 2012-13 shows a healthy performance of 5.9 percent and to compare last year which was 58.4 million tonnes, depicts an increase of 7.0 percent. The main factors contributed to higher production where more area brought under cultivation due to economic returns received by the growers, good management of crops and application of balance doze of inputs. The area, production and yield of sugarcane for the last five years is 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
2008-09	1029	-	50045	-	48634	-
2009-10	943	-8.4	49373	-1.3	52357	7.7
2010-11	988	4.8	55309	12.0	55981	6.9
2011-12	1058	7.1	58397	5.6	55196	-1.4
2012-13(P)	1124	6.2	62472	7.0	55580	0.7

Source: Pakistan Bureau of Statistics
P: Provisional (July-March)

iii) Rice:

Rice is an important cash crop of the country. Rice production comprises 40 percent of Basmati (Fine) type and 60 percent of coarse types. Rice ranks as second amongst the staple food grain crop in Pakistan and it has been a major source of foreign exchange earnings in recent years. Pakistan grows a high quality of rice to fulfill the domestic demand and also for exports. Rice accounts 2.7 percent of the value added in agriculture and 0.6 percent of GDP. Rice sowing area is estimated at 2311 thousand hectares, 10.1 percent less than last year's area of 2571 thousand hectares. Production of the crop is estimated at 5541 thousand tonnes, against the target of 6900 thousand tonnes shows a weak performance of 19.7 percent and to compare last year production which was 6160 thousand tonnes shows a decrease of 10.0 percent. The production decreased due to decrease in area and affects of monsoon rain and late receding of water period in rice fields prolonged the sowing. The area, production and yield of rice for the last five years are shown in Table 2.7 and Figure 2.3.

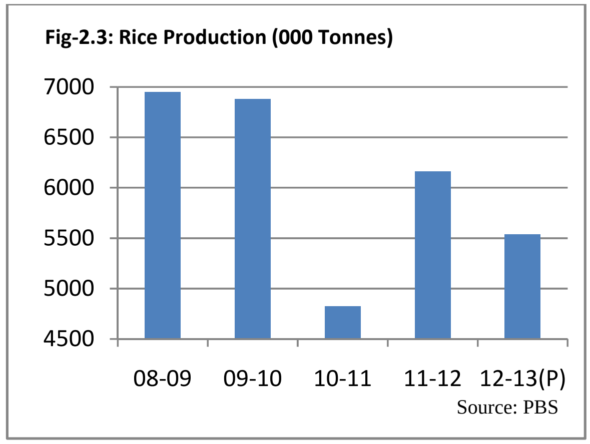


Table 2.7: Area, Production and Yield of Rice

Year	Area		Production		Yield	
	(000 Hectare)	% Change	(000 Tonnes)	% Change	(Kgs/Hec.)	% Change
2008-09	2963	-	6952	-	2346	-
2009-10	2883	-2.7	6883	-1.0	2387	1.7
2010-11	2365	-18.0	4823	-29.9	2039	-14.6
2011-12	2571	8.7	6160	27.7	2396	17.5
2012-13(P)	2311	-10.1	5541	-10.0	2398	0.1

Source: Pakistan Bureau of Statistics
P: Provisional (July-March)

iv) Wheat:

Wheat is the essential diet of population and occupies a central position in agricultural policies of the government. The government announced wheat support price of Rs. 1200 which created interest on the part of farming community. Wheat contributes 10.1 percent to the value added in agriculture and 2.2 percent to GDP. Area under wheat increased to 8693 thousand hectares in 2012-13, from 8650 thousand hectares showing an increased of 0.5 percent over last year's area. The production stood at 24.2 million tonnes during 2012-13, against the target of 25.5 millions tonnes which is 5.1 percent decrease while an increase of 3.2 percent over the last year production of 23.5 million tonnes has been witnessed. The yield per hectare in 2012-13 stood at 2787 (Kgs /Hec) posted a positive growth of 2.7 percent as compared to negative 4.2 percent growth last year. The overall increase in area due to enhancement in support price from Rs 1050 to Rs.1200.This was further supported by favourable temperature and healthy grain formation. The position is given in Table 2.8 and Figure 2.4.

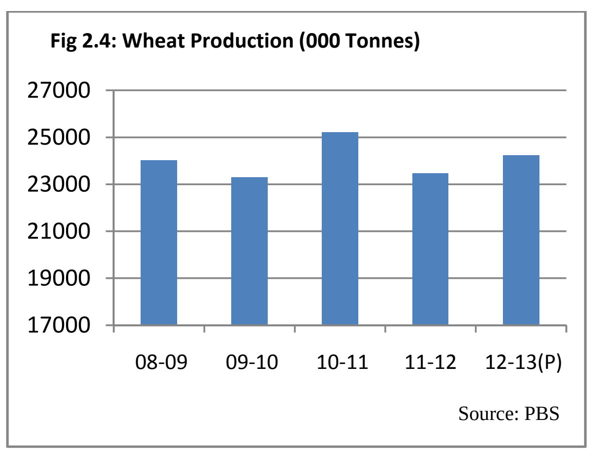


Table 2.8: Area, Production and Yield of Wheat

Year	Area		Production		Yield	
	(000 hectares)	% Change	(000 tonnes)	% Change	(Kgs /Hec.)	% Changes
2008-09	9046	-	24033	-	2657	-
2009-10	9132	1.0	23311	-3.0	2553	-3.9
2010-11	8901	-2.5	25214	8.2	2833	11.0
2011-12	8650	-2.8	23473	-6.9	2714	-4.2
2012-13(P)	8693	0.5	24231	3.2	2787	2.7

Source: Pakistan Bureau of Statistics
P:Provisional(July-March)

v) Maize:

Maize is also one of the important crop. It contributes 2.2 percent to the value added in agriculture and 0.5 percent to GDP. Maize was cultivated on an area of 1085 thousand hectares in 2012-13 less 0.2 percent over last year's area of 1087 thousand hectares, however the production witnessed 4631 thousand tonnes during 2012-13, against last year production of 4338 thousand tonnes suggesting an increase of 6.8 percent over the last year. The yield per hectare in 2012-13 stood at 4268 (Kgs /Hec) posted a positive growth of 6.9 percent as compared to 4.9 percent growth last year. The production increased due to the conversion of more area to Hybrid varieties of seeds and favorable weather condition that has enhanced yield of the crop. The position is presented in Table 2.9 and Figure 2.5.

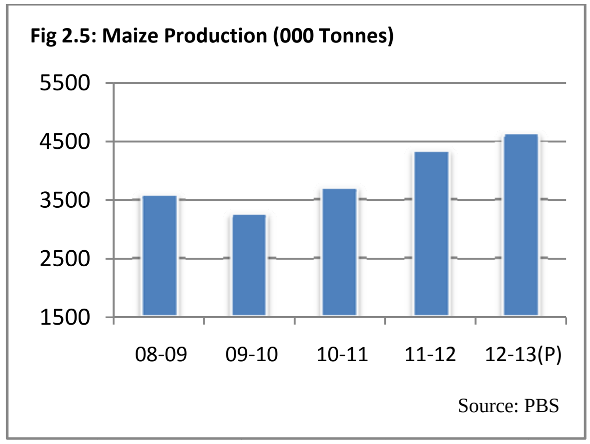


Table 2.9: Area, Production and Yield of Maize

Year	Area		Production		Yield	
	(000 hectares)	% Change	(000 tonnes)	% Change	(Kgs /Hec.)	% Changes
2008-09	1052	-	3593	-	3415	-
2009-10	935	-11.1	3261	-9.2	3487	2.1
2010-11	974	4.2	3707	13.7	3806	9.1
2011-12	1087	11.6	4338	17.0	3991	4.9
2012-13(P)	1085	-0.2	4631	6.8	4268	6.9

Source: Pakistan Bureau of Statistics
P:Provisional(July-March)

b) Other Crops

During 2012-13, the production of Gram, the largest Rabi pulses crop in Pakistan, stood at 673 thousand tonnes, against 284 thousand tonnes of last year, showing an increase of about 137.0 percent due to increase in area and favorable weather condition, while production of Bajra increased 2.0 percent. This is in contrast to other crops like Jawar, Rapeseed & Mustard, Barley and Tobacco showed a decline in production of 10.9 percent, 6.7 percent, 6.1 percent and 1.0 percent, respectively, in 2012-13 as compared to the corresponding period last year. 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	2011-12		2012-13 (P)		% Change in production over Last year
	Area (000 hectares)	Production (000 tonnes)	Area (000 hectares)	Production (000 tonnes)	
Bajra	458	304	461	310	2.0
Jawar	214	137	197	122	-10.9

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

Crops	2011-12		2012-13 (P)		% Change in production over Last year
	Area (000 hectares)	Production (000 tonnes)	Area (000 hectares)	Production (000 tonnes)	
Gram	1,008	284	985	673	137.0
Barley	72	66	71	62	-6.1
Rapeseed & Mustard	201	164	219	153	-6.7
Tobacco	46	98	45	97	-1.0

Source: Pakistan Bureau of Statistics
P: Provisional (July-March)

i) Oilseeds

The major oilseed crops include cottonseed, sunflower, canola and rapeseed / mustard. Although the cotton crop is grown for its lint, cottonseed contributes 50 to 60 percent to local edible oil production. During the year 2011-12, the total availability of edible oil was 2.748 million tonnes. Local production of edible oil is remained 0.636 million tonnes while imports were 2.148 million tonnes. The import bill during 2011-12 stood at Rs. 216.4 billion (US$ 2.426 billion).

During the year 2012-13 (July-March), 1.738 million tonnes of edible oil valued at Rs. 153.3 billion (US$ 1.595 billion) has been imported. The local production during 2012-13 (July-March) was 0.612 million tonnes. Total availability of edible oil from all sources is provisionally estimated at 2.35 million tonnes during 2012-13 (July-March). The area and production of oilseed crops is in Table 2.11.

Table 2.11: Area and Production of Major Oilseed Crops

Crops	2011-12			2012-13 (P)		
	Area	Production		Area	Production	
	(000 Acres)	Seed (000 Tonnes)	Oil (000 Tonnes)	(000 Acres)	Seed (000 Tonnes)	Oil (000 Tonnes)
Cottonseed	6,958	3,212	385	7,143	3,393	407
Rapeseed/ Mustard	575	203	61	452	158	51
Sunflower	877	473	179	700	378	144
Canola	27	30	11	30	18	10
Total	8,437	3,918	636	8,325	3,947	612

Source: Pakistan Oilseed Development Board
P: Provisional (July-Mar)

The production of Chillies and Potatoes increased by 218.4 percent and 11.0 percent, respectively during, 2012-13. However, the production of Masoor (Lentil), Onions, Mung and Mash decreased by 11.8 percent, 9.2 percent 4.0 percent and 2.8 percent, respectively requiring more area to be sown in order to increase production for meeting the local demand as a large segment of the population use it as a source of nutritious diet. There was an increase in area of chillies that increased by 128.8 percent. The area and production of other crops are given in Table 2.12.

Table: 2.12 Area and Production of Other Crops

Crops	2011-12		2012-13(P)		% Change In Production
	Area (000 hectares)	Production (000 tonnes)	Area (000 hectares)	Production (000 tonnes)	
Masoor	22.8	11.0	19.6	9.7	-11.8
Mung	140.8	93.0	136.1	89.3	-4.0
Mash	24.5	10.9	23.2	10.6	-2.8
Potatoes	185.0	3393.0	172.0	3767.2	11.0
Onions	129.7	1692.3	124.0	1536.5	-9.2
Chillies	27.4	47.2	62.7	150.3	218.4

Source: Pakistan Bureau of Statistics
P: Provisional (July-March)

II. Farm Inputs

i) Fertilizer:

Fertilizer is the most important and expensive input. Contribution of balanced fertilization towards increased yield is from 30 to 50 percent in different crop production regions of the country. One kg of fertilizer nutrient produces about 8 kg of cereals (wheat, maize and rice), 2.5 kg of cotton and 114 kg of stripped sugarcane. Almost hundred percent soils in Pakistan are deficient in nitrogen, 80 to 90 percent are deficient in phosphorus and 30 percent in potassium. Wide spread deficiency of micronutrients are also appearing in different areas. Soil fertility is continuously depleting due to mining of essential plant nutrients from the soils under intensive cultivation.

Kharif 2012 started with inventory of 800 thousand tonnes of urea. Total availability of urea (including 511 thousand tonnes of imported supplies, 2068 thousand tonnes of domestic production) was about 3379 thousand tonnes against the offtake of 2689 thousand tonnes, leaving inventory of 684 thousand tonnes for Rabi 2012-13. Availability of DAP was 773 thousand tonnes comprising 177 thousand tonnes of inventory, 243 thousand tonnes of imported supplies and 353 thousand tonnes of local production. DAP offtake was 544 thousand tonnes leaving an inventory of 227 thousand tonnes. The left over of this season was to meet the requirements of the Rabi 2012-13.

Rabi 2012-13 started with inventory of 684 thousand tonnes of urea. Total availability of urea (including 288 thousand tonnes of imported supplies, 2114 thousand tonnes of domestic production) was about 3086 thousand tonnes against the offtake of 2855 thousand tonnes, leaving inventory of 220 thousand tonnes of Kharif 2013. Availability of DAP was 903 thousand tonnes comprising of 227 thousand tonnes of inventory, 327 thousand tonnes of imported supplies and 349 thousand tonnes of local production. DAP offtake was 700 thousand tonnes leaving an inventory of 197 thousand tonnes. The left over of this season will be transferred to next season that will help meet the requirements of the coming Kharif 2013.

Kharif 2013 began with 220 thousand tonnes of opening inventory. With 2,600 thousand tonnes of domestic production and 190 thousand tonnes of imported supplies, total available urea would be about 3,010 thousand tonnes. The estimated offtake during Kharif 2013 is expected to be around 2,800 thousand tonnes, leaving behind an inventory of 210 thousand tonnes for next Rabi season. The domestic production of urea is estimated on the assumption that urea plants at SNGPL network will operate on 40 percent of their capacity. As regards DAP, total availability is estimated to be 562 thousand tonnes for the upcoming Kharif 2013, which includes opening inventory of 197 thousand tonnes and domestic production of 365 thousand tonnes. The expected offtake is 600 thousand tonnes. Hence, a deficit of 38 thousand tonnes of DAP will be covered through imported supplies by private sector. Details of fertilizer situation is given in Table 2.13.

Table 2.13: Fertilizer Situation (000 Tonnes)

Description	Kharif (Apr-Sep) 2012		Rabi (Oct-Mar) 2012-13		Kharif (Apr-Sep)* 2013	
	Urea	DAP	Urea	DAP	Urea	DAP
Opening stock	800	177	684	227	220	197
Imports	511	243	288	327	190	-
Domestic production	2068	353	2114	349	2600	365
Total availability	3379	773	3086	903	3010	562
Offtake/Demand	2689	544	2855	700	2800	600
Closing stock	684	227	220	197	210	-38

Source: National Fertilizer Development Center
*: Outlook

ii) Improved Seed:

Quality seed plays a pivotal role in boosting agricultural production both in market oriented and subsistence farming system. Seed has the unique position among various agricultural inputs because the effectiveness of all other inputs mainly depends on the potential of the seeds. Seed is a high technology product and is an innovation most readily adapted. Improving access to good quality of seed is a critical requirement for sustainable agricultural growth and food security. Effective use of improved/certified seed can result in higher agricultural production and increases the net income which has a positive impact on rural development. Hence, availability of quality seed of improved varieties is essential to achieve the production targets.

During July-March, 2012-13 about 319.2 thousand tonnes of improved seeds of various Kharif/Rabi crops were procured. The procurement of seeds for various Kharif crops (cotton, paddy, maize, mungbean, etc) is under progress. The detail of this procurement is given in Table 2.14.

The Federal Seed Certification and Registration Department (FSC&RD) is engaged in providing seed certification to public and private sector companies. It provides seed quality control services through its 28 seed testing laboratories and monitor seed quality in the market as well. The activities/ achievements of the department during July-March, 2012-13 is briefly given below:

- During the year July-March, 2012-13, only three (03) new seed companies were registered raising the total number of registered seed companies in the country to 766 including these private seeds companies four are public sector and five multinationals.
- During July-March, 2012-13, 496.0 thousand acres of different crops were inspected for certification purposes.
- A total quantity of 319.2 thousand MT seeds of various crops were sampled and tested for purity, germination and health purposes.
- Pre and post control trials of all pre-basic, basic seeds lots and 20 percent of certified seeds lots were carried out in the fields to determine the quality of seeds distributed by various seed agencies.
- Under the provision of Seed Act Enforcement, 17 cases were filed in different Courts of Law against the seed dealers found selling substandard seeds.
- Imported seeds of various crops/hybrids to the tune of 22.5 thousand MT with a total value of Rs. 5339.1 million was tested under Seed (Truth-in-Labeling) Rules, 1991 during the year at the port of entry i.e. Lahore and Karachi.
- Almost 391 samples of seeds and propagating materials of various crops/vegetables and fruits were tested at the Central Seed Testing Laboratory, Islamabad for detection of fungal and viral diseases using latest diagnosis techniques and protocols.

Table 2.14: Seed Availability* (Metric Tonnes)

Crop	Local	Imported	Total
Wheat	257812.0	0.0	257812.0
Cotton	679.7	0.0	679.7
Paddy	31765.8	51.0	31816.8
Maize	5210.9	4041.9	9252.8
Pulses	757.8	0.0	757.8
Oilseeds	217.3	1268.1	1485.4
Fodders	12.4	10064.0	10076.3
Vegetables	230.2	2541.4	2771.6
Potato	34.5	4541.7	4576.2
Total	296720.6	22508.0	319228.5

Source: Federal Seed Certification & Registration Department
* : Provisional (July-March 2012-13)

iii) Mechanization

Mechanization of agriculture plays an important role in increasing agricultural production. Mechanization of agriculture is crucial to achieve self sufficiency and surpluses through increasing productivity and reducing pre and post harvest losses. The government is making all efforts to modernize its agriculture and its allied fields more efficiently and productively. The use of efficient and quality farm machinery and equipment play an important role in the sowing and harvesting of agriculture crops. During July-March 2012-13 a total number of 36121 tractors were produced in the country, showing an increase of 34.6 percent as compared to 26840 tractors produced during the same period last year. The prices of locally manufactured tractors are given in Table 2.15

Table 2.15 Prices of Locally Manufactured Tractors 2012-13

Tractors Model - Horse Power (HP)	Price/Unit (Rs)
NH/FIAT- 480S (55 HP)	651,200
NH/FIAT- 480 Power (55 HP)	660,000
NH/FIAT- Ghazi (65 HP)	726,000
NH/FIAT- Ghazi S(65 HP)	737,000
NH/FIAT- 640 (75 HP)	940,500
NH/FIAT- 640S DB(75 HP)	951,500
NH/FIAT- 640 S(85 HP)	1,034,000
NH/FIAT- 640 S DB(85 HP)	1,045,000
NH 55-56(55 HP)	715,000
NH 60-56(60 HP)	797,500
MF 240(50 HP)	671,000
MF 260(60 HP)	737,000
MF 350(50 HP)	726,000
MF 360(60 HP)	779,000
MF 375(75 HP)	968,000
MF 385(85 HP)	1,078,000
MF 385 (4WD) (85 HP)	1,660,000
Universal-530 (55HP)	619,400
Universal-530 (55HP)Plus	665,175
Universal-533 (55HP)Plus	665,175
Universal-640 (65HP)	843,150
Universal-683 (83HP)	889,000
Ursus-2812 (50 HP)	6,34,700
Ursus-3512 (60 HP)	7,20,500

Source: Tractor Manufacturers Association

iv) Irrigation

Water is an important input to achieve the agriculture growth and is considered to be the lifeline of agriculture activities. Pakistan has a good irrigation canal network but temperatures and rainfalls during sowing and harvesting season has its own unique importance. Rainfall recorded during the monsoon and winter season is given in Table 2.16.

Table 2.16: Rainfall* Recorded During 2012-13 (in Millimetres)

	Monsoon Rainfall* (Jul-Sep) 2012	Winter Rainfall* (Jan-Mar) 2013
Normal**	140.9 mm	74.3 mm
Actual	181.4 mm	109.5 mm
Shortage (-)/excess (+)	(+) 40.5 mm	(+) 35.2 mm
% Shortage (-)/excess (+)	(+) 28.7 %	(+) 47.4 %

Source: Pakistan Meteorological Department
*: Area weighted
**: Revised Long Period Normal (1961-2010)

During the monsoon season (July-September), the normal average rainfall was 140.9 mm, while the actual rainfall received in 2012 was 181.4 mm, indicating an increase of 28.7 percent. During winter (January-March), normal average rainfall was 74.3 mm and the actual rainfall received in 2013 was 109.5 mm, indicating an increase of 47.4 percent under the normal rainfall average.

The canal head withdrawals in Kharif (April-September) 2012, decreased by 4 percent and stood at 57.7 million acre feet (MAF) as compared to 60.4 MAF during the same period last year. During the second planting season, Rabi (October-March) 2012-13, the canal head withdrawals increased by 8 percent and stood at 31.9 MAF, compared to 29.4 MAF during the same period of 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)

Provinces	Kharif (Apr-Sep) 2011	Kharif (Apr-Sep) 2012	% Change in Kharif 2012 over 2011	Rabi (Oct-Mar) 2011-12	Rabi (Oct-Mar) 2012-13	% Change in Rabi 2012-13 Over 2011-12
Punjab	34.29	29.75	-13	17.61	17.14	-3
Sindh	23.29	25.42	9	10.13	13.60	34
KPK	0.96	0.95	-1	0.56	0.49	-13
Balochistan	1.86	1.62	-13	1.12	0.64	-43
Total	60.40	57.74	-4	29.42	31.86	8

Source: Indus River System Authority

During 2012-13, in the light of New Growth Strategy and guiding principles an integrated water resources management approach with equity, efficiency, participatory decision making, sustainability and accountability has been adopted to address the water sector's issues. The strategy was aimed to accord priority to investments in the water sector to achieve additional water storages and reorganization for effective and responsive institutional reforms. Considering water demand for irrigation, domestic and industrial, water availability is continuously diminishing. The challenge is to formulate and effective implementation of a comprehensive set of measures for the development and efficient management of water resources. The main water sector's public and private investments areas are:

a. Augmentation of surface water resources by construction of water storage small/medium dams.

b. Conservation measures (lining of irrigation channels, modernizing/rehabilitating of irrigation system, lining of watercourses) and efficiency enhancement through rehabilitation and better operation of existing system.

c. Protection of infrastructure from onslaught of floods and water logging and salinity.

It is expected that Rs. 35.0 billion would be utilized on the water sector's programmes. The major water sector projects are shown in Table 2.18.

Table: 2.18: Major Water Sector Projects under Implementation

Projects	Location	Total App.cost (Rs. In million)	Live Storage (MAF)	Irrigated Area (Acres)	Latest Status (2012-13)
Gomal Zam Dam	Khyber Pakhtunkhwa	12,829	0.892	1,63,100	More than 85 % Physically completed
Rainee Canal	Sindh	18,862	-	412,400 (Phases-I)	More than 96 % Physically completed Phase-I
Kachhi Canal	Balochistan	31,204	-	713,000 (Phases-I)	65 % Physically completed Phase-I
Satpara Dam Multipurpose	Skardu	4,480	0.05	15,536 (17.3 MW Power Gen.)	Physically completed
Darwat Dam	Sindh	9,300	121,790 (Ac.Ft)	47,000	About 80 % Physically completed
Nai Gaj Dam	Sindh	26,236	160,000 (Ac.Ft)	28,800 (4.2 MW Power Gen.)	Physical work on main dam not started yet
Naulong Dam	Balochistan	18,028	200,000 (Ac.Ft)	47,000	Physical work on main dam not started yet
Right Bank Outfall Drain (RBOD)					
RBOD-I	Sindh	14,707	-	542,500	88% Physically Completed
RBOD-II	Sindh	29,014	-	-	65% Physically Completed
RBOD-III	Balochistan	6,535	-	694,796	85 % Physically Completed

Source: Planning Commission of Pakistan

Water Sector Main Programmes during (2012-13)

- Substantial completion (Phase-I) of Kachhi Canal in Balochistan & Rainee Canal Sindh for irrigating 2.864 million acres.
- Operational of Mangla Dam Raising Project for additional storage of 2.9 MAF and additional power generation of 644 GWh.
- Completion of Satpara Dam in Gilgat-Biltistan for irrigation of 15,536 acres of agriculture land and 17.3 MW power generations.
- Substantial completion of Gomal Zam Dam Project in Tribal/Khyber Pukhtunkhwa area for irrigation of 163,100 acres of agriculture land and 17.4 MW power generations.
- A sum of Rs. 2,978 million has been allocated against which it is expected that more than Rs. 1.5 billion would be utilized on lining of irrigation channels in Punjab, Sindh and Khyber Pukhtunkhwa during the 2012-13.
- An amount of Rs. 2.6 billion has been allocated and is expected that more than Rs. 1.0 billion would be utilized during the year 2012-13 on improvement of existing irrigation system in Punjab, Sindh, K.P.K & Balochistan.
- Rs.15.5 billion is allocated and expected to be utilized on construction of new small/medium dams in all over Pakistan (Mangla, Satpara, Gomal, Darwat, Nai Gaj & Naulong dams).
- In Balochistan, about Rs. 6.59 billion is expected to be utilized on the construction of new small/ delay action dams and improvement of existing irrigation system and flood schemes.
- In drainage sector implementation of the RBOD-1, II & III projects to protect and reclaim 4.90 million acres of irrigated land continued on priority basis.

iv) Agricultural Credit:

The Government of Pakistan is cognizant of the vitality of agriculture credit and making all efforts for promotion/development of agriculture finance in the country. Resultantly, the flow of credit to agriculture sector is showing improvement and all steps have been taken to the credit availability to the farming community at affordable rates. A well established network of lending institutions is operative to meet the financial requirements of farmers especially in the rural areas.

Currently 27 commercial, Islamic and microfinance banks with around 3,900 agriculture designated branches are facilitating farmers by extending agriculture credit throughout the country. These include 19 commercial banks, 2 specialized banks, one Islamic bank and 5 microfinance banks. These banks provide production and development loans to farming community for agricultural activities including crops production, livestock, poultry, fisheries, orchards, forestry, nurseries, apiculture, sericulture, etc.

State Bank of Pakistan, keeping in view the increasing demand of credit has provisionally set an indicative agriculture credit disbursement target of Rs 315.0 billion during 2012-13 as against Rs. 285.0 billion fixed last year. Out of which Rs. 220.2 billion is allocated to Commercial Banks, Rs. 72.0 billion to Zarai Taraqiati Bank Limited (ZTBL), Rs. 13.8 billion to Microfinance Banks (MFBs), and Rs. 9.0 billion to Punjab Provincial Cooperative Bank Limited (PPCBL).

During (July-March), 2012-13, banks' disbursement to the agriculture sector surged by 17 percent year-on-year basis i.e. Rs 231.0 billion or 73.0 percent of the target, Rs. 315.0 billion as compared with disbursement of Rs 197.4 billion of last year. The detail is presented in Table 2.19.

Table 2.19: Supply of Agricultural Credit by Institutions (Rs. In Billion)

Year	ZTBL	Commercial Banks	PPCBL	Domestic Private Banks	MFBs	Total	
						Rs. Billion	%Change
2007-08	66.9	94.7	5.9	43.9	0.0	211.6	-
2008-09	75.1	110.7	5.6	41.6	0.0	233.0	10.1
2009-10	79.0	119.6	5.7	43.8	0.0	248.1	6.5
2010-11	65.4	140.3	7.2	50.2	0.0	263.0	6.0
2011-12	66.1	146.3	8.5	60.9	12.1	293.8	11.7
2011-12 P	37.8	107.6	6.0	37.3	8.5	197.4	-
2012-13P	38.0	123.7	5.4	51.0	13.0	231.0	17.0

Source: State Bank of Pakistan
P: Provisional (July -Mar)

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

Sector-wise classification revealed that the share of the non-farm sector in the overall agriculture credit disbursement has increased by 7.0 percent during July-March 2012-13. During the period under review Rs 131.3 billion was disbursed to the farm sector while credit disbursement to non-farm sector stood at Rs 99.7 billion. An amount of Rs 125.6 billion or 64.0 percent was extended to farm sector and Rs 71.7 billion or 36.0 percent was disbursed to non-farm sector during corresponding period of last year.

Sector		2012-13	2011-12
		Jul-Mar 2013	Jul-Mar 2012
A	Farm Credit	131.3	125.6
1	Subsistence Holding	75.7	70.8
i	Production	71.2	68.6
ii	Development	4.5	2.2
2	Economic Holding	35.4	33.8
i	Production	33.8	33.0
ii	Development	1.6	0.8
3	Above Economic Holding	20.3	21.0
i	Production	18.3	19.1
ii	Development	1.9	1.9
B	Non-Farm Credit	99.7	71.7
1	Small Farms	31.7	19.0
2	Large Farms	68.0	52.7
Total (A+B)		231.0	197.4

Source: State Bank of Pakistan

III. Livestock and Poultry

a) Livestock

The livestock sector occupies a unique position in the National Agenda of economic development .The sector provides net source of foreign earnings. Historically livestock has been dominated by small holders to meet their needs of milk, food security and cash income on daily basis. Moreover, livestock is considered a source of employment generation at rural level, helping to reduce income variability. It is central to the livelihood of the rural poor in the country and can play an important role in poverty alleviation and keep in uplifting the socio-economic condition of our rural masses.

Livestock contributed approximately 55.4 percent to the agricultural value added and 11.9 percent to national GDP during 2012-13, against 55.3 percent and 11.9 percent during the same period last year. Gross value addition of the livestock sector at constant cost factor has increased from Rs.735 billion (2011-12) to Rs.756 billion (2012-13); showing an increase of 2.9 percent as compared to previous year. The livestock population for the last three years is given in Table 2.20.

Table 2.20: Livestock Population (Million Nos.)

Species	2010-11[1]	2011-12[1]	2012-13[1]
Cattle	35.6	36.9	38.3
Buffalo	31.7	32.7	33.7
Sheep	28.1	28.4	28.8
Goat	61.5	63.1	64.9
Camels	1.0	1.0	1.0
Horses	0.4	0.4	0.4
Asses	4.7	4.8	4.9
Mules	0.2	0.2	0.2

Source: Ministry of National Food Security & Research
[1]: Estimated Figure based on inter census growth rate of Livestock Census 1996 & 2006

The major products of livestock are milk and meat which for the last three years are given in Table 2.21.

Table 2.21: Milk and Meat Production			(000 tonnes)
Species	**2010-11[1]**	**2011-12[1]**	**2012-13[1]**
Milk (Gross Production)	46,440	47,951	49,512
Cow	16,133	16,741	17,372
Buffalo	28,694	29,565	30,462
Sheep[2]	36	37	37
Goat	759	779	801
Camel[2]	818	829	840
Milk (Human Consumption)[3]	37,475	38,690	39,945
Cow	12,906	13,393	13,897
Buffalo	22,955	23,652	24,370
Sheep	36	37	37
Goat	759	779	801
Camel	818	829	840
Meat[4]	3,095	3,232	3,379
Beef	1,711	1,769	1,829
Mutton	616	629	643
Poultry meat	767	834	907

Source: Ministry of National Food Security & Research

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.

The milk production increased by 3.2 percent and meat 4.5 percent during 2012-13 as compared to corresponding period last year.

The production of other livestock products for the last three years is given in Table 2.22.

Table:2.22 Estimated Livestock Products Production				
Species	**Units**	**2010-11[1]**	**2011-12[1]**	**2012-13[1]**
Eggs	Million Nos.	12,457	13,144	13,813
Hides	000 Nos.	13,481	13,938	14,410
Cattle	"	6,741	6,995	7,258
Buffalo	"	6,640	6,842	7,050
Camels	"	100	101	102
Skins	"	48,478	49,582	50,713
Sheep Skin	"	10,620	10,745	10,873
Goat Skin	"	23,685	24,237	24,986
Fancy Skin	"	14,173	14,509	14,854
Lamb skin	"	3,154	3,192	3,229
Kid skin	"	11,019	11,318	11,624
Wool	000 Tonnes	42.5	43.0	43.6
Hair	"	23.2	23.8	24.4
Edible Offal's	"	344	353	363
Blood	"	58.3	59.8	61.3
Guts	000 Nos.	48,974	50,089	51,232
Casings	"	14,347	14,832	15,333
Horns & Hooves	000 Tonnes	49.5	50.9	52.5
Bones	"	735.1	757.5	780.5
Fats	"	234.8	241.7	248.8
Dung	"	1,039	1,071	1,104
Urine	"	320	329	338
Head & Trotters	"	214.0	220.1	226.3
Ducks, Drakes & Ducklings	Million Nos.	0.6	0.5	0.5

Source: Ministry of National Food Security & Research

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

b) Poultry

Poultry sector is one of the most organized and vibrant segments of the agriculture industry of Pakistan. This sector generates employment (direct/indirect) and income for about 1.5 million people. Its contribution in agriculture is 5.76 percent, livestock 10.4 percent and in GDP at constant cost factor 1.2 percent. Poultry meat contributes 26.8 percent of the total meat production in the country. Poultry sector has shown a robust growth @ 7-8 percent annually which reflects its inherent potential. The poultry value added at constant cost factor has increased from Rs.113465 million (2011-12) to Rs. 121726 million (2012-13) showing an increase of 7.3 percent as compared to previous year. The production of commercial and rural poultry and poultry products for the last three years is given in Table 2.23.

Table 2.23: Domestic/Rural & Commercial Poultry

Type	Units	2010-11[1]	2011-12[1]	2012-13[1]
Domestic Poultry	Million No’s	78.51	79.68	80.87
Cocks	"	9.84	10.10	10.38
Hens	"	37.42	38.09	38.78
Chicken	"	31.25	31.48	31.72
Eggs[2]	"	3742.00	3809.00	3878.00
Meat	000 Tonnes	104.43	106.51	108.62
Duck, Drake & Duckling	Million No's	0.56	0.54	0.54
Eggs[2]	"	25.18	24.13	23.13
Meat	000 Tonnes	0.77	0.73	0.70
Commercial Poultry				
Layers	Million No's	32.54	44.10	47.00
Broilers	"	542.74	34.82	37.25
Breeding Stock	"	8.81	597.02	652.72
Day Old Chicks	"	566.89	9.25	9.71
Eggs[2]	Million No’s	8690.00	623.58	685.94
Meat	000 Tonnes	662.18	9281.00	9912.00
Total Poultry				
Day Old Chicks	Million No’s	598.00	655.00	718.00
Poultry Birds	"	663.00	721.00	785.00
Eggs	"	12857.00	13114.00	13813.00
Poultry Meat	000 Tonnes	767.00	834.00	907.00

Source: Ministry of National Food Security & Research
1 : The figures for the indicated year is statistically calculated using the figures of 2005-06.
2 : The figures for Eggs (Farming) and Eggs (Desi) is calculated using the poultry parameters for egg production.

Poultry Development policy envisions sustainable supply of wholesome poultry meat, eggs and value added products to the local and international markets at competitive prices and also to facilitate and support private sector-led development for sustainable poultry production. The strategy revolves around improving the regulatory framework, disease control and genetic improvement in rural poultry, high tech poultry production under environmentally controlled housing, processing and value addition, improving bio-security, need based research and development and farmers training and education. It envisages poultry sectors growth of 15-20 percent annually.

Future Plans

Consequent upon 18th Constitutional Amendment, the animal health and production subject have been devolved to the provinces and now the Livestock Wing, M/o National Food Security and Research is redefining its role under its new mandate to serve as catalyst in the development of livestock in the country. The future plan for livestock sector is to persuade the policies to achieve 5 percent or more growth in meat and 8 percent or more in milk production, which are currently around 3 percent, through shifting from subsistence livestock farming to market-oriented and commercial farming covering entire value chain from farm to plate. The future road map is to assist and promote value addition livestock industry, diversification of livestock products, entering into global Halal Food Market, Controlling Trans-boundary Animal Diseases of trade and economic importance through provincial participation and rural socio-economic uplift. The future policy priorities therefore revolve around the following strategies.

- Encouraging Public Private Partnership led development with government providing enabling environment.
- National economic growth.
- Encouraging livestock sector role and using as tool for poverty alleviation & food security.
- Enhance foreign exchange earnings through exports of livestock products with focus on halal food market.

IV. Fisheries

i) Fishery plays an important role in Pakistan's economy and is considered to be a source of livelihood for the coastal inhabitants. A part from marine fisheries, inland fisheries (based in rivers, lakes, ponds, dams etc.) is also very important activity throughout the country. Fisheries share in the GDP although very little but it adds substantially to the national income through export earnings. During (July-March), 2012-13 a total of 103,822 m.tonnes of fish and fishery products were exported earning US $ 232.4 million against a total of 90,087 m.tonnes of fish and fishery products were exported earning US $ 222.6 million corresponding period last year showing an increase of 15.3 percent and 4.4 percent respectively.

ii) During (July-March), 2012-13 total marine and inland fish production was estimated 728,815 m. tonnes out of which 467,000 m. tonnes was marine production and the remaining catch came from inland waters, whereas the production for the period July-March, 2011-12 was estimated to be 724,838 m. tonnes in which 465,000 m. tonnes was from marine and the remaining was produced by inland fishery sector.

iii) The government is taking a number of steps to improve fisheries sector. Further number of initiatives are being taken by federal and provincial fisheries departments which includes inter alia strengthening of extension services, introduction of new fishing methodologies, development of value added products, enhancement of per capita consumption of fish, upgradation of socio-economic conditions of the fishermen's community.

iv) Modernized Fishing Fleets.

The government during 2008-09 modified four local fishing boats as demonstrational/modular's boats under a project at a total cost of Rs. 5.0 million, with the aim to assist boat owners to modify their boats on the similar lines to ensure maintenance of quality of catch at sea. As a result of introduction of modular boats by Marine Fisheries Department (MFD), the Government of Sindh has also executed similar project and now boat owners have started modification of their boats on their own expenses. So far 843 fishing boats have been modified that comply with the requirements of EU and national standards. This is a success story for Pakistan.

v) Accreditation of Quality Control Laboratories under ISO/IEC-17025 International Standards

Two laboratories namely (Microbiology and Chemical) of MFD achieved international accreditation under ISO/IEC-17025 international standards. Thus the MFD has fulfilled the requirements of EU and other importing countries and now the test reports issued by these laboratories are acceptable all over the world.

vi) The European Union (EU) has lifted the ban on import of Pakistani fish products.

The EU has decided to allow import of Pakistani fish products, which will give a boost to the country's exports. The companies exporting to EU were delisted in 2007. However, after efforts made by the MFD and Pakistan's Trade Mission in Brussels, the EU has finally agreed to lift the ban from March 12, 2013 and two of the Pakistani fishery-processing establishments have been allowed to export the fish products to the 27-nation block.

vii) Quality Control Services

MFD is responsible to regulate quality and promote export of fish and fishery products and to prevent export of substandard quality of fish and fishery products and for matters connected therewith and ancillary thereto. During July-March, 2012-13, 15,550 certificates of quality and health for seafood commodities exported from Pakistan were issued. The income generated from issuance of the certificates was Rs.15.6 million.

viii) Conservation and Management of Marine Resources

MFD in collaboration with fisheries department of Government of Sindh, Fishermen's

Chapter 3

Manufacturing and Mining

3.1 Introduction

Manufacturing sector is considered to be the main source of economic growth having forward and backward linkages with the other sector of the economy. It accounts 13.2 percent of Gross Domestic Product (GDP) and 13.8 percent of total employed labor force. Large Scale Manufacturing (LSM) at 10.6 percent of GDP dominates the overall sector, accounting for 81 percent of the sectoral share followed by Small Scale Manufacturing, which accounts for 1.6 percent of total GDP. The third component of the sector is Slaughtering and account 0.9 percent of overall GDP. Mining and Quarrying having share of 3.1 percent in GDP.

Large Scale Manufacturing (LSM) during July-March 2012-13 registered a growth of 4.26 percent as compared to 1.49 percent in the comparable period of last year. 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 growth as 0.73 percent, 1.35 percent and 2.18 percent respectively. The industry specific data showed that many sub sectors performed well in the period under review such as paper & board grows at 21.97 percent, rubber products 17.61 percent, pharmaceuticals 16.35 percent, coke & petroleum products 13.31 percent, iron and steel products 13.24 percent, food beverages & tobacco 7.30 percent, non metallic mineral products 5.86 percent and textiles 0.92 percent. Some sectors mainly energy intensive recorded negative growths including engineering products 15.60, wood products 18.98 percent, percent, automobiles 11.84 percent, electronics 6.43 percent, fertilizers 5.03 percent, leather products 2.33 percent and chemicals 1.08 percent. The overall performance of LSM is satisfactory which can be well gauge year on year basis over corresponding period of last year.

Fig-3.1: 2011-12 (Year on Year Growth Rate)

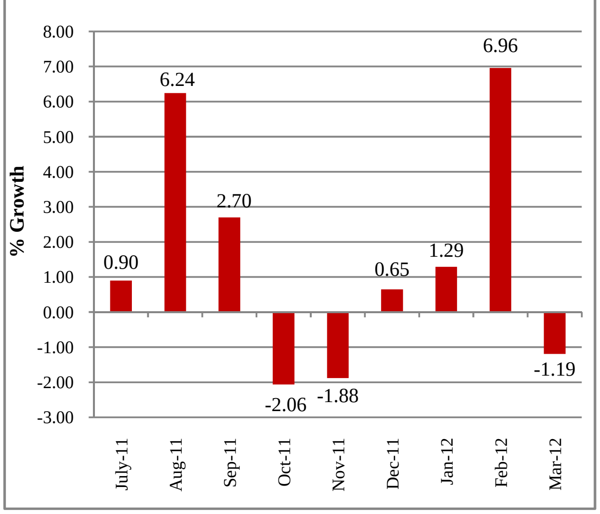
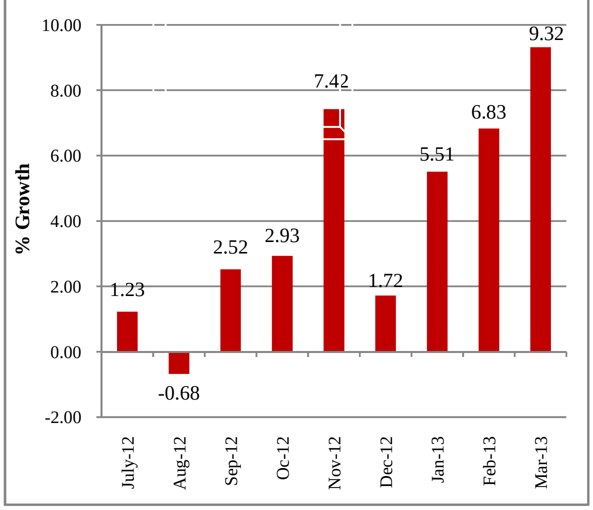


Fig-3.2: 2012-13 (Year on Year Growth Rate)



The manufacturing output rebounded owing to better gas/power supply to the industrial units and supportive policies particularly to the revival of Pakistan Steel Mills (PSM). A restructuring plan for PSM has been approved by the Cabinet Committee on Restructuring (CCOR), under which its board has been reconstituted and a new CEO has been appointed. Immediate financial needs have been addressed and a bailout package of Rs. 14.6 billion has been granted to Pakistan Steel Mills (PSM) in FY 13. New business plan of PSM is focused on maximum utilization of capacity and a path of achieving breakeven point. Smooth availability of raw materials to PSM is being ensured to ensure future profitability.

The government is also making efforts to improve energy situation to boost industrial growth as the improvement in gas supplies to fertilizers industries helped to enhance their capacity utilization. In addition some industries like paper & board and steel production constraint eased out by investing in alternate energy arrangement i.e. coal and furnace oil. However, consumer durables continued to struggle with import competition as production of automobiles and electronics declined. Group wise growth and points contribution rate of LSM for the period of July-March 2011-12 versus July-March 2012-13 are given in the following table-3.1.

Table 3.1: Group wise growth and Point Contribution rate of LSM

S. #	Groups	Weights	% Change		% Point Contribution	
			July-March		July-March	
			2011-12	2012-13	2011-12	2012-13
1	Textile	20.91	0.77	0.92	0.16	0.19
2	Food, Beverages & Tobacco	12.37	7.41	7.30	0.92	0.90
3	Coke & Petroleum Products	5.51	-5.68	13.31	-0.31	0.73
4	Pharmaceuticals	3.62	10.35	16.35	0.37	0.59
5	Chemicals	1.72	-4.20	-1.08	-0.07	-0.02
6	Automobiles	4.61	-1.04	-11.84	-0.05	-0.55
7	Iron & Steel Products	5.39	-28.47	13.24	-1.53	0.71
8	Fertilizers	4.44	-0.42	-5.03	-0.02	-0.22
9	Electronics	1.96	-7.29	-6.43	-0.14	-0.13
10	Leather Products	0.86	2.27	-2.33	0.02	-0.02
11	Paper & Board	2.31	18.21	21.97	0.42	0.51
12	Engineering Products	0.40	-10.47	-15.60	-0.04	-0.06
13	Rubber Products	0.26	-24.61	17.61	-0.06	0.05
14	Non-Metallic Mineral Products	5.36	2.95	5.86	0.16	0.31
15	Wood Products	0.59	7.39	-18.98	0.04	-0.11

Source: Pakistan Bureau of Statistics (PBS)

In rubber products group, motor tyres and cycles tubes were the main contributors which managed to grow by 18.12 percent and 12.62 percent, respectively. The growth in iron & steel products was on account of growth recorded in H/CR sheets/strips/coils/plates 45.53 percent. Three steel plants were commissioned in Karachi during 2012 (One in H2-FY12 and two in H1-FY13) are joint ventures with Saudi Arabia, Japan and International Finance Corporation which also improved steel production in the country. In petroleum refining, higher margins improved the cash flows of local refineries and in addition partial resolution of the circular debt situation also enabled the firms to import more crude oil and increase capacity utilization. Petroleum products growth mainly arrived from the production of LPG 25.72 percent, motor sprits 21.90 percent and furnace oil 19.83 percent during the period under review.

In non metallic mineral product, cement managed to grow by 6.08 percent because of timely release of public sector development funds during the period amounting to Rs. 183.2 billion, which stimulated the construction activities.

The food, beverages & tobacco and textile group which accounts about half of the Large Scale Manufacturing (LSM) remained modest during the period under review. The items showed positive growth in food, beverages & tobacco includes soft drinks 15.58 percent, juices, syrups & squashes 14.05 percent, cooking oil 14.75 percent and tea blended 18.99 percent. Restaurant and fast food chains are flourishing in the country. The demand for dairy products, processed food and beverages has increased manifold thus brought a positive impact in food group. In textile groups, items registered positive growth includes cotton yarn 1.27 percent, cotton cloth 0.22 percent, knitting wool 14.89 percent and woolen & worsted cloth 2.20 percent.

The reason behind the negative growth of electronics is smuggling which can be easily gauged from the negative growth of TV sets 64.57 percent, air conditioners 19.85 percent, electric bulbs 6.22 percent and electric tubes 27.50 percent. In automobiles, tractor production registered a positive growth of 34.52 percent on account of reduction in GST. The other sub items of automobile sector such as buses, cars & jeeps and LCVs registered a negative growth of 8.88 percent, 22.93 percent and 30.28 percent respectively. The growth in cars &

jeeps suffered on account of amnesty scheme as well second hand imported cars. The growth prospect of this sector is not likely to ease out till the appetite of vehicles is saturated. Item wise review of production of selected items of Large Scale Manufacturing during July-March 2012-13 is given in table-3.2.

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

S#	Items	Unit	Weight	July-March		% Change (Jul-Mar) 2012-13	% Point Contribution (Jul-Mar) 2012-13
				2011-12	2012-13		
1	Deep Freezers	(Nos.)	0.162	36059	36482	1.17	0.00
2	Jeep & Cars	(Nos.)	2.818	110430	85109	-22.93	-0.65
3	Refrigerators	(Nos.)	0.239	745421	804965	7.99	0.02
4	Upper Leather	(000 sq.m.)	0.392	18155	17115	-5.73	-0.02
5	Cement	(000 tones)	5.299	21447	22751	6.08	0.32
6	Liquids/Syrups	(Million Liters)	1.136	69.922	90.445	29.35	0.33
7	Phosphatic fertilizer	(000 N tones)	0.400	359.344	407.715	13.46	0.05
8	Tablets	(Million Nos)	1.914	17557.769	18654.715	6.25	0.12
9	Cooking oil	(000 tones)	2.227	232.538	266.842	14.75	0.33
11	Nitrogenous fertilizer	(000 N tones)	4.041	1674.972	1552.494	-7.31	-0.30
12	Cotton Cloth	(Million sq.m.)	7.186	769.600	771.270	0.22	0.02
13	Vegetable Ghee	(000 tones)	1.144	813.175	844.990	3.91	0.04
14	Cotton Yarn	(000 tones)	12.965	2225.310	2253.510	1.27	0.16
15	Sugar	(000 tones)	3.545	4485.592	4621.873	3.04	0.11
16	Tea Blended	(000 tones)	0.382	58.815	69.982	18.99	0.07
17	Petroleum products	(Milion Liters)	5.410	8046.298	9129.984	13.47	0.73
18	Cigarettes	(Billion Nos.)	2.125	45.674	49.247	7.82	0.17
19	Coke	(000 tones)	0.104	138.616	148.112	6.85	0.01
20	Pig iron	(000 tones)	1.584	195.810	146.262	-25.30	-0.40

Source: Pakistan Bureau of Statistics (PBS)

Further, impressive production of major crops would support agro-based industries which would result in higher industrial production. Also increase in remittances (6.4 percent) during July-April 2012-13 along with income of rural class would enable people to buy durables which will encourage industrial sector. The pick up in private construction activities also depict in higher cement dispatches and import of iron and construction machinery that helped to spur overall manufacturing growth. All these positive factors may support to achieve the planned target but until and unless the energy situation may not improve up to required level the energy intensive industries will continue to suffer.

3.2 Textile Industry

Textiles is the most important manufacturing sector of Pakistan and has the longest production chain, with inherent potential for value addition at each stage of processing, from cotton to ginning, spinning, fabric, processing, made-ups and garments. The sector contributes nearly one-fourth of industrial value-added, provides employment to about 40 percent of industrial labour force, consumes more than 40 percent of banking credit to manufacturing sector and accounts for 8 percent of GDP. Barring seasonal and cyclical fluctuations, textile products have maintained an average share of about 60 percent in national exports. However, despite being the 4th largest producer and 3rd largest consumer of cotton globally, Pakistan's comparative advantage is largely pre-empted by low value added exports as reflected in country's 12th rank in world textiles exports.

Global overview

International Statistics reported that the export of textile and clothing has shown some signs of recovery after the global financial meltdown in 2009 and export of textile and clothing trade has increased from US $ 602.2 billion in 2010 to US$ 706.0 billion in 2011 showing an increase of 17 percent. The exports of Pakistani textile and clothing has also shown positive signs as it increased from US$ 11.8 billion in 2010 to US$ 13.7 billion in 2011 with the increase of about 16 percent. However, in 2010 China became the major exporter of textiles, pushing the European Union into second place has increased its exports of textile and clothing by 20 percent in 2011. The European Union and the United States are the major markets for clothing, accounting for 45 percent and 21 percent respectively, of world imports.

Table 3.3: Export of Textile and Clothing (US $ billions)

	2000	2004	2005	2006	2007	2008	2009	2010	2011
World Textile	157.3	195.5	202.7	220.4	240.4	250.2	209.9	250.7	294.0
World Clothing	197.7	260.6	276.8	309.1	345.8	361.9	315.1	351.5	412.0
Total:-	**355.0**	**456.1**	**479.5**	**529.5**	**586.2**	**612.1**	**525.0**	**602.2**	**706.0**
Pakistan Textile	4.5	6.1	7.0	7.5	7.4	7.2	6.5	7.8	9.1
Pakistan Clothing	2.1	3.0	3.6	3.9	3.9	3.9	3.4	3.9	4.6
Total	**6.6**	**9.1**	**10.6**	**11.4**	**11.3**	**11.1**	**9.9**	**11.7**	**13.7**
% Age of World Trade	1.86	1.99	2.22	2.15	1.93	1.81	1.88	1.94	1.94

Source: World Trade Organization (WTO)

Domestic Overview:

Domestically Pakistan is facing the problems of shortage of electricity, gas and the deteriorating law and order situation. The unscheduled/scheduled load shedding along with increasing rates of gas and electricity have obstructed the viability of the textile industry as the exporters were unable to meet their commitments. In addition our exports confined to raw materials to the global textile buyers and the same raw material comes back to the domestic market in form of finished value-added textile product. The capacity utilization in textile sector is only 60 percent. There are some positive initiatives like the announcement of duty waiver on 75 products by the EU from November15, 2012 which provided impetus to textile exports. Furthermore it is expected that if GSP plus status operational in 2014, the exporters would be able to boost the exports to EU particularly in textile. American buyers are also re-establishing links with Pakistan's textile and clothing manufacturers.

Industry sources attribute improved performance to uninterrupted provision of gas to the textile sector as yarn and fabric exports specifically benefitted from improved energy supply. The recent cut in policy rate would give a signal to market that the earlier cut in the discount rate in December, 2012 have been recognized amid a growth in overall LSM sector and particularly in textile sector.

Performance of Textile Industry

The textile industry of Pakistan has potential for performing better both in productions as well as in export by virtue of its inherent competitiveness in the international market for its conventional products. However, to sustain its position and to move in high value added products as well as for the increased market share, a large investment in machinery equipment and new technology is essential. The training of workers, improvement in labour productivity, research & development, product diversification and branding are the immediate areas for companies to focus. The export performance during the period under review is detailed below:

Table 3.4: Export of Pakistan Textiles (US$ Millions)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (July-Mar)
Cotton & Cotton Textiles	10390	10071	9308	9754	13147	11803	9352
Synthetic textiles	430	490	319	446	608	542	278
Wool & Woolen Textiles	233	216	145	137	132	121	88
Total Textiles	11053	10777	9772	10337	13887	12466	9718
Total Exports	17011	19224	17782	19290	24810	23641	18017
Textile as % age	65	56	55	54	56	53	54

Source: Ministry of Textile

3.2.1 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 discussed below.

(i) Cotton Spinning Sector

The spinning sector is the most important segment in the hierarchy of textile production. At present, as per record of Textile Commissioner Organization (TCO), it is comprised of 506 textile units (49 composite units and 457 spinning units) with 9.892 million spindles and 103 thousand rotors in operation with capacity utilization of 91 percent and 60 percent respectively, during July–March, 2012-13.

ii) Cloth Sector

The pattern of cloth production is different than spinning sector. There are three different sub-sectors in weaving i.e. integrated, independent weaving units, and power loom units. The power loom sector have modernized and registered a phenomenal growth over the last two decades. The growth of power loom sector is due to favorable government policies and more importantly the market forces. Production of cloth in mill sector is reported whereas the production in non-mills sector is estimated. The production of cloth had increased substantially thus served as the main strength for down stream sectors like bed wear made-ups & garments. The table given below showed production and export of clothing during the period under review.

Table 3.5 : Production and Export of Clothing Sector

Cloth Production	July-Mar 2011-2012	July-Mar 2012-2013	% Change
Mill Sector (M. Sq. Mtrs.)	770.509	771.270	0.10
Non Mill Sector (M. Sq. Mtrs.)	5975.850	6059.450	1.40
Total	**6746.359**	**6830.720**	**1.25**
Cloth Exports			
Quantity (M.Sq Mtr.)	1509.242	1438.938	-4.66
Value (M.US$)	1784.482	1991.237	11.59

Source: Ministry of Textile

(iii) Textile Made-up Sector

This is the most dynamic segment of textile industry. The major product groups are towels, tents & canvas, cotton bags, bed-wear, hosiery & knitwear & readymade garments including fashion apparels. The export performance of made-up sector during the period July-March 2012-13 is presented in table 3.6.

Table 3.6: Exports of Textile Made-Ups

	2011-2012 (July – Mar)	2012-2013 (July-Mar)	% Change
Hosiery Knitwear			
Quantity (000.Doz)	71.369	73.457	2.93
Value (M.US$)	1467.064	1508.781	2.84
Readymade Garments			
Quantity (000.Doz)	18.070	20.233	11.97
Value (M.US$)	1195.484	1318.263	10.27
Towels			
Quantity (M.Kgs)	101.687	126.138	24.05
Value (M.US$)	489.135	577.690	18.10
Tents/Canvas			
Quantity (000.Doz)	19.273	25.248	31.00
Value (M.US$)	64.868	84.904	30.89
Bed Wears			
Quantity (000.Doz)	184.003	195.764	6.39
Value (M.US$)	1311.121	1312.315	0.09

Table 3.6: Exports of Textile Made-Ups

	2011-2012 (July – Mar)	2012-2013 (July-Mar)	% Change
Other Made up			
Value (M.US$)	416.653	442.948	6.31

Source: Ministry of Textile

a) Hosiery Knitwear Industry

There are about 12,000 knitting machines spread all over the country and the capacity utilization is approx 70 percent. There is greater reliance on the development of this industry as there is substantial value addition in the form of knitwear. This sector has tremendous export potential however, the sector remained under pressure from its competitors. The export performance of knitwear during the period under review is given below in table.

Table 3.7: Export of Knitwear

	(July – Mar) 2011-2012	(July – Mar) 2012-2013	% Change
Quantity (000.Doz)	71.368	73.457	2.93
Value (M.US$)	1467.064	1508.781	2.84

Source: Ministry of Textile

b) Readymade Garment Industry

The garment industry provides highest value addition in textile sector and has tremendous export performance in the past. During July-March 2012-13, ready made garments worth $ 1.3 billion were exported as compared to $ 1.2 billion in comparable period of last year. Even in quantity terms the exports of readymade garment increased by 12 percent and helped by higher unit value prices, the export grew by 10.3 percent in value terms.

c) Towel Industry

There are about 7500 towel looms in the country in both organized and unorganized sector. The existing towels manufacturing factories have been up graded to produce higher value towels. During July-March, exports in this sector stood at $ 578 million as against $ 489 million in the comparable period of last year, thereby showing an increase of 18.1 percent. Even in quantity export increased by 24.1 percent.

d) Canvas

This is the highest raw cotton consuming sector and its production capacity is more than 100 million Sq. meters. This value-added sector has also great potential for export. The 60 percent of its production is exported while 40 percent is consumed locally by Armed Forces Food Department. Pakistan is the cheapest source of supply of tents and canvas. During July-March 2012-13, export in this sector stood at $ 84.9 million as against $ 64.9 million in the comparable period of last year, thereby showing an increase of 30.9 percent. Even quantity exported increase by 31 percent.

iv) Art Silk and Synthetic Weaving Industry

The art silk and synthetic weaving industry mostly confined in Karachi – Faisalabad, Gujranwala, Jalalpur Jattan as well as in the un-settled area (Bara – Sawat – Khyber Agency and Wazirstan). The export performance of this sector are very dismal during the period under review on account of electricity disruption.

Table 3.8 Export of Synthetic Textile Fabrics

	(July –Mar) 2011-2012	(July – Mar) 2012-2013	% Change
Quantity (M.Sq.Mtr)	283.064	198.031	-30.04
Value (M.US$)	372.008	277.796	-25.33

Source: Ministry of Textile

v) Woolen Industry

The main products manufactured by the woolen industry are woolen yarn, acrylic yarn, fabrics, shawls, blanket, and carpets. The exports of carpets during the period July to March 2011-12 and 2012-13 is as under.

Table 3.9: Export of Carpets and Rugs (Woolen)

	(July – Mar) 2011-2012	(July – Mar) 2012-2013	% Change
Quantity (M.Sq.Mtr)	2.557	2.154	-15.76
Value (M.US$)	92.559	87.801	-5.14

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 as under.

Table 3.10: Installed & Working Capacity

	(July-Mar) 2011-12	(July-Mar) 2012-13	% Change
Total No. of Units	10	10	-
Spindles Installed	36087	36172	0.24
Spindles Worked	24279	21836	-10.06
Looms Installed	1852	1856	0.22
Looms Worked	1021	940	-7.0

Source: Ministry of Textile

The production of the Jute goods for the period of July – March. 2011-2012 and 2012-2013 is 74,023 and 70,359 metric ton respectively showing a decrease of 4.9 percent.

3.3 Other Industries

Although Pakistan's exports are mostly confined to cotton and textile products in the international market, there are other industries as well which progressed rapidly and also contributed to the manufacturing sector.

3.3-1 Engineering Sector

Engineering Development Board, mandated to strengthen country's engineering industry has served a large number of engineering industries, by resolving industrial problems related to policy formulation, business development, production, import of materials and their tariff etc. However, a critical area that needed EDB's attention was to address industrial technical problems and to foster much needed innovation in the products and the processes to enable industry to enhance its competitiveness. With a view to address the aforesaid issues on sustainable basis, Engineering Development Board (EDB) has launched an extensive Industrial Research Programme (IRP) with the collaboration of the Academia and the Higher Education Commission (HEC). The Program aims at resolving the industrial technical problems, product up-gradation and innovation, new designs and improved industrial process, improvement of production material, qualify certifications, productivity enhancement and overcoming the Technical Bariers to Trade (TBT) for enhancing global trade of Pakistan products. EDB also has found avenues to provide financial support to research projects having industrial impact under IRP Programme. The industry benefitting from this programme will also get industrial technical support (if desired) from international expert agencies. EDB has taken on board a team of 992 university Professors, Scientists, Technologists, Researchers (PhD and M. Phil) in 308 fields from universities across the country to address industrial products and production problems covering all products relating to engineering sectors, applied physics and applied chemistry etc.

In addition Engineering Development Board (EDB) has already started working on preparing new five year Auto Industry Plan (AIP) based on flexible investment policy for new investor with tax and tariff incentives which will provide ample opportunity for local auto industry to contribute in economic development of the country in future.

3.3-2 Automotive Industry

The growth in automobiles industry across the world depends heavily on economic growth and availability of financial institutions at favorable terms. The industry seems to be less optimistic in comparison with the corresponding period of last year 2011-12. The sector recorded positive growth in Jeeps 67.1 percent and Tractors 34.5 percent during July-March 2012-13 as compared to corresponding period last year. Cars, LCVs, Buses, Trucks and two/three wheelers showing a negative growth of 23.2 percent, 30.2 percent, 8.8 percent, 27 percent and 0.3 percent respectively during the period under review. The table below shows comparative position at a glance.

Table 3.11 Production of Automotive Industry No of units produced

Category	Installed Capacity	2011-12 (July-March)	2012-13 (July-March)	% Change
Cars	240,000	110,059	84,489	-23.2%
LCVs	43,900	14,971	10,438	-30.2%
Jeeps	5,000	371	620	*67.1%
Buses	5,000	439	400	-8.8%
Trucks	28,500	1,893	1,380	-27%
Tractors	65,000	26,840	36,121	34.5%
Two/Three Wheelers	1,800,000	620,741	618,439	-0.3%

Source: Pakistan Automotive Manufacturer Association
*: A new product Toyota Fortuner was introduced in February 2013

Farm Tractors is intrinsically an upcoming sector because of its well-known comparative advantage. This sector presents a recovery from the impact of sales tax that was levied during 2011-12. The said levy of sale tax was later rationalized during 2012-13. After the imposition of reduced rate of sales tax its production has witnessed increased with a growth of 163.3 percent in July 2012 as compared to negative growth of 69.5 percent last year.

The fall in the production of locally produced cars during 2012-13 on account of persisting uncertainty followed by a major shift in the policy in order to favour the imports of used cars. The said policy change came into effect in December 2010 and the import of used cars grabbed as much as 36 percent market share of locally produced cars during 2011-12. Above all, the recent scheme put forth by the government to legalize the smuggled vehicles aggravated the gloom in more than 40 percent of the current market share. The prospects of growth in the industry are marred by the influx of used and smuggled vehicles in such numbers that almost equals one year’s production of the industry.

The production of heavy commercial vehicles (HCVs) Buses and Trucks, was 4169 units, five years ago July-March 2007-08 and now the production figure is 1780 units July-March 2012-13 registering a steep fall by 57 percent. The heavy vehicle industry is struggling for life on account of influx of old and used vehicles besides there are cases of under invoicing and mis-declaration. Furthermore, the cost of locally produced HCVs suddenly increased due to imposition of 17 percent sales tax in 2011-12 which was major blow as the competition with vehicles under invoiced and/or entering by undue means greatly increased. In this scenario, the survival of heavy commercial production in the country is seriously threatened as since long it is sustaining only with 20 percent of installed capacity. The schemes by the government like revamping the urban transport and implementing the trucking policy would surely help to revive the industry. The passenger and goods transport currently in use would soon have to be replaced to move new environmental friendly (Euro II) vehicles.

The potential demand for vehicles in the economy maintains a worthwhile promise for the industry. However, the recovery in the industry would be a matter of consistency in policy by the government. The auto industry is presently not provided with any auto policy as the long term Auto-industry Development Program (2007-12) since expired on June 30th 2012.

3.3-3 Fertilizer Industry

The fertilizer industry being provider of one of the key inputs for crop production has significant role in the agricultural growth of the country. It has both forward and backward linkages in national economy. In Pakistan, there are nine urea manufacturing plants, one DAP, three NP, three SSP, two CAN and one plant of blended NPKs having a total production capacity of 8,965 thousand product tones per annum. This shows an enormous increase of about 2,140 thousand tonnes per annum (from 6,825 to 8,965 thousand tonnes per annum) in fertilizer production capacity for all products during the short span of 3 years. Despite this the actual production has not attained the desired level especially in case of urea fertilizer having more than 6200 thousand tonnes per annum of national demand but the actual production is much below than required level. The annual production of urea for 2012-13 is estimated as 4,063 thousand tonnes, which is less than by sixty five (65) percent of installed capacity of urea fertilizer. This situation has emerged only due to curtailment of natural gas to urea manufacturing plants thus compelling the country for spending huge foreign exchange on urea imports (about an estimate of 904 thousand tonnes for 2012-13). Thus to eliminate the difference between the domestic and international price the government has to pay subsidy. It is estimated that during 2012-13, subsidy of about Rs. 12.76 billion will be paid on urea import while foreign exchange loss for these imports will be around Rs. 34.11 billion (US $ 359 million).

Fertilizer sector is the second largest consumer of gas after the power sector and due to continuation of gas supply curtailment (20 percent on Sui Network plants and 12 percent on Mari Network) to fertilizer industry and during the winter season load shedding has been increased from normal 45 days to 60 days on all networks. It is worth mentioning that since June 2012, the fertilizer plants on Sui Northern Gas Pipeline Limited (SNGPL) are closed totally on account of gas shortages, however, the only fertilizer plant located at Sui Southern Gas Pipeline Limited (SSGPL) is operational at 20 percent curtailment while the plants located at Mari Gas System are manufacturing urea at 12 percent gas curtailment. This policy of gas supply is deteriorating the fertilizer industry of country which is resulting into low production, undue price hike, increase in imports and subsidy, depletion of foreign exchange reserves and erosion of investment. Smooth supplies of natural gas to urea plants are essential to run the plants at 100 percent of their installed capacity for making urea available as per requirement at stable/affordable price.

3.3-4 Cement Industry

Cement industry played a vital role in the manufacturing sector during the current fiscal year 2012-13.The industry were facing crucial time in 2010-11 due to heavy flood in 2010 however, in 2011-12 local cement retention prices going up leading to some price based support to local cement manufacturers. In 2012-13, the sector witnessed the continuation of high retention prices that helped cement companies to improve their margin. Pakistan is among top 20 leading producers and top 5 leading exporters of cement in the world. Pakistan cement is being exported to Afghanistan, South Africa, Iraq, India, Sri Lanka, Tanzania, Djibouti, Mozambique, Sudan and Kenya.

Table 3.12: Export of Cement and Clinker

	Cement			Clinker	
Financial Years	Afghanistan Via Land	India Via Sea & Land	Other Countries Via Sea	Other Countries Via Sea	Total
	Quantity in Metric Tons				
2009-2010	4,017,361	722,968	5,625,391	283,436	10,649,156
2010-2011	4,726,996	590,104	3,910,675	200,169	9,427,943
2011-2012	4,715,109	605,453	3,247,268	-	8,567,830
2012-2013 (July-April)	3,670,437	382,005	2,870,734	-	6,923,176

Source: All Pakistan Cement Manufacturer Association (APCMA)

There are 25 cement factories in Pakistan and on the basis of factories location, industry is bifurcated in two zones i.e. North & South. Capacity breakup is North Zone 85 percent and South Zone 15 percent. The annual cement production capacity is 44.77 million tons per annum. Performance of the cement industry during last four years as under:

Table 3.13: Performance of Cement Industry (Million. Tons)

July to June	Cement Capacity	Local Despatches	Exports	Total Despatches	Capacity Utilization (%)	Surplus Capacity
2009-10	45.47	23.57	10.65	34.22	75.25 %	11.25
2010-11	42.50	22.00	9.43	31.43	73.95 %	11.07
2011-12	44.77	23.95	8.57	32.51	72.63 %	12.25
2012-13 (July-April)	44.77	20.74	6.92	27.66	74.15 %	9.64

Source: All Pakistan Cement Manufacturer Association (APCMA)

Owing to improving cement prices this year, the outlook for most cement players has been positive one. Exports will continue to be challenge, though devaluation of the rupee and local manufacturers efforts to increase prices in Afghanistan will be of some help. Local cement dispatches are also expected to go up owing to an improvement in PSDP expenditures this year and due to election led boost in infrastructural spending.

3.5: Privatization Programme

Pakistan's privatisation programme was the most successful program in South Asia, Central Asia and the Middle East as it is successfully managed to complete approximately 167 privatisation transactions, generating revenue of over US $ 9 billion (Rs. 476.4 billion) since its creation.

The privatisation program entered into an extended lean period due to domestic and global challenges. Privatisation program could not be conducted in isolation and is highly dependent on both domestic and international regulatory, financial, political and business environment. Domestically poor law & order and security situation adversely affected investment climate in the county. The on-going Euro zone sovereign debt crisis affected flow of investment into the country.

Despite the challenges, it has been reinvigorated the privatisation program by focusing on a policy of "Privatisation for the People". Under this program a renewed focus is placed on domestic capital market listings.

The Privatisation Commission during the tenure of previous government (2008-13) initiated privatisation program which, inter alia includes "Strategic Sales" and "Capital Market" transactions. The Capital Market Roadmap was approved by the government for investment of Government of Pakistan (GOP) share in different entities. The Privatisation Commission would track the approved roadmap, however, it may be observed that domestic and international capital markets listings are ought to be carefully structured and phased in a manner that ensures best price and optimal gains from state owned assets. Presently, capital markets both domestic and global remain vulnerable as investor's confidence is yet subdued due to prolonged financial crisis. The timeframe of the approved domestic and international capital market transaction roadmap is being compromised. This coupled with continued delays in improvement in global financial markets condition and is likely that the roadmap for international listing will be delayed further.

The capital projects of strategic sales include privatisation of National Power Construction Corporation (NPCC), Heavy Electrical Complex (HEC) and Power Distribution Companies (DISCOs) whereas, entities like Pakistan Petroleum Limited (PPL), Oil and Gas Development Company Limited (OGDCL) beside few others were selected for local and international capital market transactions.

3.6: Small & Medium Enterprises Development Authority (SMEDA)

Small and Medium Enterprises Development Authority (SMEDA) is the apex organization for development of the SME sector. It has an all encompassing mandate towards fostering growth of SMEs along with a broad service portfolio spread across SME sectors, skills development through training, industry support for productivity enhancement, business development services and collaborative projects with international development partners.

SMEDA facilitates SMEs through a network of SMEDA Offices in the four provincial capitals and twenty one Regional Business Centres across the country. Results achieved by SMEDA during July-March, 2012-13 are as follows:

Table: 3.14: SMEDA performance

Indicators	Results
Growth in SMEs Facilitated by SMEDA	16,000 SMEs
Investment Mobilization	Rs. 4.01 Billion
Value Created Hands of SMEs	Rs. 3.46 Billion
Jobs Created by SMEDA	15,700 Jobs

Source: SMEDA

Other key activities undertaken during the period include 134 training programs and workshops where 5,025 individuals participated.

Lack of infrastructure and technology are major constraints which hinder SME productivity and competitiveness in the global market. To cope with this challenge, SMEDA initiated efforts in infrastructural development program and technological up gradation under the Public Sector Development Program (PSDP). During July-March 2012-13, SMEDA continued and expanded its portfolio of PSDP projects. At present, it is managing as many as 29 projects with a total outlay of Rs. 2875.36 million, out of which 05 projects have been completed, whereas 07 projects are operational and providing services to SMEs. The remaining 14 projects with an outlay of Rs. 1629.70 million are at various stages of implementation, whereas 3 more projects have been approved and expected to be funded by the government.

SMEDA actively collaborate with international agencies such as Japan International Cooperation Agency (JICA), Gesellshaft Fur Internationale Zusammenarbeit (GIZ), and Senior Experts Services (SES) of Germany and Asian Productivity Organization (APO) and some of their efforts are:

Under "**Productivity and Efficiency Enhancement Program",** 57 industrial units have been the direct beneficiaries of this program during July-March 2012-13 which mainly focused in the areas of Energy Efficiency, Productivity Improvement, and Environment/Green Productivity. Major sectors facilitated under the Industry Support Programme of SMEDA are; textiles (spinning, weaving, processing, garments, sportswear & apparel), auto parts, electric fans and furniture.

The **"Economic Revitalization of Khyber Pakhtunkhwa and FATA (ERKF)"** is a multi-donor funded project led by the World Bank that aims at revitalization of flood affected remote areas of KPK and FATA. The total cost of the project is US$ 20 million. The project is divided in three components, namely i) SME Development, ii) Investment Mobilization, and iii) Capacity Building to foster investment and implement reforms. The SME Development component is being implemented by SMEDA. Financial facilitation and micro grants provided by SMEDA under the project during the July-March, 2012-13 was Rs. 192 million.

Under **"Pakhtunkhwa Hunarmand Rozgar Scheme"** loan facility is provided to stimulate business activity in flood affected region in the field of marble, gem stones, minerals, handicrafts, automobile repairing, plumbing, electric works, furniture, light engineering, garments, embroidery, hair dressing and beauty salons, information technology and other areas supporting economic stabilization in the affected regions. Loan amount distributed under the project for the July-March, 2012-13 was Rs. 242 million.

3.7: Mineral Sector

Pakistan has been endowed with huge mineral potential including precious metals, dimension stones, industrial minerals, rock salt and coals. It is also conscious of the unique characteristics of the mining industry like highly risk prone, capital intensive and subject to global competition with high volatility of prices. In addition the crude and wasteful method which damage deposits also incurred loses to the national exchequer. There has been very limited exploration by using modern managements, adequate capital and appropriate technical know-how. The Mining and Quarrying sector estimated to grow at 7.6 percent in 2012-13 as against 4.6 percent last year. Barytes, Dolomite, Calcite, Marble, Soap Stone, Bauxite, Crude Oil and Magnesite posted a positive growth rate of 435.9 percent, 126.3 percent, 117.7 percent, 83.9 percent, 63.6 percent, 62.0 percent, 15.8 percent and 9.3 percent, respectively. However some witnessed negative growth rate during the period under review such as the growth of Sulphur declined by 28.9 percent followed by Phosphate 16.1percent, Cooper 12.1 percent, Chromites 10.1 percent, Coal 3.1 percent and Natural Gas 2.1 percent respectively (Table 3.15).

Table 3.15: Extraction of Principal Minerals

Minerals	Unit of Quantity	2010-11	2011-12	2012-13	% Change
Coal	M.T	3,291,617	3,178,986	3,079,156	-3.1
Natural Gas	MMCFT	1,471,590	1,558,959	1,525,866	-2.1
Crude Oil	JSB(000)	24,041	24,573	28,462	15.8
Chromite	M.T	148,034	179,203	161,045	-10.1
Magnesite	M.T	4,908	5,444	5,949	9.3
Dolomite	M.T	240,111	198,392	449,034	126.3
Gypsum	M.T	885,368	1,260,021	1,297,020	2.9
Lime Stone	M.T	32,020,996	35,016,411	38,756,783	10.7
Rock Salt	M.T	1,953,711	2,135,760	2,104,986	-1.4
Sulphur	M.T	27,645	25,560	18,162	-28.9
Barytes	M.T	31,836	48,510	259,941	435.9

Table 3.15: Extraction of Principal Minerals

Minerals	Unit of Quantity	2010-11	2011-12	2012-13	% Change
Bauxite	M.T	9,033	30,223	48,958	62.0
Calcite	M.T	607	170	370	117.7
Soap Stone	M.T	47,561	55,515	90,817	63.6
Marble	M.T	1,132,900	1,750,578	3,219,834	83.9
Cooper	M.T	15,672	17,931	15,758	-12.1
Phosphate	M.T	30,950	69,400	58,204	-16.1

Source: Pakistan Bureau of Statistics (PBS)

During 2012-13 an area of about 3,900 Sq. km is planned to be mapped in different parts of the country and for the same purpose 300 samples collected and analyzed under geochemical surveying. Efforts have already been concentrated on exploration and evaluation of coalfields in Punjab, Sindh and Baluchistan.

The ongoing project namely Strengthening and Capacity Building of Mineral Wing, National Coal Policy , Review/Updation of Mineral Policy, Up Gradation/Strengthening of Geosciences Advance Research Laboratories and Accelerated Geological Mapping & Geochemical exploration of the out crop areas are under implementation. A new project title Petroleum house initiated with PSDP allocation of Rs. 200 million during 2012-13 whereas total allocation for all these ongoing projects are Rs. 268 million as compare to Rs. 50 million allocated during last year.

Most of mineral deposits are concentrated in Baluchistan and whatever minerals were produced its production has been affected by law and order situation, absence of necessary infrastructure and lack of technical capacity of mining. There is huge gap between the potential and actual production. There is need for the development of technologies for processing different indigenous ores to extract products of high commercial value that can play a dominant role in economic uplift, employment generation and exports.

Chapter 4

Fiscal Development

Fiscal Development

Fiscal policy significantly impacts the economic direction of any country through various measures such as taxation, public expenditures and public borrowing. The effectual implementation and adjustment of these fiscal measures determines the resource allocation, its distribution, economic stabilization and development. Therefore, sound fiscal policy is considered to be a decisive component not only for a sustainable economic growth but also for better fiscal management both in developed and developing countries. It has also been recognized that better fiscal management can effectively mobilize savings and efficiently allocate the resources to achieve the development goals.

Global economic downturn 2008-09, intensely affected the countries across the world, however emerging economies constricted significantly less than advanced economies mostly because of sound macroeconomic and financial policies. Their stronger fiscal position helped them to attain enough fiscal space to implement packages to offset the contraction in the world economy.

On the other hand, hostile fiscal developments, particularly increasing debt levels in most of the advanced economies in the aftermath of financial crisis exemplified the importance of long term fiscal sustainability for macroeconomic stability. Nonetheless, measures to improve fiscal sustainability in EU supported the revival of fragile global economic conditions in third and fourth quarter of 2012 along with the accelerated growth in emerging economies. It has also contributed to stabilize the financial conditions along with the decline in bond spreads in the Euro area, while prices for many risky assets particularly equities rose globally.

Accordingly, short-term fiscal risks also lowered in advanced countries due to gradual decline in deficits. Fiscal deficit in advanced economies declined by 0.75 percent to 5.9 percent of GDP in 2012 as compared to 6.6 percent of GDP in 2011 and is projected to decline further by 1.2 percent to 4.7 percent of GDP in 2013. While the global economic growth is projected to increase by 3.3 percent in 2013 against 3.2 percent in 2012.

Recent recovery is characterized by three speed recovery due to rising bifurcation between the US and the Euro area on one hand and strong economic conditions in emerging and developing economies on the other. Despite the fact that the biggest short term risks to global economy (euro area breakup and a sharp fiscal contraction in the US) have been neutralized successfully, still advanced economies are confronting with the challenge of balanced and sustained fiscal consolidation and continuation of financial sector reforms in order to decrease the risks in the financial system. It is expected that addressing these two main challenges will help in reducing the downside risks.

Pakistan economy is no exception to global economic uncertainties and challenges for sustained fiscal consolidation efforts. However during the past five years the economy faced myriad challenges on external and internal front including power crisis, persistent inflationary pressures, ,unprecedented floods , low tax to GDP ratio, high fiscal deficit, mounting public debt, high interest payments, high growth in subsidies on account of circular debt and resource drain through PSEs. The efforts to achieve fiscal sustainability were challenged as the expenditure overrun surpassed the revenue increases. Moreover, delays in key reforms for revenue mobilization owing to unfavorable external and internal environment also contributed in fiscal predicament. Despite all these challenges the economy performed well while recognizing this fact that to move out from high level of debts and to ease the fiscal burden, raising tax revenues and lowering government spending is vital. Therefore, the fiscal consolidation efforts remained at the top of macroeconomic agenda through prudent expenditure management and better resource mobilization.

Fiscal deficit was successfully brought down from 7.3 percent in 2007-08 to 5.2 percent in 2008-09 as a result of government's effort to attain fiscal discipline under IMF Stand by Arrangement Program (SBA). Whereas in 2010-11, it rose to 6.5 percent on account of multiple factors including lower revenue generation, security spending together with electricity subsidies. Additionally, unprecedented floods in 2010 and torrential rains in 2011 and energy crises jeopardized government's efforts; resultantly revenue and expenditure targets were missed. But it is worth noting that amid mounting pressures on public spending, government's various corrective measures during the past five years to rationalize expenditure and broadening of tax base have brought fiscal deficit to 6.8 percent from 7.3 percent ,expenditures were brought down and revenues posted a reasonable growth over previous years. Total expenditures declined from 21.4 percent of GDP in 2007-08 to 19.6 percent of GDP in 2011-12. Similarly, to keep the fiscal deficit at sustainable level, containment of current expenditures was also targeted by adopting austerity measures as current expenditures reduced to 15.5 percent of GDP in 2011-12 from 17.4 percent of GDP in 2007-08. On the other hand various tax measures helped FBR to collect Rs. 1883 billion in fiscal year 2011-12 against Rs. 1,008 billion in 2007-08. Thus FBR tax collection showed a tremendous growth of 86.8 percent since 2007-08.During July-March, 2012-13, FBR collection reached to Rs.1,352.3 billion against Rs 1,280.4 billion in the same period last year, posting a growth of 5.6 percent.

Fiscal Policy Development

It has been widely recognized that a prudent fiscal policy (low level of fiscal deficit and public debt) plays a significant role not only in reducing the risks of economic crisis but can also improve country's fiscal capacity to finance larger fiscal deficit without endangering economic stability and debt sustainability. Since the inception of global financial crisis in 2008-09, countries around the world dealt with the issue of consolidating their budgets while at the same time sustaining the economic growth. However, recent improvement in global economic situation has somewhat lowered short-term fiscal risks. Still concentrated efforts are required to contain the spending at reasonable level.

Over the years, Pakistan's fiscal policy remained under immense pressure owing to continued security related issues, greater than targeted subsidies, flood related expenses and global financial crisis. Although, Pakistan's economy was not directly affected from financial crisis, however, in confluence with unplanned expenditures mentioned above during the past five years resulted in mounting fiscal pressures. Besides, the government borrowed heavily from external and internal resources in order to finance the fiscal deficit, due to which a huge amount of money was paid towards interest payments. All these factors relentlessly affected Pakistan's fiscal capacity to finance the fiscal deficit. Nevertheless, during the past three years the efforts to contain the fiscal deficit within reasonable limit through an expenditure management strategy, austerity measures and reforms in Public Sector enterprises (Box-1) have yielded the result. Moreover, during past two years the government consolidated the outstanding power sector debt of worth Rs. 511 billion (Rs 120 billion in 2010-11 and Rs 391 billion in 2011-12.). This one of settlement during 2010-11 and 2011-12 will be helpful in making substantial savings on interest payments in coming year.

Box-1:
Public Sector Enterprises

The restructuring of Public Sector Enterprises (PSEs) has been initiated for improving economic and financial governance, with the focus on the three large PSEs – Pakistan Steel Mills (PSM), Pakistan Railway (PR) and Pakistan International Airlines (PIA). Key aspects of restructuring model include (i) restructuring Boards of Directors (BoDs) of PSEs; (ii) inducting professional management including CEOs, CFOs and key managers; (iii) developing viable turn around plans; (iv) ensuring implementation of plans in an independent manner with the support of government under the mandate of Cabinet Committee on Restructuring (CCOR).

The BoDs of PSM has been reconstituted and a new CEO has also been appointed. Its immediate financial needs have been addressed through a bailout package of Rs. 14.6 billion for FY13. New business plan of PSM is focused on maximum utilization of capacity and a path of achieving breakeven point. Smooth availability of raw materials to PSM is being ensured to ensure future profitability. Quarterly releases are being made based on achievement of KPIs as agreed in the Business Plan. The BoDs of PR has been reconstituted with involvement of high caliber professionals. Credit line of PR from Pakistan State Oil has been enhanced to ensure smooth supply, while an asset management company has been established for optimum utilization of PR's assets. Private Sector involvement is the focus moving forward with trains being run under Public Private Partnership. Financial viability is being pursued through improving revenue and support by the Government both through grant and allocation of Public Sector Development Program. A new CEO of PIAC has been appointed and afive year Business Plan has been developed, which envisages introduction of fuel efficient aircrafts, route rationalization, separation of core and noncore activities and human resource rationalization with the objective of making PIAC a sustainable and profitable entity in the long run. The cornerstone of the business plan is a shift in strategy from high capacity, low frequency operations to high frequency optimum capacity operations. The five year plan provides an overall picture of financial position and future prospects based on operational strategies being implemented in these focal areas and would require continued financial support from the government to succeed.

Given the difficult international and domestic economic environment during the past five years, fiscal position deteriorated in terms of key fiscal indicators such as revenues, expenditures and fiscal deficit. As shown in Table 4.1, total expenditures as percentage of GDP remained volatile on account of unplanned expenditures since 2007-08. Apart from security and flood related expenditures, subsidies in power and electricity and interest payments also consumed significant amount of Government's revenue. Additionally, loss making PSEs has also drained budgetary funds from productive uses.

Consequently, mounting pressures to finance the budget due to unplanned expenditures especially in the presence of limited foreign assistance and persistent shortfall in revenues brought various challenges for the fiscal authorities to keep the budget deficit within the reasonable limits. Moreover structural deficiencies in the tax system also contributed to create the considerable deviation in fiscal deficit from its original target. Therefore, budgetary management during the past few years remained heavily on the containment of investment spending and borrowing from the banking system. This along with other factors contributed significantly in the slowdown of economic growth.

Table 4.1: Fiscal Indicators as Percent of GDP

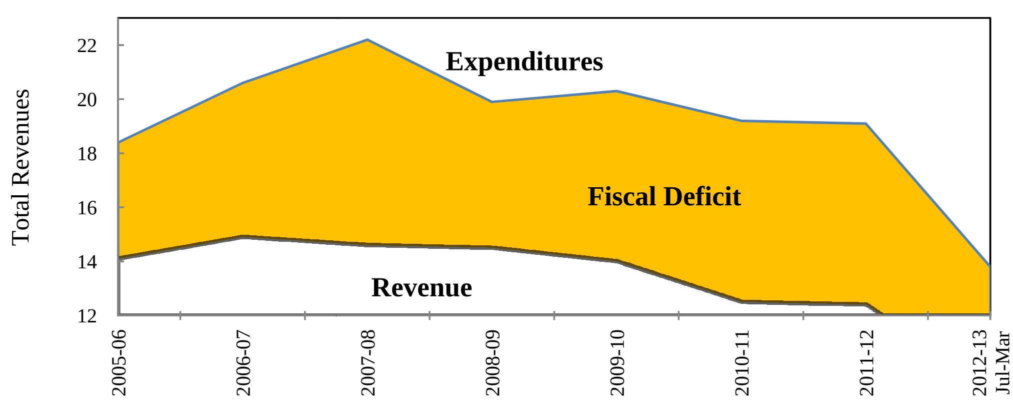
Year	Real GDP Growth	Overall Fiscal Deficit	Expenditure			Revenue		
			Total	Current	Development	Total Rev.	Tax	Non-Tax
2006-07	5.5	4.1	19.5	14.9	4.7	14.0	9.6	4.4
2007-08	5.0	7.3	21.4	17.4	4.2	14.1	9.9	4.2
2008-09	0.4	5.2	19.2	15.5	3.6	14.0	9.1	4.9
2009-10	2.6	6.2	20.2	16.7	3.5	14.0	10.1	3.9
2010-11	3.7	6.5	18.9	15.9	2.8	12.4	9.3	3.0
2011-12	4.4	6.8	19.6	15.5	3.6	12.8	10.3	2.4
2012-13 B.E	3.6*	4.7	19.0	14.6	4.4	14.3	11.1	3.2

*: Real GDP estimated for 2012-13

Note 1: The base of Pakistan's GDP has been changed from 1999-2000 to 2005-06.

All the key fiscal indicators surpassed their budgeted targets set for relevant years, however several efforts to contain the expenditures and to increase the revenues during past five years resulted in significant decline of fiscal deficit from 7.3 percent of GDP in 2007-08 to 6.8 percent of GDP in 2011-12. Total expenditures as percentage of GDP declined from 21.4 percent in 2007-08 to 19.6 percent of GDP in 2011-12. It is expected to decline further by 0.6 percentage point to 19.0 percent in 2012-13. In total expenditures, current expenditures were contained at 15.5 percent of GDP in 2011-12 from 17.4 percent in 2007-08, while it is expected to decline further in 2012-13 at 14.6 percent of GDP. On the other hand development expenditures stood at 3.6 percent in 2011-12 as compared to 4.2 percent of GDP in 2007-08. It is expected to rise by 4.4 percent in 2012-13. Out of total development expenditures, Rs 873 billion was earmarked to PSDP (allocation of Rs 360 billion to federal government and Rs 513 billion to provincial government). On the revenue side, tax to GDP ratio remained within the narrow band of 9.1 to 10.3 percent since 2007-08 to 2011-12. Total revenues declined from 14.1 percent in 2007-08 to 12.8 percent in 2011-12 on account of decline in non-tax revenues from 4.2 percent in 2007-08 to 2.4 percent of GDP in 2011-12. However, total revenues are expected to increase by 14.3 percent in 2012-13 owing to increase in tax revenues up to 11.1 percent and non-tax revenues up to 3.2 percent of GDP in 2012-13. The figure 4.1 reflects the widening of fiscal deficit during the past 5 years due to decrease in revenues and increase in expenditures.

Fig: 4.1-Fiscal Deficit



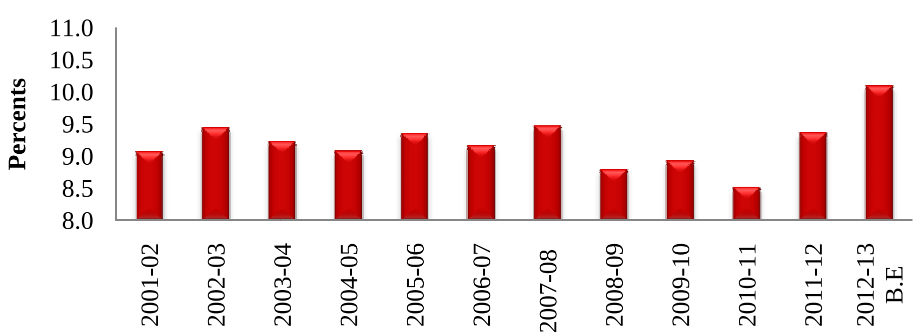
Structure of Tax Revenue

A well designed tax structure of the country not only improves the economic and industrial competitiveness but also contributes toward stimulating industrial activity and accordingly growth in the economy. The strong base of a tax system provides a more stable source of income needed to finance the public expenditure with an aim to relieve poverty and deliver public services. Historically, Pakistan's tax system undermined due to structural weaknesses like narrow tax base, massive tax evasion and administrative weaknesses etc. These structural weaknesses have taken a toll on overall tax collection as the country has witnessed a lowest tax-to GDP ratio not only in the developing countries but also within the region.

Despite the increase in tax revenues, FBR tax to GDP ratio varied between 8.5 to 9.6 percent during the past 12 years. During July-April, 2012-13 FBR tax to GDP ratio stood at 6.6 percent against 7.1 percent recorded in the same period last year.

Present tax structure of Pakistan is distortionary and incentivizing massive tax evasion. Additionally, some sectors are under taxed and some are not taxed at all which reflects the narrow tax base. In particular, there is a least contribution in taxes from the major sectors of our economy (agriculture and services), as agriculture is contributing 2.5 percent in tax against its 21.4 percent share in GDP, while services sector is contributing 36.7 percent against its major share in GDP i.e. 57.7 percent. There is a broad consensus that tax to GDP ratio can only be enhanced if all sectors of economy contribute proportionately toward tax revenue.

Fig-4.2: FBR Tax Rev as % of GDP



Tax structure in Pakistan has witnessed substantial changes over the years as the share of direct tax increased from 35.3 percent in 2001-02 to 39.2 percent in 2011-12 and is expected to increase further by 39.1 percent in 2012-13. Sales tax share in total tax collection increased from 41.2 percent in 2001-02 to 43.0 percent in 2011-12. Share of Custom duty in indirect taxes has increased from

18.3 percent in 2001-02 to 19.0 percent in 2011-12, whereas it is expected to decrease by 17.1 percent in 2012-13. On the other hand the share of excise duty in indirect taxes has declined from 18 percent in 2001-02 to 10.7 in 2011-12 and it is expected to decline further by 8.0 percent in 2012-13. Sales tax as an important consumption tax accounts for 74.3 percent of indirect taxes.

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
2001-02	404.1	9.2	142.5	47.8	166.6	47.2	261.6
			[35.3]	{18.3}	{63.7}	{18}	[64.7]
2002-03	460.6	9.6	151.9	68.8	195.1	44.8	308.7
			[33.0]	{22.3}	{63.2}	{14.5}	[67.0]
2003-04	520.9	9.2	165.1	91.0	219.2	45.6	355.8
			[31.7]	{25.6}	{61.6}	{12.8}	[68.3]
2004-05	590.4	8.9	183.4	115.4	238.5	53.1	407.0
			[30.1]	{28.4}	{58.6}	{13.0}	[68.9]
2005-06	713.5	9.4	225.0	138.4	294.8	55.3	488.5
			[31.5]	{28.3}	{60.3}	{11.3}	[68.5]
2006-07	847.2	9.2	333.7	132.3	309.4	71.8	513.5
			[39.4]	{25.8}	{60.3}	{14.0}	[60.6]
2007-08	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]
2008-09	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]
2009-10	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]
2010-11	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]
2011-12	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]
2012-13 B.E	2,381.0	10.1	932.0	247.5	1076.5	125.0	1,449.0
			[39.1]	{17.1}	{74.3}	{8.0}	[60.9]

[]as % of total taxes

Source: Federal Board of Revenue

{} as % of indirect taxes

In order to increase the tax revenues as percentage of GDP, Pakistan tax policy should be focused on increasing the buoyancy of tax system, broadening the tax base, reducing distortions and phasing out exemptions. It is therefore during the past few years the government has taken various measures to increase revenues through various initiatives. Sales tax rate has been reduced from 17 percent to 16 percent, all special excise duties have been removed, 392 regulatory duties have been abolished and major rationalization in excise duties; Federal Excise Duties have been eliminated or rates decreased. Moreover, during the current year various measures to increase the revenues expected to generate additional tax revenues of Rs 41 billion (Box-2)

Box-2:
Revenue measures during 2012-13

- The sectors with zero rating facility have been brought under tax as 2 percent sales tax was imposed on local supplies of five leading export sectors (Sports, Surgical, Carpet, Textile and Leather.
- Standardized withholding tax regime at the import stage by imposing a uniform rate of 5 percent tax on the imports of commercial and industrial importers, mobile telephone sets, silver, all fibers, yarns, fabrics and goods covered by the five leading export sectors.
- Broadening of Sales tax Withholding regime.
- Withdrawal of concessionary rate of 5 percent on tea.
- Enhance scrutiny sales tax refund.

- Review of sales tax regime on mobile phones.
- Enhancement of rate from 2 to 5 percent on import of cooking oil/vegetable ghee.
- Clearance of smuggled vehicle.

Review of Public Expenditures

Public expenditures can play an important role in physical and human capital formation over time and can be a effective tool in boosting economic growth. In Pakistan, public expenditures remained under great pressure during the past five years.

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

Year	Total Exp. (A)	Current Exp. (B)	Interest Payments (C)	Defence (D)	Develop-ment Exp (E)	Non Interest Non-DefenceExp (A-C-D)	Fiscal Deficit	Revenue Deficit/Sur-plus (TR-Total CE)	Primary deficit (TR-NI Exp)
2006-07	19.5	14.9	4.2	2.7	4.7	12.6	4.1	-0.8	-1.2
2007-08	21.4	17.4	4.8	2.6	4.2	14.0	7.3	-3.3	-2.5
2008-09	19.2	15.5	5.0	2.5	3.6	11.7	5.2	-1.4	-0.2
2009-10	20.2	16.7	4.4	2.5	3.5	13.3	6.2	-2.7	-1.8
2010-11	18.9	15.9	3.9	2.5	2.8	12.5	6.5	-3.5	-2.6
2011-12	19.6	15.5	4.5	2.5	3.6	12.6	6.8	-2.8	-2.3
2012-13B	19.0	14.6	4.0	2.3	4.4	12.7	4.7	-0.3	-0.7

B: Budgeted
* Excluding Rs 120 billion in 2010-11 and Rs 391 billion in 2011-12 on account of debt Consolidation.

During the past few years, greater than targeted budget deficit together with deficit financing from domestic sources, has resulted in a sharp increase in interest expenditures. Interest payments have increased from Rs.716.6 billion or 3.9 percent of GDP in 2010-11 to Rs.901.9 billion or 4.5 percent of GDP in 2011-12. As percent of the current expenditure it stood at 28.9 percent during 2011-12. It is expected to reduce by 4.0 percent of GDP in 2012-13. The rise in interest payments during the period indicates the growing unsustainability of the fiscal account.

The other major fiscal leakage is subsidies to loss-making PSEs and the power sector. During July-March, 2012-13 actual disbursement against the budgeted subsidy of Rs.208.6 billion stood at Rs.270 billion, thus already surpassed the target by Rs.61.4 billion in first nine months of current fiscal year. It is expected to increase further due to loss making PSEs and the persistent rise in circular debt in the power sector.

Contrary to it, expenditures like pension payments, defense, and PSDP remained under control. Total expenditures (TE) amounted to Rs.3,937.8 billion or 19.6 percent of GDP in 2011-12 as compared to Rs. 3,455.1 billion or 18.9 percent of GDP in 2010-11. It is budgeted to remain at Rs 4,484.2 billion or 19.0 percent of GDP.

Current expenditures (CE) are expected to remain at Rs.3,452.2 billion or 14.6 percent of GDP in 2012-13. During the fiscal year 2011-12, CE were Rs. 3,122.5 billion or 15.5 percent of GDP as compared to Rs. 2,900.8 billion or 15.9 percent of GDP in 2010-11. Development expenditures (DE) in fiscal year 2011-12 reached to Rs.731.9 billion or 3.6 percent of GDP against Rs.506.1 billion or 2.8 percent of GDP in 2010-11. During 2012-13, DE is expected to remain at Rs.1,032.0 billion or 4.4 percent of GDP.

The share of current expenditures in total expenditures has declined significantly from 84.0 percent in 2010-11 to 79.3 percent in 2011-12. It is expected to decline further by 2.3 percentage point to 77.0 percent in 2012-13 on account of expected decline in interest payments and defence expenditures. Defence expenditures account for 16.2 percent of current expenditures in 2011-12 against 15.5 percent in 2010-11. In the current fiscal year it is expected to reduce by 0.4 percentage points to 15.8 percent.

Fiscal performance

According to the consolidated revenue and expenditure statement of the government, total revenues grew by 22.6 percent during July-March, 2012-13 and stood at Rs. 2,141.9 billion compared to 1,747.0 billion in the same period last year. The total collection in tax revenues amounted to Rs.

1,557.6 billion against Rs. 1,393.9 billion in the same period last year, posted a growth of 11.5 percent. It was mainly on account of insignificant growth in federal tax revenues which are recorded at 8.4 percent, of which FBR tax revenues increased by only 5.6 percent during July-March, 2012-13. While the remaining growth was contributed by the receipts from Petroleum Development Levy as it stood at Rs. 81.0 billion during July-March 2012-13 against Rs.38.2 billion during the same period last year.

Table 4.4 Consolidated Revenue & Expenditure of the Government

	Budget Estimates 2012-13	Prov. Actual		Growth
		July-March 2011-12	July-March 2012-13	July-March 2012-13
A. Total Revenue	**3,378.5**	**1,747.0**	**2,141.9**	**22.6**
a) Tax Revenue	**2,614.5**	**1,393.9**	**1,557.6**	**11.5**
Federal	**2,534.5**	**1,336.2**	**1,448.0**	**8.4**
of which FBR Revenues	2,381.0	1,280.4	1,352.3	**5.6**
Provincial Tax Revenue	80.0	**57.6**	109.6	**90.3**
b) Non-Tax Revenue	**764.0**	**353.2**	**584.3**	**65.4**
B. Total Expenditure	**4,484.2**	**2,641.9**	**3,188.1**	**20.7**
a) Current Expenditure	**3,452.2**	**2,154.1**	**2,642.0**	**22.6**
Federal	**2,339.2**	**1,478.7**	**1,887.1**	**27.6**
- Interest	925.8	**624.5**	772.2	**23.7**
- Defense	545.4	**348.0**	405.8	**16.6**
Provincial	1,113.0	**675.4**	**754.9**	**11.8**
b) Development Expenditure & net lending	**1,032.0**	**428.0**	**445.8**	**4.2**
PSDP	**873.0**	**375.6**	**407.4**	**8.5**
Other Development	**154.3**	**45.4**	**37.3**	**-17.8**
c) Net Lending	**4.7**	**6.9**	**1.1**	**-84.1**
C. Overall Fiscal Deficit	**1,105.7**	**894.9***	**1,046.2**	**16.9**
As % of GDP	4.7	**4.5**	4.6	**-**
Financing of Fiscal Deficit	**1,105.7**	**894.9**	1,046.2	**16.9**
i) External Sources	134.9	**47.4**	-4.1	**-108.6**
ii) Domestic	**970.8**	**847.5**	**1,050.3**	**23.9**
- Bank	483.8	**443.8**	856.7	**93.0**
- Non-Bank	487.0	**403.7**	193.7	**-52.0**
GDP at Market Prices	**23,655**	**20,091**	**22,909**	**14.0**

Source: EA wing calculations and Budget Wing, Finance Division
Note: Gas development surcharge is included in tax revenues.
* Excluding one of payment of Rs.391 billion on account of debt consolidation.

FBR tax collection was severely affected during July-March, 2012-13 on account of number of exemptions, tax evasion, and fake claims for refunds and rebates as well as power and gas shortages affected manufacturing sector to perform less to their capacity utilization. Moreover, the growth in automobile sector remained negative due to import of second hand cars as well allowing smuggled vehicles. Additionally, collection of sales tax on services has also been devolved to the provincial government.

On the other hand non tax revenues posted a growth of 65.4 percent as it stood at Rs.584.3 billion during July-March, 2012-13 against Rs.353.2 billion in the comparable period last year. Better yields from oil and gas revenues, dividend, defence services, newly imposed gas development infrastructure cess and central bank profits were the main contributors in high returns from non-tax revenues, consequently overall revenue to GDP ratio increased to 2.6 percent in the first nine months of current fiscal year against 1.8 percent last year.

Total expenditures posted a growth of 20.7 percent as it is amounted to Rs. 3,188.1 billion during July-March, 2012-13 against Rs.2,641.9 billion in the same period last year on account of high interest payment. During the past few years, persistently high budget deficit compelled the government to borrow from domestic sources to finance the budget led to a sharp rise in interest payments. During July-March, 2012-13 interest payments stood at Rs. 772.2 billion against Rs.624.5 billion in the comparable period last year, thus posted a growth of 23.7 percent.

The overall fiscal deficits during the period under review increased to Rs. 1,046.2 billion against Rs.894.9 billion. As percentage of GDP, it registered a slight increase of 0.1 percentage points to 4.6 percent from 4.5 percent of GDP during July-March, 2011-12. However, consolidated fiscal deficit during July-March, 2011-12 has been recorded at 6.4 percent of GDP including 1.9 percent debt consolidation of Rs 391 billion arrears of electricity. The fiscal deficit remained within the reasonable limits owing to Rs 103.0billion provincial budget surpluses and $1.8 billion reimbursed by the US under Coalition Support Fund (CSF).

External sources to finance the budget deficit declined by more than 100 percent, consequently during the current fiscal year, the entire budget deficit was financed through domestic sources, particularly the banking system as it increased by 23.9 percent during July-March, 2012-13. The resource mobilization through non-bank sources reduced significantly owing to decline in holdings of treasury bills by the institutional investors.

FBR Tax Collection

FBR tax collection for the fiscal year 2012-13 was targeted at Rs.2,381 billion which was 26.4 percent higher over the actual collection of Rs.1883.0 billion during 2011-12.

During the first ten months of 2012-13 registered a weak growth of 5.5 percent in FBR tax collection due to energy/gas shortages, security issues, failure to implement tax reforms and decline in imports. The total collection stood at Rs.1,505.3 billion against Rs.1,426.2 billion during same period last year. Achievement of the current target is contingent upon not only on better economic conditions but effective implementation of tax administration reforms is also crucial.

Table 4.5: FBR Tax Revenues (Rs. Billion)

Revenue Heads	2011-12	July-April 2011-12	July-April 2012-13	% Change
A. DIRECT TAXES				
Gross		607.9	596.7	-1.8
Refund/Rebate		79.0	43.0	
Net	**738.4**	**528.9**	**553.7**	4.7
B. INDIRECT TAXES				
Gross		943.6	989.3	4.8
Refund/Rebate		46.3	37.7	
Net	**1,144.3**	**897.3**	**951.6**	6.1
B.1 SALES TAX				
Gross		673.2	697.2	3.6
Refund/Rebate		38.0	27.8	
Net	**804.9**	**635.2**	**669.4**	5.4
B.2 FEDERAL EXCISE				
Gross		95.8	91.2	-4.8
Refund/Rebate		0.2	0.4	
Net	**122.5**	**95.6**	**90.8**	-5.0
B.3 CUSTOM				
Gross		174.6	200.9	15.1
Refund/Rebate		8.1	9.5	
Net	**216.9**	**166.5**	**191.4**	15.0
TOTAL TAX COLLECTION				
Gross		1551.5	1586.0	2.2
Refund/Rebate		125.3	80.7	
Net	**1,882.7**	**1426.2**	**1505.3**	5.5

Source: FBR

Direct Taxes

The net collection of direct taxes has registered a growth of 4.7 percent during July-April, 2012-13, while the gross collection witnessed a decline of 1.8 percent during the period under review. Bulk of the tax revenues of direct taxes were realized from income tax. The net collection has gone up from Rs.528.9 billion to Rs 553.7 billion. Major revenue spinners of direct taxes are withholding tax, voluntary payments and collection on demand.

Indirect Taxes

The gross and net collections of indirect taxes have witnessed a growth of 4.8 and 6.1 percent respectively. It has accounted for around 63 percent of the total FBR tax revenues.

Within indirect taxes, growth in net collection of sales tax increased by 5.4 percent. The gross and net sales tax collection during July-April, 2012-13 stood at Rs. 697.2 billion and Rs.669.4 billion respectively posting a growth of 3.6 and 5.4 percent respectively over the corresponding period of 2011-12. The growth in sales tax was significantly affected due to the transfer of services to provinces. In fact, around 52 percent of total sales tax was contributed by sales tax on import during July-April, 2012-13, while the rest was contributed by domestic sector. Within net domestic sales tax collection, the major contribution came from POL products, telecom services, natural gas, fertilizers, other services, sugar, cigarettes, beverages, cement, electrical energy etc. On the other hand, POL products, plastic, edible oil, fertilizers, iron and steel, vehicles, machinery, chemicals, oilseeds etc contributed significantly to the collection of sales tax from imports.

Custom duty collection has registered a growth of 15.1 and 15.0 percent in both gross and net terms respectively. The gross and net collection has increased from Rs.174.6 billion and Rs. 166.5 billion during July-April, 2011-12 to Rs.200.9 billion and Rs.191.4 billion respectively during July-April, 2012-13. The major revenue spinners of custom duty have been automobiles, edible oil, petroleum products, machinery, plastic, iron and steel, paper and paperboard etc.

The collection of Federal Excise Duties (FED) during July-April, 2012-13 has recorded a negative growth on account of withdrawal of excise duty on most of the petroleum products and perfumery & cosmetics. The net collection stood at Rs.90.8 billion during July-April, 2012-13 as compared to Rs.95.6 billion during the same period last year. The major revenue spinners of FED are cigarettes, cement, beverages, natural gas, and international travel services etc.

Provincial Budget

The total outlay of the four provincial budgets for 2012-13 stood at Rs.1,761.7 billion, 19.4 percent higher than the outlay of Rs.1,475.4 billion last year. Punjab witnessed the highest growth of 23.6 percent in budgetary outlay, followed by KPK (17.8 percent), Sindh (17.4 percent) and Baluchistan (9.5 percent). The overall provincial revenue receipt is estimated at Rs 1,804.3 billion for the fiscal year 2012-13, which is 22.4 percent compared to last year. The increase is mainly attributed to the transfer of GST on services to the provinces. During 2011-12 provincial revenues witnessed the growth of 25.1 percent.

Table 4.6: Overview of Provincial Budgets (Rs Billion)

Items	Punjab		Sindh		KPK		Baluchistan		Total	
	2011-12 RE	2012-13 BE	2011-12 RE	2012-13 BE	2011-12 RE	2012-13- BE	2011-12 RE	2012-13 BE	2011-12 RE	2012-13 BE
A. Tax Revenue	**621.4**	**758**	**345.5**	**419.5**	**183.6**	**222.6**	**104.4**	**125.9**	**1254.9**	**1526**
Provincial Taxes	44.3	55	64	73.1	3.6	4	5.7	5.4	**117.6**	**137.5**
GST on Services	36.6	40.5	25	32	8.9	8.9	3.7	4.1	**74.2**	**85.5**
Share in Federal Taxes	540.5	662.5	256.5	314.4	171.1	209.7	95	116.4	**1063.1**	**1303**
B. Non-Tax Revenue	**34.2**	**28.4**	**73.6**	**82.7**	**21.7**	**26**	**16.8**	**16.6**	**146.3**	**153.7**
C. All Others	**-16.7**	**-10.6**	**24.8**	**48.3**	**31.1**	**34.8**	**33.5**	**52.1**	**72.7**	**124.6**
Total Revenues (A+B+C)	**638.9**	**775.8**	**443.9**	**550.5**	**236.4**	**283.4**	**154.7**	**194.6**	**1473.9**	**1804.3**
a) Current Expenditure	**468**	**532.9**	**309.5**	**315.3**	**161**	**191.6**	**85.2**	**107.3**	**1023.7**	**1147.1**
b) Development	**165.5**	**250**	**156**	**231**	**84.5**	**97.6**	**45.7**	**36**	**451.7**	**614.6**

Table 4.6: Overview of Provincial Budgets (Rs Billion)

Items	Punjab		Sindh		KPK		Baluchistan		Total	
	2011-12 RE	2012-13 BE	2011-12 RE	2012-13 BE	2011-12 RE	2012-13- BE	2011-12 RE	2012-13 BE	2011-12 RE	2012-13 BE
Expenditure										
Total Exp (a+b)	**633.5**	**782.9**	**465.5**	**546.3**	**245.5**	**289.2**	**130.9**	**143.3**	**1475.4**	**1761.7**

Source: Provincial Finance Wing, Ministry of Finance

Allocation of Revenues between the Federal Government and Provinces

Fiscal decentralization policy aimed at delegating fiscal powers and responsibilities from the national to sub national governments in order to achieve economic efficiency, equality and macroeconomic stability. It also ensures effective governance through financial autonomy of provincial governments.

In Pakistan the resource distribution is made through the National finance Commission (NFC) award. Historically the resource distribution was based on the single criteria of population. Consequently the distribution of powers between the federation and provinces remained a critical issue. Recognizing the importance of other factors, 7th National Finance Commission accounted for revenue generation, poverty and inverse population density.

Table 4.7: Transfers to Provinces (NET) (Rs. Billion)

	2008-09	2009-10	2010-11	2011-12	2012-13 BE
Divisible Pool	477.4	574.1	834.7	1,063.1	1,303.0
Straight Transfer	82.4	81.2	163.0	145.6	155.9
Special Grants/ Subventions	40.6	82.0	54.1	53.9	56.7
Project Aid	26.3	16.0	21.9	47.8	66.0
Program Loans	0.0	0.0	0.0	4.6	10.8
Japanese Grant	0.0	0.0	0.1	0.7	0.8
Total Transfer to Province	**626.8**	**753.3**	**1,073.7**	**1,315.0**	**1,592.5**
Interest Payment	18.5	18.7	18.5	12.9	15.4
Loan Repayment	21.0	24.0	32.4	36.1	31.5
Transfer to Province(Net)	**587.3**	**710.6**	**1,022.8**	**1,266.0**	**1,545.5**

Source: Various issue of Budget in Brief

The most significant aspect of this award was that it has ensured the financial autonomy of the provinces by increasing their share in divisible pool from 50 percent to 56 percent in 2010-11 and 57.5 percent from 2011-12 onwards. According to the seventh NFC award, the distribution of the resources is based on multi-weighted criteria which consist of population (82 percent), poverty/backwardness (10.3 percent), revenue collection/generation (5.0 percent) and area or inverse population density (2.7 percent).

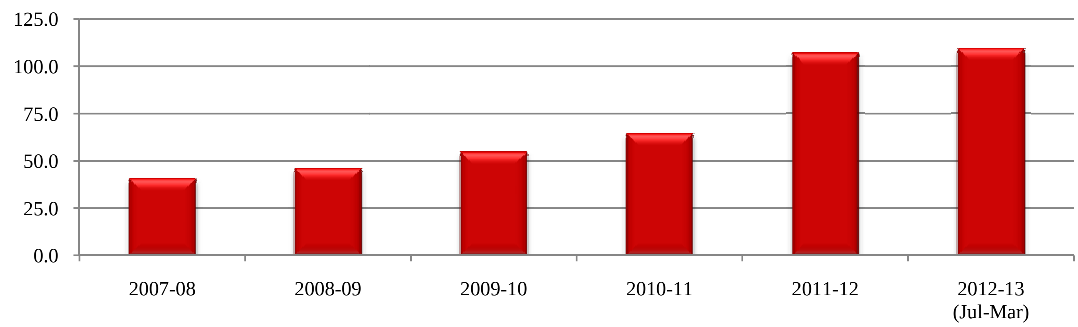
On the other hand share of federal government in the net proceeds of the divisible pool stood at 44 percent in 2010-11 and 42.5 percent from 2011-12 onwards. Total transfers to provinces have been projected to increase to Rs 1,545.5 billion: an increase of 22.1 percent in 2012-13 over the actual transfer of Rs 1,266.0 billion in 2011-12.

Table 4.8: 5-Years Overview of Provincial Fiscal Operations (Rs. Billion)

Items	2007-08	2008-09	2009-10	2010-11	2011-12	July-March	
						2012-13	2011-12
A. Tax Revenue	498.2	571.7	688.3	1,063.9	1,197.1	1,002.8	819.8
Provincial Taxes	40.8	46.1	54.8	64.6	107.2	109.6	57.6
Share in Federal Taxes	457.4	525.6	633.5	999.3	1,089.9	893.2	762.2
B. Non-Tax Revenue	78.0	83.8	67.9	62.3	48.0	49.0	36.0
C. All Others	91.0	95.0	120.0	85.1	88.6	73.7	76.2
Total Revenues (A+B+C)	667.2	750.5	876.2	1,211.3	1,333.7	1,125.5	932.0
a) Current Expenditure	457.0	564.2	646.2	831.2	980.6	766.3	687.1
b) Development Expenditure	214.1	201.8	258.4	245.6	375.4	219.9	175.0
Total Exp (a+b)	671.1	766.0	904.6	1,076.8	1,356.0	986.2	862.1

Figure 4.3 depicts the rising trend in provincial tax growth since 2007-08, particularly during first nine months of current fiscal year it posted a significant growth of 90.3 percent.

Fig: 4.3- Provincial Taxes



Major part of this growth achieved through the collection of sales tax on services by Punjab and Sindh. Similarly provinces received the significant amount of the federal government as their share from the divisible pool along with additional grants. Hence the provincial resource mobilization performed remarkably well during the first nine months of fiscal year 2012-13 with the growth rate of 20.8 percent as it stood at Rs.1,125.5 billion against Rs.932.0 billion in the same period last year.

Another significant feature of provincial fiscal operation is the containment of total expenditures, which reduced by 14.4 percent during July-March, 2012-13 on account of slow growth in current and development expenditures. On account of high revenues and decrease in expenditures, the provinces posted a surplus of Rs.103.3 billion during July-March, 2012-13.Punjab posted the surplus of Rs. 42.0 billion followed by Baluchistan (Rs.21.9 billion), Sindh (Rs.20.1 billion and KPK (Rs.19.3 billion).

Medium Term Budgetary Framework (MTBF)

This is the fourth year of budget preparation as per the Medium-Term Budgetary Framework (MTBF) reform, which started in 2009 after the approval of the Cabinet in February 2009. Progress has been made over the past three years in advancing the reform initiative. This includes adoption of the practice of preparation and submission for approval by Cabinet of any analytical Budget Strategy Paper, which is also shared with Parliamentary Standing Committees on Finance and Revenue and political parties. Under the reform initiative, an equally important element of performance based budgeting has been successfully implemented across the federal government. In addition to annual input (funding resources) based budget, the Finance Division also presents output (services to be rendered and their performance benchmarks) based budget to the Parliament each year in shape of a book called “Federal Medium-Term Budget Estimates for Service Delivery” (also known as MTBF Green Book).

The Green Book is a result of the reform agenda under which budget is made more comprehensive and linked to policy plans and service delivery performance of Principal Accounting Officers.

To review the performance defined in the MTBF Green Book, the Finance Division is enhancing its capacity to periodically monitor the budget spent together with the performance achieved by Ministries / Divisions of the federal government. For this purpose, the Finance Division is currently compiling “Government Performance Report” for the completed year 2011-12. This report will define expenditure against the original budget by services, and performance achieved against the defined plan. The Finance Division intends to circulate the report for the attention of the Cabinet and Parliamentary Standing Committees.

Future Roadmap

For the management of public finances the Finance Division has developed a draft ‘Public Finance and Administration Act’ that it intends to lay in the Parliament for enactment. The draft Act is proposed as per the Article 79 of the constitution that requires an Act to regulate public finances.

In addition, the Planning Commission intends to further improve the budgetary processes by introducing Results Based Management. The aim is to delegate the authority of planning and financial management to the Principal Accounting Officers and improve focus on achievement of results. In this regard, the Planning Commission is articulating; a) enhancement of its mandate to focus on national planning and not just the public sector projects, b) creation of a mechanism where Government organisations prepare 'business plans' harmonising both recurrent and development budgets but focusing on achievement of results, and these plans are thoroughly reviewed by Planning Commission and Finance Division before they are presented to Cabinet for approval, and c) to become an Apex monitoring and evaluation organization to regularly report performance of the Government against stated strategic plans. The MTBF provides fundamental platform to introduce Results Based Management, which has been approved as part of the New Framework for Growth by the National Economic Council in May 2011.

In addition, the Finance Division will take steps to enhance capacity of Parliamentary Standing Committees in review and oversight of the performance budget, and monitoring reports.

Chapter 5

Money and Credit

The financial liberalization and development of new financial instruments has raised the efficacy of monetary policy for a sustainable economic growth. Over the years, it has not only contributed towards maintaining price stability but also played a stabilizing role in affecting the economic growth through number of channels. Moreover, a suitable approach of monetary policy has also been recognized for a well-functioning financial system in particular during the recent global financial crisis with a growing consensus that for a sustainable economic growth, a country must ensure the stability of financial system because the downfall of financial system leads to the failure of economic system as it happened in the global financial crisis 2007-08.

The financial crisis that has gone through a number of phases since 2008,have witnessed an appreciable improvement since October, 2012 onwards with a significant reduction in near term stability risks in Euro area thus providing further support to the economies along with enhancing the confidence together with positive economic outlook. Similarly, there is also an improvement in funding conditions in the markets for sovereign, bank and corporate debt. Nevertheless, the elevated funding costs, deteriorating asset quality and weak profits still reflects the significant challenges for many banks in the Euro area.

Financial system in Pakistan proved to be more strong and resilient during the global financial crisis due to its limited exposure and the basic nature of exports, as Pakistan's exports are largely low value added cotton products, intermediate cotton products and primary commodities. Nevertheless, the economic resilience was tested several times owing to numerous challenges the country has faced into the period of five years. On one hand the country confronted the issue of less external inflows due to volatile security situation, while on the other hand power crisis along with massive floods and rains and global economic slowdown further aggravated the situation. Consequently, there was a significant decline in investment rate, increase in the debt burden and a sharp reduction in foreign exchange reserves. Furthermore, substantial fiscal borrowing in the absence of sufficient external inflows exerted a significant pressure on monetary management. Despite a significant reduction in interest rates, deceleration in accumulation of Non Performing Loans (NPLs) and an improvement in deposit growth, there was a low utilization of credit by the private sectors as banks were more comfortable to invest in government papers. In spite of all this, most of the macroeconomic indicators performed well as inflation was successfully brought down to single digit during 2012-13. Year on Year inflation reduced to 5.8 percent in April, 2013 as compared to 11.3 percent last year. Fiscal deficit contained at 4.6 percent of GDP during July-March, 2012-13. Current account posted a deficit of $1.0 billion against $ 3.0 billion during the same period last year. The improvement during the year is primarily attributed to $1.8 billion received under the Coalition Support Fund (CSF). Still the risks to external current account and its financing cannot be overruled due to projected shortfalls in financial and capital inflows and scheduled repayments of IMF loans that would result in further depletion of foreign exchange reserves, leading to increased pressures on exchange rate. Equally, the economy is confronting with the challenge of containing the inflationary pressures. Keeping in view all these developments, SBP responded cautiously to further improve the current economic situation.

Monetary Policy Stance

Central banks generally use the monetary policy as an important tool to achieve certain objectives that are crucial for economic growth and stability. However, the effectiveness of monetary policy is contingent upon improvements in the fiscal and the balance of payment position.

Recently monetary policy in Pakistan has undergone substantial changes in tandem with volatile economic conditions within the country. In particular, relentless inflationary pressures, global economic downturn , heavy reliance on domestic borrowing in the absence of diversified financial sources and consequently low credit to private sector resulted in the policy stance that has been largely supportive of the dual objective of promoting economic growth and price stability along with the revival of credit to private sector.

Table 5.1: Policy Rate

w.e.f	Policy Rate
Nov-10	14.0
Aug-11	13.5
Oct-11	12.0
Nov-11	12.0
Feb-12	12.0
Apr-12	12.0
Jun-12	12.0
Aug-12	10.5
Oct-12	10.0
Dec-12 until date	9.5

Source: State Bank of Pakistan

SBP has adopted relatively an expansionary policy stance for the past two years as the policy rate has been reduced by cumulative 400 basis point from 13.5 percent in August 2011 to 9.5 percent in December 2012.It is pertinent to mention that during the first half of current fiscal year 2012-13, the policy rate was slashed by cumulative 250 basis point to 9.5 percent on account of positive inflationary outlook together with a retirement of fiscal borrowing from SBP and improvement in the external current account deficit in October 2012. While keeping in view the major risks to medium term inflation outlook owing to high growth in monetary aggregates, upward adjustments in administered prices and risks to the balance of payment position in the remaining months of 2012-13, SBP has decided to keep the policy rate unchanged at 9.5 percent on 12th April, 2012-13.

Recent Monetary and Credit Development

During July –3rd May2012-13, money supply (M_2) increased by 9.2 percent (Rs.705.8billion) against the growth of 8.7percent (Rs. 581.2 billion) in the comparable period last year. The growth in M2 during July-3rd May2012-13 is mainly contributed by the improvement in Net foreign assets (NFA), rise in Net domestic assets (NDA) and credit off take by the Public Sector Enterprises (PSEs).The reserve money grew at much faster pace of 13.1 percent against the expansion of 9.6 percent in the comparable period of last year.

Table: 5.2- Profile of Monetary Indicators (Rs. Billion)

	Jul-3May 2012-13	Jul-4May 2011-12
1.Net government sector Borrowing(a+b+c)	**874.0**	**962.0**
a .Borrowing for budgetary support	988.0	1,051.6
b. Commodity operations	-115.1	-90.0
c. Others	1.3	0.4
2.Credit to Non-government Sector (d+e+f+g)	**185.0**	**117.9**
d. Credit to Private Sector	142.0	251.8
e. Credit to Public Sector Enterprises (PSEs)	43.3	-134.6
f. PSEs Special Account-Debt repayment with SBP	-0.2	0.0
g. Other Financial Institutions(SBP credit to NBFIs)	-0.1	0.7
3.Other Items(net)	**-171.6**	**-241.6**
4.Net Domestic assets (NDA)	**887.4 (12.5%)**	**838.4 (14.2%)**
5.Net Foreign Assets (NFA)	**-181.6**	**-257.2**
6.Monetary Assets(M2)	**705.8 (9.2%)**	**581.2 (8.7 %)**

Box 1:
Monetary Policy stance in South Asia

The combine growth rate of South Asian region (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri lanka) stood at 4.7 percent in 2012 and it is expected to increase up to 5.5 percent in 2013 with continuing efforts to create fiscal space and boost private investment. The countries of the region are at risk to various external shocks such as widening of current account deficit, low level of foreign direct investment and medium term risks to inflationary outlook. Fragile economic prospects have thus limited the ability for central banks to use monetary policy in order to overcome the economic slowdown. Moreover, some countries have witnessed the sharp decline in foreign exchange reserves like Maldives and Pakistan.

Keeping in view all these economic development, the monetary policy stance within the region has been accommodative as it is evident that with the exception of Srilanka and India, real interest rates remain negative for other countries in the region. Recently, Reserve Bank of India adopted easy monetary policy stance by reducing its repo rate by 25 basis points in January and March, 2013, down to 7.5 percent. The policy stance since January, 2012 was to address the risks to growth.

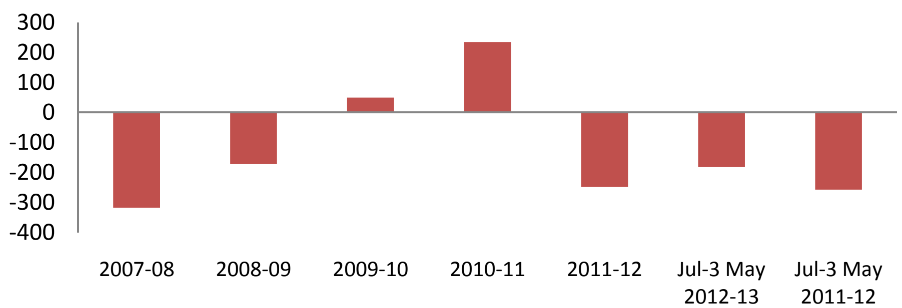
Srilanka has also followed accommodative policy stance by shifting from tight policy stance. The policy stance was broadly due to falling growth rates and the low inflation. The central bank had raised policy interest rates in February and in April, keeping them steady until making a small downward adjustment in December. The policy rate was reduced from 9.75 percent to 9.50 percent in December 2012.

Similarly, Bangladesh's monetary policy stance during fiscal year 2013, contributed to ensure the external sector stability achieved along with attaining maximum economic growth. Central bank of Bangladesh slashed the policy rate since 2009, keeping in view the risks to economic situation of the country from uncertain global economic outlook. Policy rate has been lowered to 7.25 percent from existing 7.78 percent.

Source: South Asia Economic Focus: The World Bank, Spring 2013.

Net Foreign Assets (NFA) witnessed some improvement during the period under review as it reduced to Rs. 181.6 billion as compared to the net contraction of Rs. 257.2 billion last year. The improvement in NFA however, is mainly on account of realization of $1.8 billion under the Coalition Support Fund (CSF) during the first half of 2012-13.

Fig: 5.1- Net Foreign Assets of the Banking System



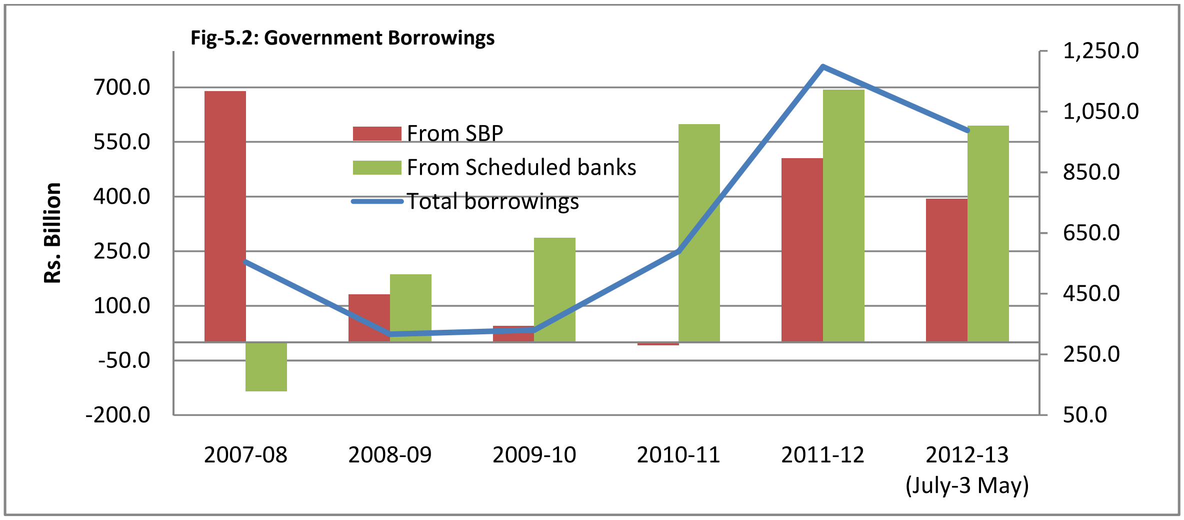
Despite some improvement, NFA remained under great pressure due to decline in foreign exchange reserves on account of debt repayment to IMF since February 2012 and drying up of external financial inflows. The pressure on foreign exchange reserves is likely to remain owing to another payment of $561.3 million to IMF in the coming months. Till 10th May, 2013 Pakistan has repaid $ 3.7 billion to IMF.

NDA of the banking sector increased by 12.5 percent (Rs. 887.4 billion) as compared to net expansion of 14.2 percent (Rs. 838.4 billion) in the same period last year. The PSEs borrowed Rs. 43.3 billion during July- 3rd May, 2012-13 against the retirement of Rs. 134.6 billion during the same period last year.

During July-3rd May, 2012-13, Credit to public sector enterprises (PSEs) witnessed an expansion of Rs. 43.3 billion against the retirement of Rs. 134.6 billion in the comparable period last year on account of high credit demand by the loss incurring PSEs. During the period under review Pakistan Steel Mills Limited, Pakistan International Airline and a Power sector holding company borrowed significantly from banks to repay their long term loans. Going forward, Net retirement during 2011-12 was largely due to the one-off payment in order to reduce the circular debt in energy related PSEs and the receivables of procurement agencies.

Government Bank Borrowing

The government borrowing from the banking system for budgetary support and commodity operations stood at Rs. 874.0 billion during July-3rd May, 2012-13 as compared to Rs. 962.0 billion in the comparable period last year. The decline in borrowing for budgetary support during the period under review was primarily due to one-off settlement of Rs. 391 billion in the first half of fiscal year 2011-12 and containment of fiscal deficit at 4.6 percent of GDP during July-March, 2012-13.



Additionally, the government borrowing has been declining gradually as the SBP has reduced the injection of liquidity into the money market. Government borrowing for budgetary support stood at Rs. 988.0 billion during July-3rd May, 2012-13 against Rs. 1,051.6 billion in the same period last year. Within banking system, large part was financed by commercial banks as it stood at Rs. 595.0 billion as compared to Rs. 615.8 billion last year. Low borrowing from the scheduled banks during the year was due to bank's low appetite for investment in government papers. On the other hand borrowing from the SBP remained at Rs. 392.8 billion lower than the previous level of Rs. 435.8 billion recorded in the same period of fiscal year 2011-12. Nevertheless, shift in government's borrowing from commercial to central bank is worrisome as it is more inflationary in nature.

Commodity Finance

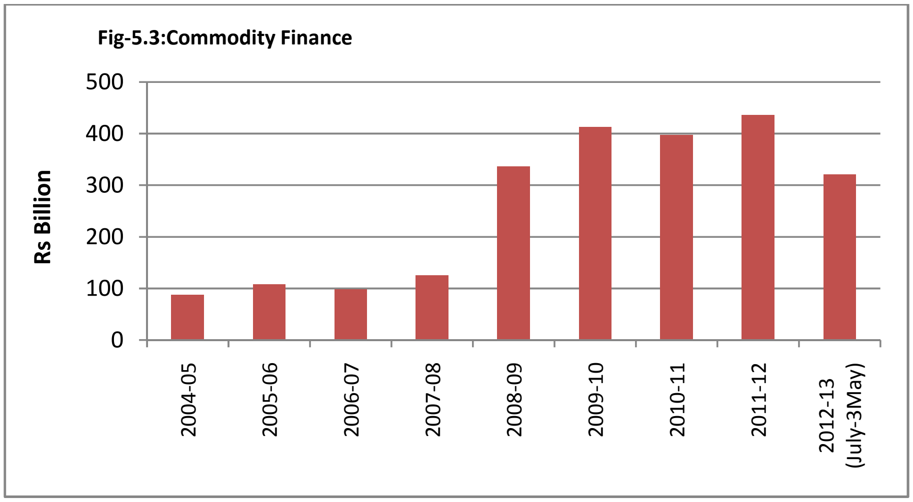
Commodity financing recorded a significant increase since 2009 owing to relatively higher support price for major food crops. In 2012-13, the support price of wheat for next crop has been increased from Rs. 1,050 per 40 kg to Rs. 1, 200 per 40kg.

During July-3rd May, 2012-13 loans for commodity operations registered a net retirement of Rs. 115.1 billion as against the retirement of Rs. 90.0 billion during the same period last year. Rise in net retirement during the period under review was mainly on account of retirement of Rs. 144.9 billion borrowed for wheat finance as compared to the net retirement of Rs. 82.5 billion in the comparable period last year.

The government`s financing requirements for its commodity operations peaked to Rs. 436.1 billion (grew by 9.7 percent) in June 2012 mainly on account of record wheat procurement of 9.2 million tons by different federal and provincial departments, despite the release of Rs. 78 billion to procurement agencies by the government for the settlement of accumulated subsidies. Whereas the stock of commodity finance increased to Rs. 321.0 billion during July-3rd May, 2012-13 against the stock of 307.5 billion recorded in the same period last year. The rise in stock during the current fiscal year was primarily attributed to increased borrowing needs for the import of fertilizer. On the other hand, the outstanding loans to wheat procurement agencies declined as the Punjab Food Department offloaded its wheat stocks in October and onwards.

Credit to Private Sector

Credit to private sector increased to Rs. 142.0 billion during July-3rd May2012-13 as compared to the expansion of Rs. 251.8 billion in the comparable period of last year. Whereas year on year growth has shown an increase of 4.2 percent up to July-3rd May, 2012-13 (Fig: 5.4). During fiscal year 2011-12, credit to private sector witnessed a highest YoY growth of 7.5 percent since 2008which was primarily driven by non-bank finance companies (NBFCs).



Despite the decline of 250 bps in policy rate during 2012-13 credit to private sector could not gain the momentum as it was expected. The muted growth was attributed to the severe energy shortages, and law and order situation. Additionally, rising trend in government borrowing for budgetary borrowing from the commercial banks have also restricted the expansion of credit to the private sector. Consequently banks rather than extending credit to the private sector preferred to invest in government papers despite a significant deceleration in Non Performing Loans (NPLs) and an improvement in their deposit base.

Nevertheless, the cumulative decline of 250 basis points in the policy rate during the first half of current fiscal year although contributed towards the revival of private sector credit; still it is lower than the previous level recorded during the same period of FY12. Private sector witnessed a highest flow of credit during the second half of 2012-13, as it stood at Rs. 189.5 billion as compared to the retirement of Rs. 84.9 billion in first quarter and Rs. 35.2 billion of expansion in the third quarter.

Sectoral Analysis

According to the Sector wise growth in credit to private sector business, 0.8 percent growth was recorded during fiscal year 2011-12, whereas, during July-March, 2012-13 private sector business registered a growth of 6.7 percent against 1.8 percent recorded in the same period last year.

Table: 5.3 - Credit to Private Sector (Rs. Billion)

Sectors	End June Stocks		July-March (Flows)		Growth Rates	
	Jun-11	Jun-12	2011-12	2012-13	2011-12	2012-13
Overall Credit (1 to 5)	2,918.2	2,922.0	41.6	188.7	1.4	6.5
1. Loans to Private Sector Business	2,431.8	2,450.1	42.9	165.1	1.8	6.7
A. Agriculture	180.5	198.4	10.5	14.3	5.8	7.2
B. Mining and Quarrying	17.9	15.9	-2.8	5.9	-15.7	37.1
C. Manufacturing	1,385.4	1,389.9	65.0	145.5	4.7	10.5
Textiles	514.7	491.0	16.4	74.9	3.2	15.3
D. Electricity, gas and water supply	269.4	278.1	-12.2	-0.8	-4.5	-0.3
E. Construction	67.7	53.5	-9.5	-1.2	-14.0	-2.2
F. Commerce and Trade	213.7	210.0	-4.3	1.8	-2.0	0.8
G. Transport, storage and communications	106.2	111.3	-2.5	-8.7	-2.3	-7.8
I. Other private business n.e.c	29.4	30.0	-1.4	8.8	-4.8	29.2
2. Trust Funds and NPOs	18.0	18.0	-1.0	-0.9	-5.4	-5.2
3. Personal	294.0	285.0	-7.8	13.0	-2.6	4.6
4. Others	16.4	15.6	-0.1	-4.0	-0.6	-25.7
5. Investment in Security & Shares of Private Sector	158.0	153.2	7.5	15.6	4.7	10.2

Source: State Bank of Pakistan

The downward revision of the interest rate, rise in working capital requirement, along with the expansion in fixed investment and trade financing has contributed towards the revival of private sector business. Working capital loans gathered momentum from October 2012 onwards, with seasonal demand from textile, rice and sugar processing industries. Large part of working capital loans were used to overcome the energy shortages in the industrial sector as well as expansion in cement sectors. As on March, 31 2013, banks provided Rs. 172.4 billion working facility to the companies under the category of small loans, whereas Rs. 1136.7 billion was borrowed under the category of "others". Similarly the sectors, such as manufacturing, textile, electricity, gas and water supply, construction, and trade and commerce sectors have also witnessed a growth in working capital loans.

In flow terms credit expansion to private business stood at Rs. 165.1 billion during July-March, 2012-13, as compared to Rs. 42.9 billion recorded in the same period last year. The growth in all the major sectors registered an increase when compared to last year. The manufacturing sector availed 88 percent of private sector loans (Rs.145.5 billion), followed by textile (45.4 percent or Rs. 74.9 billion), agriculture (8.7 percent or Rs. 14.3 billion), mining and quarrying (3.6 percent or Rs. 5.9 billion).

Fig: 5.4- Consumer Financing (Rs. Billion)

Description	July-March(flows)		Growth (%)	
	2011-12	2012-13	2011-12	2012-13
Consumer Financing	-8.5	8.5	-3.9	4.2
1) For house building	-5.2	-2.4	-10.9	-5.7
2) For transport i.e. purchase of car	-5.6	2.3	-11.0	5.1
3) Credit cards	-1.7	-1.9	-7.0	-8.2
4) Consumers durable	0.1	-0.1	37.1	-40.3
5) Personal loans	2.7	10.2	3.0	11.5
6) Other	1.2	0.4	27.0	7.0

Source: State Bank of Pakistan

Consumer loans registered a modest growth during July-March, 2012-13, as it stood at 4.2 percent against the negative growth of 3.9 percent recorded in the same period last year. The decline in consumer financing during the last four years was mainly due to the increase in policy interest rate by the SBP.

Expansion of loans has been witnessed in auto and personal loans, as it stood at 5.1 percent and 11.5 percent respectively. The disbursement of personal loans increased significantly during July-March, 2012-13, as it was amounted to Rs. 10.2 billion against Rs. 2.7 billion recorded in the comparable period last year. The rise in personal loans was mainly after one public sector bank doubled the limit of its advance salary loan scheme, from Rs. 0.5 million to Rs. 1.0 million in September, 2012.

Table-5.5 Targets and Actual Disbursement of Agriculture Loans

Name Of Banks	Target		Flows July-March	
	2011-12	**2012-13**	**2011-12**	**2012-13**
5 Big Comm. Banks	141.0	153.5	107.6	123.7
ZTBL	70.1	72.0	37.8	38.0
DPBs	54.1	66.7	37.3	51.0
PPCBL	7.6	9.0	6.0	5.4
MFBs	12.2	13.8	8.5	13.0
Total	285.0	315.0	197.4	231.0

Source: State Bank of Pakistan

In agriculture, overall credit disbursement amounted to Rs. 231.0 billion during July-March, 2012-13 against the target of Rs. 315.0 billion as compared to the disbursement of Rs. 197.4 billion against the target of Rs. 285.0 billion during the same period last year, posted a growth of 17 percent year on year basis. Whereas five major commercial banks disbursed Rs. 123.7 billion against Rs. 107.6 billion disbursed during the corresponding period last year showing a growth of 15 percent.

Monetary Assets

The components of monetary assets (M2) consist of currency in circulation, demand deposit, time deposit and resident's foreign currency.

Currency in Circulation

During July-3 May, 2013 currency in circulation (CIC) in flow terms amounted to Rs. 261.5 billion as compared to Rs. 170.5 billion in the same period of fiscal year 2011-12. Similarly, the currency in circulation (CIC) as percent of money supply (M2) has increased to 23.2 percent as against 23.0 percent during the period under review. YoY growth in currency in circulation has registered a significant increase of 15.6 percent. The rise in CIC is mainly due to higher cash demand geared up by relatively stronger growth in agriculture sector and higher cash transfers through Benazir Income Support Program (BISP).

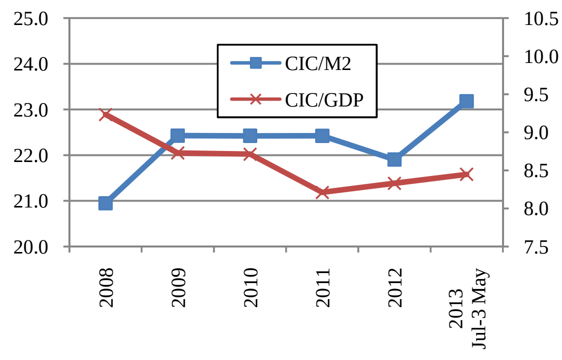
Table-5.6 Monetary Aggregates (Rs. Million)

Items	**End June**		**July-3May**	
	2011	**2012**	**2011-12**	**2012-13**
A. Currency in Circulation	1,501,409	1,673,746	1,671,894	1,935,248
Deposit of which:				
B. Other Deposits with SBP	10,145	8,899	12,031	10,738
C. Total Demand &Time Deposits incl. RFCDs	5,183,640	5,959,150	5,592,433	6,401,614
of which RFCDs	374,945	440,130	412,240	505,960
Monetary Assets Stock (M2) A+B+C	6,695,194	7,641,795	7,276,358	8,347,600
Memorandum Items				
Currency/Money Ratio	22.4	21.9	23.0	23.2
Other Deposits/Money ratio	0.2	0.1	0.2	0.1
Total Deposits/Money ratio	77.4	78.0	76.9	76.7
RFCD/Money ratio	5.6	5.8	5.7	6.1
Income Velocity of Money	2.9	2.9	2.7	2.7

Source: State Bank of Pakistan

Broad money (M2) grew by 9.2 percent during July -3rd May, 2013 as compared to an increase of 8.7 percent in the same period last year. The increase in money supply came from the increase in currency in circulation and deposit money.

Fig: 5.5- Currency in Circulation % M2 & GDP



During July-3rd May, 2013 demand and time deposits stood at Rs. 442.5 billion against Rs. 409.0 billion during the same period last year. The year on year growth in overall deposits at 7.4 percent was due to an increase in demand deposits. It appears that SBP's policy decision of May 2012 to increase the minimum payable rate on saving deposits from 5 to 6 percent appears to have played its role in this increase. Similarly the increase in Residents foreign currency deposits (RFCDs) to Rs. 65.8 billion as compared to Rs. 37.3 billion in the same period last year have also contributed to overall deposit growth.

Monetary Management

Rising trend in government borrowing for budgetary support due to weak fiscal position and less than expected external financing during 2012-13 posed significant challenges for monetary management. However the SBP has followed a cautious policy stance over the years keeping in view lower than targeted growth in tax revenues, risks to inflationary outlook on account of faster growth in reserve money, inability of banks to reduce their costs of operations, low growth in national savings and investment and irregular trend in international prices of oil.

In order to meet the rising liquidity demand due to high government borrowings from the banks, SBP increased its liquidity injections during 2012-13. In the present scenario this act was necessary to evade the liquidity shortage through base money creation in the absence of strong financial inflows. The outstanding net injections through Open Market Operations (OMOs) increased to Rs. 510.0 billion at the end of March, 2013 from a meager Rs. 80 billion at the end of fiscal year 2011-12. However, net injections are continuously on decline as it reached to Rs. 250.7 billion at the end of April, 2013. This implies that government borrowing is on gradual decline.

The SBP mopped up Rs. 146.5 billion during July-March 2012-13 against the injections of Rs. 19,821.1 billion (Table: 5.7) whereas in the comparable period of last year absorption of Rs. 27 billion against the injections of Rs. 9,357.4 billion has taken place.

Table :- 5.7 Summary of OMO's **(Rs. billion)**

	Injections		Absorptions	
	2011-12	2012-13	2011-12	2012-13
July	408.5	1,058.6	-	-
August	640.4	2,090.1	-	-
September	1,025.1	2,095.6	-	-
October	1,058.7	2,505.1	-	-
November	1,381.5	2,633.2	-	-
December	1,418.9	2,404.4	24.0	39.5
January	969.2	2,480.2	-	107.0
February	1,244.4	2,231.6	-	-
March	1,210.9	2,322.5	3.0	-
Total	**9,357.4**	**19,821.1**	**27.0**	**146.5**

Source: State Bank of Pakistan

Most of the government borrowings consist of T-bills having maturity of one year or less. The rise in short term debt is due to the increase in roll over requirement by reducing the average tenor of overall government debt securities. SBP accepted Rs. 4,253.5 billion from the primary market of T-bills during July-March, 2012-13 as compared to Rs. 2,486.2 billion during the same period of fiscal year 2011-12. The market offered the total amount of Rs. 6,509.5 billion during July-March, 2012-13 against the offer of Rs. 4,258.9 billion in the same period last year. During the first nine months of current fiscal year, 6-months T-bills accounted for 48.3 percent of total accepted amount followed by 31.1 percent in 12 months.

Table 5.8 Market Treasury bills Auctions (Rs. Million)

	July-June			July-March					
	FY2011-12			Offered		Accepted		W.A.Rate*	
	Offered	Accepted	W.A Rate*	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13
3-Months	1,658,923	1,114,157	12.5	671,490	1,266,989	363,478	878,175	12.5	10.5
6-Months	1,719,456	1,058,185	12.7	1,501,433	3,147,453	883,012	2,053,367	12.7	10.5
12-Months	2,154,137	1,283,676	12.8	2,086,003	2,095,012	1,239,758	1,321,928	12.8	10.6
Total	**5,532,516**	**3,456,018**		**4,258,926**	**6,509,454**	**2,486,248**	**4,253,470**		

Source: State Bank of Pakistan
Average of maximum and minimum rates

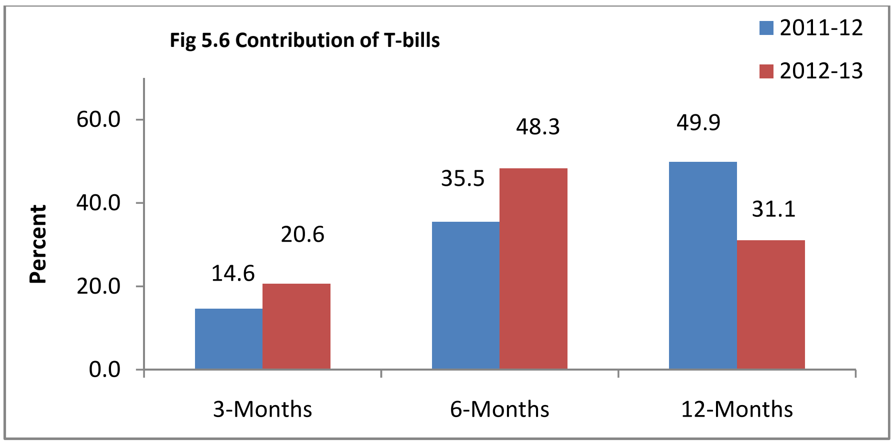


Fig 5.6 Contribution of T-bills

During the current fiscal year, the borrowers typically prefer raising long term debt whereas the government rather focused more on short term debt. SBP mopped up Rs. 191.0 billion during July-March, 2012-13 against Rs. 159.2 billion in the same period of last year.

Table-5.9 Pakistan Investment Bonds Auctions (Rs. Million)

	July-June			July-March				W.A Rate	
	Offered	Accepted	W.A Rate	Offered		Accepted			
PIBs	2011-2012			2011-12	2012-13	2011-12	2012-13	2011-12	2012-13
3 Years	98,271	72,207	12.8	74,171	206,729	50,607	82,224	12.8	11.4
5 Years	74,798	55,897	12.8	57,277	128,227	41,938	64,362	12.6	11.9
10 Years	149,418	92,049	12.8	108,032	118,349	64,370	39,239	12.8	12.4
15 Years	2,446	2,262	13.5	2,446	0.	2,262	0	13.5	0
20 Years	4,890	3,680	13.3	200	6,211	0	5,197	0	13.4
30 Years	210	0	0	210	0	0	0	0	0
Total	**330,033**	**226,095**	-	**242,336**	**459,516**	**159,177**	**191,023**	-	-

Source: State Bank of Pakistan

Market offered a total amount of Rs. 459.5 billion during the first nine months of 2012-13 as compared to Rs. 242.3 billion in the same period last year. Heavy investment was occurred in 3 years PIBs which constituted 43 percent of the total accepted amount.

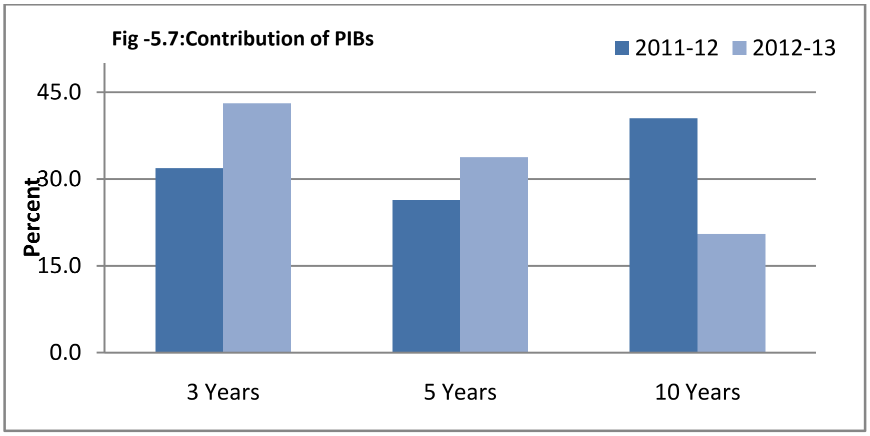


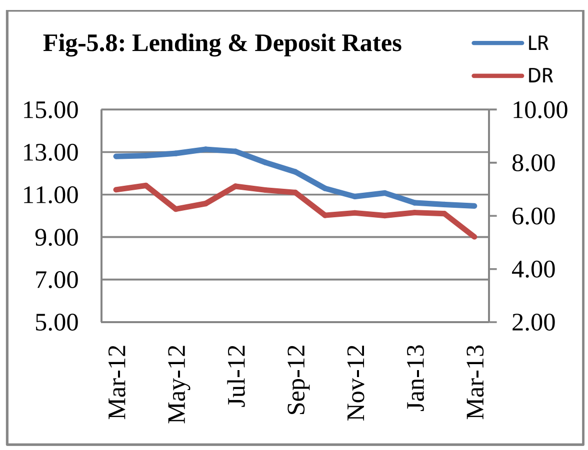
Table-5.10 Lending & Deposit Rates(W.A)

	LR	DR	Spread
Mar-12	12.80	6.98	5.82
Apr-12	12.83	7.14	5.69
May-12	12.94	6.25	6.69
Jun-12	13.13	6.46	6.67
Jul-12	13.03	7.11	5.92
Aug-12	12.51	6.97	5.54
Sep-12	12.07	6.88	5.19
Oct-12	11.29	6.02	5.27
Nov-12	10.91	6.11	4.8
Dec-12	11.07	6.01	5.06
Jan-13	10.61	6.12	4.49
Feb-13	10.53	6.08	4.45
Mar-13	10.46	5.21	5.25

During the current fiscal year, following a decline policy rate by 250 bps points, weighted average lending rates of commercial banks also reduced by 267 bps points to 10.5 percent by March, 2013 against 13.1 percent in June, 2012.

Weighted average lending rate (including zero mark-up) on outstanding loans stood at 10.46percent, while weighted average deposit rate (including zero mark-up) stood at 5.21percent.The lending rates have declined since July, 2012 onwards owing to easy monetary policy stance. Banks have also cut the deposit rates from its peak level of 7.11percent in July, 2012 to 5.21percent in March 2013, in order to avoid fall in their profits.

A declining trend has been witnessed in the banking spread, as it reduced to 4.45 percent in February, 2013, while it rose to 5.25 percent in March, 2013. Lending rate is expected to reduce further owing to low level of investment and fresh disbursements by the banks. On the other hand, deposit rate is likely to increase from April, 2013 onwards, because the banks will start paying interest on average balance of saving accounts instead of minimum as per directives issued by the SBP.



Pakistan's Financial Sector

The effective implementation of monetary policy is consistent with well-organized financial system which is crucial for the appropriate functioning of the transmission mechanism. Deep and stable financial system exerts a powerful impact on economic development, poverty alleviation and economic stability. Moreover it also ensures that the central bank's policy rates are effectively transmitted to the financing conditions of households and firms and affect their saving and investment decisions. Recent global financial crisis has highlighted the importance of a resilient financial infrastructure for financial stability. It has led to a discussion about the role of the central banks and regulators, particularly ensuring stable systems for large-value financial transactions.

Pakistan financial system remained resilient against the back drop of global economic downturn due to less developed financial institutions and markets when compared with other emerging countries in Asia and around the world. Despite a substantial growth in the financial sector over the years, less exposure (lack of depth) (**Box-II**) implies that much of the financing needs cannot be met and still there is huge potential to grow with an aim to play its consequential role in the economic development of the country.

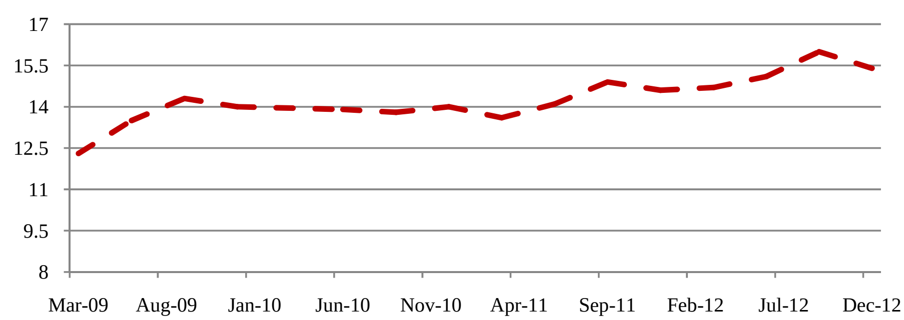
Table- 5.11: Highlights of the Pakistan's Banking System (Rs. Billion)

	CY07	CY08	CY09	CY10	CY11	Mar-12	Jun-12	Sep-12	Dec-12
Total Assets	5,172	5,628	6,516	7117	8171	8,386	8,653	9,109	9,761
Investments (net)	1,276	1,087	1,737	2157	3055	3,188	3,275	3,769	4,009
Advances (net)	2,688	3,173	3,240	3358	3429	3,429	3,573	3,549	3,760
Deposits	3,854	4,218	4,786	5451	6244	6,315	6,803	6,744	7,301
Equity	544	563	660	695	784	787	808	855	882
Profit Before Tax (ytd*)	107	63	81	105	170	48	99	142	187
Profit After Tax (ytd)	73	43	54	65	112	31	64	92	121
Non-Performing Loans	218	359	446	556	592	609	635	617	607
Non-Performing Loans (net)	30	109	134	185	182	192	214	185	171
Capital Adequacy Ratio (all banks)	12.3	12.2	14.0	13.9	15.1	14.7	15.1	16.0	15.4

Source: State Bank of Pakistan, *: year to date

The asset base of the banking system and its key elements posted a strong growth particularly in terms of deposit base. During December, CY12, assets of the banking system grew by 19.5 percent year on year basis to reach Rs. 9.8 trillion. Total assets have grown primarily because of investments in government papers. Deposits increased by 16.9 percent year on year basis, on the back of significant inflows of workers' remittances.

Fig-5.9: Capital Adequacy Ratio (percent)



Capital adequacy ratio (CAR) can also be used to test the strength of the banking system as it ensures that banks are strong enough to meet the credit, market and operational risks. In December, 2012 capital adequacy ratio (CAR) dropped by 0.6 percentage points and stood at 15.4percent against 16percent in September 2012. Non Performing Loans (NPLs) continue to grow as it reached to Rs. 607 billion in December, 2012 as compared to Rs. 592 billion in CY11largely due to security situation, energy shortage and slowdown in macroeconomic situation. However, during the fourth quarter of CY12 witnessed a decline after reaching at Rs. 635 billion in June 2012.

Box: 2
Financial development

Financial depth approximated by M2-to-GDP ratio is considered to be the most comprehensive measure as M2 as a proxy for the size of the financial sector includes not only credit to private sector, but also credit to government as well as bank assets other than credit. A rising M2/GDP ratio specifies that in nominal terms the financial assets are growing faster than the non-financial assets. As an important indicator of financial development M2/GDP has shown a declining trend in Pakistan since 2007-08, as it reduced from 44.1 percent to 38.0 percent in 2011-12. During July-3rd May 2012-13, M2/GDP ratio has increased to 36.4 percent as compared to 36.2 percent during the same period last year. Low financial depth reflects the need for more structural reforms in addition to the one implemented earlier in order to achieve potential level for sustained economic development.

Years	M2/GDP
2006-07	44.0
2007-08	44.1
2008-09	38.9
2009-10	38.9
2010-11	36.6
2011-12	38.0
July-3 May, 2012-13	
2011-12	36.2
2012-13	36.4

Islamic Banking

Islamic banking industry (IBI) in Pakistan witnessed significant growth due to local demand for Shariah complaint financial services.

Table 5.12 Islamic Banks (Rs. Billion)

	CY05	CY06	CY07	CY08	CY09	CY10	CY11	Dec 12*
Assets of the Islamic banks	71.5	119.3	205.9	276.0	366.3	475.1	641.0	836.5
Deposits of the Islamic Banks	49.9	83.7	147.4	201.6	282.6	390.1	521.0	706.5
Share in Banks Assets	1.95%	2.79%	3.98%	4.90%	5.60%	6.70%	7.80%	8.60%
Share in Bank Deposits	1.75%	2.62%	3.82%	4.78%	5.90%	7.20%	8.40%	9.70%

Source: Islamic Banking Department, State Bank of Pakistan
*: Provisional data

The assets and deposits of the Islamic banking industry grew by 30.5 percent and 35.6 percent (YoY) respectively. Asset base of Islamic banking Industry reached to Rs. 836.5 billion by end December, 2012 from Rs. 641 billion in 2011 while deposits reached to Rs. 706.5 billion against Rs. 521 billion in the same period last year. The share in bank assets increased to 8.60 percent at the end of 2012 as compared to 7.80 during the same period last year whereas share of deposits increased by 9.70 percent as against the share of 8.40 percent recorded in 2011. On the other hand profit of Islamic banking industry remained Rs. 10 billion during the last quarter of CY2012. As a positive development, both Non Performing Finances (NPFs) to financing ratio as well as Net non performing assets to total capital ratio witnessed decline during the last quarter of 2012.

Two major components of assets i.e investment and financing, registered positive growth during the last quarter of CY12 though growth in financing was higher than the growth in investment.

Table 5.12 (a) Financing Products by Islamic banks (%age)

Mode of Financing	CY06	CY07	CY08	CY09	CY10	CY11	CY12
Murabaha	48.4	44.5	36.5	36.5	40.8	43.8	39.7
Ijara	29.7	24	22.1	15.1	8.9	10.4	9.2
Musharaka	0.8	1.6	2.1	3.4	1.9	2.4	0.8
Mudaraba		0.3	0.2	0.4	0.2	0.1	0.2
Diminishing Muskaraka	14.8	25.6	28.9	29.7	29.7	32.0	35.7
Salam	1.9	1.4	1.8	1.2	1.5	2.4	3.0
Istisna	1.4	1.0	2.9	6.0	6.1	4.4	7.2
Others	3.0	1.6	5.4	7.8	10.9	4.4	4.3

Source: State Bank of Pakistan

All modes of financing except Musharaka witnessed increase in the last quarter of 2012. Whereas in CY12, Murabaha continued to have the highest share in overall financing followed by Diminishing Musharaka, Ijara and Istisna.

Microfinance

Microfinance sector has been experiencing growth and making progress towards profitability despite facing various external challenges. Due to favorable market environment both existing and new investors continue to invest substantially in microfinance banks (MFBs). Growth has been witnessed in almost all areas. Lending which was adversely affected due to devastating floods in 2010-11, has now started to rise again. Another substantial development is mobile phone banking which has been adding vast, low-cost and easy-to-access distributional channels in the sector. In recognition of its effective role and sustained commitment, the State Bank of Pakistan (SBP) has earned international recognition for its regulatory role in microfinance and branchless banking.

Presently, ten privately owned MFBs are operating in Pakistan. Three out of five telecoms have ownership stakes in MFBs. Two global MFIs, ASA and BRAC are also operating in Pakistan since 2008 and now have their operations spread across the country. Recently, Advance SA & FMO has established Advance SA Microfinance Bank.

Microfinance sector (MFBs and MFIs) witnessed a 13.7 percent growth in its aggregate loan portfolio which grew by Rs.5.2 billion in the third quarter of fiscal year 2012-13, reaching to Rs.43.5 billion against a total of 2.5 million borrowers. At the close of third quarter of 2012-13, the total loan portfolio of MFBs grew by 41 percent, reaching to Rs.23.7 billion as compared to Rs.16.8 billion in the corresponding period last year. The number of borrowers served also registered a growth of 9.8 percent, increasing from 807,986 in March, 2012 to 889,986 in March, 2013. Encouragingly, the NPLs of MFBs were restricted to around 1.92 percent as of end March, 2013. The deposit growth remained impressive with a total of Rs.9.1 billion (63 percent) added to the sector’s deposit base which stood at Rs.23.6 billion as of end March, 2013 compared to Rs.14.4 billion in corresponding period last year. The progress of the industry remained satisfactory despite macroeconomic challenges facing the country. The sector was able to expand its branch/service center network to 1,970 adding 52 new business locations across the country over the last quarter.

SBP Policy Initiatives during the Year FY13

- To foster market development, State Bank of Pakistan (SBP) has established a Consultative Group on Branchless Banking, comprising of key stakeholders. The group is currently examining critical challenges and developing recommendations to overcome the identified challenges.
- To further expand access of financial services, commercial banks have been advised to improve the coverage ratio of ATMs (the number of ATMs per branch) effective from CY 2013 onwards. All banks shall add one ATM in their network against each new branch to be opened in during a calendar year. The banks having less than 1:1 ATM per branch ratio shall cover their existing gap in 5 years starting from CY 2013 @ 20% each year.
- Rozgar microfinance bank has been converted into a nation-wide microfinance bank. Its name has also been renamed as U Microfinance Bank after its acquisition by Paksitan Telecommunication Limited. Like Tameer and Waseela, the MFB also plans to launch branchless banking platform for offering financial services.
- The pionner MFB i.e. Khushhali Microfinance Bank has been acquired by UBL led consortium while Kashf Microfinance Bank is in advanced stage of acquisition by M/s. FINCA Microfinance Holding Company.
- Advans SA has been licensed, and has commenced business as a province-wide MFB. Advans SA is operating in Sindh. The MFB is sponsored by Advans Group which is a network of financial institutions providing financial services to micro and small enterprises.
- Tameer Microfinance Bank has been allowed to undertake microenterprise lending on a pilot basis. The development came after SBP allowed higher loan limits to MFBs for undertaking microenterprise lending in March, 2012 with prior approval of SBP. Other MFBs have also demonstrated interest to undertake microenterprise lending.
- In order to further facilitate micro-enterprises, the scope of SMEs credit guarantee scheme has been extended to include microfinance banks as eligible participating financial institutions (PFIs); whereby, they would be able to access the guarantee facility for extending loans from above Rs. 150,000 up to Rs. 500,000 to micro-enterprises for a tenor not exceeding 5 years.

Box-3: Program Initiatives

To complement policy measures & promote financial inclusion, SBP also undertakes implementation of government and donor funded programs. The updates on government programs and SBP market interventions are as follows:

To promote financial inclusion in the country, SBP has been implementing the DFID-funded Financial Inclusion Program (FIP) with the aim to promote inclusive growth and to improve income and livelihoods opportunities for poor and marginalized groups in Pakistan. The progress and details on account of different interventions of FIP are given below:

a) Microfinance Credit Guarantee Facility: The £10 million MCGF is a credit enhancement facility launched by SBP in December 2008 under FIP to cover partial risks against the loans extended to microfinance providers by the commercial banks. The facility has helped develop the market and introduce poor borrowers to mainstream financial institutions. So far 25 guarantees have mobilized Rs.7.075 billion from commercial bank for onward lending to around 350,000 new micro borrowers. The scope of the facility has been enhanced to mobilize non-bank financing from capital markets, further diversifying sources of financing for micro borrowers.

b) Institutional Strengthening Fund (ISF): In December 2008, SBP launched £10million ISF facility with the objective to provide grants for strengthening the institutional and human resource capacity of the microfinance providers (MFPs). Up till now, Rs.638 million have been approved for 13 MFPs which cover 20 projects addressing institutional strengthening needs of the grantee institutions for Capacity Building/ HR Training, IT development, Business Plan/ Strategic reviews, Market Research, Branchless Banking, Corporate Governance, Credit Ratings, Remittances, and Treasury functions etc.

c) Credit Guarantee Scheme for small and rural borrowers (CGS): CGS worth £10million was launched in March 2010 to facilitate credit to small and rural businesses for greater outreach. Under CGS, limits worth PKR 4.830 billion have been assigned to 12 banks for 2012 and the Guarantees of Rs. 1,231 million have been issued against sanctioned loans of Rs. 2,923 million for providing new loans of 4,861 to Agri. & Small Enterprises

d) Financial Innovation Challenge Fund (FICF): a £10 million facility that aims to foster innovations and test new markets, lower cost of delivery, enable systems and procedures to be more efficient and provide new ways of meeting the unmet demand for financial services. The first round of the Fund which was held on Government to Person (G2P) Payments has now been successfully concluded by deciding to award Rs. 505 Million to six applicant institutions. The 2nd FICF Round would be held on Rural Financial services including agricultural finance and broad based Financial Services Projects using telecommunication infrastructure to promote micro payment for people who are not part of financial services

e) Technical Assistance (TA) worth £10 million was launched for providing support to improve market Information and Infrastructure, such as

I) Support to Systemic Areas

- National Microfinance Credit Information Bureau
- Anti-Money Laundering: Strengthening of FMU’s information systems and analytical capabilities
- Pakistan Remittance Initiative (PRI)
- Third party transparency initiative for MF industry
- Strengthening Consumer protection monitoring vis-à-vis global benchmarks

II) Surveys and Assessments such as G2P payments, Islamic: KAP Survey, SME Cluster Surveys, Hybrid Value Chain financing study, Branchless Banking Survey and development plan Access to Finance survey -2, Agriculture Finance Study etc.

Lack of financial literacy has been a major constraint to enhance financial inclusion in the country. In order to address this challenge, SBP launched Pakistan's first-ever Nationwide Financial Literacy Program (NFLP) on 20th January 2012 to assist financial inclusion and poverty alleviation efforts to facilitate economic growth and stability across the country

The dissemination of the pilot program has now been completed successfully. The program focused on disseminating basic education about financial concepts, products and services to masses focusing on Budgeting, Savings, Investments, Banking Products and Services, Debt Management and Consumer Right and Responsibilities etc. As a way forward, the program will further be scaled up based on the evaluation of the pilot project to reach out to more than 500,000 poor and low income beneficiaries

Farmers Financial Literacy & Awareness Programs on Agricultural Financing, Grass-root level Training Programs for Credit/Loan Officers of Microfinance Banks/Microfinance Institutions (MFIs), and likewise SME Finance Grass Root Cluster Training Programs were arranged by SBP with the ultimate of broadening financial inclusion.

Insurance Sector

The insurance industry in Pakistan is relatively small compared to its peers in the region. The insurance penetration and density remained very modest as compared to other jurisdictions while the insurance sector remained underdeveloped relative to its potential. As of December 2011, the industry's total premium revenue stood at over Rs. 124 billion or US$1.29 billion.

The market is fairly liberalized as 100 percent foreign ownership and control of insurance companies is permitted with paid up capital requirements at US$4 million, with the condition of bringing in at least a minimum of US$2 million in foreign exchange and raising an equivalent amount from the local market. The minimum capital requirements have been increased in a phased manner, though they still remain modest by international standards, at Rs. 300 million for non-life and Rs. 500 million for life insurers.

Currently there are 39 non-life insurers operating in the market, including three general Takaful operators and one state-owned company. Approximately, 65 percent of the market share in gross written premium rests with the top three players. In the CY2011, the sector grew by 16 percent, whereas the total premium of non-life insurance sector stands at Rs. 54 billion. In addition, a government owned reinsurer continues to benefit from a mandatory minimum 35 percent share in the treaties of non-life insurers.

There are nine life insurers, including two family Takaful operators and one state-owned corporation in the life insurance sector. In CY2011, the life insurance market grew by 30 percent, whereas the total premium stood at Rs. 70 billion.

There are two dedicated health insurance companies in the market along with two foreign life insurance companies and two non-life foreign companies. The market has witnessed introduction of new products in the lines of health, crop and livestock insurance. New distribution channels such as Bancassurance, websales and Telesales are also growing rapidly.

Achievements

During the period under review, in its quest to meet its primary objectives of protecting the interests of policyholders and facilitating orderly development of the insurance industry, including takaful segment, the Insurance Division is focused in various areas which are as follows:

i. Micro insurance

SECP is working with the World Bank, under a project sponsored by the FIRST Initiative, to create an enabling environment for the provision of micro insurance in the country. Three high-level missions by the senior staff and consulting experts of the World Bank were carried out during the period under review. A diagnostic study has also been completed and published, depicting the state of micro insurance in Pakistan with the demand and supply-side analysis.

iii. Development of crop and livestock insurance

SECP has been an active member of the Presidential Task Force and working to formulate a framework on NAIS, a National Agriculture Insurance Scheme. A draft scheme has also been prepared which includes the latest estimates of cropping area, cost of production, estimated cost of premiums and various proposals on the sharing of premium subsidies by the federal and provincial governments. This scheme would be available to all farmers of the country involved in the cultivation of five major crops namely wheat, rice, sugarcane, cotton and maize and will provide coverage from sowing to harvest. It will be mandatory in nature and all farmers in the country will be automatically insured, whether they take the loan from the banks or not. Indemnity will be based on the per acre input cost estimates of Agriculture Policy Institute and the sum insured will be determined on the estimated cost of cultivation. Simultaneously, a similar task force has been formed by the State Bank of Pakistan for the development of a Livestock Loan Insurance Scheme (LLIS).

iv. Insurance industry reform committee

It is imperative to promote a robust and financially sound insurance industry to diversify the inherent systemic risk and to enhance the resilience of the financial system by increasing its outreach and penetration. To accomplish this challenging task, SECP constituted an Insurance Industry Reform Committee comprising of industry experts, professionals and members from within SECP.

vi. Insurance Companies (Sound and Prudent) Management Regulations, 2012

To safeguard the interests of stakeholders, the Commission, after the approval of SEC Policy Board notified the Insurance Companies (Sound and Prudent Management) Regulations, 2012, which are applicable to the Chief Executive Officers/Principal Officer, Directors and the relevant key officers of insurance companies. The regulations have been prepared after thorough consultation with stakeholders and insurance industry experts and are in line with the international best practices prescribed by the International Association of Insurance Supervisors (IAIS).

vii. Introduction of risk based solvency regime

In January 2012, the SEC Policy Board signaled its nod for notifying revisions in the solvency regime thereby modifying the SEC (Insurance) Rules, 2002 vide Gazette Notification SRO16(I)/2012 dated 9 January 2012. The salient features of the amendments are:

- Rationalization of admissibility limits for certain assets;
- Enhancement of Minimum Solvency Requirement for non-Life insurers and shareholders' fund for life insurers; and
- Enhancement of Statutory Fund requirement by introducing Risk Based Margin above the current policyholders' liabilities.

ix. Takaful Rules, 2012

In 2007, a Committee was tasked to review the Takaful Rules 2005. The committee focused on areas such as ensuring consistency with accounting provisions of the SEC (Insurance) Rules 2002, prescribing of percentages in respect of various modes of the Shariah complaint investments for the purpose of determining solvency, maintaining separate solvency for each Participants' Takaful Fund which will ultimately strengthen the solvency of the Waqf Pool, introduction of a comprehensive Shariah Governance Framework. In other words, the takaful operator would ensure that their operations are managed in a sound and prudent manner. In this regard, the SECP is, also, in the process of establishing a Shariah Advisory Board. One of the prominent features of the Takaful Rules 2012 is that in line with a policy decision of the GoP, the rules contain requirements for allowing conventional insurance companies to commence Takaful business through specialized "window" operation. Proposed rules shall allow conventional insurance companies to apply for permission to commence window operations enabling them to offer shariah compliant products and conventional insurance products simultaneously provided that the accounts are segregated and reported separately. The Rules were subsequently approved by the Policy Board.

x. Directions for insurance companies to combat money laundering

While taking appropriate steps to address the gaps related to the threat of money laundering in the insurance industry, SECP has issued a Directive for the Insurers on the Anti-money Laundering (AML) regime including the Customer Due Diligence/ Know Your Customer (CDD/KYC) Policies and Designation of Compliance Officers. Such regulatory directions are prescribed and implemented by Regulators globally in the financial sector so as to promote the anti-money laundering practices which helps to protect the interest of all stakeholders. The directive is applicable to all public and private sector insurers.

xi. On-line Insurance Companies Return Submission System (ICRS)

To facilitate the insurance industry for submitting the regulatory returns required under the applicable insurance laws, the Commission has introduced an online regulatory returns submission system, the Insurance Companies Return Submission (ICRS) system, which has been implemented since the beginning of July 2012 for both life and non-life insurers.

Box: 3
WAY FORWARD

- SECP is actively working with stakeholders to develop innovative solutions for the delivery of micro insurance. Certain technology-driven models have been prepared for local indigenous solutions and it is expected that with the support from international and multilateral agencies, modern intermediary models shall soon be introduced

Chapter 6

Capital Markets

Introduction

The primary role of the capital market is to raise long-term funds for governments, banks, and corporations while providing a platform for the trading of securities. This fundraising is regulated by the performance of the stock and bond markets within the capital market. The member organizations of the capital market may issue stocks and bonds in order to raise funds. Investors can then invest in the capital market by purchasing those stocks and bonds. The capital market, therefore, functions as a link between savers and investors. It plays an important role in mobilizing the savings and diverting them in productive investment. In this way, capital market plays a vital role in transferring the financial resources from surplus and wasteful areas to deficit and productive areas, thus increasing the productivity and prosperity of the country and promotes the process of economic growth in the country.

The capital market includes the stock market (equity securities) and the bond market (debt). Capital markets may be classified as primary markets and secondary markets. In primary markets, new stock or bond issues are sold to investors via a mechanism known as underwriting. In the secondary markets, existing securities are sold and bought among investors or traders, usually on a securities exchange, over-the-counter, or elsewhere. The capital market facilitates lending to the businessmen and the government and thus encourages investment. It provides facilities through banks and nonbank financial institutions. Various financial assets, *e.g.,* shares, securities, bonds, etc., induce savers to lend to the government or invest in industry. With the development of financial institutions, capital becomes more mobile, interest rate falls and investment increases.

The capital market not only reflects the general condition of the economy, but also smoothens and accelerates the process of economic growth. Various institutions of the capital market like nonbank financial intermediaries allocate the resources rationally in accordance with the development needs of the country. The proper allocation of resources results in the expansion of trade and industry in both public and private sectors, thus promoting balanced economic growth in the country.

As discussed in preceding paras, the capital market is that segment of the financial market that deals with the *effective* channeling of medium to long-term funds from the surplus to the deficit unit. The process of transfer of funds is done through instruments, which are documents (or certificates), showing evidence of investments. The trading instruments in the capital market consist of (i) Debt Instruments which is used by either companies or governments to generate funds for capital-intensive projects. When the instrument is issued by the federal government, it is called a *Sovereign Bond (ii)* Equities issued by companies only and can also be obtained either in the primary market or the secondary market. (iii) Preference Shares issued by corporate bodies and the investors rank second (after bond holders) on the scale of preference. The instrument possesses the characteristics of equity in the sense that when the authorized share capital and paid up capital are being calculated, they are added to equity capital to arrive at the total (iv) derivatives are those instruments that derive from other securities, which are referred to as underlying assets (as the derivative is derived from them). The price, riskiness and function of the derivative depend on the underlying assets since whatever affects the underlying asset must affect the derivative. The derivative might be an asset, index or even situation. Derivatives are mostly common in developed economies. Some examples of derivatives are Mortgage-Backed Securities (MBS), Asset-Backed Securities (ABS), Futures, Options, Swaps, Rights, Exchange Traded Funds or commodities,

Every capital market in the world is monitored by financial regulators and their respective governance organization. The purpose of such regulation is to protect investors from fraud and deception. Financial regulatory bodies are also charged with minimizing financial losses, issuing licenses to financial service providers, and enforcing applicable laws. In Pakistan the Securities Exchange Commission of Pakistan (SECP) serve as a regulatory body for smooth functioning of Capital Market.

Capital Market Reforms and Developmental Activities undertaken during 2012-13

In line with its objectives to develop a robust, efficient and competitive capital market in Pakistan, the Securities and Exchange Commission of Pakistan (SECP) during the period under review introduced various structural, legal and fiscal reforms aimed at strengthening risk management, increasing transparency, improving governance of the capital market infrastructure institutions, enhancing investor protection and launching new product/market development initiatives. The highlights of these reform measures are as follows:

- **Demutualization of Stock Exchanges:** The stock exchanges in Pakistan were successfully corporatized and demutualized on August 27, 2012 consequent to promulgation of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The Act was approved in a joint session of the Parliament and subsequently promulgated after presidential consent on May 7, 2012. Demutualization is a ground-breaking reform for the Pakistan capital market as it would address the conflicts prevalent in the earlier mutualized set-up of the stock exchanges by segregation of commercial and regulatory functions and separation of ownership and trading rights. This development has brought the Pakistan stock exchanges on par with their global counterparts. While bringing enhanced governance and transparency at the stock exchanges, demutualization will also project a positive image of the Pakistan stock market on the international platform and will facilitate the exchanges in attracting global strategic investors of good stature and increase the depth of primary and secondary market.

- **Default Management in the Post Demutualized Environment**
  Post demutualization, each member/initial shareholder of the stock exchanges has been allotted shares and a Trading Right Entitlement Certificate (TREC) in lieu of the membership card. In the event of default of any TREC holder, the proceeds of such card are no longer available for utilization to satisfy the members and investor's claims. In order to cater this, a concept of Base Minimum Capital (BMC) was introduced which is required to be deposited and maintained at all times by each TREC holder with the respective stock exchanges. The BMC will be available for utilization as collateral in the event of default by the relevant TREC holder in the demutualized regime.

- **Revamping of Capital Gains Tax (CGT):** With the aim to facilitate the government in its objective of documentation of the economy and to bring the income of securities market investors within the tax ambit, CGT regime was revamped to address the practical issues and encourage activity in the security market. Accordingly, the Finance (Amendment) Ordinance, 2012 was promulgated on April 24, 2012 and the Income Tax Rules were promulgated subsequently to give effect to the revised CGT regime. Under the revised CGT regime, the National Clearing Company of Pakistan Limited is acting as an intermediary to deduct and deposit CGT from investors' transactions while providing an automated and efficient mechanism for the calculation, deduction and deposit of tax.

- **Code of Corporate Governance 2012**: With the objective of fostering good governance principles and practices in the corporate sector, a new Code of Corporate Governance, 2012 was introduced for the listed companies as a part of the stock exchanges' regulations. The Code incorporates international best practices and standards and introduces more stringent requirements to ensure transparency and good governance in companies with public stake.

- **Pakistan Mercantile Exchange Limited (PMEX):** To fulfill the hedging requirements of various classes/groups of investors in the commodity market and in pursuit of enhancing the product suite at the PMEX, futures contract in silver (10 ounces) was approved. From the regulatory standpoint, Regulations governing System Audit of Brokers at PMEX were approved to introduce regular inspections/audits of the members to check and ensure their compliance with the relevant regulatory framework.

- **Introduction of Odd-Lot Market**
  To facilitate investors in trading of thinly traded securities and fractional shares due to corporate entitlements, a separate odd lot market has been reintroduced at the stock exchanges which will operate parallel to the cash market under the risk management system of the exchanges.

- **Introduction of Index-based Option Contracts:** To add depth to the market and to allow investors to leverage positions for large diversified portfolios, Index-based Option Contracts were launched at the Karachi Stock Exchange in line with international best practices. Options are globally popular derivative products which provide various benefits such as help to create orderly, efficient, and liquid markets, and giving flexibility, leverage and risk minimization to the investors.

Pakistan Equity Capital Market

Stock market performance is one of the key determinants of economic and political conditions of a country. The Karachi Stock Exchange (KSE) is Pakistan's first and one of the oldest stock exchanges in emerging markets of South Asia. KSE was established on 18th September, 1947, just two months after Pakistan became an independent state. KSE is the Pakistan's largest stock exchange. The other exchanges in Pakistan, the Lahore Stock Exchange (LSE) and the Islamabad Stock Exchange (ISE), were established in 1974 and 1989, respectively.

The Pakistan Stock Market depicted an outstanding performance during July 2012 – March 2013 which has witnessed an exponential growth consequent to various favourable events taking place at political and economic front. There have been numerous factors which played vital role in fueling the index pace; these included implementation of long awaited Capital Gain Tax Rules, Demutualization of the stock exchanges, considerable decline in the discount rate by SBP which was brought down to single digit figure of 9.5% in December 2012, substantial foreign interest in stocks, declining inflation rates etc. Further, a politically stable environment also helped to achieve a flourishing capital market.

Highlight of 2012 Global Markets

The performance of global equities substantially improved in 2012 when compared to 2011. The World Index was up 13.2 per cent as compared to 7.6 percent in 2011. Turkey led the world with more than 65 percent gain. Emerging markets generally performed well during the year as investor sentiment continued to improve. This was partly due to some continued stabilization of the euro zone debt crisis, where yields on peripheral government bonds continued to fall. Emerging markets like Philippines, Egypt, Poland and Thailand, showed more than 40% of total return for 2012. Developed markets also witnessed improved equity performance in 2012. Belgium, Singapore, German, New Zealand, and Austria led the developed countries, with more than 30% gain each for 2012. US S&P index lagged most of the world markets in 2012 but still delivered 16% total return in 2012. After a good return in 2011, dividend stocks underperformed in 2012 as US dividend investors headed for the exit door due to the fear of potential 2013 dividend tax rate hike.

Pakistan Stock Markets has outperformed during first nine months of current fiscal year among Global Stock Markets including India, China, Hong Kong, Tokyo, USA and UK. Participation of foreign investment was the main reason behind the better performance of Karachi Stock Exchange (KSE). In addition, the better return on Pakistan Stocks has also attracted the foreigners which they did not find in the other Global Markets, Beside this, the local investors has found the best avenue in the capital market because of consecutive decline in the discount rate. KSE-100 Index has witnessed an increase of 30.7 per cent from 13801.41 to 18043.31 during first nine months. In the same way, the US S&P 500 has registered an increase of 15.2 per cent while the UK FTSE 100 was up by 15.1 per cent during the period under review. The Index of Tokyo NIKKEI 225 , however, stood at 12,397.91 with an impressive increase of 37.7 per cent The Hong Kong market went upward by 14.7 per cent but China Shanghai Composite could not perform and increased only by 0.5 percent. Beside this, Bombay Sensex Index stood at 18,835.77. It may be noted that as compared with the other world indices, Pakistan Stock market performed well during current fiscal year.

Table 6.1: Global Stock Indices during June 30, 2012 to March 2013

	Index	Date		Change June 2012-Mar 2013	
		30-Jun-12	March 31 2013	Points	%
KSE	100 Index	13,801.48	18,043.38	4,241.97	30.7
Philippines	PSE Composite	5,246.41	6,847.47	1,601.06	30.5
Jakarta	Composite	3,955.58	4,940.99	985.41	24.9

Table 6.1: Global Stock Indices during June 30, 2012 to March 2013

	Index	Date		Change June 2012-Mar 2013	
		30-Jun-12	March 31 2013	Points	%
Kuala Lumpur	KLSE Composite	1,599.15	1,671.63	72.48	4.5
US	S&P 500	1,362.16	1,569.19	207.03	15.2
New Zealand	NZX 50	3448.35	3,509.55	61.20	1.77
UK	FTSE100	5,571.10	6,411.70	840.60	15.1
Australia	AORD	4659.80	4,420.00	-239.80	-5.15
Seoul	Composite	2100.69	2,014.04	-86.65	-4.12
Tokyo	Nikkei225	9,006.78	12,397.91	3,391.13	37.7
Singapore	Strait times	2,878.45	3,308.10	429.65	14.9
Hong Kong	Hang Seng	19,441.46	22,299.63	2,858.17	14.7
India	Senses	1,7429.83	18,835.77	1,405.94	8.1
Taiwan	T.weighted	8652.59	7,933	-719.59	-8.32
Thailand	Set (Bangkok)	1,172.11	1,561.06	388.95	33.2
China	Shanghai Comp	2,225.43	2,236.62	11.19	0.5

Source: Karachi Stock Exchange

Performance of Karachi Stock Exchange

Karachi Stock Market remained in record high trajectory during 2012-13, with the KSE-100 Index is setting new records by each passing day and trading at above 20,300 level in mid May 2013 for the first time in its history. On the economic front, the picture remains mixed with the external sector just managing to stay afloat due to improvement in inward remittances by overseas Pakistanis. Yet, foreign debt repayments, especially to the IMF have put downward pressure on the Rupee to some extent. However, improved economic stability and expected new political set up in the country as a result of Election, 2013 keep the investors local, as well as foreign, in bullish frame of mind and no body wanted to miss the opportunity. During July 2012-March 2013 foreign investors were the net buyer showing a net inflow of US $227.67 million as per National clearing and Settlement of Pakistan (NCCPL).

During current fiscal year inflation went down to single digit, averaging 7.8 percent (Jul-April) and this gave room to the State Bank of Pakistan for cutting discount rate by 250 bps (Aug 2012:150 bps, Oct 2012: 50bps and Dec 2012: 50bps), bringing down policy rate to 9.5%. Despite continued energy shortages and substantial fiscal borrowings from the banking system, credit extended to private business has shown some nascent recovery. These factors also contributed to bullish trend in KSE.

A total of 571 companies were listed at the Karachi Stock Exchange (KSE) as of March 31, 2013 with total Listed Capital of Rs. 1,106.514 billion. The aggregate market capitalization at end of March 2013 stood at Rs. 4,446.90 billion. KSE 100 index opened at 13,801.41 points on July 01, 2012 and closed at 18,043.31 during the mentioned period showing a gain of 30.73 %. The benchmark index touched historical high of 18,311.66 points on March 01, 2013. The average daily traded volume in the Ready Market for the Jul-March FY13 period also showed improvement and remained 165.08 million shares against 108.21 million shares during same period last year.

Table 6.2: Profile of Karachi Stock Exchange

Description	2008-2009	2009-2010	2010-2011	2011-2012	2012-13 (upto March)
Total listed companies	651	652	639	591	571
New companies listed	8	8	1	3	
Fund mobilized(Rs. in billion)	44.95	111.83	31.04	115.1	21.1
Total Listed Capital (Rs. in millions)	781,793.81	909,893.67	943,732.85	1,069,840.00	1,106,510.00
Total Market Capitalization (Rs. in millions)	2,120,650.87	2,732,373.61	3,288,657.32	3,518,140.00	4,609,928.61
Total Shares Volume (Million)	28,332.78	42,959.12	28,018.14	38,100.00	34,650.00
Average Daily Share volume (million)	115.64	172.53	111.63	150.00	190.00

Source: Karachi Stock Exchange

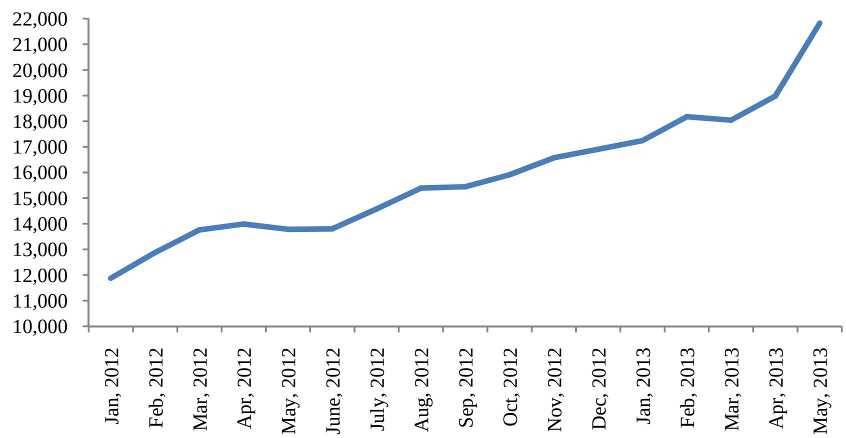
The closing level of KSE 100-index as on end May, 2013 stood at 21,823.05 (the highest level of eleven months) registering a growth of 58.1 percent as compared to July 01, 2012 where index stood at 13,801.41 points.

Table 6.3: Leading Stock Market Indicators on KSE (KSE-100 Index: November (1991=1000)

Months	2011-12			2012-13		
	KSE Index (end month)	Market Capitalization (Rs. Billion)	Turnover of shares (billion)	KSE Index (end month)	Market Capitalization (Rs. Billion)	Turnover of shares (billion)
July	12,190.37	3,247.4	1.2	14,577.00	3,797.3	2.0
August	11,070.58	2,938.0	1.0	15,391.58	4,051.1	2.8
September	11,761.97	3,125.8	1.4	15,444.82	4,037.7	2.8
October,	11,868.88	3,119.1	1.8	15,910.11	4,090.7	2.6
November	11,532.83	3,022.6	0.9	16,573.86	4,307.8	4.5
December	11,347.66	2,960.1	0.8	16,905.33	4,375.9	3.3
January	11,874.89	3,064.0	1.6	17,242.74	4,468.1	3.5
February	12,877.88	3,317.7	3.9	18,173.67	4,647.3	5.4
March	13,761.76	3,501.8	7.0	18,043.31	4,609.9	5.1
April,	13,990.38	3,548.9	6.6	18,982.42	4,819.6	3.9
May	13,786.62	3,502.0	4.3	21,823.05	5,502.2	-
June	13,801.41	3,493.3	1.7			

Source: Karachi Stock Exchange

Fig-8.1: KSE 100 index



The process of new listing at the KSE, however, remained slow during Jul-Mar, FY13 and only one company was granted approval by the SECP under Section 62(1) of the Companies Ordinance, 1984 i.e. Offer for sale of 14.581 million preference shares of Javedan Corporation Limited to the general public, institutional investors and high-net-worth individuals. However, SECP continued their efforts to encourage new listings which include the following:

- The management of unlisted public companies is being approached through stock exchanges to motivate them for listing at the stock exchanges.
- An IPO Summit has also been organized in July 2012 to identify potential IPOs and to attract them to list their companies on the stock exchanges.
- The recommendations of Technical Committee, comprising members from all the three stock exchanges and the Commission for encouragement of new listing are being implemented. Such steps include revision of the existing regulatory framework for new listing; introduction of SME Exchange Board for listing of small capital based companies and venture

companies; amendments in the Listing Regulations for reviewing the minimum allocation of capital to the general public; devising a procedure for allocation of capital to various categories of applications during IPOs; and bringing uniformity in the listing regulations of all the three stock exchanges of Pakistan.

- For facilitating IPO investors, the system of e-IPO is being developed and for this a committee has been formed by SECP.

Sector wise Performance

Oil and Gas sector, Food Producers, Chemicals, Construction, Electricity and materials were the outperformers sector. In 2012 a growth of around 12% was noted in profitability of the sectors listed at Karachi Stock Exchange. The market performance of some of the major sectors is mentioned below:

Oil & Gas:

In this sector 12 companies are listed at Karachi Stock Exchange. In addition to Oil and Gas exploration companies, Oil marketing companies and Refineries are also listed in this sector. Due to increase in consumption and change in well head prices, Pakistan Oil and Gas sector has also shown good profits, this sector continued to be the major market player. In 2012 the total profit after tax was Rs. 162,622.84 million whereas in 2011 it was Rs. 134,496.29 million. As on April 30, 2013 the total market capitalization of this sector was Rs.1,440,505 million as against total paid up capital of Rs.74,708.34 million.

Chemicals

In this sector 32 companies are listed, having total paid up capital of Rs.94,349.03 million and the market capitalization was Rs. 411,244.40 million. The profit after tax of this sector was Rs.38,048.86 million. Six fertilizer manufacturing companies also quoted in this sector.

Construction and Materials

This sector comprises of 36 companies, with total listed capital of Rs.76,873.18 million and the market capitalization of Rs.204,947 million.. On the back of higher consumption and good exports, the sector also showed growth which translated into good financial results compared to last year. In 2012 sector showed profit of Rs 20,782.84 million as against the loss of Rs. 404.28 million in year 2011.

Automobile and Parts

The sector comprises of 16 companies with the total paid up capital of Rs. 6,797.96 million and the total market capitalization was Rs.72,039 million. The sector posted a total profit of Rs. 426.94 million in 2012. Automobile sales has also picked up in spite of increase in prices of locally manufactured cars and import of reconditioned cars.

Personal Goods

Largest sector with 178 companies (mostly related to textile sector) listed in this sector with the listed capital of Rs. 49,995.58 million and market capitalization of Rs.257,457 million. The total loss after tax of this sector was Rs.(5,605.55) million. The results of spinning sector were encouraging.

Fixed Line Communication

The sector comprises of 5 companies which includes PTCL with capital of Rs.51,000 million. The total paid up capital of this sector was Rs. 68,878.47 million and the market capitalization of Rs. 75,485.86 million. The total profit after tax was Rs. 6,679.86 million in 2012.

Food Producers

This sector comprises of 51 companies with the dominance of sugar related companies. The total paid up capital was Rs.19,767.46 million and market capitalization was Rs.742,219.7 million. The profit after tax of this sector was Rs.20,620.92 million in year 2012 as against Rs. 16,462 million in 2011.

Commercial Banks

The sector comprises of 23 listed banks with listed capital of Rs. 375,738 million and market capitalization of Rs. 817,779 million. The total profit after tax of this sector increased to Rs. 114,936 million from Rs. 104,213 million in 2012.

Pharma and Bio Tech.

The sector comprises of 9 listed pharmaceutical companies with the paid up capital of Rs.4,955.77 million, whereas the market capitalization was Rs. 63,969 million. The total profit after tax of this sector was Rs. 5,149.74 million in 2012 as compared to Rs.4,041.26 million in 2011.

Electricity

The sector comprises of 16 companies with the listed capital of Rs. 133,040 million and the market capitalization was Rs.159,912 million. The profit after tax of this sector has shown growth of 674 percent and the after tax profit of this sector was Rs.20,736 million in 2012 as against Rs.2644 million in 2011.

Performance of Blue chips

During July-March 2012-13, the total paid up capital of fifteen big companies like OGDCL, Unilever Pakistan Limited, PPL, Nestle Pakistan Limited, MCB Bank Limited, Pakistan Telecommunication Limited, National Bank of Pakistan , etc. was Rs. 207.2 billion. These fifteen companies earned a profit after taxation of Rs.282.9 billion in the fiscal year up to March 2013. Out of the total profit after tax, the share of OGDCL and PPL was Rs.137.83 billion representing 48.7 percent of the fifteen big companies. For the period ending March 31, 2013, earnings per share for the top rated companies ranged from a 1.41 in the case of PTCL to 413.05 in respect of Unilever Pakistan. This indicates that the business environment in the current fiscal year has improved considerably for the blue chip companies.

Table 6.4: Price to Earning Ratio of Top Fifteen Companies

Name of Company	Profit After Tax in (Rs. Billion)	Paid up Capital (Rs. Billion)	EPS	Market Price (Rs.) March 31, 2013	PE ratio	Market Capitalization (Rs. Billion)
Oil & Gas Development Company Limited	96.91	43.01	22.53	203.94	9.05	8771.31
Unilever Pakistan Limited	5.49	0.66	413.05	12,250.00	29.66	8142.50
Pakistan Petroleum Limited	40.92	16.43	24.91	175.21	7.03	2878.87
Nestle Pakistan Limited	5.86	0.45	129.32	5773.95	44.65	2618.46
MCB Bank Limited	20.94	10.12	20.70	189.29	9.15	1915.32
Fauji fertilizer Company Limited	20.84	12.72	16.38	109.90	6.71	1398.19
Habib Bank Limited	21.56	13.34	16.17	96.51	5.97	1286.96
Pakistan Oilfields Limited	11.85	2.37	50.11	453.63	9.05	1073.04
Pakistan Telecommunication Limited	7.21	51.00	1.41	20.30	14.36	1035.30
United Bank Limited	18.01	12.24	14.71	82.16	5.59	1005.79
Engro Foods Limited	2.60	7.61	3.41	127.13	37.29	967.69
National Bank of Pakistan	16.16	21.26	7.60	39.02	5.14	830.155
Colgate Palmolive (Pak) Limited	1.62	0.44	37.15	1,828.16	49.21	796.99
Engro Corporation Limited	1.25	5.11	2.44	129.00	52.87	659.54
Allied Bank Limited	11.68	10.41	11.22	58.95	5.26	613.66

Source: Karachi Stock Exchange

Performance of Lahore Stock Exchange

The turn over shares of the Lahore Stock Exchange (LSE) during July-March 2012-13 was 0.6 billion compared to almost the same figure in the same period last year. Total paid up capital with the LSE increased from Rs. 989.4 billion in June 2012 to Rs. 1,045.8 billion in March 2013. The LSE index, which was 3,707.6 points in June 2012, increased to 4,100.4 points in March 2013. The market capitalization of the LSE has increased from Rs.3,279.1 billion in June 2012 to Rs, 4,249.3 billion in March, 2013. Three new companies were listed with the LSE during Jul-March, 2012-13, as compared to two listings in the same period last year. The amount of funds mobilized at the LSE by way of subscription was Rs.0.3 billion in the first nine months of the outgoing fiscal year. A profile of LSE is given in Table-6.5.

Table 6.5: Profile of Lahore Stock Exchange

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar)
Total Number of Listed Companies	520	514	511	510	496	459	441
New Companies Listed	10	2	9	25	9	2	3
Fund Mobilized (Rs billion)	38.8	29.7	32.8	67.5	18.1	13.3	0.3
Listed Capital (Rs billion)	594.6	664.5	728.3	842.6	888.2	989.4	1045.8
Turnover of Shares (billion)	8.2	6.5	2.7	3.4	1.1	0.9	0.6
LSE 25 Index	4,849.9	3,868.8	2,132.3	3092.7	3,051.1	3,707.6	4100.4
Aggregate Market Capitalization (Rs billion)	3,859.8	3,514.2	2,018.2	2622.9	3,166.0	3,279.1	4249.3

Source: Lahore Stock Exchange

Performance of Islamabad Stock Exchange

The turnover of share of the Islamabad Stock Exchange (ISE) was 0.02 billion during July-March 2012-13 as compared to 0.01 billion during the same period last year. The ISE 10 index has increased from 2,774.14 points in June 2012 to 3,413.29 points in March 2013, recording a growth of 23 percent percent. No new company was listed and Rs.0.1 billion was mobilized on the ISE during the first nine months of the current fiscal year. The ISE started functioning in 1992 and has now developed in to a vibrant, efficient and stable market. Today the ISE is one of the premier stock exchanges of the country known for the highest standard of transparency in its operations, excellent risk management, dynamic market technology and lowest overall costs of listing. A profile of the ISE is given in Table 6.6

Table 6.6: Profile of Islamabad Stock Exchange

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 Jul-Mar
Number of Listed Companies	246	248	261	244	236	218	212
New Companies Listed	12	7	15	2	-	-	-
Fund Mobilized (Rs. billion)	30.7	24.6	24.8	76.7	17.8	12.8	0.1
Listed Capital (Rs. billion)	488.6	551	608.6	715.7	727.0	830.5	-
Turnover of Shares (billion)	0.2	0.6	0.3	0.2	0.04	0.03	0.02
ISE 10 Index	2,716	2,749.6	1,713.0	2,441.2	2,722.8	2,871.14	3,413.29
Aggregate Market Capitalization (Rs billion)	3,060.6	2,872.4	1,705.1	2,261.7	2,621.1	2,824.4	-

Source: Islamabad Stock Exchange
-: Not available

Debt Capital Markets

A well-developed corporate bond market is essential for the growth of economy as it provides an additional avenue to corporate sector for raising funds to meet their financial requirements.

During the period under review July 2012 to March 2013 three (3) Issues of listed debt instruments were offered to the general public, i.e., offering Term Finance Certificates (TFC) of Rs. 500 million (TameerSarmaya Certificate TFC-1), Rs. 500 million (TameerSarmaya Certificate TFC-2) and Rs. 5,000 million (Bank Alfalah Limited TFC-5) by Tameer Microfinance Bank Limited and Bank Alfalah Limited.

Sr. No	Name of the Company	Subscription period	Formal Listing Date	Listed at	Issue Size: (Rs. Million)
i.	Tameer Microfinance Bank Ltd. (TameerSarmaya Certificate, TFC-1)	21-Nov-12 to 21-Feb-13	14 Jan, 2013	KSE	500
ii.	Tameer Microfinance Bank Ltd (TameerSarmaya Certificate, TFC-2)	21-Nov-12 to 21-Feb-13	14 Jan, 2013	KSE	500
iii.	Bank Alfalah Limited (TFC-5)	19-20 Feb-2013	28 Mar, 2013	KSE	5000
				TOTAL	6,000

Further, in addition to the above, during the period July 2012 to March 2013 a total of six (06) debt securities issued through private placement were reported. The break-up of the privately placed corporate debt issues is as follows:

Sr. No.	Name of Security	No. of Issues	Amount (Rs. Billion)
i.	Privately Placed Term Finance Certificates	3	1.5
ii.	Sukuk*	3	50.8
	Total	6	52.3

* Includes Sukuk Issue of Rs47, 018 million by Pakistan Domestic Sukuk Company Limited

As on March 31, 2013 a total of 131 corporate debt securities were outstanding with an amount of Rs.613.37 billion as follows:

Sr. No.	Name of Security	No. of Issues	Amount outstanding (Rs. Billion)
i.	Listed Term Finance Certificates (L-TFCs)	38	62.6
ii.	Privately placed Term Finance Certificates (PP-TFCs) *	42	70.5
iii.	Sukuk *	51	480.2
	Total	131	613.4

*: Data is updated on semi-annual basis

Measures for the development of debt markets:

Following measures have been taken for the development of corporate debt market:

- For encouragement of Islamic debt Market, the draft Issue of Sukuk Regulations, 2012 were notified for seeking public comments. These regulations are being finalized in light of comments received from the stake holders.
- The Securities and Exchange Commission of Pakistan has prescribed the Debt Securities Trustee Regulations, 2012 (DST Regulations) and under these regulations so far 15 Debt Securities Trustees were granted registration. List of these registered DSTs is available on the Commission's official website.
- In order to encourage listing of debt securities on the exchanges, separate set of regulations for debt securities are being framed.
- Regulatory framework for the credit rating agencies (CRAs) are being revamped so that CRAs play an effective role in the development of debt market. In this regard a committee, comprising of the representatives of SECP, CRAs and SBP constituted by the Commission has submitted its report and given the recommendations in respect of strengthening the existing Regulatory Framework for CRAs viz. the Credit Rating Companies Rules, 1995 and the Code of Conduct for CRAs dated February 17, 2005; to review the proposals of CRAs regarding enhancement of the rating universe; Diversification of capital structure of CRAs and their listing on the stock exchanges; and Regulatory framework for establishment of a Bond Pricing Agency (BPA).
- In order to rationalize the cost of issue of corporate bonds, steps are being taken to reduce the rate of stamp duty applicable on issue and transfer of Term Finance Certificates (TFCs) and Commercial Papers.
- For the development of the debt capital market, the settlement of trading in debt securities listed at OTC (Over-The-Counter) segment of the stock exchanges has been made mandatory through the National Clearing and Settlement System (NCSS) of National Clearing Company of Pakistan Limited (NCCPL) against the earlier practice of settlement of these trades on counter party basis outside the NCSS. This initiative will facilitate auto settlement of these trades.

Mutual Funds

The total size of mutual funds industry stood at Rs. 468.40 billion as on February 28, 2013 as compared to Rs. 410 billion as on June 2012 showing an increase of Rs. 58.4 million or 14.24% over the period. The total number of funds stood at 146 on February 2012 as compared to 144 as on June 2012.

Money market Funds (both Conventional and Shariah Compliant) continued to dominate the AUMs of the industry with the largest share of the mutual fund industry i.e. 36.22%. Equity funds (both Conventional and Shariah Compliant) held the second largest market share i.e. 33.15%, followed by Income funds (both Conventional and Shariah Compliant) with market share of 23.08%.

Among other initiatives for the growth of mutual funds industry and better protection of investors the following steps were also taken:

- Considering the issue faced by Asset Management Companies (AMCs) and Mutual Funds in valuation methodology and provisioning criteria of debt securities, and in line with the proposal of independent consultant on debt securities certain amendments were made in the criteria for classification and provisioning of debt securities. These amendments include, change in time frame for provisioning in debt securities and definition of traded and thinly traded securities.

- SECP allowed launching of a new type of CIS known as commodity scheme. Commodity schemes are allowed to invest 70% of net assets in commodity and commodity futures contracts. The first commodity fund namely ‘UBL Gold Fund’, under the management of UBL Fund Managers was offered to general public from February 13, 2013.
- With an objective to facilitate the industry by achieving reduced turnaround time for the approval of constitutive documents, simplify the contents for understanding of a layman and ensure a level playing field for all market participants, the commission standardized the offering documents and trust deeds to be used by asset management companies for new funds.
- SECP has made amendments in Regulation 65 of the Non-Banking Finance Companies and Notified Entities Regulations (NBFC &NE Regulations) 2008 aimed at safeguarding interest of the share/certificate holders of closed end funds (CEF). These amendments empowered the share/certificate holders to decide whether to convert the CEF into open end scheme or revoke. In pursuance to the amendment Extra Ordinary General Meetings of the share/certificate holders of CEF were held in which the share/certificate holder of the 8 CEF decided to convert into open end scheme and for one CEF they opted in favour of revocation.

The position as of February 28, 2013 is as follows.

Total Assets Size of Industry	Rs. 468.40 billion
Total Number of Funds	146
Total Number of AMCs/IAs	28
Assets Size of AMCs/IAs	Rs. 41.70 billion
Discretionary /Non-discretionary portfolio	Rs. 51.40 billion

Modaraba

The modaraba sector has an established legal framework that allows it flexibility to provide wide range of financial products and services under the tenets of Islamic shariah which reflect the innovative and dynamic nature of the industry. Modarabas have played a vital role in the development and growth of Islamic modes of financing in the country and the capital markets since their inception in 1980. Most of the modarabas in Pakistan are doing business in the financial sector while a few are engaged in the industrial, trading or other services sectors. Like any other industry, modarabas’ create a distinctive value proposition that meets the needs of its customers. Currently, 40 registered modaraba companies are in existence and total number of operational modarabas are 26. As per the audited financial statements of modarabas, the aggregate paid-up fund of modarabas was Rs.9.312 billion. The total assets of the modaraba sector stood at Rs.29.549 billion against Rs.26.343 billion in the corresponding year. Similarly, total equity of the modaraba sector was Rs.13.445 billion which shows an increase of Rs.1.421 billion as compared to Rs.12.421 billion during the previous year. Despite recession in the market, as of June 30, 2012, out of 26 modarabas, 18 modarabas declared cash dividend to their certificate holders ranging from 1.2% to 65%. Additionally two modarabas issued 30% and 20% right certificates, respectively, whereas, one modaraba issued 10 percent stock dividend to the certificate holders.

In order to improve the financial standing and image of modarabas in the financial sector of the country, the SECP, after detailed consultation with stakeholders and industry experts introduced “Shariah Compliance and Shariah Audit Mechanism” for modarabas in February 2012. The modaraba companies were advised to immediately bring inline the business transactions of the modaraba with Shariah mechanism, however, with regard to equity investments of the modaraba, one year grace time was provided i.e. February 2013 for compliance. As of December, 2012, the majority of modarabas have fully complied with the Shariah mechanism and disseminated the report of Shariah advisors in this regard with the 2nd quarter accounts of Modarabas for the period ended December 31, 2012.

Investment Banks and Leasing Companies

Leasing and investment finance companies are an important constituent of the Non-Bank Financial (NBF) Sector. Leasing companies focus on providing lease facilities to its customers and are an important source of funding for the SME sector. Investment finance companies can undertake a broad range of business services which includes money and capital market activities, project financing, corporate financial services and non-fund based services.

Presently, there are 7 investment finance companies and 8 leasing companies in Pakistan. The size of leasing and investment finance companies is miniscule and their contribution to our financial system is well below the requisite level. Leasing and investment finance companies are facing a variety of challenges such as absence of level playing field, limited resource mobilization, inability to tap debt and equity markets, high cost of borrowings, liquidity problems, dearth of skilled human resource, limited branch network etc.

SECP in the past had taken a number of steps for development of these important players of the NBF Sector. In order to ensure development of these entities, a detailed in-depth review of the whole business model and prevalent regime was carried out with a fresh perspective. Based on the thorough review and considering the global best practices as well as the interests of all the stakeholders, the following comprehensive way forward is being suggested for sustainable growth of leasing and investment finance companies:

- In line with international best practices, the concept of activity based regulatory regime will be implemented for these companies.
- Investment finance services (IFS) is being re-defined with more focus on non-fund services and product innovation.
- Framing comprehensive regulatory regimes for unregulated activities such as investment advisory services, corporate advisory services etc.
- Creating a more conducive regulatory regime to promote the concept of mid-sized non deposit taking NBFCs.
- Introducing various risk management measures such as Capital Adequacy Ratio, rationalizing leveraging capacity etc. to protect the interest of the various stakeholders.

The revised investment finance services model is expected to encourage the participants to focus more on non-fund based services and product innovation to meet the unique requirements of their clients.

The above measures are aimed not only at addressing the issues currently faced by the entities undertaking investment finance services and leasing business but would also benefit the overall financial system in terms of better resource mobilization, level playing field, more focus on product innovation, development of priority sector and reduction in systemic risk. However, the suggested measures require extensive consultation with all stakeholders of the financial market and based on their feedback any reforms would be considered for implementation.

Financials of investment banking sector:

		(Rs. Millions)
Particulars	Dec 31, 2012	Feb 28, 2013
Total Assets	13,855	13,897
Total Liabilities	9,990	10,246
Total Equity	2,773	3,669
Total Deposits	5,221	4,575

Financials of leasing sector:

		(Rs. Millions)
Particulars	Dec 31, 2012	Feb 28, 2013
Total Assets	33,364	33,660
Total Liabilities	28,854	29,038
Total Equity	4,432	4,549
Total Deposits	7,991	7,946

Voluntary Pension System

The last two decades witnessed pension reforms globally. In high-income countries, the driving force has been the threat that the current pension systems will become unaffordable as demographic developments presented a major risk. The countries that were in the process of transition from command economy to market economy confronted the challenge of introducing a public pension system in place of social security available to their populace under socialist system. However, again, the demographic change and affordability have been the driving force in these countries for reforms. It is anticipated that Pakistan shall also face similar challenges in the near future. Lately, the government is considering to reform the current pension system. Luckily, the dependency ratio at this point of time is extremely favourable for Pakistan to shift from defined benefit system to defined contribution system. While reforms at the national level will take some time, the SECP has introduced Voluntary Pension System (VPS), with the approval of the government. VPS envisages contributions by Pakistan nationals in a pension fund approved by the SECP. The pension fund promises a stream of income to its members after retirement. The government has given tax incentives to individuals under the current tax regime.

The penetration of VPS is low at the moment, being new to Pakistan and non-binding upon employers and individuals. It is hoped that with the passage of time and complementary reforms in defined benefit retirement schemes, the system would gain foothold and substance. So far, 11 pension funds have been launched under the VPS.

The size of pension funds has grown as under since 2007:

Date	No. of pension funds	Net assets in Rs. Million
30-JUN- 07	4	420
30-JUN-08	7	766
30-JUN-09	7	870
30-JUN-10	9	1,301
30-JUN-11	9	1,557
30-JUN-12	11	2,742
28-Feb- 13	11	3,734

The government has also been endeavoring to bring parity among retirement schemes. As a result a number of improvements have been brought in the tax regime governing VPS and other retirement schemes in consultation with FBR. However, certain aspects are yet to be reformed. In the current year, tax-free withdrawal from the contributions made in the VPS out of provident fund has been permitted, thereby bringing parity in the tax treatment between provident fund and VPS. To encourage funding of retirement schemes VPS need to be made interchangeable with other retirement schemes such as gratuity and superannuation funds. This will encourage funded schemes leading to accumulation of assets and efficient deployment of retirement savings.

Furthermore, VPS Rules which were notified in 2005 were reviewed for improvement and updating on a number of fronts. A number of changes have taken place in the market and the fund management practices. Draft prepared in this regard was shared with the stakeholders and after considering feedback the amendments in the VPS Rules were notified in November, 2012.

REITs

Real Estate Investment Trusts (REITs) provide property owners an opportunity to securitize their properties. It also provides the investors with small capital base to invest in the real estate assets. Currently there are three REIT management companies operating in Pakistan. Keeping in view the macroeconomic indicators, the SECP has taken necessary measures to attract entrepreneurs to venture into the regulated real estate business, Amongst these, amending the REIT Regulations in 2010 was one initiative taken in this direction. Significant amendments included reduction of fund size, introduction of hybrid REITs and reduction in share capital for the REIT management companies (RMCs). As a result, the SECP received two new applications for launch of REIT schemes during the year in addition to the ones already under consideration. But these measures still proved inadequate to attract high yield properties into REITs. To improve the regulatory framework a committee was formed which included leading market players. This committee after reviewing the REIT models in different jurisdictions have come up with a draft report which was shared with public for their comments. The report highlights the major impediments for the growth of REITs in Pakistan and suggests the measures to foster growth. Some of the key measures suggested in the report are :

- Reduction in Equity requirement of RMC and bring it down to PKR 50 million
- Reduction in fund size of REIT scheme after aligning it with listing Regulations
- Reducing RMC mandatory holding in REIT Scheme to 10%
- Increasing the use of customer advances up to 70% of sale value
- Allowing unsecured borrowings to REIT Scheme
- Increasing the eligible cities where REITs can be launched
- Allowing Asset Management Companies to manage REITs
- Introducing performance fee for RMCs
- Simplifying the regulatory processes for REIT approvals

Future Roadmap

The SECP's future roadmap, as outlined below, envisages introduction of key structural and regulatory reforms, development of equity, derivative, debt, commodities and currencies markets, and measures for improving governance, risk management, efficiency and transparency in capital market operations:

- **Post-demutualization reforms*:*** The SECP in collaboration with the stock exchanges is in the process of introducing consequential reforms which are essential for taking the exchanges forward in the demutualized setup. The stock exchanges are in the process of bringing in strategic investors which will enable the exchanges to benefit from their extensive expertise and technological assistance, apart from bringing foreign investment and broadening the investor base. Simultaneously, efforts will be made for listing of the stock exchanges so their shares are offered to the general public in terms of the demutualization law. The possibility of integration of the three stock exchanges is also being explored to benefit from operational synergies in line with international best practices.

- **Establishment of a Central Country Party:** In line with international best practices, efforts are being made for enabling NCCPL to function as a Central Counter Party for providing protection to the investors and resolving the pending settlements in case of defaults. In addition to the above, possibility of structural reforms such as merger of the depository and clearing companies will be assessed.
- **Commodities Market developments:** For developing the commodities market, the possibility of setting up new commodity futures and spot exchanges will be explored. The said measure will also facilitate healthy competition and business generation while contributing towards greater market outreach to the investors resulting in growth in the size of the commodities market. Efforts are also being made to introduce regulations governing branch offices for Pakistan Mercantile Exchange (PMEX) so that branch offices of brokers are adequately regulated and only authorized persons of brokers have access to trading accounts and other sensitive information.
- **SME Exchange**

  In order to provide alternate source of financing for the Small and Medium Enterprises (SME) of the country, the SECP is working in coordination with stakeholders to implement a framework for establishment of an SME Exchange for allowing fund raising through IPOs and secondary trading of the securities of SME sector.
- **Development of Islamic Capital Market:** In an effort to introduce Shariah-compliance products in line with global best practices, the SECP has established a Shariah Board comprising of eminent Islamic scholars and market professionals to ensure that all products/services offered under this umbrella are in conformity with the Shariah principles. Additionally, introduction of Shariah-compliant investment alternatives is in the pipeline.
- **Strengthening of the Debt Market:** To accelerate growth in the debt market, efforts will be made for listing of Government Debt instruments at the stock exchanges and integration of National Savings Scheme instruments into the mainstream capital market in coordination with the federal government and the SBP. Also, to promote transparency and price discovery of debt securities and to minimize pricing issues of debt securities, establishment of an independent Bond Pricing Agency (BPA) conforming to international standards is in the pipeline. The BPA is expected to contribute towards stimulating activity in the primary and secondary debt markets, increasing market depth, reducing information asymmetry, increasing credibility of financial statements through accurate asset-liability valuation and product development etc.
- **Development of new Products and Systems:** Regarding new product/system development, the future SECP agenda includes listing and trading of call warrants on stock exchanges, stock options, and cross listings of foreign and domestic indices at Pakistan and foreign stock exchanges to boost activity in index futures market. Further avenues are being explored for introducing the latest risk management techniques including introduction of the Standardized Portfolio Analysis of Risk (SPAN) margining regime in the derivative market segments. For investors in the commodities segment, the SECP is actively pursuing with PMEX and the Karachi Cotton Association in an endeavor to launch cash-settled cotton futures contract at PMEX. The SECP is also engaged in dialogue with SBP to expedite launch of currency futures contracts at PMEX. Further, work is underway for establishment of a Collateral Management Company (CMC) that would have a national network of approved warehouses with storage, grading/certification capabilities for the commodities market. The CMC will issue electronic warehouse receipts and the same will be made available for trading on PMEX.
- **Establishment of a Brokers' Association:** Considering the important role of market intermediaries, the possibility of establishing a brokers' association is being assessed which will provide an effective platform for the stock broking community to voice their concerns to the government and regulatory bodies and ensure professional training and exposure to the intermediaries while creating awareness among them about capital market issues.
- **Centralized Know Your Client Organization:** To facilitate the securities market investors, NCCPL will act as a Centralized KYC Organization whose objective will be to register and maintain investors' KYC records in line with

the international best practices pertaining to KYC and CDD policies. The said KYC records will be available for access by all market intermediaries and this measure will assist in removing the duplication presently faced in the KYC process by bringing uniformity to the same.

National savings Schemes

The Central Directorate of National Savings is a key player in domestic debt management arena which is manifested by its portfolio of over Rs. 2.30 trillion with an extensive outreach to over 6 million valued investors who park their life long savings in the schemes offered by NSS.

Central Directorate of National Savings (CDNS) is engaged in making innovative efforts to promote saving culture in the country. The CDNS offers attractive saving products to various categories of people to suit their specific needs. CDNS are currently engaged in restructuring of the CDNS to better cater for the needs of the investors and introduce more profitable products. Focus is on introducing short term saving certificates and expansion of CDNS network not only across the country but also to overseas Pakistanis. Detail of the investment made in the saving schemes is given in Table: 6.7

Table: 6.7: National Savings Schemes (Net Investment) (Rs. Billion)

S.#.	Name of Scheme	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar
1	Defence Savings certificates	(27,411.28)	(32,493.15)	9,748.10	7,295.52	2,8173.02
2	National Deposit Scheme	(2.71)	(0.13)	(1.01)	(0.94)	(0.21)
3	Khaas Deposit Scheme	(1.64)	(3.84)	(2.62)	(0.55)	(0.08)
4	Premium Saving Certificate	--	--	--	--	-
5	Special Savings Certificates(R)	128,469.03	61,856.60	43,960.21	(52,834.15)	39,077.83
6	Special Savings Certificates(B)	(8.53)	(0.30)	(0.74)	(0.85)	(0.16)
7	Regular Income Certificates	40,094.28	44,538.27	46,946.79	43,971.60	26,982.65
8	Bahbood Savings Certificates	78,537.96	59,267.18	61,731.56	52,254.51	36,897.61
9	Pensioners 'Benefit Account	22,215.74	18,166.85	17,940.32	16,359.53	14,033.27
10	Savings Accounts	(10,899.15)	1,021.30	(625.30)	3,978.46	(706.88)
11	Special Savings Accounts	21,627.05	31,375.53	14,240.79	61,098.77	119,445.72
12	Mahana Amdani Accounts	(50.03)	(195.73)	(77.94)	(90.52)	(61.53)
13	Prize Bonds	14,649.97	38,556.68	41,083.40	56,324.21	41,173.81
14	National savings Bonds	--	3,625.16	--	--	(3,425.58)
15	Short Term savings Certificates	-	-	-	-	2,490.80
	Total	267,220.71	225,714.46	234,943.98	188,355.59	304,080.26

Chapter 7

Inflation

Inflation rate as measured by Consumer Price Index (CPI) represent the trend of prices of goods and services in the economy. The other key factors influencing is the growth in money supply, the supply side bottlenecks, adjustment in government-administered prices, the imported inflation (exchange rate adjustment) and escalations in global fuel and food prices. The CPI which is the headline inflation capture the price movement extensively and is therefore taken as an indicator of inflation. The CPI is broadly divided into two major groups: (i) Food group (ii) Non-food group. The Food Group is further broken into two sub groups as:- (a) perishable food items and (b) non-perishable food items while non-food group of CPI split into eleven (11) sub groups which are transport & communication, food and house rent etc. being the most volatile components of CPI.

The current fiscal year 2012-13 started with single digit inflation and continued to persist till April and is likely to remain single digit. Inflation continued to persist on downward side over the last ten months (Jul-Apr) due to better supply position of food and nonfood items resulting in an easing of domestic prices as well as global commodity prices. The period (Jul-Apr) 2012-13 averaged at 7.8 percent against 10.8 percent in the same period of last year. It also remained low in term of other price indices i.e. Wholesale Price Index (WPI) and Sensitive Price Index (SPI) as shown in Fig.2. This broad deceleration in inflation now likely to keep the average inflation rate below the target of 9.5 percent for the year 2012-13.

Fig-1: CPI, Food, Non-Food & Core Year on Year (Y-o-Y) Basis

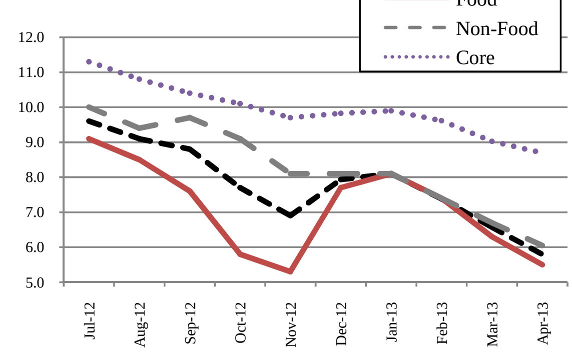
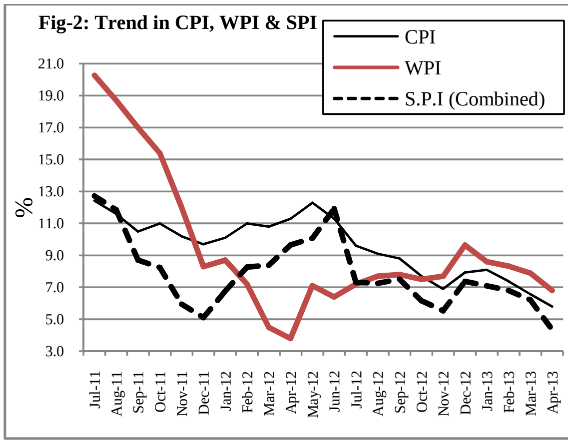


Fig-2: Trend in CPI, WPI & SPI



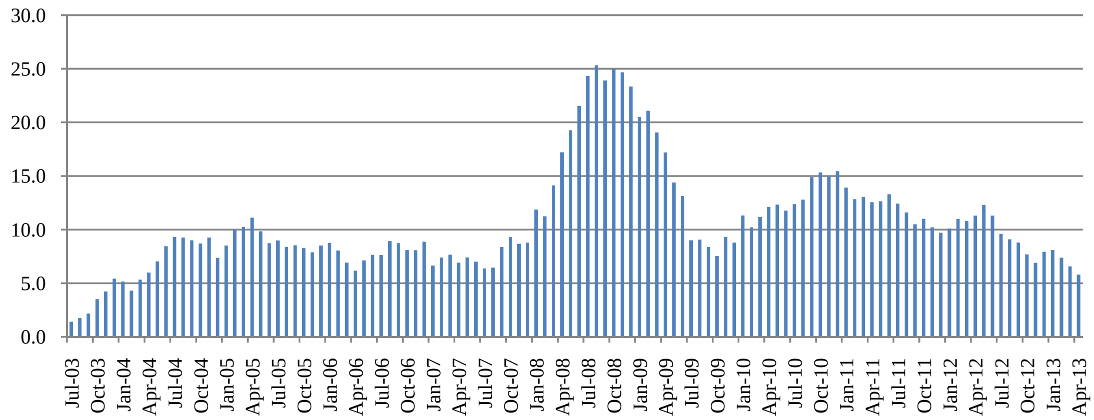
Table–7.1 : Inflation Rate (CPI) Year-On-Year basis

Period	CPI	Food	Non- Food	Core	WPI	SPI
July 12	9.6	8.7	10.2	14.6	7.2	7.3
Aug 12	9.1	8.1	9.7	10.8	7.7	7.3
Sep-12	8.8	7.1	9.9	10.4	7.8	7.5
Oct 12	7.7	5.2	9.3	10.2	7.5	6.2
Nov 12	6.9	4.7	8.1	9.7	7.7	5.5
Dec 12	7.9	7.7	8.1	9.8	9.6	7.4
Jan 13	8.1	8.1	8.1	9.9	8.6	7.1
Feb 13	7.4	7.4	7.4	9.6	8.3	6.8
Mar 13	6.6	6.3	6.7	9.0	7.9	6.2
Apr 13	5.8	5.5	6.1	8.7	6.8	4.3

Source: Pakistan Bureau of Statistics (PBS)

Inflation rate from 1957 until 2013, averaged at 8.0 percent with all time high 38 percent in December 1973 and lowest -10.3 percent in February 1959. However, after falling from 20.8 percent in 2008-09, inflation continued to decelerate from 13.7 percent in 2010-11 to 11 percent in 2011-12 and further to 7.8 percent on period average basis during July-April 2012-13 owing to improved supply of consumable items and declining trend in world commodities prices. Consequently, prices of various domestic commodities particularly edible stuff witnessed a significant stability during the course of year. The fig.3 below reflects the historical trend of inflation rate in Pakistan.

Fig.3: Historical Trend in CPI Infaltion



Source: Pakistan Bureau of Statistics

Inflation 2012-13

Consumer price inflation maintained a downward trend during most of the first ten months (July-Apr) of current fiscal year 2012-13. It averaged 7.8 percent against corresponding increase of 10.8 percent. The food with weight of 34.8 percent and non-food having weight 65.2 declined and stood at 6.6 percent and 8.5 percent respectively, due to better supply position whereas core inflation which is nonfood-non energy is estimated at 9.9 percent. With slow growth in food and energy prices, inflation is expected to average 8.0 percent by end of 2012-13. CPI movements by major groups are given as below:-

Table 7.2: Composition of CPI Inflation (July- April)

Commodity	Weights	% Change Inflation		Point Contribution		% Contribution
		2011-12	2012-13	2011-12	2012-13	
General (CPI)	100.0	10.8	7.8	10.8	7.8	100.0
Food, & Non Alcoholic Beverages	34.83	11.1	6.6	3.9	2.3	29.8
Non-Food	65.17	10.7	8.5	6.9	5.5	71.3
Alcoholic Beverages & Tobacco	1.41	7.5	17.5	0.1	0.2	3.2
Clothing & Foot wear	7.57	14.9	14.7	1.1	1.1	14.4
Housing, Water, Elec. Gas & other Fuel	29.41	7.5	4.1	2.2	1.2	15.6
Furnishing & Household Equipments	4.21	17.4	13.3	0.7	0.6	7.2
Health	2.19	11.1	14.2	0.2	0.3	4.0
Transport	7.20	15.5	10.5	1.1	0.8	9.7
Communications	3.22	0.6	2.2	0.0	0.1	0.9
Recreation & Culture	2.03	5.7	18.3	0.1	0.4	4.8
Education	3.94	12.3	9.3	0.5	0.4	4.7
Restaurant & Hotels	1.23	12.8	9.9	0.2	0.1	1.6
Miscellaneous	2.07	19.9	10.6	0.4	0.2	2.8

Source: Pakistan Bureau of Statistics

Food inflation stood low because of improved supply of food related items like potatoes tomatoes onion and vegetables. Major heavy weight items in this category are milk fresh with weight 6.7 percent, followed by wheat flour 4.2 percent, meat 2.4 percent, cooking oil 1.7 percent and rice 1.0 percent. They together with 21.6 percent weight in CPI basket explain a significant part (2.7 percent) of inflation during the current year. Milk in term of its contribution added 0.6 percent point, wheat flour 0.6 percent point, meat added 0.1 percent point and cooking oil 0.1 percent point. The high prices of fertilizers and pesticides also affected the volume of production and as such price escalation.

Table 7.3: % Change in Major Food Items Prices

Food Items	**Weight**	**% Change Apr 13/ Apr 12**	**Impact**
Milk fresh	6.68	9.7	0.6
Wheat flour	4.16	15.3	0.6
Meat	2.43	4.4	0.1
Cooking oil	1.75	5.4	0.1
Fresh vegetable	1.66	2.2	0.04
Rice	1.58	15.2	0.2
Beverages	1.20	8.7	0.1
Tea	0.84	15.7	0.1
Onion	0.54	116.5	0.6
Egg	0.46	10.1	0.05
Pulse Masoor	0.27	1.1	0.0
Total	**21.57**		**2.68**

Source: Pakistan Bureau of Statistics (PBS)

The increase in non-food inflation largely stemmed from increase in the sub indices of house rent, electricity tariff rates, education expenses, communication cost, fuel prices, clothing , foot ware and cigarette prices. Among the non-food items, petroleum products prices moved in line with international fuel prices and induced a hike in prices of diesel, petrol, gas, CNG and transportation which ultimately got reflected into a higher living cost and acceleration in inflation. Detail in table below:

Table 7.4: %Change in prices of major non-food Items

Non- Food Items	**Weight**	**%Change Apr 13/ Apr 12**	**Impact**
House rent	21.81	7.1	1.5
Electricity	4.40	16.4	0.7
Education	3.94	6.8	0.3
Communication	3.15	5.2	0.2
Transport services	2.70	7.1	0.2
Cotton cloth	1.73	14.3	0.2
Foot ware	1.55	5.6	0.1
Personal care	1.49	7.4	0.1
Cigarette	1.39	13.4	0.2
Drug medicine	1.27	11.0	0.1
Total	**43.44**		**3.66**

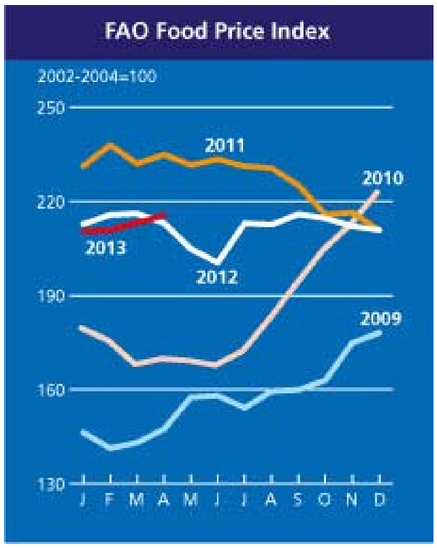
Source: Pakistan Bureau of Statistics (PBS)

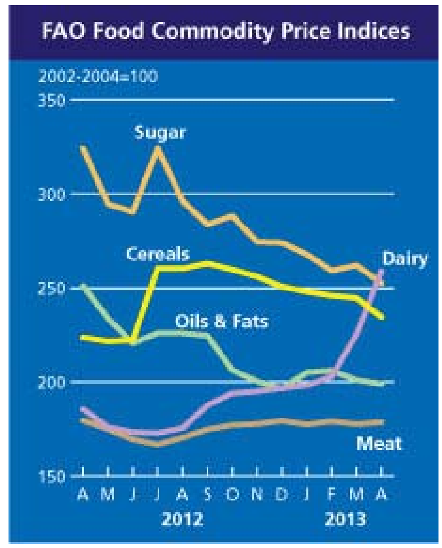
Recent price trend could also be seen from external source concentrated in food products. The global prices of major food items followed a mixed trend with sugar, edible oil and wheat prices declining and those of tea and rice increasing. Graphic presentation of FAO index at Fig:4 Global food price index (FAO) registered a increase of 1.1 percent over April 2012 owing to increase in dairy products prices. The rise in dairy products prices was mainly due to prolonged hot, dry weather in Oceania. The Oceania effect caused export prices elsewhere to rise. Tea prices have gone up largely because of global fall in out put. The global tea industry is forecasted to face short supply in 2013. Climatic change impacting tea crops. In South Africa tea production is threatened by drought while tea plantation in China is encountering problem of flood. The poor rain fall in the Indian region of

Assam prospect for drop in tea crops. In Pakistan, the increase in tea prices is owing to declining value of rupee against dollar and upward revision in sales tax rate from 5.0 percent to 16 percent which dictated a steep rise in domestic prices of tea.

Oil price index registered a decline 1.0 percent in April 2013 over April 2012 following the impact of several factors like favorable weather condition for Soya in South America, the cancellation of large soya bean orders by China and slowdown in US demand. Meanwhile palm oil prices dropped aimed at weakening export demand and ample stocks. FAO maintained its forecast for world wheat production in 2013 to be up 4.4 percent from last year.

Fig-4:





Core inflation is a component of overall inflation and is relevant to the State Bank of Pakistan for its monetary policy targets. Its index is estimated from the indices of 43 non-food-non-energy (NFNE) commodities. It helps the policy makers in determining whether current movement in prices is short lived or is a permanent trend. It outstrips food and energy as prices of these two most volatile components (energy &food) are more sensitive to price change. Their prices frequently increase or decrease and the said price disturbance may not be related to a trend in the economy‘s overall price level. The idea to strip away the short run movement/shocks, gives a better picture of long run inflation rate. Therefore core inflation is used to forecast future inflation. Core inflation maintained at double digit since July 2012 till October 2012. However, from November 2012 onward it continued to remain at single digit with varying magnitude. The significant variation in the first four months versus to last six months is relevant to the variation in money supply impact.

Year-on-Year (Y-o-Y) Inflation

Inflation rate year on year basis continued its downward trend for the last 10 consecutive months i.e. July 2012 to April 2013. The food inflation and non-food inflation also witnessed a similar trend of single digit inflation during the period under review. The headline inflation decelerated from 9.6 percent in July 2012 to 5.8 percent in April 2013 and that of food and non-food from 9.1 percent and 10.0 percent in July 2012 decelerated to 5.5 percent and 6.1 percent respectively in April 2013. The current CPI inflation at 5.8 percent is the 110 months lowest when it was at 5.3 percent in March 2004 and food inflation of 5.5 percent (barring April 2006 3.6 percent) is 85 months lowest and that of non-food inflation currently at 6.1 percent is 66 months lowest from November 2007 when inflation was 5.9 percent. The declining trend in global commodity prices and improved supply of local consumable items contributed in its decline.

Table 7.5: Inflation on year on year (Y-o-Y) Basis %Change

Month	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
CPI	9.6	9.1	8.8	7.7	6.9	7.9	8.1	7.4	6.6	5.8
Food	9.1	8.5	7.6	5.8	5.3	7.7	8.1	7.4	6.3	5.5
Non-Food	10.0	9.4	9.7	9.1	8.1	8.1	8.1	7.4	6.7	6.1

Source: Pakistan Bureau of Statistics (PBS)

Inflation by Income Groups

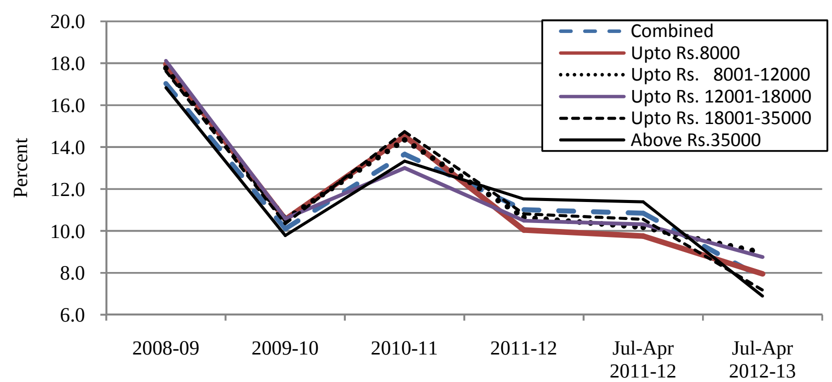
Inflation across different income groups witnessed a mixed trend. CPI inflation 6.9 percent for high earning groups is the lowest while the middle and upper middle income households experienced the highest incidence of inflation. These two sets of income groups experienced differences in overall price increases because they have different spending pattern. In other words when a particular item price increases, its impact is different for different distinct groups, if they consume it in different amounts relative to their overall spending. Lower income groups spend a much larger share of their expenditures on food while higher earning household on transport and recreation. Since the prices of these items do not increase at the same rate, differences in inflation appear between relatively lower- and higher-income households.

Table:7.6 Inflation by Consumer Income Groups

Fiscal Year	Combined	Upto Rs.8000	Upto Rs. 8001-12000	Upto Rs. 12001-18000	Upto Rs. 18001-35000	Above Rs.35000
			Spliced with Base Year 2007-08 = 100			
2008-09	17.0	18.0	17.8	18.1	17.6	16.8
2009-10	10.1	10.5	10.5	10.6	10.3	9.8
2010-11	13.7	14.5	14.3	13.0	14.7	13.3
2011-12	11.0	10.0	10.6	10.5	10.8	11.5
Jul-Apr						
2011-12	10.8	9.8	10.2	10.3	10.6	11.4
2012-13	7.8	7.9	9.0	8.8	7.2	6.9

Source: Pakistan Bureau of Statistics (PBS)

Fig.5: Inflation By Income Group



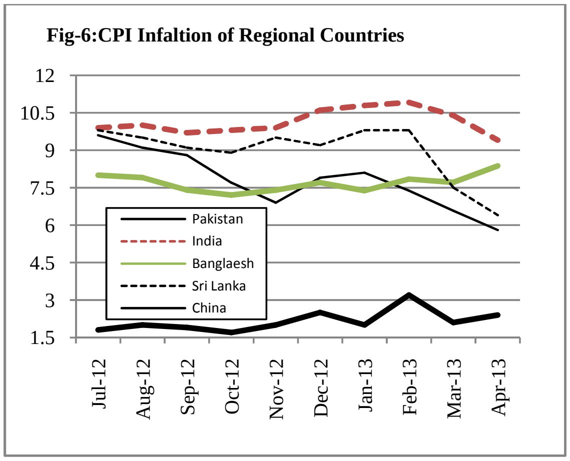
Inflation across the world is building up due to increase in global fuel prices which quickly feed into overall prices. Hence the inflationary pressure in the recent past and currently is not specific to Pakistan but in fact is a world wide phenomenon. Rising commodity prices are also stoking inflation in neighboring India and Bangladesh as indicated below. The international commodity prices are outside the control of the government. Pakistan being a member of global community has also been affected of this development on price front.

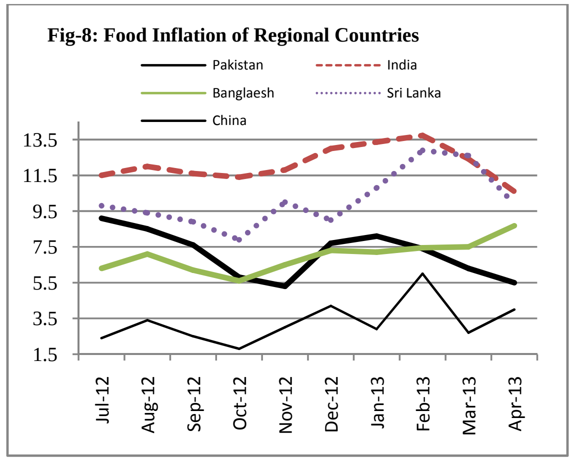
Table: 7.7 Regional Inflation.

Period	Pakistan			India			Bangladesh			Sri-Lanka			China		
	CPI	Food	Non-Food	CPI	Food	Non-Food	CPI	Food	Non-Food	CPI	Food	Non-Food	CPI	Food	Non-Food
Jul-12	9.6	9.1	10.0	9.9	11.5	7.4	8.0	6.3	11.5	9.8	9.8	9.9	1.8	2.4	1.5
Aug-12	9.1	8.5	9.4	10.0	12.0	7.6	7.9	7.1	9.6	9.5	9.4	9.5	2.0	3.4	1.4
Sep-12	8.8	7.6	9.7	9.7	11.6	7.3	7.4	6.2	10.0	9.1	8.9	9.3	1.9	2.5	1.7
Oct-12	7.7	5.8	9.1	9.8	11.4	7.6	7.2	5.6	10.5	8.9	7.9	9.8	1.7	1.8	1.7
Nov-12	6.9	5.3	8.1	9.9	11.8	7.4	7.4	6.5	9.3	9.5	10.0	9.2	2.0	3.0	1.6
Dec-12	7.9	7.7	8.1	10.6	13.0	8.2	7.7	7.3	8.4	9.2	9.0	9.4	2.5	4.2	1.7

Table: 7.7 Regional Inflation.

Period	Pakistan			India			Bangladesh			Sri-Lanka			China		
	CPI	Food	Non-Food	CPI	Food	Non-Food	CPI	Food	Non-Food	CPI	Food	Non-Food	CPI	Food	Non-Food
Jan-13	8.1	8.1	8.1	10.8	13.4	8.5	7.4	7.2	7.8	9.8	10.8	9.0	2.0	2.9	1.6
Feb-13	7.4	7.4	7.4	10.9	13.7	8.7	7.8	7.5	8.4	9.8	12.9	7.2	3.2	6.0	1.9
Mar 13	6.6	6.3	6.7	10.4	12.4	8.3	7.7	7.5	8.0	7.5	12.6	3.5	2.1	2.7	1.8
Apr 13	5.8	5.5	6.1	9.4	10.6	8.1	8.4	8.7	7.9	6.4	9.9	3.6	2.4	4.0	1.6





The situation in global economy presents an environment where the rising commodity prices reinforces a steadily depreciation of rupee and revisions in energy tariffs. These factors influence the inflation and balance of payment position of the country and thereby escalation in price.

The need is to concentrate on monetary and fiscal policies to curtail overall demand in the economy. Fiscal policies needed to be accommodative and the monetary authorities of the country continue to follow a stringent monetary policy to ease inflationary pressures but such a policy strategy has its own implications. A higher growth rate in the domestic economy or decline in international commodity prices can soften inflationary pressures. In fact, higher inflation is not only unfair for the people with fixed income, but also has negative repercussions for investment, growth and the external sector.

As a part of macro economic stabilization programme, one of the key policy objectives of the government in the near past has been containing inflation to bring it down to the affordable level, a phenomenon having economic as well as social implication.

Whole Sale Price Index (WPI)

A remarkable stability in whole sale price index (WPI) has been witnessed during the current year 2012-13. The index on period average basis during (July-April) 2012-13 has been estimated at 7.9 percent which is the lowest since the last 7 months.

Further categorization of the index into 5 constituent groups reveals the highest inflationary pressure in Ore & mineral group. Other component groups recorded a moderate rise around of 6 percent. The prices of most of the items in the category of agriculture and food products either remained stable or recorded decline. While those of iron, steel, electricity, coal and cotton related items were mainly responsible for the rise in Whole Sale Price Index. Higher price were also reported for leather product prices like footwear, Chemicals and medicines prices.

Table 7.8: Wholesale Price Index

Commodity	Weights	(%) Change July -Apr 2012-13	Impact
General(WPI)	100.0	7.92	7.9
Agriculture Forestry & Fishery	42.1	6.47	2.7
Non-Food	57.9	8.30	4.8

Table 7.8: Wholesale Price Index

Commodity	Weights	(%) Change July -Apr 2012-13	Impact
Ores & Minerals	12.0	19.45	2.3
Food Products, Beverages	31.1	7.04	2.2
Other Transportable Goods	22.4	5.92	1.3
Metal Products Machinery	8.7	4.71	0.4

Source: Pakistan Bureau of Statistics (PBS)

Table 7.9: (%) Change in prices of major items of WPI

	Weight	% Change Apr-13/ Apr-12	Impact
Pulses	0.49	-15.8	-0.1
Sugar	1.8	-3.0	-0.1
Vegetable ghee	1.56	-2.2	0.0
Poultry	0.56	-18.9	-0.1
Fresh fruits	1.51	-1.6	0.0
Coal	0.75	23.9	0.2
Electrical energy	5.49	36.1	2.0
Cotton yarn	5.25	12.2	0.6
Blended yarn	0.17	8.6	0.0
Woven fabrics	0.01	21.8	0.0
Cotton fabrics	0.63	1.5	0.0
Other fabrics	1.1	5.0	0.1
Chemicals	1.77	9.7	0.2
Medicines	1.14	16.0	0.2
Soaps & detergent	0.82	9.7	0.1

Source: Pakistan Bureau of Statistics (PBS)

Sensitive Price indicator

Sensitive Price Indicator (SPI) is the most closely watched index registered an increase of 4.3 percent on combined basis and 6.6 percent on lowest income basis in April 2013 which by historical trend is 70 months lowest. The moderate rise in the index mainly came from stable trend in 33 food items constituting the food groups of SPI. Major contributors to this effect are milk fresh 1.6 percent followed by wheat flour and onion each 1.5 percent, tea pack 0.3 percent, rice basmati broken 0.2 percent and beef 0.2 percent. Other items in the category of food items either remained stable or registered a decline in their prices.

In the category of utility items and transport groups, prices of LPG, gas, petrol and diesel recorded a decline in their prices. However, all the 14 items constituting the non-food groups of SPI registered a significant rise in their prices and contributed 1.5% to the overall pickup in SPI. A significant rise has been recorded in prices of footwear, long cloth and washing soap etc. Following table represent the price movement.

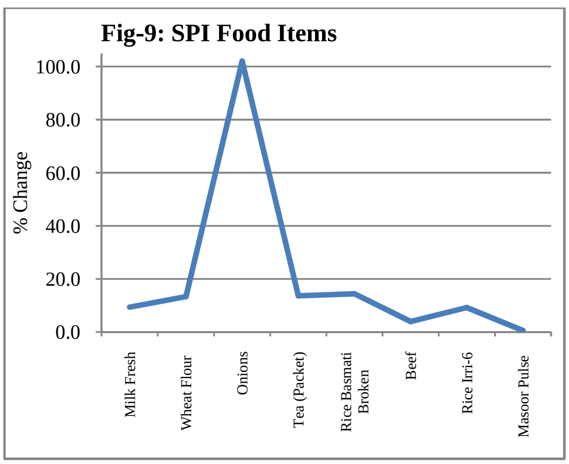
Table 7.10: (%) Change in prices of major items of SPI

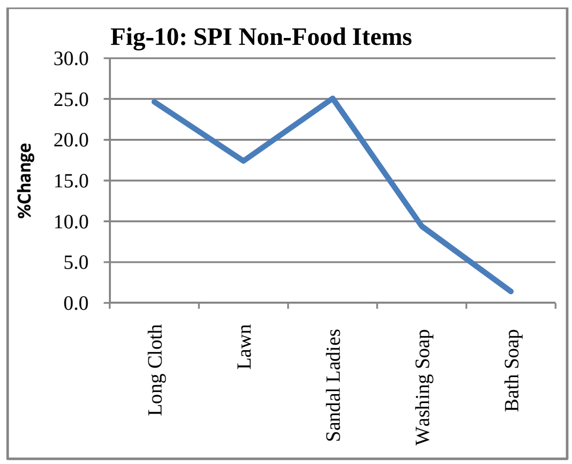
Items	Weight SPI	(% CHANGE) Apr-13/ Apr-12	Impact
Food Items			
Milk Fresh	16.84	9.38	1.58
Wheat Flour	10.90	13.32	1.45
Onions	1.42	102.07	1.45
Tea (Packet)	2.15	13.64	0.29
Rice Basmati Broken	1.90	14.33	0.27
Beef	4.27	3.90	0.17
Rice Irri-6	0.19	9.17	0.02

Table 7.10: (%) Change in prices of major items of SPI

Items	Weight SPI	(% CHANGE) Apr-13/ Apr-12	Impact
Masoor Pulse	0.49	0.51	0.00
Moong Pulse	0.61	-6.30	-0.04
Veg.Ghee (Tin)	2.71	-1.44	-0.04
Mash Pulse	0.55	-8.88	-0.05
Tomatoes	1.18	-4.93	-0.06
Gram Pulse	0.62	-10.84	-0.07
Sugar	2.73	-4.40	-0.12
Red Chilies Powdered	0.44	-27.85	-0.12
Non-Food Items			
Long Cloth	1.85	24.63	0.46
Lawn	1.47	17.39	0.26
Sandal Ladies (Bata)	0.81	25.06	0.20
Washing Soap (Nylon)	0.77	9.40	0.07
Bath Soap (Lifebuoy)	0.35	1.40	0.00
L.P.G	0.27	-4.38	-0.01
Gas Charges	4.12	-13.67	-0.56
Petrol	5.12	-0.89	-0.05

Source: Pakistan Bureau of Statistics (PBS)





Price Stabilization measures:

In order to closely monitor the inflation trend the following measures have been taken:-

a) The Cabinet and ECC reviews inflationary trend and prices of essential commodities in its meeting on regular basis.

b) Policy of prudent macro economic management is pursued to consolidate macro economic stability.

c) Provincial governments are also working to make the price control mechanism more effective.

d) National Price Monitoring Committee (NPMC) is also monitoring prices of essential commodities in consultation with provincial governments and concerned Federal Ministries/ Divisions and Organization.

e) A Private Member Bill on control of price of essential commodities and price hike has also been introduced in the Senate. After discussion of the said bill in Senate Standing Committee on Finance and Revenue, a sub committee was constituted to consider the control of price of essential commodities and price hike.

The sub committee constituted on this also submitted its recommendations to the Senate which primarily concerns ensuring food security, revival of executive magistracy system and monitoring and enforcement framework for price and smoothing supply of essential commodities.

The newly created Ministry of Food Security has been actively pursuing to ensure food security and drafting its Food Security Policy in the light of recommendations of Task Force on food security which finalized its recommendations in 2008.

Conclusion

Given the persistent downward trend in inflation over the last ten months, CPI inflation for the year 2012-13 is forecasted to hover around 8.0%. The availability of food items and any adverse external hike in prices. Seems unlikely, therefore, the upside risk to inflation for one remainder of FY13 is minimal. However the revision of any energy tariffs and imposition of taxes may pose risk to inflation beyond FY13. Food supply at affordable price is the focal point of food security policy of Pakistan and the four dimensions of food security also include food availability, food accessibility, food utilization and food stability which have always been on the high agenda of food policy. It is hoped that implementations of the policy in letter and spirit will to further contain the inflation and ensure secure food environment for the growing population.

for the provision of micro insurance to the remote and rural populations.

- While the crop insurance has recently taken off in Pakistan, SECP is working to develop comprehensive guidelines for the industry enabling it to develop this product and cater to the huge demand in the market. Certain pilot projects have been designed by the stakeholders and planned to be executed during the current year, for which SECP has been providing supervisory advises.
- The Insurance Division has been encouraging the insurers to do a pilot project on health insurance in partnership with contemporary distribution channels, with emphasis on the need of creating innovative business models and leveraging the use of technology. Stakeholder dialogues have been initiated and guidelines for health insurance are also being developed in consultation with the industry.
- SECP is working to help the stakeholders for developing catastrophic insurance schemes and participated in various forums organized by the stakeholders including National Disaster Management Authority (NDMA), Pakistan Poverty Alleviation Fund (PPAF), Lead Pakistan and Climate Development Knowledge Network (CDKN), etc. A national level scheme is in the process of development for which SECP is committed to provide full support.
- Under the provisions of the SECP Act 1997, the SECP is considering to form the Shariah Advisory Board. The members of the Board shall comprise of, other regulatory surveyors, renowned Islamic scholars, with expertise in the fields of accounting, law and the insurance industry. The primary goal of the Board will be to ensure compliance of regulated entities with the Islamic covenants such as portfolio purification, selection of investment & product design, monitoring and management of strategies and ensuring compliance to Islamic guidelines.

Conclusion

Pakistan's financial sector continued to grow and remained vibrant during the global financial crisis. However internal factors were more dominating in affecting the macroeconomic environment of the country particularly less than expected external inflows and acute power shortages posed multifaceted challenges. Moreover, repayments to IMF since February 2012 onwards exerted tremendous pressure on BOP due to dwindling foreign exchange reserves at the critical level. On the other hand substantial fiscal borrowings from the banking system further jeopardized the situation as the banks were more comfortable in investing government papers rather than extending credit to the private sector. Keeping in view the macroeconomic situation of the country and declining inflationary pressures, SBP followed an accommodative policy stance since the beginning of current fiscal year in order to support the economic growth through the revival of credit to private sector. Recent estimates on monetary aggregates indicate the shift in government borrowings from the scheduled banks to the central bank, which itself is inflationary in nature. Hence there is a medium term risk to the inflation outlook, at the same time the credit to private sector is also expected to increase.

Chapter 8

Trade and Payments

Introduction

World trade generally rises and falls with the overall level of global economic activity. Global trading activities were sluggish during 2012, it declined to 2.0 percent from 5.2 percent in 2011 and is expected to continue in 2013 at around 3.3 percent on account of slowdown in Europe The abrupt deceleration of trade in 2012 was attributed to slow growth in developed economies.

Fig-8.1:

The growth of world merchandise trade in 2012 was much lower compared to the rate of World Gross Domestic Product (GDP) growth for the year. Under normal conditions, the growth rate for trade is usually around twice that of GDP, but in 2012 the ratio of trade growth to GDP growth fell to 1:1.

Four years after the eruption of the global financial crisis, the world economy is still struggling to recover. During 2012, global economic growth has weakened further. A growing number of developed economies have fallen into a double-dip recession. Those in severe sovereign debt distress moved even deeper into recession, caught in the downward spiraling dynamics from high unemployment, weak aggregate demand compounded by fiscal austerity, high public debt burdens, and financial sector fragility. Growth in the major developing countries and economies in transaction has also decelerated notably, reflecting both external vulnerabilities and domestic challenges. Most low-income countries have held up relatively well so far, but now face intensified adverse spillover effects from the slowdown in both developed and major middle-income countries. The prospects for the next two years continue to be challenging, loaded with major uncertainties and risks inclined towards the downside.

According to UN report on a set of some assumptions, growth of World of Gross Product (WGP) is around 2.2 percent in 2012 and is forecast to remain well below potential at 2.4 percent in 2013 and 3.2 percent in 2014. At this moderate pace, many economies will continue to operate below potential.

After plunging by more than 10 percent in the Great Recession 2009, world trade rebounded strongly in 2010. Since 2011, the recovery of the volume of world exports has lost momentum. Growth of world trade decelerated sharply during 2012, mainly owing to declining import demand in Europe, as the region entered in to its second recession in three years, and weak aggregate demand in the United States and Japan. As a result, developing countries and economies in transition have seen demand for their exports weaken.

The trade data of different regions and countries showed a clear sequence of the weakening demand that originated in the Euro Area transmitting to the rest of the word. Import demand in Greece, Italy, Portugal and Spain started to decline in late 2011 and fell further during 2012, but the weakness in trade activity has spread further to the rest of Europe as well, including France and Germany. As a result, imports of the United States and Japan also slowed significantly in the second half of 2012. East Asian economies that trade significantly with the major developed countries have experienced commensurate declines in exports. For example, the republic of Korea, and Taiwan registered considerable drops in exports during 2012. China's exports also declined notably. Further down the global value chain, energy and other primary exporting economies have seen demand for their exports weaken as well. Brazil and the Russian Federation, for instance, all registered export declines in varying degrees in the second half of 2012. Lower export earnings, compounded by domestic demand constraints have also pushed down

GDP growth in many developing countries and economies in transition during 2012. This has led to flagging import demand from these economies, further slowing trade of developed countries.

In the outlook for 2013, the continued weak global growth outlook and heightened uncertainties lead to expectations that world trade will continue to expand at a rather moderate pace of 4.3 percent in volume terms in 2013, compared to 3.3 percent in 2012 and 6.8 percent during 2005-2008.

Pakistan recent trade data also reflects the spillover effects in the growth of our exports. Geographically, the EU and the US represent the most important destinations of Pakistan exports and their markets absorb 31 percent and 23 percent of exports. While China represents the third most important destination with an 11.5 percent share. UAE, Afghanistan, Oman and Turkey have recently become important destinations. Therefore, slow down in US and European economies and weak demand have significant impact on Pakistan's export growth.

Exports

Exports were targeted at $ 24.8 billion or 4 percent higher than last year for 2012-13. The moderate growth target was set on account of energy shortages and slow economic growth in developed world economies. Exports during the first ten months (July-April) of the current fiscal year reached to US$ 20,147 million, up by 4.2 percent – rising from US$ 19,329 million in the same period last year (Table 8.1). Export of food group increased by 12.3 percent, textile group by 6.1 percent and other manufactures group increased by 8.7 percent.

Table 8.1: Structure of Exports ($ Millions)

Particulars	July-April		% Change	Absolute Change
	2012-13*	2011-12*		
A. Food Group	**3,953.4**	**3521.2**	**12.3**	**432.1**
Rice	1,607.5	1,736.1	-7.4	-128.6
Sugar	393.2	14.9	2,538.9	378.3
Fish & Fish Preparation	270.3	258.8	4.5	11.5
Fruits	341.2	322.3	6.9	19.0
Vegetables	214.4	136.0	57.4	78.0
Wheat	52.7	112.7	-53.3	-60.1
Spices	55.1	38.5	43.0	16.6
Oil Seeds, Nuts & Kernels	28.2	23.4	20.5	4.8
Meat & Meat Preparation	178.3	140.7	26.8	37.6
B. Textile Manufactures	**10,749.3**	**10127.6**	**6.1**	**621.8**
Raw Cotton	138.1	433.5	-68.2	-295.5
Cotton Yarn	1,851.7	1,468.6	26.1	383.1
Cotton Cloth	2,231.2	2,004.5	11.3	226.7
Knitwear	1,663.0	1,624.4	2.4	38.4
Bed Wear	1,467.2	1,452.3	1.0	14.9
Towels	647.4	554.3	16.8	93.1
Readymade Garments	1475.6	1,319.6	11.8	155.9
Made-up Articles	487.5	475.8	2.5	11.7
C. Petroleum Group				
Petroleum Products	5.8	291.9	-	-286.1
Petroleum Top Naptha	0.0	518.4		-518.4
D. Other Manufactures				
Carpets. Rugs & mats	96.7	104.4	-7.3	-7.6
Sports Goods	263.2	271.6	-3.1	-8.4
Leather Tanned	389.4	358.7	8.6	30.7
Leather Manufactures	461.8	441.3	4.6	20.5
Surgical Goods & Medical.Inst.	249.8	254.8	-2.0	-5.0
Chemicals & Pharma. Pro.	635.7	910.3	-30.2	-274.5
Engineering Goods	221.3	225.7	-2.7	-4.5
Jewellery	1,143.7	646.3	77.0	497.4
Cement	469.0	390.4	20.1	78.6
Guar and Guar Products	119.0	110.1	8.1	8.9

Source: Pakistan Bureau of Statistics
* Provisional

The increase in food group is attributed to an increase of 57.4 percent, 43.0 percent and 26.8 percent in export of vegetables, spices and meat and meat preparation, respectively, during current year. Export of sugar also brought valuable foreign exchange of US$ 393.2 million to the national exchequer during this year as its export quantity increased considerably to 174,876 MT during Jul-April, FY13 from only 25,180 MT during same period last year. However, export of rice declined by 7.4 percent due to 10 percent lesser production and delay in harvesting due to late monsoon rain which kept the domestic price higher. Moreover, other competitors in rice export also kept the international market less favourable for Pakistani rice. The price and quantity both affected the value of export of rice this year. Total fall of 7.4 percent in export of rice during Jul-April, FY13 was around negatively contributed by 57.4 percent by quantity and 42.6 percent positively by unit value. In quantum terms it registered a net loss of US$ 304.5 million while the favourable prices contributed positively by US$ 226.2 million. One more aspect regarding export of rice which needs to be highlighted is the continued rise in the proportion of non basmati rice in overall export of rice which also affected the total export value of rice and the other reason was introduction of a high yield basmati rice variety in India last year capturing a substantial portion of international rice market. Other commodities fruits, vegetables, fish and meat preparations witnessed favourable trends in terms of value while price and quantity effects remained mix. Quantity of export of vegetables witnessed substantial improvement of 60 percent during first ten months of FY13 against same period last year. Export of wheat declined considerably (53.3 percent) due to unfavorable international prices during 2012-13 compared to 2011-12. The decline in wheat export is also attributed to higher increase in domestic cost of production due to high input prices like fertilizer, insecticides, transportation cost and power cost resulting its non competitiveness in the international market.

Exports of textile manufactures grew by 6.1 percent during Jul-April FY13 compared to same period last year and remained at US$ 10.7 billion. The gain in textile group is primarily due to increased exported quantity and favorable prices in international market. The expansion was broad based with visible increase in the export of cotton yarn, towels readymade garments, etc. Estimates suggest that both positive quantity and price effects contributed for the gain in textile sector. Prominent among these are the export of cotton yarn (26.1 percent growth), towels (16.8 percent), readymade garments (11.8 percent) cotton cloth (11.3 percent), and made up articles (2.5 percent). Export of knitwear and bed wear, however, could not perform and registered a meager growth of 2.4 percent and 1.0 percent, respectively. Export of raw cotton declined by 68.2 percent during this period which is a positive sign. Recent data of growth in exports in the month of April was mainly driven by bed-wear, towels and readymade garments, which are valued-added products. The lessening of the power crisis and the restoration of electricity and gas supply to textile industries in Punjab in later part of winter has given some hope of achieving the set target of US$ 14 billion in textile and garment exports from Pakistan by the end of current fiscal year. The European Union preferential package on import of 75 items was in operation since December 2012 and our exporters have received more orders than in normal circumstances because of preferential duties. The growth in yarn and fabric exports was on account of improved energy supply and also on account of owners are installing their own power generating units to overcome the crises which helped in growth and export of home textile; towels and bed-wear as well.

The exports of jewellery during ten months of current fiscal year have witnessed sharp increase of 77 percent. The jewellery exports during the period under review is recorded at US$ 1.1 billion while during same period last year its export stood at US$ 646.3 million. Pakistan’s jewellery exports to the rest of the world are rising much faster than to EU where the expatriate Pakistan origin has more spending power than in other areas. Moreover, removal of Indian jewellery from US GSP led to doubling of Pakistan jewellery export to the US. Cement sector also performed well and registered a growth of 20.1 percent during Jul-April, FY13 with a contribution of US$ 469 million to the overall exports. The rise in Cement export was led by a strong demand from African and Afghanistan markets. Most of the items under other manufactures group witnessed moderate growth in export value mainly due to the price effect whereas quantity effect in most of the items was negative or weak.

Exports of engineering goods, petroleum products, and chemical & pharmaceutical products showed negative trends. Export of petroleum products declined sharply and stood at only $ 5.8 million against $291.9 million during the same period last year whereas export of chemical & pharmaceutical products declined by 30.2 percent and stood at US$ 635.7 million.

In absolute term the overall exports posted an increase of $ 818 million in the first ten months of the current fiscal year over the same period last year. Of this increase, 76 percent or US$ 621.8 million was contributed by textile manufactures while all other items increased by 24 percent or $196.2 million. This increase of $ 818 million was slashed due to a decline in exports of rice ($ 128.6 million).

Trends in Monthly Exports

The monthly exports for the period July-April, 2012-13 remained mostly above the corresponding months of last year, averaging $ 2019 million per month as against an average of $ 1933 million last year. [Table 8.2]

Concentration of Exports

Pakistan's exports are highly concentrated in few items namely, cotton & cotton manufactures, leather, rice and few others. Jewllery has recently become another mentionable item of our exports. The first three categories i-e cotton & cotton manufactures, leather, rice exports account for 63.7 percent of total exports during the first nine months of 2012-13 with cotton manufacturers alone contributing 51.4 percent. The degree of concentration has changed over the years when these items contributed around 70 percent of our total exports. However, as compared to last year it has not been improved. Further disaggregation reveals that almost all the export earnings have originated from textile manufactures. This pattern shows that Pakistan's export is still concentrated in few items. The annual percentage shares of the major export commodities are given in Table 8.3.

Table 8.2: Monthly Exports

Month	($ Million)	
	2012-13*	2011-12
July	2057.5	2157.5
August	1911.2	1945.4
September	2218.5	1831.5
October	2015.6	1880.1
November	1895.6	1533.1
December	1969.5	1854.2
January	2023.2	1916
February	1835.5	2010.2
March	2134.1	1972.6
April	2130	2229
Total	**20190.7**	**19329.6**
Monthly Average	**2019.1**	**1933**

Source: Federal Bureau of Statistics.
*: Provisional

Table 8.3:Pakistan's Major Exports (Percentage Share)

Commodity	06-07	07-08	08-09	09-10	10-11	11-12	Jul-March*	
							11-12	12-13
Cotton Manufacturers	59.7	51.9	52.6	50.6	52.9	49.6	50.0	51.4
Leather**	5.2	5.8	5.4	4.5	4.4	4.4	4.8	4.5
Rice	6.6	9.8	11.2	11.3	8.7	8.7	8.8	7.8
Sub-Total of three Items	**71.5**	**67.5**	**69.2**	**66.4**	**66.0**	**62.7**	**63.6**	**63.7**
Other Items	28.5	32.5	30.8	33.6	34.0	37.3	36.4	36.3
Total	100	100	100	100	100	100	100	100

Source: Pakistan Bureau of Statistics
*: Provisional, **: Leather & Leather Manufactured

Direction of Exports

Although Pakistan trade with a large number of countries, its exports are highly concentrated in few countries including USA, Germany, Japan, UK, Hong Kong, UAE and Saudi Arabia. The United States is the single largest export market for Pakistan, accounting for 15 percent of its exports followed by UAE, U.K and Germany. Despite concentrated in few markets, Pakistan has witnessed some geographical diversification in exports during last few years. Few years back, around 43 percent of the country's exports were concentrated in five markets (USA, UK, Germany, Hong Kong and U.A.E.) of the world and remaining share of all other countries was 57 percent. This concentration is on continuous decline and the share of these five market is now stood at 36.3 percent during current fiscal year whereas the share of all other countries increased to 63.7 percent. This improvement in geographical diversification was mainly the result of the Strategic Trade Policy Framework (STPF-2009-12 and the resulting increase in exports to China, Afghanistan and Bangladesh.

Pakistan needs to diversify its exports not only in terms of commodities but also in terms of markets.

Heavy concentration of exports in few commodities and few markets can lead to export instability.

Table 8.4: Major Exports Markets (Percentage Share)

Country	07-08	08-09	09-10	10-11	11-12	Jul-Mar	
						11-12	12-13*
USA	19.5	18.9	17.4	16.0	14.9	14.8	15.1
UK	5.4	4.9	5.3	4.9	5.0	5.1	5.4
Germany	4.3	4.2	4.1	5.1	4.5	4.8	4.1
Honk Kong	2.7	2.1	2.2	2.0	1.7	1.6	1.6
U.A.E.	10.9	8.2	8.9	7.3	9.7	9.1	10.1
Sub-Total	**42.8**	**38.3**	**37.9**	**35.3**	**35.8**	**35.4**	**36.3**
Other Countries	57.2	61.7	62.1	64.7	64.2	64.6	63.7
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100**	**100.0**	**100.0**

Imports

The surge in imports during last couple of years was mainly driven through the rising commodity and oil prices. After growing at an average rate of 14 percent per annum during last two years, Pakistan's import growth slowed down and show negative growth of 1.02 percent during first ten months of current fiscal year. Current fiscal year has seen an easing of international commodity and oil prices which reflected in the Pakistan's import bill during first ten months.

Table 8.5: Structure of Imports ($ Million)

Particulars	July-April		% Change	Absolute Change
	2012-13*	2011-12*		
A. Food Group				
Milk & milk food	112.4	134.4	-16.4	-22.0
Wheat Unmilled	0	0	-	-
Dry fruits	65.7	72.3	-9.1	-6.6
Tea	323.0	302.0	7.0	21.0
Spices	57.1	87.3	-34.6	-30.2
Edible Oil (Soyabean & Palm Oil)	1,759.1	1933.6	-7.0	-174.5
Sugar	4.1	13.4	-69.4	-9.3
Pulses	282.8	320.3	-11.7	-37.5
B. Machinery Group				
Power Gen. Machines	824.3	879.1	-6.2	-54.8
Office Machines	216.4	240.0	-7.8	-23.6
Textile Machinery	306.6	339.1	-9.6	-32.5
Const. & Mining Mach.	122.3	111.0	10.2	11.3
Aircraft Ships and Boats	487.4	415.3	17.4	72.1
Agriculture Machinery	87.3	102.9	-15.2	-15.6
C. Petroleum Group				
Petroleum Products	7766.6	7063.5	10.0	703.1
Petroleum Crude	4595.9	5519.4	-16.7	-923.5
D. Consumer Durables				
Electric Mach. & App.	676.2	676.7	-0.1	-0.5
Road Motor Vehicles	1,192.3	1,311.1	-7.1	-97.9
E. Raw Materials				
Raw Cotton	752.6	369.4	103.7	383.2
Synthetic fibre	333.9	434.6	-23.2	-100.7
Silk yarn (Synth & Arti)	449.3	503.9	-10.8	-54.6
Fertilizer	498.6	1,081.8	-53.9	-583.2
Insecticides	63.5	110.4	-42.5	-46.9
Plastic material	1,151.4	1,287.5	-10.6	-136.1
Iron & steel and Scrap	545.1	446.8	22.0	98.3
Iron & steel	1285.2	1119.0	14.9	166.2
F. Telecom	1284.9	1050.2	22.3	234.7

Source: Pakistan Bureau of Statistics
*: Provisional

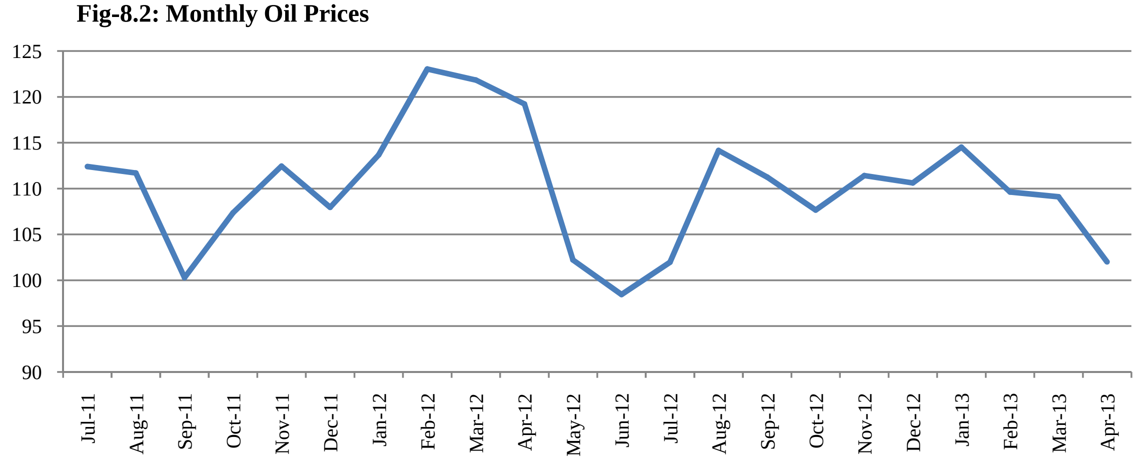
It is in this perspective that imports were targeted to increase by 6.8 percent ($42.9 billion) during 2012-13. However, ten months import data suggests that imports decelerated by 1.02 percent against the same period last year. Lower import prices along with declining quantum in some of the categories of imports were the main reasons for slight fall in import bill. Group-wise data on imports show that the food, transport, textile and agriculture imports recorded decline during Jul-April, FY13, which partially has been offset by the rise in machinery, oil and metal imports during first ten months of FY13. Food group was mainly responsible in reducing the country's import bill due to the decline in milk products, spices, palm oil, pulses and sugar imports. The decline in palm oil imports is attributed to both lower quantum and price. Record stock piles in the world and a reduction in export duty by Malaysia (the largest producer and exporter of palm oil), could be the primary reason behind the lower prices in the international markets. The lower import quantum may also be linked to the increased use of soybean oil after record production of soybean in Indonesia. The import of pulses is on declining trend on account of remarkable production of gram pulse. Last year, the import was higher on account of less production domestically and the gap was filled through import of pulses. This year import of pulses is on declining side on account of better production.

Agriculture and chemical imports also recorded a fall during first ten months of FY13, because of the decline in fertilizer imports. Imports of manufactured fertilizer recorded a steep decline in quantum (58.9 percent) during Jul-April, FY13. This follows the high price of domestic fertilizer which led to lower Urea off-take during this period. In addition, large domestic inventories were also available from last year's imports, which precluded the need for further imports. Machinery imports posted a rise of 3.1 percent during Jul-April, FY13. Category-wise data reveals that import of construction, mining machinery and telecom machinery increased, which more than offset the decline in import of textile, agriculture, and power generating machineries.

Transport group imports fell by 1.3 percent due to the fall in import of road motor vehicles, CKD kits and motor cars during Jul-April, FY13, Lower import of CKD kits follows the fall in domestic production of cars in the country as manufacturers discontinued the Suzuki Alto and Daihatsu Cuore models. Moreover, more than 20,000 cabs were produced for the Punjab Government yellow cab scheme in FY12, which did not boost the domestic demand this year. In addition amnesty scheme for legalization of smuggled vehicles also played some role for the demand of imported vehicles.

The petroleum imports recorded a nominal 1.8 percent increase during Jul-April, FY13 as compared to same period last year. Imports of crude petroleum declined by 16.7 percent in value terms, however, it increased by 6.5 percent in quantity terms. After witnessing slight upward trend during first quarter of current fiscal year, international oil prices remained stable downward during rest of the period which reflected in the import bill of crude oil. The decline in import of crude petroleum was offset by the increase in import of petroleum products which witnessed a rise of 10.0 percent.

Fig-8.2: Monthly Oil Prices



Direction of imports

Despite fairly concentrated in a few markets, Pakistan's import sources are witnessing a change in direction since 2007-08. The combined share of Pakistan's major imports markets (Saudi Arabia, Kuwait, Japan, U.S.A., Germany and U.K.) has been declining from the 36.7 percent in 2007-08 to 28.6 percent, at present, thereby showing a 8.1 percentage points fall during the period under review.

Table-8.6: Major Sources of Imports (Percentage Share)

Country	07-08	08-09	09-10	10-11	11-12	Jul-Mar	
						11-12	12-13*
U.S.A.	6.1	5.4	4.6	4.5	3.3	3.3	3.6
U.K.	1.9	2.6	1.7	1.6	1.2	1.3	1.7
Germany	3.2	3.8	3.4	2.3	2.5	2.5	2.5
Japan	4.6	3.6	4.4	4.1	4.3	4.2	4.4
Kuwait	7.5	6.6	6.9	8.2	8.9	8.4	8.7
Saudi Arabia	13.4	12.3	9.7	11.3	11.2	10.6	7.7
Sub-Total	**36.7**	**34.3**	**30.7**	**32.0**	**31.5**	**30.3**	**28.6**
Other Countries	63.3	65.7	69.3	68.0		69.7	71.4

Source: Pakistan Bureau of Statistics
*Provisional

Second Strategic Trade Policy Framework (STPF), 2012-15

The government started the three year policy cycle and presented its first Strategic Trade Policy Framework 2009-12 in September 2009. The three year policy cycle was appreciated by the Industry as it allowed the medium term development projects to be implemented properly. STPF 2009-12 achieved its export targets at the end of 2010-2011. In spite of various challenges faced by economy, our trade has shown consistent improvement. Our exports increased by 27 percent in the year 2010-11 and touched a record level of US $ 25.4 billion. There was a slight fall of 4.7 percent in exports during 2011-12, due to external factors like shrinkage in global demand in wake of the global financial crisis and lower prices of cotton in the international market.

The second Strategic Trade Policy Framework (STPF) for next three-year period, 2012-15 essentially build on the STPF 2009-12 and seeks to identify those aspects of Pakistan's export competitiveness, which have been relatively less attended. The salient features of STPF 2012-15 are as follows:

- Focus on Regional Trade
- Create Regulatory Efficiencies
- Promote Agro-processed exports
- Increase Exports from less developed regions of Pakistan
- Promote exports of Services Sector
- Enhance access to export financing and credit guarantees
- Revamp Export Promotion Agencies
- Mobilize new investment in export oriented industries
- Facilitate exporting industry overcome energy crisis
- Enhance Product and Market Development and Diversification
- Undertake effective Trade Diplomacy
- Increasing Green Exports
- Rationalize the Tariff Protection Policy
- Enhance Role of Women in Exports
- Reform and Develop Domestic Commerce

With the help of development interventions enunciated in STPF 2012-15, the government hopes to take Pakistan's cumulative exports from $ 65 billion to $ 95 billion. The STPF 2012-15 has three major parts. The first part consists of the interventions aimed at strengthening the existing trade related institutions and seeking to establish the 'missing' institutions. The second part consists of the export development initiatives to overcome the competitiveness deficit identified in the form of the fifteen principles given above. The Cabinet has approved Rs. 5 billion for these initiatives for 2012-13 and Rs 26 billion for the whole policy cycles. The third part of STPF 2012-15 consists of the regulatory amendments to Import Policy Order and Export Policy Order with a view to enhance the ease of doing business and streamlining of procedures and strengthening the regulations related to public safety and security.

The export development initiatives as incorporated in the STPF, 2012-15 are outlined below:

- Mark-up support of 2% on prevailing Long Term Financing Facility(LTFF) for future import/purchase of machinery.
- Mark-up Rate support of 1.5% on Export Finance Scheme (EFS) to selected export sectors
- Ad-Hoc relief @ 3% of fob to offset the impact of higher cost of utilities for Pakistani exporters in selected sectors
- Marketing development assistance for regional countries
- Export promotion campaigns for agro-processed products
- Encouraging the opening of retail outlets
- Subsidizing 50 percent cost of plant and machinery for establishing processing plants for meat, fruits, vegetables, dates and olives in Baluchistan, Gilgit-Baltistan , Khyber Pakhtun Khwa and FATA
- Up-gradation of Rice Inspection Labs
- Mark-up subsidy @ 100 percent of the prevailing mark-up rate and 50 percent subsidy for wire saw cutting machinery to reduce wastages for establishing mining and processing in KPK, FATA, GB and Baluchistan
- Strengthening Women Chamber of Commerce
- Establishment of Leather Export Promotion Council

Trade Links with India

On the face of massive economic challenges, a burgeoning population, energy and water shortages, and huge and growing numbers of unemployed workers, especially youth, Pakistan needs to look for ways to move itself out of the economic hole. Greater trade with India offers great possibility of economic growth for both Pakistan and India. Recent contacts meetings between the two sides appear to have yielded some good intentions to increase trade from its current level of $2.5 billion a year to $6 billion, still well below what many scholars and researchers estimate to be the potential.

A historical review shows that at the time of independence, India and Pakistan were heavily dependent on each other. In fact, India’s share in Pakistan’s global exports and imports accounted for 23.6 percent and 50.6 percent, respectively in 1948-1949 which declined to 1.3 percent and 0.06 percent, respectively, in 1975-76. Pakistan’s share in India’s global exports and imports was 2.2 percent and 1.1 percent, respectively, in 1951-1952 which gradually went down to 0.7 percent and 0.13 percent in 2005-2006. India’s trade balance with Pakistan which was US$ 94.7 million in 2001 has increased to US$ 948.6 million in 2006 and currently stands at approximately US$ 2 billion. Pakistan account for less than 0.5 percent of India trade and India account for above 3 percent. In formal trade via third country is estimated to be more than US$ 3 billion.

Politically, India and Pakistan are perceived as arch rivals in the region. Since their independence, bilateral economic relations have been affected by political factors. With a vision to enhance peace and prosperity to flourish in the region, the two countries are now progressing toward a closer economic relation realizing the synergy of bilateral potential. Both governments have in the past two years shown courage and taken steps to follow up. Pakistan began in November 2011 by announcing that it would apply Most Favored Nation (MFN) treatment to goods coming from India by the end of 2012 (India granted Pakistan MFN in 1996.) In February 2012, both countries announced the conclusion of agreements on customs cooperation, mutual recognition of standards, and redressal of trade grievances. This was followed in March 2012 by the Pakistan Commerce Ministry’s announcement that it would replace the relatively short “positive list” of less than 2000 items that could be imported from India with a “negative list” of 1200 prohibited items, thereby, effectively freeing up trade in almost 6800 previously banned product areas. In September 2012, both governments announced a new visa agreement that included provisions designed to facilitate business travel and build an atmosphere of confidence and trust and for that the only way is economic partnership.

Box-1
<u>Pakistan’s Market Access Initiatives</u>

<u>Pakistan-China FTA</u>

The FTA was signed on November 24, 2006 and operationalised on July 1, 2007. China has given tariff preferences on 7550 tariff lines at 8 digit H.S. Code to items of Pakistan’s export interest.

Market access granted by China enabled Pakistan to maintain an overall growth trend in export performance in the first five years of implementation of FTA. Pakistan-China volume of trade, which stood at US$ 4.1 billion in the year 2006-07, recorded an increase of 116% as it exceeded US$ 8.9 billion in 2011-12. Pakistan's exports registered 279 percent increase in 2011-12 as compared to 2006-07. Similarly, China's exports to Pakistan also increased by 90 percent during this period.

Pakistan's exports of rice, raw cotton, all crude mineral, petroleum, chemical elements, chemical material and product, leather, cotton yarn, cotton fabric, article of apparel and medical and surgical instruments increased substantially from the year 2007-08 to 2011-12.

Pakistan-Malaysia FTA

The FTA was signed on November 8, 2007 and operationalised on January 1, 2008. Malaysia has given tariff preferences on 10593 tariff lines at 9 digit H.S. Code to items of Pakistan's export interest.

Pakistan-Malaysia volume of trade, which was in the region of US$ 1017.80 million in the year 2006-07 reached all-time high in 2011-12, amounting to US$ 2.66 billion showing an increase of 163 percent. Pakistan's exports registered 211% increase in 2011-12 as compared to 2006-07.Similarly, Malaysia's exports to Pakistan also increased by157% during this period.

Pakistan's exports of rice, raw cotton, crude vegetables materials, chemical material and product, leather, made up articles of textile material, hosiery, and sports goods have sustained increase from the year 2007-08 to 2011-12.

Pak-Sri Lanka FTA

Pakistan concluded a Free Trade Agreement with Sri Lanka on August 2002. The FTA came operational from June, 2005.Under the bilateral FTA Sri Lanka offered 102 Tariff Lines at 6 digit HS code to Pakistan at Zero percent tariff. The bilateral volume of trade between the two countries increased from US$ 200 million in 2004-05 to US$ 374 million in 2011 and 2012. Pakistan's export has increased by almost 100 percent during the said period. From US$ 155 million in 2004-05 exports registered an increase by exceeding US$ 305 million in 2011-12.

The export items of Pakistan that maintained a healthy growth trend since implementation of bilateral FTA include rice, fish and fish preparations, cotton yarn, cotton fabrics, pharmaceuticals, knitted or crocheted fabrics and iron and steel.

Pakistan-Iran Preferential Trade Agreement

Pak-Iran PTA was signed on March 4, 2004. The Agreement became operational from September 1, 2006.

Under the PTA Pakistan has been granted tariff concessions on 309 tariff lines at 6 digit HS code. Average tariff concessions are around 18 percent. Pakistan's major projects covered under the PTA include rice, fruits, cotton, cotton yarn, pharmaceutical products and cutlery.

Initially, the PTA gives tremendous boost to Pakistan's export to Iran and the bilateral trade as well. In 2008-09 and 2009-10 Pakistan's bilateral trade with Iran crossed the magic figure of US$ 1 million, while export's touched its peak in 2008-09 at the figure of US$ 400 million. However, there has been gradual decrease in Pakistan's exports to Iran as an aftermath of international sanctions imposed on Iran. The bilateral trade was its lowest in 2001-12 with the figure of US$ 306.6 million. The major reason for this decrease bilateral trade can be attributed to the reluctance on the part of Iranian side to fully implement PTA rates, thereby causing trust deficit on part of both sides.

SAFTA

The Agreement on South Asian Free Trade Area was signed on January 6, 2004. The first tariff reduction was enforced w.e.f. July 1, 2006.

Under SAFTA, the member states maintain their respective Sensitive Lists wherein no concessions are granted. Items not included in the Sensitive Lists are offered tariff concession from 0-5 percent by the Contracting Parties. There are 936 tariff lines at 6 digit HS code in the sensitive List of Pakistan under SAFTA. The tariff lines kept in the Sensitive List by the remaining member states are as follows;

- India 614
- Sri Lanka 906
- Bangladesh 993
- Bhutan 150
- Maldives 152
- Nepal 1038
- Afghanistan 858

Pakistan's export to SAARC region which was recorded at US$ 1.9 billion in 2007-08 increased to US$ 3.5 billion in 2011-12.

Balance of Payments

Pakistan's overall external account balance posted a deficit of US$ 2.12 billion during Jul-April FY13 compared to a deficit of US$ 2.54 billion in the corresponding period last year. This relative improvement in the external account was entirely due to improvement in the current account, which posted a lower deficit of US$ 1.42 billion during Jul-April FY13 against a deficit of US$ 3.35 billion in the corresponding period last year. The improvement in the current account was due to combination of CSF inflows, steady growth in worker's remittances, improvement in trade balance and services account as it fell to $619 million against $2.4 billion last year. Moreover, on month to month basis current account posted a lower deficit of $354 million in April, 2013 as compared to deficit of $549 million in previous month. Although this reflects a positive sign but downside risk may uncertain the position.

As against the current account, capital and financial account remained under stress during Jul-April, FY13 due to less foreign investment. Specifically against surplus of US$ 954 million in July-April, FY12, financial and capital account recorded a deficit of US$ 301 million during July-April FY13. Although net foreign investment improved slightly compared to last year, the fall in debt inflows (loans) and amortization of loans led to offset the financial account.

Nevertheless, despite the improvement in the current and overall external account position, the country's liquid foreign reserves have shrunk on account of payments. Repayments (charges, principal and interest on loans) of around US$ 2.2 billion to the IMF during July-April current fiscal year (up to 10th May) largely explain the depletion of reserves. This shrinking in reserves has put pressures on the Pak Rupee which depreciated by 4 percent during Jul-April FY13.

Table 8.7: Summary Balance of Payments US$ Million

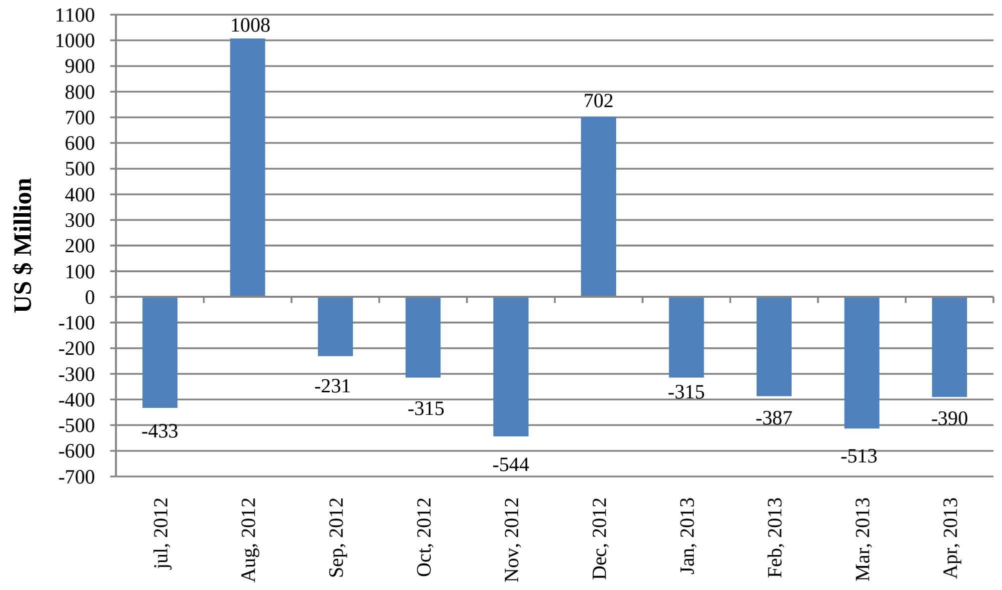
Items	July-June		July-April*	
	2010-11	2011-12	2011-12	2012-13
Current Account Balance	214	-4,658	-3,354	-1,418
Trade balance	-10,516	-15,765	-12,867	-12,541
Goods: Exports	25,356	24,696	20,470	20,501
Goods: Imports	35,872	40,461	33,337	33,042
Services Balance	-1,940	-3,192	-2,384	-619
Services: Credit	5,768	5,035	4,249	5,742
Services: Debit	7,708	8,227	6,633	6,361
Income Account Balance	-3,017	-3,245	-2,652	-3,090
Income: Credit	716	826	670	413
Income: Debit	3,733	4,071	3,322	3,503
Current Transfers Net	15,687	17,544	14,549	14,832
of which:				
Workers remittances	11,201	13,186	10,877	11,570
Capital & Financial Account	2,262	1,463	954	-301
Capital Account	161	183	144	193
Financial Account	2,101	1,280	810	-494
Direct Investment In Pakistan	1,635	821	659	855
Portfolio Investment (Net)	338	-144	-118	409
Other Investment	172	680	332	-1,546
Net Errors and Omissions	16	-80	-142	-396
Overall Balance	2,492	-3,275	-2,542	-2,115

Source: State Bank of Pakistan
*: Provisional

Current Account

Although the major contribution in the improvement in current account during Jul-April FY13 came from CSF inflows, contraction in trade account deficit and sustained growth in worker's remittances also supplemented the improvement. Monthly analysis shows that current account balance recorded surpluses in August and December 2012 while remaining in deficit during the other months of FY13. (Figure 8.3). CSF inflows of US$ 1.12 billion in August and US$ 0.68 billion in December 2012 largely explain the surplus during these two respective months.

Fig-8.3: Monthly Current Account Balance



Trade account balance, the largest and most important component of the current account, recorded a marginal improvement during Jul-April FY13. Trade account deficit contracted by 2.5 percent in Jul-April FY13 as imports declined 0.9 percent during Jul-April, FY13 compared to same period last year whereas export remained almost the same (only 0.15 percent growth) compared to last year during the period under review. The decline in import bill was primarily caused by the fall in imports of fertilizer, food and transport group and oil prices whereas the contraction in export growth was on account of decline in textile exports.

Credit of US$ 1.8 billion on account of CSF helped services account showed nominal deficit of US$ 0.6 billion during July-April FY13 against a deficit of US$ 2.4 billion during the corresponding period last year.

Income account registered a deficit of US$ 3.1 billion in Jul-April FY13 against the deficit of US$ 2.7 during Jul-April FY12. Both lower receipts and higher payments contributed to this increase in deficit in income account. While the payments in income account remained US$ 181 million higher during Jul-April FY13 than the same period level last year, receipts fell by US$ 257 million.

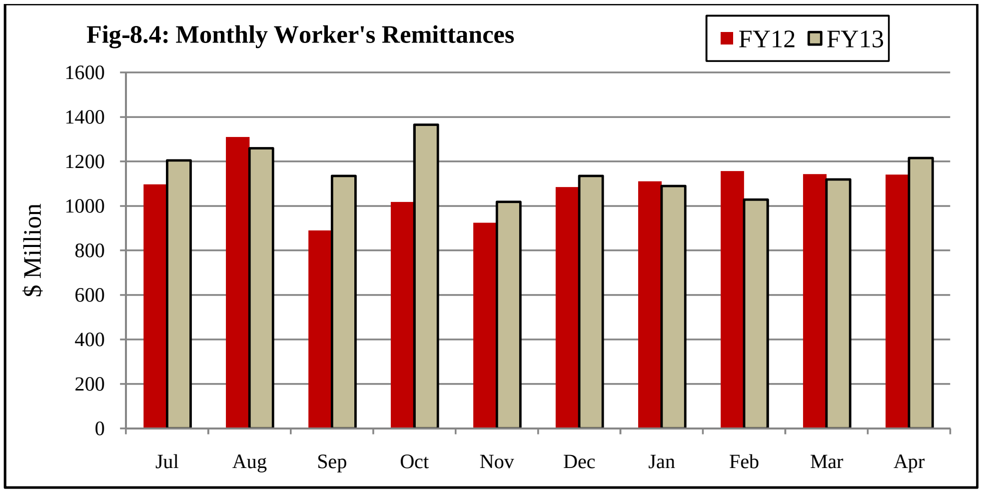
Capital & Financial Account

Capital and financial accounts posted a deficit of US$ 301 million during Jul-April FY13 against a surplus of US$ 954 million in the corresponding period last year. While net foreign investment increased from US$ 658.2 million during July-April, FY12 to US$853.5 million during Jul-April FY13, net outflows of loans resulted in the overall deterioration of the capital and financial accounts. As against inflows of US$ 337 million, foreign long terms loans/credit recorded net outflows of US$ 268 million during the period under consideration.

Worker's Remittances

Following the impressive performance of last year, worker's remittances continued to provide strength to the current account. During July-April FY13, worker's remittances grew by 6.4. Monthly analysis show that after a drop in August, 2012, worker's remittances rebounded in the following months (Figure:8.4). However, during quarter three FY13 remittances again declined compared to the same period last year. The cumulative increase of US$ 0.69 billion during Jul-April FY13 over Jul-April FY12 is largely attributed to the government's efforts to divert remittances from informal to the formal channels. Since the launch of Pakistan

Remittances Initiative (PRI), the share of worker's remittances coming through banking channel has increased considerably from 75 percent in FY10 to 90 percent in FY13.



County-wise data shows that remittances from UK, Saudi Arabia and GCC countries sources increased that compensated the decline in remittances from USA, UAE and EU. The share of Saudi Arabia in overall remittances was the largest; with UAE and USA having the second and third largest shares. Other sources of remittances like UK and GCC countries also contributed to the increase in remittances during the period under review.

Table: 8.8. Country/Region Wise Cash Workers' Remittances ($ Million)

Country/ Region	Jul-Apr			
	2011-12	2012-13*	% Change	% Share
USA	1,922.4	1,819.9	-5.3	15.7
U.K.	1,263.7	1,611.11	19.6	13.9
Saudi Arabia	2,987.9	3,371.6	12.8	29.1
UAE	2,386.3	2,312.0	-3.1	20.0
Other GCC Countries	1,226.6	1,331.7	15.3	11.5
EU Countries	304.6	297.7	8.6	2.6
Other Countries	785.5	825.7	5.1	7.2
Total	10,877.0	11,569.7	6.4	100.0

Source: State Bank of Pakistan
*: Provisional

Foreign Direct Investment

During Jul-April FY13, foreign direct investment (FDI) increased by 29.7 percent in contrast to a decline of 36.7 percent during the same period last year. During Jul-April, FY13 inflows of FDI remained at $1,893.6 million against $1,723.3 million showing an increase of 9.9 percent.

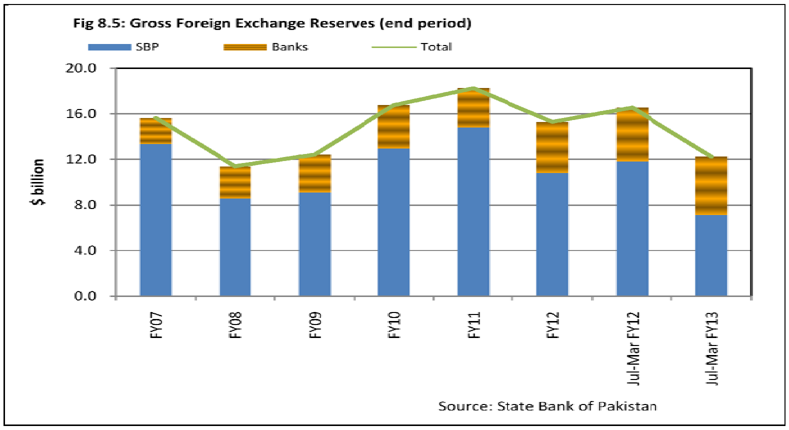
Sector wise data shows that major rise came in the financial business. In comparison to net inflows of US$ 46.1 million in July-April FY12, this sector attracted net inflows of US$ 248.7 million during Jul-April FY13. On the other hand, telecommunication sector continued to record net outflows during this period. Major source of inflows include UAE($281.5 million), USA($271.6 million), Hong Kong($204.5 million), UK($183.4 million), Italy($172.8 million) and Switzerland ($133.8 million)

Portfolio investment witnessed a sharp rise during Jul-April, FY13 as it increased to $219.4 million against a net outflow of $63.5 million during same period last year. The inflow of portfolio investment played a major role in deriving the Pakistan stock market which witnessed a bullish trend during FY13.

Foreign Exchange Reserves

Pakistan's foreign exchange reserves depleted by US$ 3.1 billion from end-June 2012 level and reached US$ 12.3 billion as on 3Ist March 2013. This fall in the gross reserve position was mainly due to the repayments made to the IMF during this period.

Of the overall decrease in reserves, SBP reserves decreased by US$ 3.7 billion, while that of the scheduled banks increased by US$ 0.64 billion (Figure:8.5). The fall in SBP reserves in Jul-Mar FY13 was mainly due to the repayments worth US$ 2.2 billion to IMF. The overall Reserves as on 15th May, 2013 stood at $11.516 billion which includes $6.468 billion of SBP and $5.048 billion with commercial banks.

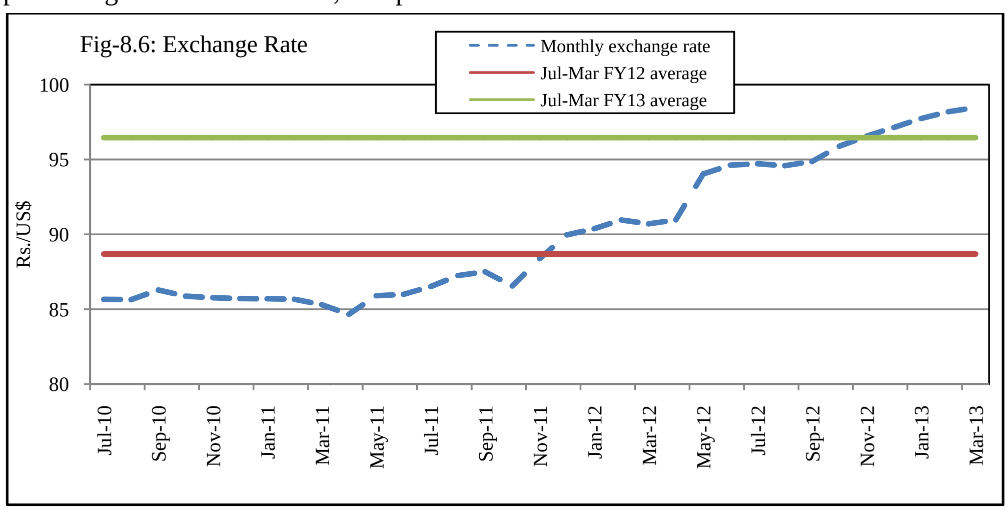


Exchange Rate

Pak Rupee came under pressure with the depletion in SBP reserves during current fiscal year. As a result, Pakistan's currency vis-à-vis US dollar depreciated by 4.0 percent during this period. During the same period last year rupee had depreciation by 5.2 percent.

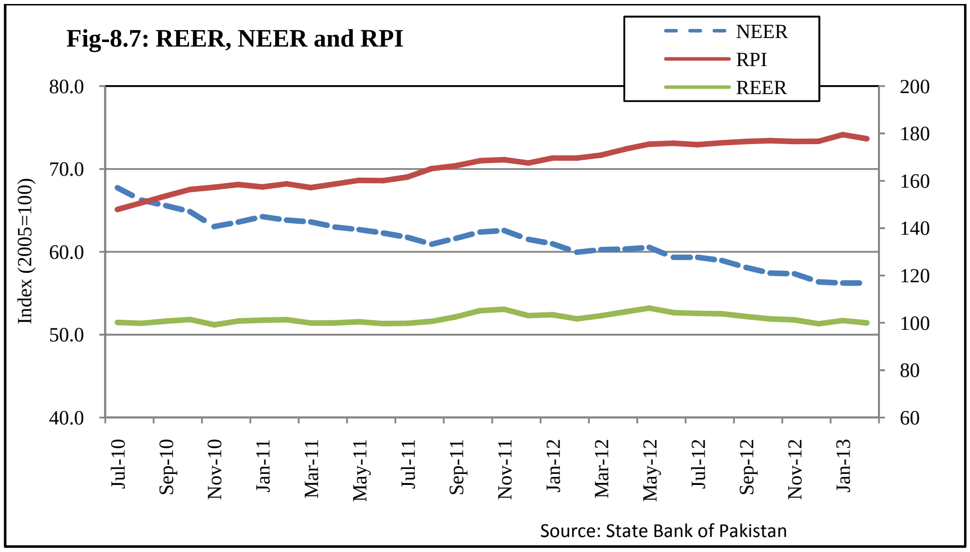
Quarterly analysis indicates that the Rupee remained fairly stable during Q1-FY13 as it depreciated by just 0.25 percent against the US Dollar, compared to 1.7 percent in the corresponding quarter of FY12. However repayments worth US$ 1.7 billion to the IMF in Q2- and Q3 FY13 led to Rupee depreciation of 2.24 percent in Q2 and 1.36 percent in Q3. During Jul-April, FY13 it depreciated by 4 percent in inter bank..

In absolute terms, exchange rate averaged Rs.88.70/US$ during Jul-Mar FY12, whereas it averaged Rs.96.50/US$ during Jul-Mar FY13 (Figure-8.6).



Real Effective Exchange Rate

Exchange rate of Pak rupee vis-a-vis basket of trading partner currencies usually referred to as Nominal Effective Exchange Rate (NEER) depreciated by 5.2 percent during Jul-Feb FY13 compared to an appreciation of 1.04 percent during the same period last year. On the other hand, the relative price index recorded a rise of 1.06 percent compared with a rise of 5.0 percent during Jul-Feb FY12. The deceleration in the relative price index was attributed to a slowdown in domestic inflation during this period. The depreciation of NEER and narrowing relative prices led to depreciation in real terms. Real effective exchange rate therefore depreciated by 4.2 percent during Jul-Feb FY13 in contrast to an appreciation of 1.9 percent during the same period last year (Figure 8.7).



Conclusion:

The external sector performance is improving on the back of rising foreign investment witnessed during March and April, better improvement in remittances and narrowing of the negative gap in balance of payment. However, the fast shrinking of reserves and scheduled repayments to the IMF in the rest of FY13 and FY14 remains challenging. These challenges are required to be addressed through decisive structural reforms.

Chapter 9

Public Debt

9.1 Introduction

Developing countries have distinct debt dynamics from that of developed ones. During the economic growth catching-up process, developing countries often find themselves in a position where debt levels are positively correlated with their growth levels. A simple law governing such a relationship is brisker growth in the developing world which allows them to ride on a declining debt trajectory provided debt accumulation is backed by a diligently thought out road map. However, public debt becomes much unsustainable when debt burden starts mounting as debt growth outstrips revenue growth, and debt servicing starts exceeding recommended threshold levels. To avoid such a quagmire, certain aspects are of pivotal importance. First, successful debt reduction requires fiscal consolidation and a policy mix that supports growth. Second, fiscal consolidation aiming to reform structural weaknesses preferred over myopic measures. Third, realizing the fact that debt reduction is bound to be time consuming.

Pakistan debt dynamics has witnessed substantial changes over past few years. Fiscal imbalance and difficult balance of payments position have contributed towards public debt accumulation. The composition of public debt has witnessed major changes with increasing reliance on domestic debt due to non-availability of sufficient funds from external sources. The composition of major components shaping the domestic debt portfolio has itself undergone a transformation from a high dominance of unfunded debt to an increasing dependence on short term floating debt that led to shortening of maturity profile of public debt. Maintaining exchange rate stability is also a pre-requisite for external debt sustainability and to reduce the impact of growing external indebtedness. The Government of Pakistan has embarked upon a rule based policy necessary for fiscal consolidation and debt management incorporated in Fiscal Responsibility and Debt Limitation Act (FRDLA), 2005.

9.2 Public Debt

The portion of total debt which has a direct charge on government revenues is taken as public debt. Public debt is a measure of government indebtedness. It includes debt denominated in rupee as well as foreign currency. Public debt comprises of domestic and external debt. Each of these types of debt has its own benefits and drawbacks, with a trade-off between costs of borrowing and exposure to various types of risks that needs to be balanced in order to ensure ample and timely access to cost efficient funding.

Domestic debt is a charge on budget and must be serviced through government revenues and/or additional borrowings whereas external debt (both public and private), in addition to charge on revenues, is also a charge on balance of payment and must be serviced from foreign exchange earnings, reserve drawdown, and additional borrowings. Therefore, the two should be managed separately to ensure fiscal and external account solvency.

As at end-March 2013, public debt reached at Rs.13,626 billion, an increase of Rs.959 billion or 8 percent higher than the debt stock at the end of last fiscal year. Public debt as a percent of GDP reached at 59.5 percent of GDP by end-March 2013 compared to 59.8 percent during the same period last year. The primary source of increase in public debt during July-March, 2012-13 was increase in domestic debt that positioned at Rs.8,796 billion represented an increase of Rs.1,159 billion, whereas, external debt posed at Rs.4,831 billion represented a decrease of Rs.200 billion as compared to end-June 2012. The decline in external debt during July-March, 2012-2013 is mainly attributed to repayments against IMF loans, translational gain on account of US Dollar appreciation against other major currencies and marginal fresh disbursements.

Table-9.1: Public Debt (1990-2013*)

	1990	1995	2000	2005	2008	2009	2010	2011(P)	2012(P)	2013 (P)*
	(Rs. in billion)									
Domestic Debt	374	790	1,576	2,178	3,266	3,852	4,651	6,016	7,637	8,796

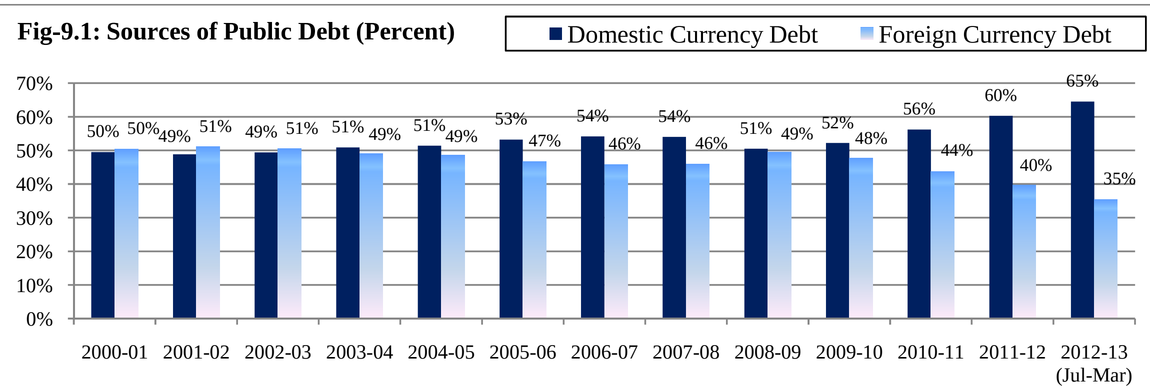
Table-9.1: Public Debt (1990-2013*)

	1990	1995	2000	2005	2008	2009	2010	2011(P)	2012(P)	2013 (P)*
	(Rs. in billion)									
External Debt	428	873	1,442	1,913	2,778	3,776	4,260	4,685	5,030	4,831
Total Public Debt	801	1,662	3,018	4,091	6,044	7,629	8,911	10,700	12,667	13,626
	(In percent of GDP)									
Domestic Debt	42.8	42.3	41.2	33.5	30.7	29.2	31.3	32.9	38.0	38.4
External Debt	48.9	46.8	37.7	29.4	26.1	28.6	28.7	25.6	25.0	21.1
Total Public Debt	91.7	89.1	78.9	62.9	56.8	57.8	59.9	58.5	63.0	59.5
	(In percent of Revenue)									
Domestic Debt	235	245	308	242	218	208	224	267	298	-
External Debt	269	270	281	213	185	204	205	208	196	-
Total Public Debt	505	515	589	455	403	412	429	475	494	-
	(In percent of Total Debt)									
Domestic Debt	46.6	47.5	52.2	53.2	54.0	50.5	52.2	56.2	60.3	64.5
External Debt	53.4	52.5	47.8	46.8	46.0	49.5	47.8	43.8	39.7	35.5
Memo:										
Foreign Currency Debt (US$ in billion)	19.5	28.1	27.5	32.1	40.7	46.4	49.8	54.5	53.2	49.1
Exchange Rate (Rs./US$, End of Period)	21.9	31.1	52.5	59.7	68.3	81.4	85.5	86.0	94.5	98.4
GDP (Rs. in billion)	874	1,866	3,826	6,500	10,638	13,200	14,867	18,285	20,091	22,909
Total Revenue (Rs. in billion)	159	323	513	900	1,499	1,851	2,078	2,253	2,567	3,378

Source: Budget Wing, Economic Affairs Division, State Bank of Pakistan & Debt Policy Coordination Office Staff Calculations
P: Provisional. *: End-March 2013

Historically, public debt stock accounted for almost the same burden from domestic and external sources. However, government has increasingly focused on the domestic part over the last few years owing to non-availability of sufficient external financing i.e. domestic borrowings inched up in share from 50.5 percent of total public debt in 2008-09 to 64.5 percent at end-March 2013.

Fig-9.1: Sources of Public Debt (Percent)



The public debt may be understated without reporting contingent liabilities. Contingent liabilities are possible obligations that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the government. Contingent liabilities are not added to the overall debt of the country, however, such off-balance sheet transactions cannot be overlooked in order to gain a holistic view of a country's fiscal position and unveil the hidden risks associated with the obligations made by the government outside the budget. It is imperative to examine the contingent liabilities in the same manner as a proposal for a loan, taking into account, inter alia, the credit-worthiness of the borrower, the amount and risks sought to be covered by a sovereign guarantee, the terms of the borrowing, justification and public purpose to be served, probabilities that various commitments will become due and possible costs of such liabilities etc.

In the case of Pakistan, these include, for instance, explicit and implicit guarantees issued to Public Sector Enterprises (PSEs). During July-March, 2012-13, the Government of Pakistan issued fresh/rollover guarantees aggregating to Rs.111 billion or 0.5 percent of GDP. The outstanding stock of government guarantees as at end-March, 2013 is positioned at Rs.609 billion.

Table-9.2: Guarantees Outstanding as on March 31, 2013 (Rs. in billion)

Outstanding Guarantees extended to Public Sector Enterprises (PSEs)	**609**
- Domestic Currency	328
- Foreign Currency	281
Memo:	
Foreign Currency (US$ in million)	**2,855**

Source: Debt Policy Coordination Office Staff Calculations, Finance Division

9.2.1 Dynamics of Public Debt Burden

Public debt is an important measure of bridging the financing gaps of the government. Prudent utilization of public debt leads to higher economic growth and adds to capacity to service and repay external and domestic debt. It also helps the government to accomplish its social and developmental goals. Debt problems arise if debt-servicing capacity does not keep pace with growth of debt. This may also be expressed as debt exceeding sustainable levels. Unsustainable levels of debt have repercussions for an economy in the form of a re-allocation of resources towards debt servicing.

The debt burden can be expressed in terms of the stock ratio i.e. debt to GDP, external debt to GDP or flow ratios i.e. debt to revenue, external debt to foreign exchange earnings. It is a common practice to measure the public debt burden in terms of stock ratios; however, it is more appropriate to measure the burden of public debt in terms of flow ratios as the level of debt depends on the debt servicing capacity of the economy. The more important rule about limiting public debt growth must be expressed in relation to revenue growth. If the primary deficit is zero, the ratio of public debt to revenues will not grow as long as the rate of growth of debt does not exceeds the rate of growth of revenues. Similarly, if the growth in Foreign Exchange Earnings (FEE) exceeds the growth in External Debt and Liabilities (EDL), the ratio of EDL-to-FEE will continue to decline.

Table-9.3: Selected Debt Indicators

	2008	2009	2010	2011	2012	2013[i]
Revenue Balance / GDP*	(3.1)	(1.2)	(1.7)	(3.3)**	(2.6)***	(2.2)
Primary Balance / GDP*	(2.4)	(0.1)	(1.6)	(2.5)**	(2.2)***	(1.1)
Fiscal Balance / GDP	(7.3)	(5.2)	(6.2)	(5.9)**	(6.8)***	(4.6)
Public Debt / GDP	56.8	57.8	59.9	58.5	63.0	59.5
Public Debt / Revenue	403.1	412.2	428.8	475.0	493.6	-
Debt Service / Revenue	37.2	46.6	40.4	38.0	39.9	44.1
Debt Service / GDP	5.2	6.5	5.6	4.7	5.1	4.1

Source: Debt Policy Coordination Office Staff Calculations, Finance Division
[i]July – March
*: Adjusted for grants
**: excludes arrears of electricity subsidies amounting Rs.120 billion
***: excludes, "one off" payment of Rs.391 billion on account of debt consolidation

The revenue shortfall over current expenditure is a reflection of non-availability of fiscal space for undertaking development spending for which the government needs to generate a revenue surplus or at least maintain revenue balance. It also implies that the borrowed money is mostly spent on current outlays that otherwise should be available solely for development purposes. The revenue deficit reached at Rs.497 billion or 2.2 percent of GDP during July - March, 2012-13.

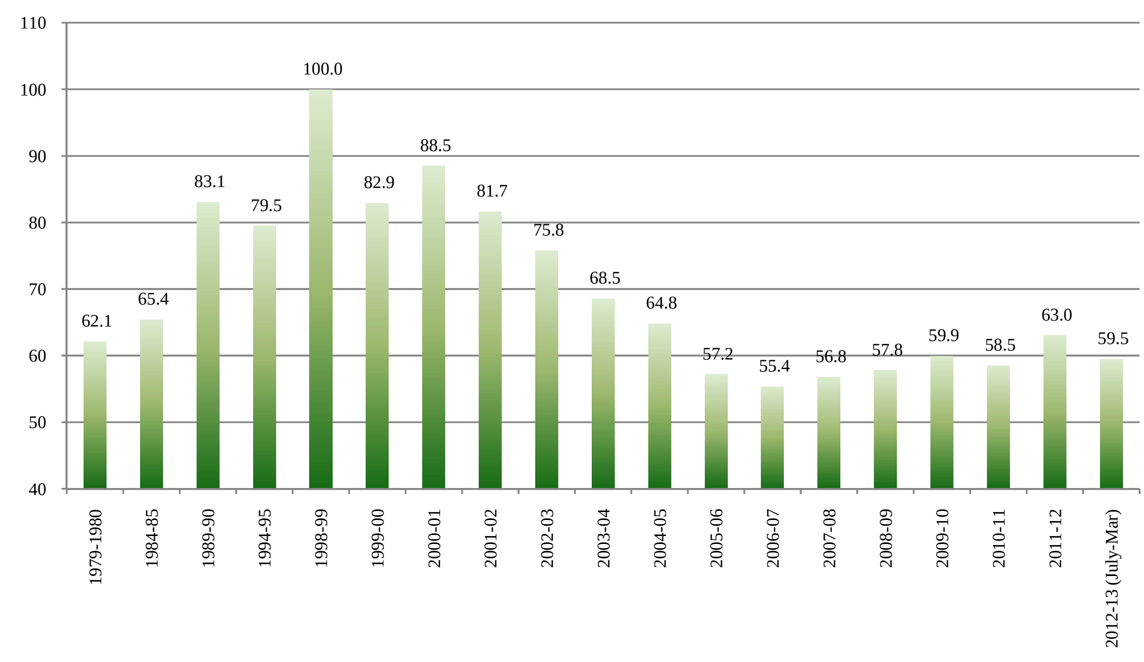
Primary balance is the total revenue adjusted for non-interest expenditure. A negative primary balance essentially means that the government is borrowing money to pay interest payment on the debt stock which resulted in debt trap. In 2008-09, government was able to bring the deficit down to 0.1 percent of GDP from 2.4 percent in 2007-08 as a result of fiscal consolidation and rationalization of expenditure. However since 2009-10, owing to increased security expenditure, unsustainable food and energy subsidies and great floods of 2010, fiscal adjustment path was reversed and the primary deficit reached 2.2 percent of GDP at the end of June 2012. During July-March, 2012-13, primary deficit reached Rs.254 billion or 1.1 percent of GDP.

Pakistan's fiscal deficit over the last few years saw significant variation from its original targets. The fiscal deficit already reached Rs.1,046 billion or 4.6 percent of GDP during first nine months of current fiscal year as compared with the annual target of 4.7 percent. The higher fiscal deficit is adding to public debt and pre-empting a major chunk of revenues to service it i.e. During July-March, 2012-13, nearly 44 percent of total revenues have been consumed in debt servicing.

The real growth of debt (12.4 percent) has been greater than the real growth of revenues (8.2 percent); and, this complemented by the primary deficit resulted in increase of the debt burden during 2011-12. The public debt stood at 4.9 times of government revenues at the end of fiscal year 2011-12, ideally this ratio should be 3.5 times or lower.

Public debt as a percent of GDP stood at 59.5 percent of GDP by end-March 2013 compared to 59.8 percent during the same period last year.

Fig-9.2: Public Debt as Percentage of GDP



9.2.2 Servicing of Public Debt

Increase in the outstanding stock of total public debt have implications for the economy as it forced the government to adjust its expenditure and direct additional resources towards the repayment of debt and associated interest payments. Total public debt servicing below 30 percent of government revenue are generally believed to be within the bounds of sustainability. The government is required to make concentrated efforts to increase the revenues and rationalize current expenditure to reduce the debt burden and improve the debt carrying capacity of the country to finance the growth and development needs.

During July - March, 2012-13, public debt servicing reached at Rs.936 billion against the annual budgeted estimate of Rs.1,142 billion. Public debt servicing consumed nearly 44 percent of total revenues during July-March, 2012-13 against a ratio of 41 percent during the same period last year. Out of total, domestic debt servicing reached at Rs.725

billion against Rs.579 billion paid during the same period last year.

Table-9.4: Public Debt Servicing (Rs. in billion)

	2012-2013*			
	Budgeted	**Actual**	**Percent of Revenue**	**Percent of Current Expenditure**
Servicing of External Debt	80.2	47.5	2.2	1.8
Repayment of External Debt	216.0	164.1	7.7	6.2
Servicing of Domestic Debt	845.6	724.7	34.1	27.4
Servicing of Public Debt	1,141.8	936.3	44.1	35.4

Source: Budget Wing and Debt Policy Coordination Office Staff Calculations, Finance Division
*: July-March

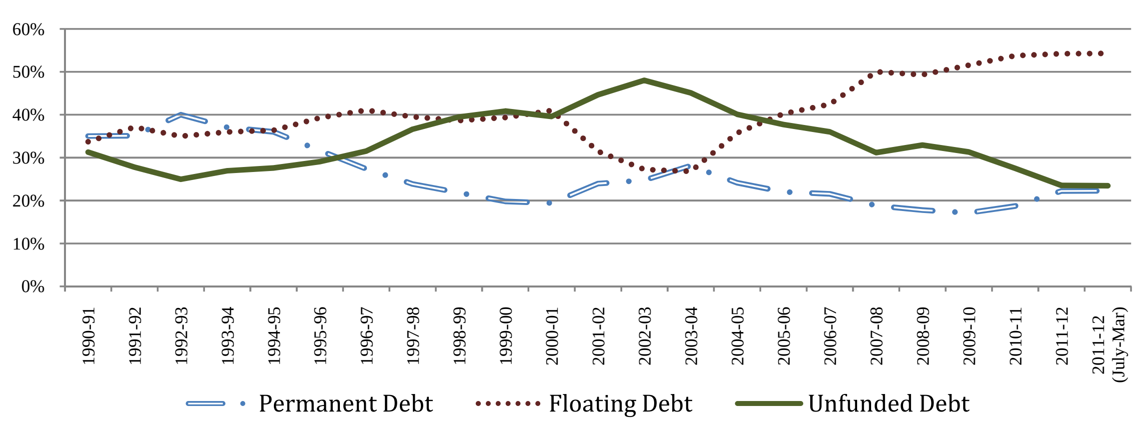
9.3 Domestic Debt

Domestic debt has always been fundamental part of a government's borrowing strategy. Government borrowing through domestic sources is vital in stimulating investment and private savings, as well as strengthening domestic financial markets, since it provides depth and liquidity to the markets. On the downside, though, a broad expansion in domestic debt poses significant negative connotations for private investment, fiscal sustainability and ultimately economic growth and poverty reduction in case of thin financial markets and poor debt management capacity.

Pakistan's domestic debt comprises permanent debt (medium and long-term), floating debt (short-term) and unfunded debt (made up of the various instruments available under the National Savings Scheme).The composition of major components shaping the domestic debt portfolio has undergone a transformation from a high dominance of unfunded debt to an increasing dependence on floating component of the domestic debt. The unfunded category comprising about 45 percent of the aggregate domestic debt stock in 2001-02 has declined to 23 percent by end-March, 2013. Contrary to this, the share of floating debt to total domestic debt has reached 54 percent by end-March, 2013 as compared with 31 percent in 2001-02 indicating an over reliance on shorter duration instruments. The growing share of floating debt in total domestic debt in recent years has meant an inordinate reliance on the shorter end of the sovereign yield curve. Debt structures that rely heavily on short-term instruments are sources of vulnerability, because short average maturities entail high rollover and refinancing risk. In such cases, an increase in interest rates has an adverse fiscal impact.

The trends in domestic debt are discussed in the following graph:

Fig-9.3: Trends in Permanent, Floating and Unfunded Debt (Percent)



As at end-March 2013, duration of domestic debt stood at 1.9 years excluding SBP Market Related Treasury Bills (MRTBs). Duration including MRTBs stood at 1.6 years. Out of total domestic debt, Rs.3,353 billion or 38 percent of total domestic debt has maturity of less than a year by the end of March, 2013 which is causing lower duration and also raises the rollover or refinancing risk for the government. If outstanding MRTBs for the amount of Rs.1,864 billion are also included, 60 percent of total domestic debt would have a maturity of less than a year. This estimate of duration may be a little inconsistent owing to the non-availability of actual maturity profile of National Savings Schemes (NSS) and manual operations of Central Directorate of National Savings (CDNS). A behavioral analysis was undertaken to estimate the maturity of NSS instruments.

9.3.1 Outstanding Domestic Debt

The total domestic debt was positioned at Rs.8,796 billion at end-March 2013, represented an increase of Rs.1,159 billion in the first nine months of the current fiscal year. This increase stems from net issuance of market debt namely Treasury Bills (Rs.528 billion), Special Savings Certificate and Accounts (Rs.159 billion), Pakistan Investment Bonds (Rs.144 billion), Market Related Treasury Bills (Rs.105 billion) and Ijara Sukuk (Rs.76 billion). In relation to GDP, the domestic debt stood at 38.4 percent which is higher than end-June 2011 level at 38 percent. The domestic debt grew by 15 percent in first nine months of current fiscal year. The focus on deficit financing through internal sources owing to lower external receipts has been the major cause.

Table-9.5: Outstanding Domestic Debt (Rs. in billion)

	2008	2009	2010	2011(P)	2012(P)	2013(P)*
Permanent Debt	**616.8**	**685.9**	**797.7**	**1125.6**	**1,696.9**	**1957.3**
Market Loans	2.9	2.9	2.9	2.9	2.9	2.9
Government Bonds	9.4	7.3	7.2	0.7	0.7	0.7
Prize Bonds	182.8	197.4	236.0	277.1	333.4	374.6
Foreign Exchange Bearer Certificates	0.2	0.2	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	1.0	1.0	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	0.0	0.0	0.0	0.0
Special U.S. Dollar Bonds	8.3	7.7	2.7	1.0	0.9	0.9
Government Bonds Issued to SLIC	0.6	0.6	0.6	0.6	0.6	0.6
Pakistan Investment Bonds (PIB)	411.6	441.0	505.9	618.5	974.7	1118.2
Government Bonds issued to HBL	0.0	0.0	0.0	0.0	-	0.0
GOP Ijara Sukuk	0.0	27.8	42.2	224.6	383.5	459.2
Floating Debt	**1,637.4**	**1,904.0**	**2,399.1**	**3,235.4**	**4,143.1**	**4776.1**
Treasury Bills through Auction	536.4	796.1	1,274.1	1,817.6	2,383.4	2911.6
Rollover of Treasury Bills discounted SBP	0.6	0.5	0.5	0.5	0.5	0.5
Market Related Treasury Bills(MRTBs)	1,100.4	1,107.3	1,124.4	1,417.3	1,759.2	1864.0
Unfunded Debt	**1,020.4**	**1,270.5**	**1,457.5**	**1,655.8**	**1,798.0**	**2063.6**
Defence Savings Certificates	284.6	257.2	224.7	234.5	241.8	270.0
Khas Deposit Certificates and Accounts	0.6	0.6	0.6	0.6	0.6	0.6
National Deposit Certificates	0.0	0.0	0.0	0.0	0.0	0.0
Savings Accounts	27.7	16.8	17.8	17.2	21.2	20.5
Mahana Amadni Account	2.5	2.4	2.2	2.1	2.0	2.0
Postal Life Insurance	67.1	67.1	67.1	67.1	67.1	67.1
Special Savings Certificates and Accounts	227.6	377.7	470.9	529.1	537.4	695.9
Regular Income Scheme	51.0	91.1	135.6	182.6	226.6	253.6
Pensioners' Benefit Account	87.7	109.9	128.0	146.0	162.3	176.4
Bahbood Savings Certificates	229.0	307.5	366.8	428.5	480.8	517.7
National Savings Bonds	-	-	3.6	3.6	3.6	0.2
G.P. Fund	42.5	40.1	39.9	44.3	54.5	57.2
Short Term Savings Certificates	-	-	-	-	-	2.5
Total Domestic Debt	**3,274.5**	**3,860.4**	**4,654.3**	**6,016.7**	**7,638.1**	**8796.9**
Total Domestic Debt (excluding foreign currency debt included in external debt)	**3,266.0**	**3,852.5**	**4,651.4**	**6,015.5**	**7,637.0**	**8,795.8**

Source: State Bank of Pakistan, Budget Wing & Debt Policy Coordination Office Staff Calculations
P: Provisional, *: end-March,2013

The following section highlights the developments in the various components of domestic debt during first nine months of outgoing fiscal year:

I. Permanent Debt

Permanent Debt mainly consists of medium to long term instruments including Pakistan Investment Bonds (PIBs), Government Ijara Sukuk bond, Prize Bond etc. PIBs are non-callable instruments, with fixed and semi-annual coupon payment. PIBs are issued in tenors of 3, 5, 10 and 20 years maturity. The 3, 5 and 10 years tenor are most liquid. Government Ijara Sukuk are medium term Shariah compliant bonds currently issued in 3 years tenor. The purpose of issuance was to raise money from Islamic banking which has grown substantially in Pakistan in recent years.

The total share of permanent debt in the government's domestic debt stood at Rs.1,957 billion as at end-March 2013, an increase of Rs.260 billion or 15 percent higher than the stock at the end of last fiscal year. Sizeable receipts from Pakistan Investment Bond (Rs.144 billion) and Government Ijara Sukuk (Rs.76 billion) majorly contributed to this expansion.

II. Floating Debt

Floating debt consists of short term domestic borrowing instruments such as Treasury Bills and State Bank borrowing through the purchase of Market Related Treasury Bills (MRTBs). Treasury Bills 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). The share of 3 months, 6 months and 12 months maturity in total Treasury Bills portfolio is 17 percent, 39 percent and 44 percent respectively as at end-March 2013. In order to raise short term liquidity, the government borrows from the domestic banks through auction in the form of Treasury Bills. The auction of Treasury bills is arranged by the State Bank of Pakistan (SBP) twice a month.

Floating Debt share in overall public debt and domestic debt stood at 35 percent and 54 percent respectively as at end-March 2013. During July-March, 2012-13, the floating debt grew by Rs.633 billion or 15 percent. Around 55 percent of the total increase in government domestic debt stock was contributed by floating debt instruments during July-March, 2012-13. Much of the proceeds accrued through Treasury Bills as Rs.528 billion was added to the stock of June 30, 2012. On the other hand, government borrowed Rs.105 billion through Market Related Treasury Bills (MRTBs).

III. Unfunded Debt

Unfunded Debt made up of the various instruments available under the National Savings Scheme (NSS). A number of different schemes are offered under NSS in the investment horizon of 3 years to 10 years. The total share of unfunded debt in the government's domestic debt stood at Rs.2,064 billion or 23 percent at end-March, 2013. The stock of unfunded debt increased by Rs.266 billion compared with last fiscal year. Net receipts in Special Savings Certificate and Accounts were up by 29 percent during July-March, 2012-13, as the stock increased from Rs.537 billion in June, 2012 to Rs.696 billion at end-March 2013. Special NSS Schemes including Bahbood Savings Certificates and Pensioner's Benefits Accounts registered a combined increase of Rs.51 billion.

National Savings Scheme plays an important role in mobilizing retail savings in the economy. Over past few years, government took various measures to rationalize the National Savings Schemes including linkage of profit rates on major NSS instruments with PIBs yield, levy of withholding tax on profits, service charges/penalty interest on early redemption and introduction of several new schemes to meet the diverse investor base demand. However, interest rate arbitrage – due to time lag involved in resetting the profit rates – and put option embedded in most of NSS instruments remained the source of vulnerability.

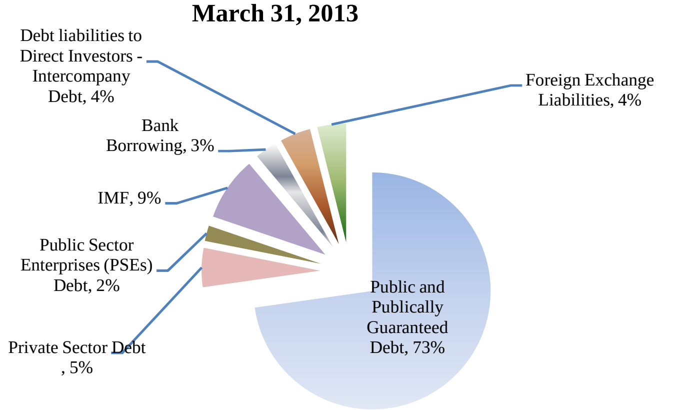
9.4 External Debt and Liabilities

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 the State Bank. There is an inherent capital loss associated with the debt denominated in foreign currency, however, it is mitigated by the strong concessionality element (low cost and long tenors). The impact of any currency shock should not be looked at in isolation, but rather be analyzed in the context of interest rate differential.

As on March 31, 2013, EDL has been dominated by Public and Publically Guaranteed Debt having share of 73 percent owing to current account deficit which is financed through loans from multilateral and bilateral donors. Debt obligations of the private sector are fairly limited and have been a minor proportion of EDL (5 percent). Borrowing from IMF contributed 9 percent in EDL Stock as compared with 11 percent at the end of 2011-12 owing to hefty repayments during first nine months of current fiscal year.

The composition and structure of External Debt and Liabilities as at end-March, 2013 is depicted through following graph:

Fig-9.4: Composition of External Debt and Liabilities - March 31, 2013



EDL stock was recorded at US$ 60.9 billion as at end-March 2013, represented a decrease of US$ 5 billion during first nine months of current fiscal year majorly due to repayment of IMF loans and appreciation of US$ against other major currencies. As a percentage of GDP in dollar terms, EDL stock was down by 362 basis points in first nine months of current fiscal year as compared to end-June 2012 and approximated to 25.5 percent of GDP. The stock of multilateral and bilateral debt decreased by US$ 1.4 billion and US$ 0.8 billion respectively during first nine months of current fiscal year. The outstanding stock of IMF loans also witnessed significant decrease of over US$ 2 billion owing to hefty repayments scheduled in the current fiscal year. During first nine months of 2012-13, appreciation of the US Dollar against other major currencies caused the foreign currency component of public debt to decrease by US$ 1.5 billion.

Table-9.6: Pakistan External Debt and Liabilities

	2008	2009	2010	2011(P)	2012 (P)	2013 (P)*
	(US$ in billion)					
1. Public and Publically Guaranteed Debt	**40.6**	**42.6**	**43.1**	**46.5**	**46.3**	**44.3**
i) Public debt	**40.4**	**42.4**	**42.9**	**46.4**	**46.1**	**43.7**
A. Medium and Long Term(>1 year)	**39.7**	**41.8**	**42.1**	**45.7**	**45.7**	**43.6**
Paris Club	13.9	14.0	14.0	15.5	15.0	13.9
Multilateral	21.4	23.0	23.7	25.8	25.4	24.0
Other Bilateral	1.1	1.4	1.8	1.9	2.5	2.8
Euro Bonds/Saindak Bonds	2.7	2.2	1.6	1.6	1.6	1.6
Military Debt	0.0	0.2	0.2	0.1	0.1	0.1
Commercial Loans/Credits	0.1	0.2	-	-	-	-
Local Currency Bonds	0.0	-	0.0	0.0	-	-
Saudi Fund for Development	-	-	0.2	0.2	0.2	0.2
SAFE China Deposits	-	0.5	0.5	0.5	1.0	1.0
NBP/BOC Deposits	0.4	0.3	0.2	0.1	-	-
B. Short Term (<1 year)	**0.7**	**0.7**	**0.9**	**0.6**	**0.4**	**0.2**
IDB	0.7	0.7	0.8	0.6	0.4	0.2
Local Currency Securities (T-Bills)	0.0	-	0.1	0.0	0.0	0.2
ii) Publicly Guaranteed Debt	**0.2**	**0.2**	**0.2**	**0.1**	**0.2**	**0.5**

Table-9.6: Pakistan External Debt and Liabilities

	2008	2009	2010	2011(P)	2012 (P)	2013 (P)*
A. Medium and Long Term(>1 year)	0.2	0.2	0.2	0.1	0.2	0.3
Paris Club	-	-	-	-	-	-
Multilateral	0.1	0.1	0.1	0.0	0.0	0.0
Other Bilateral	0.1	0.1	0.0	0.0	0.2	0.3
Commercial Loans/Credits	0.0	-	0.1	-	-	-
Saindak Bonds	-	-	-	-	-	-
B. Short Term (<1 year)	-	-	-	-	-	0.3
IDB	-	-	-	-	-	0.3
2. Private Non-Guaranteed Debt (>1 year)	**1.9**	**2.4**	**3.8**	**4.4**	**4.5**	**3.3**
3. Public Sector Enterprises (PSEs Debt)	**1.0**	**0.9**	**1.4**	**1.3**	**1.3**	**1.3**
4. IMF	**1.3**	**5.1**	**8.1**	**8.9**	**7.3**	**5.3**
of which Central Government	-	-	1.1	2.0	1.9	1.7
Monetary Authorities	1.3	5.1	7.0	6.9	5.4	3.6
5. Banks	**-**	**-**	**0.7**	**1.1**	**1.8**	**1.8**
Borrowing	-	-	0.2	0.4	0.9	0.9
Nonresident Deposits (LCY & FCY)	-	-	0.6	0.7	1.0	0.9
6. Debt liabilities to direct investors - intercompany debt	**-**	**-**	**1.9**	**1.6**	**2.1**	**2.5**
Total External Debt (1 through 6)	**44.9**	**51.1**	**59.0**	**63.8**	**63.4**	**58.5**
7. Foreign Exchange Liabilities	1.3	1.3	2.6	2.6	2.4	2.4
Total External Debt & Liabilities (1 through 7)	**46.2**	**52.3**	**61.6**	**66.4**	**65.8**	**60.9**
(of which) Public Debt	**40.7**	**46.4**	**49.8**	**54.5**	**53.2**	**49.1**
Official Liquid Reserves	8.6	9.1	13.0	14.8	10.8	7.1
(In percent of GDP)						
Total External Debt (1 through 6)	**26.4**	**30.4**	**33.2**	**29.8**	**28.2**	**24.5**
1. Public and Publically Guaranteed Debt	23.9	25.3	24.3	21.7	20.6	18.6
A. Medium and Long Term(>1 year)	23.4	24.8	23.7	21.4	20.3	18.3
B. Short Term (<1 year)	0.4	0.4	0.5	0.3	0.2	0.1
2. Private Sector Debt	1.1	1.4	2.1	2.0	2.0	1.4
3. Public Sector Enterprises (PSEs) Debt	0.6	0.5	0.8	0.6	0.6	0.5
4. IMF	0.8	3.1	4.6	4.2	3.3	2.2
5. Banks	0.0	0.0	0.4	0.5	0.8	0.8
6. Debt liabilities to direct investors - Intercompany debt	0.0	0.0	1.1	0.8	0.9	1.1
7. Foreign Exchange Liabilities	0.8	0.8	1.5	1.2	1.1	1.0
Total External Debt & Liabilities (1 through 7)	**27.1**	**31.1**	**34.7**	**31.0**	**29.2**	**25.5**
Official Liquid Reserves	5.0	5.4	7.3	6.9	4.8	3.0
Memo:						
GDP (Rs. in billion)	10,638	13,200	14,867	18,285	20,091	22,909
Exchange Rate (Rs./US$, Period Average)	62.5	78.5	83.8	85.5	89.2	96.2
Exchange Rate (Rs./US$, End of Period)	68.3	81.4	85.5	86.0	94.5	98.4
GDP (US$ in billion)	170	168	177	214	225	238

Source: State Bank of Pakistan, Economic Affairs Division & Debt Policy Coordination Office Staff Calculations
P: Provisional *: end-March,2013

The following section highlights the developments in the various components of EDL during first nine months of the current fiscal year:

I. Public and Publicly Guaranteed Debt (PPG)

Public and publicly guaranteed debt is dominated by the loans from bilateral and multilateral donors having largest share of 67 percent in EDL. Multilateral debt is the largest component of Pakistan's EDL. It witnessed a decrease of US$ 1.4 billion during first nine months of 2012-13. The project-based nature of loans contracted under this category hinges on Pakistan's ability to instill project efficiency. Debt from bilateral sources includes loan contracted with Paris Club countries and other countries outside the Paris Club. It is second largest component of Pakistan’s EDL. It witnessed a decrease of US$ 0.8 billion during first nine months of 2012-13.

II. IMF Debt

At the end-March, 2013, debt owed to IMF aggregated up to US$ 5.3 billion out of which US$ 1.7 billion accrued to the Federal Government. The remaining IMF funds were recorded on SBP books to strengthen the foreign exchange reserves of the country. During first nine months of 2012-13, no fresh disbursements were received from IMF, however, an amount of around US$ 2 billion were repaid.

9.4.1 Composition of Foreign Economic Assistance

The total amount of US$ 1,782 million was received in the first nine months of 2012-13 against foreign economic assistance. The composition of this assistance is as follows:

I. Commitments

The commitments of foreign economic assistance were US$ 4,679 million during 2011-12, while during July-March, 2012-13, total commitments amounted to US$ 1,642 million. About 68 percent of total commitments during July-March, 2012-13 were in the shape of project aid while the remaining comprised non-project aid. Out of total non-project aid, share of BOP/budgetary support was 80 percent.

II. Disbursements

During July-March, 2013, disbursements of US$ 1,782 million were for different purposes like Project Aid (US$ 1,209 million), Non-Food Aid (US$ 46 million), Programme-Loans/Budgetary Support (US$ 403 million) and relief (US$ 124 million). Project aid accounted for 68 percent of the total disbursements.

9.4.2 External Debt Servicing

During 2011-12, external debt servicing summed to US$ 6,051 million that was 11 percent higher than the previous year. A segregation of this aggregate number shows a payment US$ 3,489 million in respect of maturing EDL stock while interest payments were US$ 1,019 million. US$ 1,543 million was rolled-over.

Among the principal repayments, US$ 1,090 million of multilateral debt and US$ 1,154 million of IMF accounted for most of the share. Similarly, hefty interest payments worth US$ 1,019 million on foreign currency public debt contributed to the bottom line. In 2011-12, the central bank deposits were mostly rolled-over.

Table-9.7: Pakistan's Public External Debt Servicing (US Dollar in million)

Years	Actual Amount Paid	Amount Rolled Over	Total
2008	3,182.6	1,200.0	4,382.6
2009	4,747.2	1,600.0	6,347.2
2010	4,607.0	1,723.0	6,330.0
2011	3,947.7	1,488.0	5,435.7
2012	4,507.7	1,543.0	6,050.7
2013*	4,602.1	700.0	5,302.1

Source: State Bank of Pakistan and Debt Policy Coordination Office Staff Calculations
*July-March

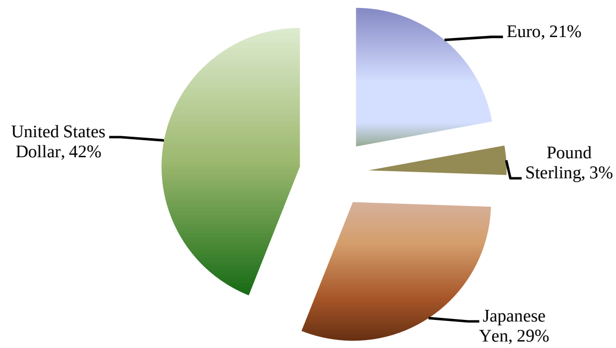
During July-March, 2012-13, the servicing on external debt was recorded at US$ 5,302 million. An amount of US$ 3,944 million was repaid out of which US$ 1,974 million was against IMF loans. Interest payments were US$ 658 million. The roll-overs amounted to US$ 700 million in the first nine months of 2012-13.

9.4.3 Impact of Exchange Rate Fluctuations

In Pakistan, external loans are contracted in various currencies but disbursements are effectively converted into Pak Rupee. As Pak Rupee is not an internationally traded currency, the other 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. This two-pronged exchange rate risk has been a major source of increase in the stock of EDL over a period of time in contrast to actual inflows.

As at end-March, 2013, 95 percent of total External Debt is contracted in 4 major currencies as depicted in the following graph:

Fig-9.5: Currency Wise Composition of External Debt - End March 2013



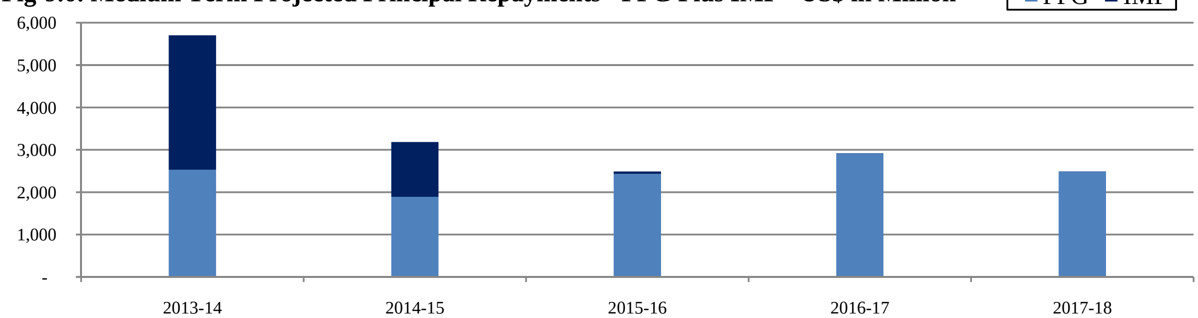
During first nine months of 2012-13, appreciation of the US Dollar against other major currencies caused the foreign currency component of public debt to decrease by US$ 1,543 million. This translational gain is majorly attributed to appreciation of US$ against Japanese yen (US$ 1,065 million), SDR (US$ 311 million), Euro (US$ 137 million) etc.

The external debt portfolio of Pakistan is contracted in multiple currencies and the historical losses borne by Pakistan in this respect call for a sophisticated currency hedging framework to be installed within the government. If currency movements over a longer period of last 20 years is analyzed, though the cost of foreign currency borrowing adjusted for exchange rates movement has been 1.5 percent lower than the average domestic interest rates, the saving on this account could have been higher had the government adopted a currency hedging framework.

9.4.4 Maturity Profile of External Debt

The Average Time to Maturity (ATM) of Public and Publically Guaranteed Debt was approximately 11.2 years as of March 31, 2013. The ATM including IMF loans stood at 10 years. The ATM reduced with the inclusion of IMF loans as hefty repayments against IMF loans are expected in next fiscal year.

Fig-9.6: Medium Term Projected Principal Repayments - PPG Plus IMF - US$ in Million



9.4.5 External Debt Sustainability

Managing the levels of external debt, and the risks associated with them pose policy makers with a different set of challenges. In this case, if the growth in Foreign Exchange Earnings (FEE) exceeds the growth in External Debt and Liabilities (EDL), the ratio of EDL-to-FEE will continue to decline. Although external debt expressed as a percentage of GDP and export earnings depicts the levels and burden of external debt, a clear insight in to the future path of debt can be gained by analyzing the non-interest current account deficit. A nil current account balance before interest payment and higher growth in FEE compared to the interest rate paid on EDL will ensure a decline in EDL-to-FEE over time. Similarly, maintaining exchange rate stability is also a pre-requisite for external debt sustainability.

Table-9.8: External Debt Sustainability

(In percent)	2008	2009	2010	2011	2012	2013*
Non Interest Current Account/GDP	(6.9)	(4.4)	(1.4)	0.8	(1.3)	(0.01)
Growth in Exports	18.2	(6.4)	2.9	28.9	(2.6)	(0.01)
Growth in Imports	31.2	(10.3)	(1.7)	14.9	12.8	(1.9)
Growth in EDL	14.9	13.4	17.6	7.8	(0.8)	(7.5)
Growth in FEE	12.8	(5.1)	7.9	25.1	1.1	3.5
Growth in Non Interest Foreign Currency Payments	27.2	(12.8)	(4.9)	13.3	11.4	(1.5)
EDL/FEE (times)	1.2	1.5	1.6	1.4	1.4	1.6
EDL/FER (times)	4.0	4.2	3.7	3.6	4.3	5.0
EDL/GDP	27.1	31.1	34.7	31.0	29.2	25.5
EDL Servicing/FEE	11.8	18.0	16.6	11.4	12.5	14.2
Rollover Ratio (Principal Repayments/Disbursements) public debt	41.7	60.9	54.4	82.3	59.9	115.6

Source: Debt Policy Coordination Office Staff Calculations, Finance Division
FEE: Foreign Exchange Earnings; **EDL:** External Debt and Liabilities; **FER:** Foreign Exchange Reserves

During 2010-11, the non interest current account showed a surplus of 0.8 percent of GDP because of improved trade balance (higher cotton prices) and higher inflows in remittances. This indicator showed a downward trend in 2011-12 by recording a deficit of 1.3 percent of GDP owing to high value of oil imports. During first nine months of 2012-13, non interest current account showed a deficit of 0.01 percent of GDP as compared with a deficit of 0.8 percent during the same period last year.

EDL as a percentage of Foreign Exchange Earnings (FEE) gives a measure of a country's debt repayment capacity by comparing levels of external debt to the sum of exports, services receipts, and private unrequited transfers. Pakistan's external debt and liabilities and its servicing in terms of foreign exchange earnings stood at 1.4 times and 12.5 percent during 2011-12 which is within the acceptable threshold of 2 times and 20 percent. During first nine months of current fiscal year, external debt and liabilities and its servicing in terms of foreign exchange earnings stood at 1.6 times and 14.2 percent respectively. It is imperative for the government to take measures for attracting both debt and non-debt foreign currency flows, as hefty repayments of IMF loans are due in the next fiscal year, which will put further pressure on external debt servicing.

A major improvement has been witnessed in EDL-to-GDP ratio as it improved from 31.0 percent in 2010-11 to 29.2 percent in 2011-12. By end-March 2013, EDL as a percent of GDP further improved and stood at 25.5 percent mainly due to hefty repayments against IMF Loans, translational gain on account of US Dollar appreciation against other major currencies and faster growth in nominal GDP in relation to slower growth in external debt.

A decrease in EDL in relations to Foreign Exchange Reserves (FER) reflects the consolidation of foreign exchange reserves and a general improvement of the country's repayment capacity or vice versa. On the onset of IMF-SBA, the ratio declined to 3.7 in 2009-10 as EDL growth slowed and foreign exchange reserves shored up. The ratio improved slightly in 2010-2011 mainly because of stagnation in reserves and lower growth in EDL stock. By end-June 2012, the ratio deteriorated to 4.3 times compared to 3.6 times by end-June 2011. During first nine months of current fiscal year, the indicator further deteriorated and stood at 5.0 times mainly because of drawdown on reserves owing to lower Foreign Direct Investments, repayment to IMF and other lower non-debt creating flows.

9.5 Pakistan's Link with International Capital Market

9.5.1 Recent Performance of 2016, 2017 And 2036 Eurobonds

A decreasing trend has been observed in spreads of Pakistan's 2016, 2017 and 2036 Eurobond since mid-year of 2012 with bond yield benefiting from the rally in credit spreads, with the shorter dated bonds now trading below 9 percent. The 2016 Eurobond was trading at UST + 840 basis points, 2017 Eurobond at UST + 782 basis points and 2036 Eurobond at UST + 804 basis points as on 30th April, 2013. This is against spread level of July 2012 of more than 1,000 basis points over UST for all these Eurobonds.

Chapter 10

Education

Introduction

Education is the most important factor which plays a leading role in human resource development. It promotes productive and informed populace and creates opportunities for the socially and economically deprived sections of society. Educational philosophy stresses on a learning process through which knowledge, skills and experience are transferred from one generation to the next generation through teaching, training, research and development that ultimately replicate the socio-economic development of the country. Education prevails over behaviors of the individuals and institutional managers working for the development/poverty alleviation and fundamental change of society and sustainable economic development which is a key to opening of venues for development towards the competitive international community as well. Globalization has made economic life more competitive and demanding, making human expertise development more significant. Only as educated workforce equipped with modern skills can compete and benefit from exploiting the opportunities created by globalization.

United Nations International Covenant on Economic, Social and Cultural Rights of 1966 guarantees the right to Education under its Article 13. Pakistan is signatory of UNESCO under the "Education for All" program. Pakistan is committed to achieve universal enrolment in Primary Education by 2015. Government of Pakistan has made Education free and compulsory up to Grade 10.Parliament of Pakistan has passed a bill for free and compulsory education following Article 25-A of the constitution that entitled the right of education to every child of age 5 to 16 years. Framework for Economic Growth 2011 of Planning Commission of Pakistan focuses on the vision of socio-economic development of the country.

This chapter presents an overview of the Millennium Development Goals (Education), Vision 2030; National Education Policy (2009) followed by a discussion of literacy and enrolment statistics. Educational budget and programmes and issues related to technical and vocational training are discussed next, followed by a description of the activities and achievements of the Higher Education Commission. The last section presents a brief summary of the Annual Status of Education Report Survey (ASER).

Millennium Development Goals (MDGs) of Education:

Education plays a vital role to set moral, social and economic standards of any nation and has a very strong effect on thoughts, beliefs and planning of future policies of any country. Developed nations are marching towards economic and political stability because they have an organized structure for education. The Government of Pakistan is also fully committed towards the achievement of the MDGs Goal 2 and Goal 3 which focus towards development of education.

Goal 2: Achieve Universal Primary Education (UPE)

Target: Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

The Goal 2 focuses on three core indicators; i). Net primary enrolment ratio ii). Completion/Survival rate from grade 1 to 5; and iii). Literacy rate. The targets to be achieved by 2015 and achievements by 2011-12 is given in the Table 10.1 and 10.2.

Table 10.1: Progress towards Goal 2 at National Level (percentage)

Indicator	2001-02	2004-05	2007-08	2010-11	2011-12	MDG Target 2015
Net Primary Enrolment Rate (5-9 Years)	42	52	55	56	57	100
Completion/Survival rate 1 grade to 5	57.3	67.1	52.3	49	-	100
Literacy Rate (%) 10 years and above	45	53	56	58	58	88

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2011-12.
-: Not available

Table 10.2: Progress towards Goal 2 by 2011-12 at Provincial Level (percentage)

Indicators	National	Punjab	Sind	KPK	Balochistan
Net Primary Enrolment Rate (5-9 Years)	**Total: 57** Male: 60 Female: 54	**Total: 64** Male: 65 Female: 62	**Total: 50** Male: 53 Female: 47	**Total: 53** Male: 59 Female: 48	**Total: 39** Male: 48 Female: 28
Completion/Survival rate 1 grade to 5	-	-	-	-	-
Literacy Rate (%) 10 years and above	**Total: 58** Male: 70 Female: 47	**Total: 60** Male: 70 Female: 51	**Total:60** Male: 72 Female: 47	**Total: 52** Male: 72 Female: 35	**Total: 46** Male: 65 Female: 23

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2011-12.
-: Not available

Goal 3: Promoting Gender Equality and Women Empowerment

Target: Eliminating gender disparity in primary and secondary education by 2005 and to all levels of education not later than 2015.

Table 10.3: Progress towards Goal 3 at National Level (percentage)

Indicators	**2001-02**	**2005-06**	**2008-09**	**2010-11**	**2011-12**	**MDG Target 2015**
Primary Education (Age 5-9 Years)	0.82	0.85	0.84	0.88	0.90	1.00
Secondary Education (Age 14-15 Years)	0.75	0.84	0.80	0.88	0.78	0.94
Youth Literacy (Age 15 years and above)	0.64	0.74	0.78	0.63	0.81	1.00

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2011-12.

Table 10.4: Progress towards Goal 3 by 2011-12 at Provincial Level (percentage)

Indicators	Punjab	Sindh	KPK	Balochistan
Primary Education (Age 5-9 Years)	0.95	0.89	0.81	0.58
Secondary Education (Age 14-15 Years)	0.85	0.78	0.58	0.37
Youth Literacy (Age 15 years and above)	0.88	0.81	0.60	0.45

Source: Pakistan Social and Living Standards Measurement (PSLM) Survey 2011-12.

Vision 2030 of Planning Commission of Pakistan looks for an academic environment which promotes the thinking mind. Education is not just about economics and growth accounting. The following strategies have been emphasized to generate the environment to encourage the thinking mind to emerge from our schools:

- Enhance the scale and quality of education in general and the scale and quality of scientific / technical education in Pakistan in particular.
- One curriculum and one national examination system under state responsibility is the goal under Vision 2030. This will remove the social apartheid which is beginning to emerge in Pakistan because of the divide between different educational systems.
- Increase public expenditure on education and skills generation from the present 2.7 per cent of GDP to 5 per cent by 2010 and 7 percent by 2015.
- Re-introduce the technical and vocational stream in the last two years of our secondary schools. Its economic potential and likely impact for employment and SME improvement are enormous. It is also an incentive to complete schooling.
- Gradually increase vocational and technical education numbers to 25-30 percent of all secondary enrolment by 2015 and 50 per cent by 2030.
- To increase numbers and quality at universities in all disciplines needs to be sustained, as well as starting several new engineering and technology universities with foreign collaboration. It is expected that enrolments in our universities to reach 8 per cent (2 million students) by 2015 and 20 per cent of the 17- 23 age group, or 7 million, by 2030.

National Education Policy (2009):

National Education Policy (NEP) 2009 is under implementation to address the issues of Access, Equity and Quality of Education at all levels. The salient features of NEP include:

i) Free and universal primary education by 2015 and up to class 10 by 2025.

ii) The government is committed to allocate 7% of GDP to education by 2015.

iii) The curriculum from Class 1 onward shall comprise of English (as a subject) Urdu, one regional language and mathematics, along with an integrated subject.

iv) The provincial and area education departments shall have the choice to select the medium of instruction up to Class V.

v) A comprehensive school language policy shall be developed in consultation with provincial and area governments and other stakeholders.

vi) A management cadre for education, with specific training and qualification requirement shall be introduced.

vii) A National Standards and Certification Agency for EMIS shall be established to set, monitor and evaluate the quality of education, data collection, analysis and use across all levels and tiers of education management.

viii) School Management Commission (SMC) shall be strengthened through involvement of students, teachers, educationists, parents and society (STEPS).

ix) Islamiyat shall be taught as a compulsory subject from Grade 1 to Grade XII. Non-muslim students shall not be required to read lessons/pages on Islam in the textbook of integrated subject for Grades I and II.

x) Deeni Madaris shall be mainstreamed by introducing contemporary studies alongside the curricula of Deeni Madaris to enhance prospects of their students to pursue higher studies research and excellence and to ensure employment, recognition and equivalence.

xi) Official age for primary education shall be 6 to 10 years. The official age group for next levels of education shall also change correspondingly.

xii) Literacy rate shall be increased upto 86% by 2015 through up-scaling of ongoing programmes of adult literacy and non formal basic education in the country.

xiii) Provinces and district governments shall allocate a minimum of 4% of education budget for literacy and non-formal basic education (NFBE).

xiv) A Bachelor degree, with a B.Ed, shall be the minimum requirement for teaching at the elementary level. A Masters level for the secondary and higher secondary with a B.Ed, shall be ensured by 2018. PTC and CT shall be phased out through encouraging for present set of teachers to improve their qualifications.

xv) The curriculum development and review process, as well as textbooks review process, shall be standardized and institutionalized within the framework of the Federal Supervision of Curricula, Textbooks and Maintenance of Standards of Education Act, 1976.

Box-1
Establishment of Ministry of Education and Training

After devolution of Ministry of Education, the government reviewed the situation and felt the need of Ministry at federal level. So a new Ministry by the name of Education and Training was established in July, 2011. Following functions have been assigned to this new Ministry.

- National Vocational and Technical Education Commission (NAVTEC).
- Academy of Educational Planning and Management (AEPAM), Islamabad.
- Federal Board of Intermediate and Secondary Education (FBISE), Islamabad.
- National Educational Assessment Centre, Islamabad.
- National Training Bureau, Islamabad.
- Pakistan Manpower Institute.
- National Internship Programme (NIP).
- Akhtar Hameed Khan, National Centre for Rural Development Islamabad.
- National Talent Pool, Islamabad.

- Youth Centres and Hostels.
- All matters relating to National Commission for Human Development (NCHD) and National Education Foundation (NEF).

Literacy

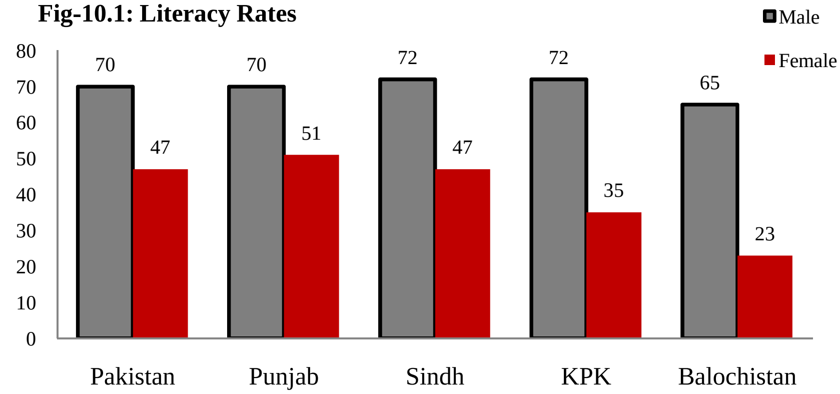
The National Education Policy 2009 proposes that the literacy rate be increased up to 86 percent by 2015 through up-scaling of ongoing programmes of adult literacy and non-formal education in the country and achieving universal primary education and ensuring zero-drop rates at the primary level. The provinces will allocate a minimum of 4 percent of education budget for literacy and non-formal education. Existing school infrastructure wherever feasible shall be used for literary and non formal education. Literacy is one of the important indicator of education because its improvement is likely to have a longer run impact on other important indicators of national welfare. According to the latest Pakistan Social and Living Standards Measurement (PSLM) Survey 2011-12, the literacy rate of the population (10 years and above) is 58 percent during 2011-12. Literacy remains much higher in urban areas than in rural areas and much higher for men than women. Province wise data suggest that Punjab and Sindh leads with 60 percent literacy followed by Khyber Pakhtunkhwa with 52 percent and Balochistan with 46 percent. The details are given in Table 10.5.

Table 10.5: Literacy Rate (10 Years and Above)-Pakistan and Provinces (Percent)

Province/Area	2010-11			2011-12		
	Male	Female	Total	Male	Female	Total
Pakistan	**69**	**46**	**58**	**70**	**47**	**58**
Rural	63	35	49	64	35	49
Urban	81	67	74	82	68	75
Punjab	**70**	**51**	**60**	**70**	**51**	**60**
Rural	64	42	53	65	41	52
Urban	80	71	76	80	70	75
Sindh	**71**	**46**	**59**	**72**	**47**	**60**
Rural	60	22	42	58	23	41
Urban	82	68	75	85	70	78
KPK	**68**	**33**	**50**	**72**	**35**	**52**
Rural	67	29	48	70	31	50
Urban	77	50	63	80	51	65
Balochistan	**60**	**19**	**41**	**65**	**23**	**46**
Rural	54	13	35	60	16	40
Urban	79	40	61	79	44	62

Source: Pakistan Social and Living Standards Measurement Survey, 2011-12

Fig-10.1: Literacy Rates



Primary Enrolment Rates

Gross Enrolment Rates (GER)

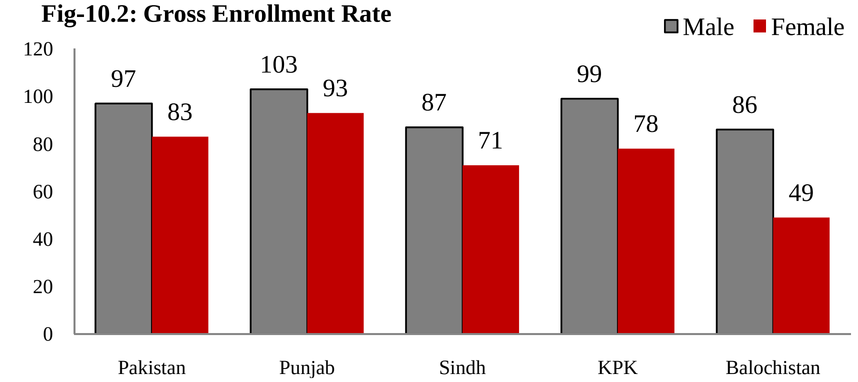
The GER or the participation rate is the number of children attending primary schools divided by the number of children who ought to be attending schools. The GER at the primary level excluding Katchi (prep) for the age group 5-9 years at national level during 2011-12 decreased to 91 percent from 92 percent in 2010-11. Amongst the provinces, Punjab and Khyber Pakhtunkhwa remained stable with 98 and 89 percent in 2011-12 while Balochistan and Sindh declined from 69 percent to 74 percent and 79 percent to 84 percent in 2011-12. The details are given in Table 10.6.

Table 10.6: National and Provincial GER (Percent)

Province/Area	2010-11			2011-12		
	Male	Female	Total	Male	Female	Total
Pakistan	**100**	**83**	**92**	**97**	**83**	**91**
Punjab	103	93	98	103	93	98
Sindh	94	72	84	87	71	79
Khyber Pakhtunkhwa	101	76	89	99	78	89
Balochistan	92	52	74	86	49	69

Source: Pakistan Social and Living Standards Measurement Survey, 2011-12

Fig-10.2: Gross Enrollment Rate



Net Enrolment Rates (NER)

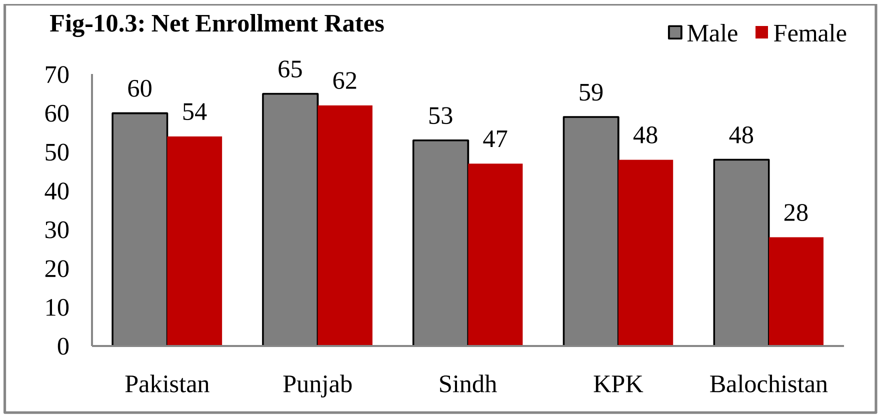
The NER at the primary level refers to the number of students of primary school age enrolled in primary schools divided by the number of children in the age group for that level of education. In Pakistan, the official primary NER is the number of children aged 5 to 9 years attending primary level divided by the total number of children aged 5 to 9 years.

Table 10.7 show the Net primary level enrolment rates at the national/provincial (excluding Katchi abadies) level for the age group 5-9 years. The NER at the national level during 2011-12 slightly increased to 57 percent from 56 percent in 2010-11. Punjab shows an increase of 64 percent in 2011-12 as compared to 61 percent in 2010-11. Sindh shows decrease from 53 percent in 2010-11 to 50 percent in 2011-2012; Khyber Pakhtunkhwa witnessed a slight improvement from 51 percent in 2010-11 to 53 percent in 2011-12 while Balochistan witnessed a prominent decline from 47 percent in 2010-11 to 39 percent in 2011-12 due to security prevailing situation.

Table 10.7: National and Provincial NER at Primary Level (Percent)

Province/Area	2010-11			2011-12		
	Male	Female	Total	Male	Female	Total
Pakistan	**60**	**53**	**56**	**60**	**54**	**57**
Punjab	62	59	61	65	62	64
Sindh	57	48	53	53	47	50
Khyber Pakhtunkhwa	57	45	51	59	48	53
Balochistan*	56	35	47	48	28	39

Source: Pakistan Social and Living Standards Measurement Survey, 2011-12
*: Results of Balochistan are not representative as 57 areas out of 160 areas have been dropped from scope of Survey due to security prevailing situation in Balochistan.



Educational Institutions and Enrolment:

i) Pre-Primary Education

Pre-Primary education is the basic component of Early Childhood Education (ECE). Prep or Katchi classes are for children between 3 to 4 years of age. An increase of 1.1 percent in Pre-Primary enrolment (9.51 million) in 2011-12 over 2010-11 (9.41 million) has been observed and it is estimated to increase by 4.3 percent to 9.92 million in 2012-13. [Table 10.8].

ii) Primary Education (Classes I – V)

A total of 154,650 Primary Schools with 427,371 Teachers were functional in 2011-12. An increase in primary enrolment (18.67 million) in 2011-12 over 2010-11 (18.06 million) was observed. It is estimated to slightly increase by 0.4 percent to 18.75 million in 2012-13. [Table 10.8].

iii) Middle Education (Classes VI-VIII)

A total of 41,945 middle schools with 351,381 teachers were functional in 2011-12. An increase in middle enrolment (6.02 million) in 2011-12 over 2010-11 (5.64 million) has been observed. It is estimated to increase by 3.7 percent (6.24 million) in 2012-13. [Table 10.8].

iv) Secondary Education (Classes IX-X)

A total of 28,655 secondary schools with 458,655 teachers were functional in 2011-12. An increase in secondary enrolment (2.75 million) in 2011-12 over 2010-11 (2.63 million) has been observed. It is estimated to increase by 3.7 percent to 2.82 million in 2012-13. [Table 10.8].

v) Higher Secondary / Inter Colleges (Classes XI-XII)

A total of 4,515 higher secondary schools and inter colleges with 97,633 teachers were functional in 2011-12. An increase in secondary enrolment (1.29 million) in 2011-12 over 2010-11 (1.19 million) has been observed. It is estimated to increase by 6.8 percent to 1.382 million in 2012-13 [Table 10.8].

vi) Degree Colleges Education (Classes XIII-XIV)

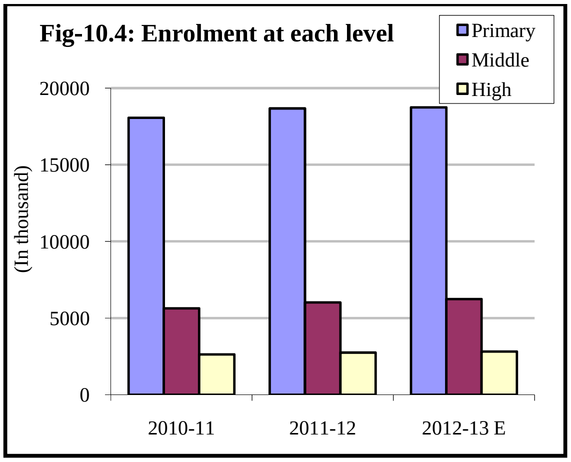
An enrolment of 0.56 million students is expected during 2012-13 in degree colleges against an enrolment of 0.50 million in 2011-12. A total of 1,384 degree colleges with 40,191 teachers were functional during 2011-12. [Table 10.8].

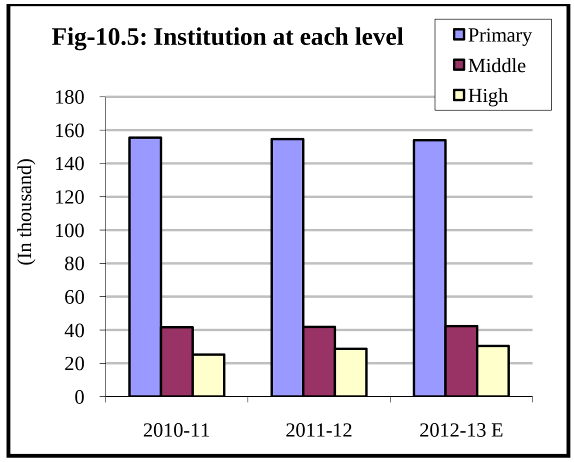
vii) Universities Education (Classes XV onwards)

An enrolment of 1.60 million is estimated in 2012-13 in higher education (universities) over 1.32 million in 2011-12. There are 139 universities with 70,053 teachers in both private and public sectors are functional during 2011-12. [Table 10.8].

Overall Assessment

The overall educational situation, based on key indicators such as likely enrolments, number of institutes and number of teachers, has shown a slight improvement. The number of enrolments during 2011-12 was 40.1 million as compared to 38.5 million during the same period last year. This shows an increase of 4.2 percent. It is estimated to increase to 41.3 million during 2012-13. The number of institutes stood at 231.2 thousands during 2011-12 as compared to 227.4 thousands during the last year. This shows an increase of 1.7 percent. However, the number of institutes is estimated to increase to 233.2 thousands during 2012-13. The number of teachers during 2011-12 was 1.44 million compared to 1.41 million during the last year showing an increase of 2.1 percent. This number of teachers is estimated to increase further to 1.50 million during the year 2012-13. [Table 10.8].





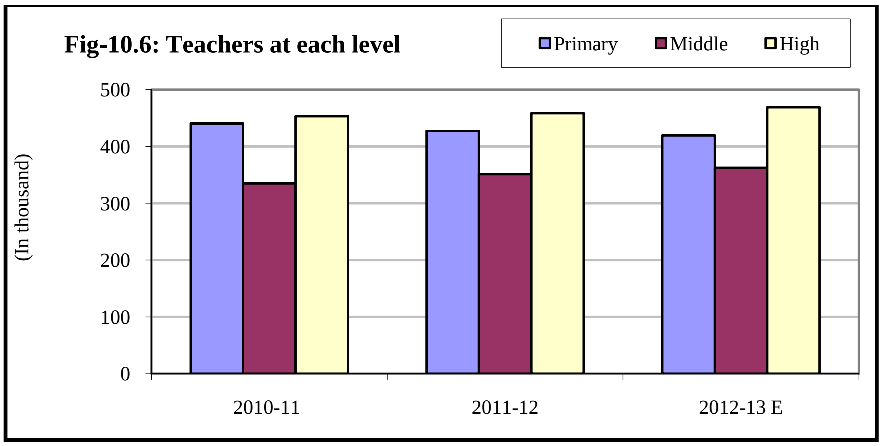


Table 10.8: Number of Mainstream Institutions, Enrolment and Teachers by Level (Thousands)

Year	Enrolment			Institutions			Teachers		
	2010-11	2011-12	2012-13 (E)	2010-11	2011-12	2012-13 (E)	2010-11	2011-12	2012-13 (E)
Pre-Primary	9412.5	9513.5	9919.1	-	-	-	-	-	-
Primary*	18063.4	18667.4	18747.9	155.5	154.6	154.0	440.5	427.4	419.4
Middle	5643.7	6020.2	6244.8	41.6	41.9	42.3	335.0	351.4	362.6
High	2630.1	2753.0	2823.7	25.2	28.7	30.4	452.8	458.7	468.9
Higher Sec./ Inter	1187.8	1294.1	1382.3	3.4	4.5	5.1	81.2	97.6	107.9
Degree Colleges	431.2	497.1	556.2	1.6	1.4	1.4	36.3	40.2	52.5
Universities	1107.7	1319.8	1602.5	0.135	0.139	-	63.6	70.1	81.6
Total	38,476.4	40,065.1	41,276.5	227.435	231.239	233.2	1,409.4	1,445.4	1,492.9

Source: Ministry of Professional & Technical Training, AEPAM, Islamabad
E: Estimated,*: including Pre-primary and Mosque Schools

Incentives by Provincial Governments and ICT:

Punjab Introduced free textbooks scheme from Katchi (nursery) to primary in 2004-05 and distributed 12.2 million textbooks. The scheme was extended to elementary in 2005-06 by providing 20.9 million text books. Text books to the extent of 40.08 million to 10.597 million students covering Katchi to secondary school were distributed in 2011-13, an amount of Rs. 3.0 billion has been allocated for this purpose. A stipend @ Rs. 200 per month for girl students of classes 6-10 in 15 low literacy districts is being provided since 2003. As of 2010 - 11 almost 375,605 girl students have benefited from the scheme.

Sindh Introduced free textbooks scheme for primary students in all government schools in 2003 and extended to secondary classes from 2005-06, an amount of Rs. 609 million was earmarked in

2005-06 which was repeated in financial year 2006-07, also in 2011-12, a total of 4,724,864 sets of textbooks were provided 3,652,194 for primary, 700,865 for middle and 371,805 for secondary. From 2010-11, free textbooks to the students for higher secondary are also being provided. An endowment fund of Rs. 1.0 billion has been instituted to provide an opportunity for meritorious students from poor community to continue higher education in the field of IT, Business Administration and MBBS in prestigious institutions. Scholarships are granted once a year @ Rs. 25,000 each to 600 students.

Khyber Pakhtunkhwa is providing free textbooks to all students from KG to Secondary. Under this scheme, over 30 million textbooks have been provided to government schools. A stipend of Rs. 200 per month to all girl students of middle and secondary schools in low literacy districts (Shangla, Kohistan, Bunair, Battagram, Hangu, Dir upper and Tank) is being given.

Balochistan is providing free text books worth Rs. 150 million up to secondary level. 150 scholarships to the students from the province is being awarded during the current financial year.

Islamabad Capital Territory is providing free text books since 2005-06 to the educational institutions under Federal Directorate of Education (FDE). Textbooks worth of Rs. 393.7 million have been provided up to 2011-12. For the fiscal year 2012-13, an amount of Rs. 71 million has been allocated for this purpose. Merit Scholarships worth Rs. 14.5 million have also been provided to meritorious students since 2008-09. For the fiscal year 2012-13, an amount of Rs. 3.0 million has been allocated for this purpose. Private Education Regulatory Authority (PEIRA) has distributed free books and school bags among 40,000 students of private sector schools who pay monthly fee up to Rs. 300 and follow government syllabus.

Development Programme 2012-13

Federal Public Sector Development Program (PSDP) 2012-13.

During the fiscal year 2012-13; Rs. 1429.64 million was allocated in the Federal PSDP for the expansion and development of basic and college education. The development programs/projects are as following:

- Provision of 119 Computer Labs in Educational Institutions Islamabad; Rs. 30.00 million.
- Strengthening of IMCG, F-7/4, Islamabad; Rs. 25.00 million
- Establishment of FG Degree College for Women at Bhara Kau; Rs. 33.220 million.
- Construction of Additional Academic Blocks & renovation of old building of FG Girls Secondary School, Dhok Ghangal (FA), Islamabad; Rs. 25.518 million.
- Establishment of FG Degree College for Boys at Nowshera, FGEI; Rs. 0.969 million.
- Award of Merit Scholarships to the Student of FGEI; Rs. 11.966 million.
- Construction of IMG Hostel at Met Complex University Road, Karachi; Rs. 3.00 million.
- Provision of Quality Education for Students of Balochistan and FATA; Rs. 83.667 million.
- Award of 200 Scholarships to Students from Indian Occupied Kashmir in the field of Medicine, Engineering & IT; Rs. 42.00 million.
- Award of Cultural Scholarships to the Students from other countries; Rs. 12.00 million.
- Provision of Quality Education Facilities to 200 Tribal Students from FATA in Settled Areas outside Khyber Pakhtunkhwa; Rs. 3.00 million.
- Award of 100 scholarships to the Bangladeshi Students; Rs.10.00 million.
- Merit scholarships for Minority students (Phase –II); Rs. 3.30 million.
- Capacity Building of Teachers Training Institutions of M/O Education & Trainings of Elementary Schools Teachers in ICT, FATA, G-B, & AJK; Rs. 199.00 million.
- Capacity Building of Teachers Training Institutions & Training of Elementary Schools Teachers in Punjab; Rs. 700.00 million.
- Capacity Building of Teachers Training Institutions & Training of Elementary Schools Teachers in Khyber Pakhtunkhwa; Rs. 147.00 million.
- Capacity Building of Teachers Institutions & Training of Elementary Schools Teachers in Balochistan; Rs. 100.00 million.
- Capacity Building of Teachers Training Institutions & Training of Elementary Schools Teachers in Sindh; Rs. 222.386 million.

Provincial Annual Development Programs (ADPs) 2012-13

Punjab:

The Government of Punjab has allocated Rs. 15000/- million for 62 new and ongoing development projects of School Education in Punjab. Some of the crucial development projects includes provision of computer /IT education in 4286 High/Higher Secondary Schools, revamping/capacity building of school education department, introduction of early child hood education in 1000 primary schools, and provision of missing facilities in 2000 primary schools (50% for girls schools).

Sindh:

The Government of Sindh has allocated Rs. 12000/- million for 157 new and on-going development projects in the Annual Development Plan 2012-13 in the sub-sectors of Education like Elementary education, Teacher Education, Sindh Education Foundation, Secondary Education, College Education and Higher Education in Sindh. Some of the important development projects include Construction of VIP suits for Faculty of PITE Sindh, Nawabshah, Promotion of private schools in rural area, Establishment of Public School Umerkot, establishment of public schools in Sindh (05 units), up-gradation of Middle schools to High schools in Sindh (115 units), Reconstruction of dangerous schools in Sindh (200 units), Introduction of post graduate courses in 12 existing degree colleges, Establishment of Cadet College Khairpur, purchase of land for university campus at Dadu and Larkana, Establishment of 05 IBA Community colleges, Provision of computer labs in schools in Sindh, Construction of building for Sindh Education Commission and Sindh Higher Education Commission at Jamshoro.

Khyber Pakhtunkhwa:

The Government of Khyber Pakhtunkhwa has allocated Rs. 7116/- million for 57 new and on-going development projects of Elementary and Secondary Education in Khyber Pakhtunkhwa which is 9.6 percentage share of the Annual Development Programme. Some of the important projects include Basic Education Improvement Project, Provision of basic facilities, Establishment of 110 primary schools, Conversion of 100 Mosque schools into regular primary schools, Education sector reforms programme, Training of management cadre staff of E&SE Department, Provision of free text books to all student up to intermediate level and Establishment of Project Management Unit for re-organization of higher education.

Balochistan:

The Government of Balochistan has allocated Rs.2150.394 million for 163 new and on-going development projects of primary education (49), middle education (21), secondary education (29), college education (35), university education (10), general education (15) and technical education (4).

Technical and Vocational Education:

It is the need of a time to enhance and upgrade technical and vocational education in the country to cater the labour demand in emerging sectors. In this context, the government is endeavoring to focus on enhancing productivity and skill development industries particularly in the SME sector and in economic opportunities within and outside the country.

NAVTTC:

The National Vocational and Technical Training Commission (NAVTTC) is an apex body and a national regulatory authority that has been set up to address the challenges of technical and vocational education and training (TVET) in the country. It is involved in policy making, strategy formulation, and regulation and revamping of the TVET system. The commission is establishing and promoting linkages among various stakeholders at the national as well as international level.

Achievements during July – March, 2013:

- 6,755 youth received vocational & technical training under the President' Fanni Maharat Programme and Prime Minister's Hunermand Pakistan Programme and 9,837 are under training.
- Draft National Vocational Qualification Framework (NVQF) has been evolved after thorough consultation with stakeholders including academia, researchers, policy makers industry & chambers and TEVTAs. The objective of NVQF is to provide vertical and horizontal mobility to the trainees in the vocational stream.
- NAVTTC has developed 106 Curricula on Competency Based Training (CBT) approach in last one year by involving industry at different stages of its development. In addition, NAVTTC

also developed competency standards in four economic sectors including Beauty & Personal Care, Fashion Designing, Hospitality and Garments Manufacturing in collaboration with International Labour Organization, Pakistan.

- NAVTTC has constituted 28 Industry Advisory Groups (IAGs) in different economic sectors. The rationale behind establishing the IAGs is to involve industry representatives in providing labour market information, setting up of competency standards and their input in TEVT policy making.
- Job Analysis Workshops conducted in different industries to develop competency profile/skill standards which would help in development of curricula. Vocational curricula for 35 trades have been notified and job analysis of 46 more vocational trades in different industries has been conducted.
- NAVTTC initiated the process for setting up an independent National Accreditation Council for TVET. Regulations of the Council have been drafted and circulated to the concerned stakeholders for views/comments.
- NAVTTC constituted TVET Accreditation & Quality Evaluation Committee (TA&QEC) for accreditation of TVET institutions. In the first phase, 14 TEVT Institutes have been accredited during current financial year. The accreditation of further 18 plus TEVT Institutes is under process.
- Standardization of Rice processing machine and its indigenous production with training of machine operators and repairs in collaboration with Pakistan Science Foundation, NUST and Rice Exporters Association of Pakistan (REAP).
- CDWP has approved the NAVTTC's concept Papers regarding-

  i). Pak-Saudi collaboration in construction sector (establishment Center of Excellence in construction); and

  (ii). Development of TEVT Sector in order to produce skilled workforce for export to the markets of Middle East and countries of OIC members states under grant from Islamic Development Bank.

Higher Education Commission:

Since its inception in 2002, the Higher Education Commission (HEC) has been striving to encourage universities to play a greater role in the economic development of the country. After implementing the MTDF 2005-2010, HEC has proposed its next five year plan viz. its second MTDF – 2010-2015 to create the knowledge capital and technology required to enable Pakistan to join the ranks of the industrially advanced countries within the next decade. A few prime physical targets of the proposed 5-year plan are:

(i) Promoting excellence in learning and research

(ii) Developing leadership, governance and management

(iii) Universities building economies and communities

(iv) Financial management and sustainability

(v) Research, innovation and entrepreneurship

Key achievements of the Higher Education Commission are as follows:

Human Development

Human Resource Development within the higher education sector lies at the heart of the HEC's reform process, and an area in which vital and significant progress has been made. With a dual objective of increasing institutional capacity and enhancing local research activities, the major thrust of programs in this area have been primarily aimed at improving the academic qualifications of university faculty. However, scholarships schemes are also open to individuals working in the private sector or government servants as well as Pakistani students. The projects and programmes are given in Table-10.9.

Table 10.9: Projects/Programmes (Numbers)

Project Name	Scholarship Availed	Scholars Completed Studies
Provision of HE Opportunities for Students of Baluchistan/ and FATA	2000	73
10 Ph.D Overseas Scholarships for FATA Journalists	01	--
Japanese Need Based Merit Scholarships Program	1674	1519
Financial Support for Meritorious Needy Students Program	300	296

Table 10.9: Projects/Programmes		(Numbers)
Project Name	**Scholarship Availed**	**Scholars Completed Studies**
Indigenous PhD Scholarship Schemes	5000	834
1250 People are placed in HEIs under Interim Placement of Fresh PhDs Programmes.		
Source: Higher Education Commission (HEC)		

HEC is also playing its role in running different scholarship programmes to enhance academic qualification at various levels on merit basis in line with requirements. The details are given in Table 10.10.

Table 10.10: Scholarships (Numbers)

Project Name	Scholarships Awarded	Scholars Proceeded	Scholars Completed Studies
Post-Doctoral Fellowship Program	575	570	530
1000 Cuban Scholarships for Studies in General Comprehensive Medicine	604	604	Nil
US needs based Scholarship Program for Pakistani University Students	1807	901	1250
MS / M. Phil leading to PhD Scholarships for teachers of Weaker Univ.	98	98	58
MS leading to PhD Faculty Development Prog. of UESTP/UETs Univs.	468	277	16
Overseas scholarship scheme for PhD in selected fields Phase - 1	719	731	477
Overseas Scholarships Phase-II	1540	1540	538
Fulbright Scholarship Program	**270**	**233**	**66**

Source: Higher Education Commission

Research and Development:

Research and development (R&D) is essential to be competitive in the changing international economic scenarios. HEC has taken some initiatives during 2012-13 to improve the research and development which is as under:

International Linkages:

- 50 International linkages between Pakistan and UK universities were established during three years through HEC-British Council Joint programs phase 1 and 2.
- 17 strategic partnerships are established between Pakistan and UK under HEC-BC INSPIRE project in 2011 for duration of three years.
- 50 Pak-US linkages of three years duration were established under the development project of “Pak-US Joint Academic and Research Project” phases 1 to 4.
- 6 research linkages between Pakistan and USA are developed under “Bio Engagement Program” in 2010.
- 31 international research linkages were established with different countries for duration of three years under “International Linkages with Foreign Universities”.

National Research Grants:

- During 2011-12, 597 national projects were funded with the maximum duration of three years with the consumption of Rs.1463 million. In 2012-13 under this mega project, 179 national projects were funded with the maximum duration of three years with the consumption of Rs. 315 million.
- By 2011-12, a total of 6210 cases of “Travel Grants” were approved, while 848 fresh cases have been approved during 2012-13.
- By 2012, a total 394 cases of “Seminars/Conferences” were approved, while 105 fresh cases during 2012-13 have been approved.

Resource Development:

- 24 research awards were distributed in five different categories during 2009, while 33 awards were given in 2011 under the project "HEC's Outstanding Research Awards Series".

- 55 books were published by HEC in these 5 years under development project of R&D, "Monograph and Textbook Writing Scheme". 28 patents were filed under "Patent Filing" project.
- 11 projects were completed in "University Industry Technology Support Program".
- Under the project "Offices of Research, Innovation and Commercialization", research offices have been developed in 26 Universities to promote research within universities.

Learning Innovation at HEC:

In the absence of a pre-service mechanism, Learning Innovation Division was created in 2003 as the National Hub for the In-Service Professional Training of Higher Education Teaching Faculty and Management across Pakistan. Learning Innovation Division along with its two projects titled ELTR (English Language Teaching Reforms) and NAHE (National Academy of Higher Education) are conducting these programs and their activities on a regular basis at HEC centers as well at the doorsteps of the universities and colleges across the country. These programmes are designed to make international standard education available to the students. The details of this initiative are presented in Table 10.11.

Table 10.11: Province-Wise Distribution of Faculty Members/Management Staff Trained (Numbers)

Programmes	Federal	Punjab	Sindh	KPK	Balochistan	AJ&K	Total
Professional Training Programs for HEIs Teachers	116	401	80	205	8	2	812
Professional Training Programs for HEIs Management	5	7	4	6	3	5	30
Grand Total	**121**	**408**	**84**	**211**	**11**	**7**	**842**

Source: HEC

Quality Assurance Programmes:

Quality assurance is one of the objectives of the HEC. In order to achieve, some quality parameters have been developed and implemented to fill the gaps in quality provision between national and international systems of higher learning. The Tenure Track System (TTS) of appointments has been introduced in public sector universities. It aims at enhancing performance and efficiency of the faculty members by creating a healthy competition among them, allowing freedom of research and teaching, as well as the financial independence to pursue these objectives. Up to March, 2013, a total of 1,750 faculty members have been appointed in 70 Public Sector Universities/Degree Awarding Institutes (DAIs). Due to continuous support to research journals, HEC has achieved remarkable progress and now research output of Pakistan is more visible at international level. Almost 45 research journals are now in the International Scientific Institutes (ISI) master list with 11 journals having impact factor.

Plagiarism Eradication System:

The HEC's goal is to combat plagiarism effectively in an academic environment in all institutions of Pakistan while ensuring that the students and academicians know that stealing intellectual property is unethical and leads to serious consequences. Due to zero tolerance policy of the HEC towards plagiarism, it has positive impact on research activities being carried out in the Higher Education Institutions and R&D organization. Awareness about proper documentation, literature referred during research activities has been improved and researchers are more vigilant in citing information in their scholarly works.

Anti-Plagiarism Service "Turnitin"

Plagiarism detection service 'Turnitin' has been provided to all public and private sector HEIs by the HEC in order to facilitate authentication of contents. Some of the salient features of this strategy are as follows:

- The unlimited accounts have been acquired for period of one year and each University has been given 720 student accounts whereas accounts for all faculty members can be created. The administrative privileges of the service are provided to focal person nominated by the university, who will be the resource person for rest of the faculty members
- Technical support and facilitation through emails, phone and personal visit is provided

round the clock

- Turnitin guidelines for Instructors and Administrators are developed and uploaded on the HEC website
- Continuously monitoring the Turnitin usage of the Universities
- Focal persons conduct Quarterly training sessions at respective campuses

Pakistan Qualification Framework (PQF):

Pakistan Qualification Framework (PQF) encompasses a comprehensive list of all quality assured qualifications in Pakistan. Each accredited qualification offered in Pakistan has been assigned a level. The PQF consists of Entry level to level 8, describing the difficulty of qualifications at each level and the same has been uploaded on the HEC website.

Pakistan Qualification Register:

The Pakistan Qualification Register is also the part of PQF which provides all the information regarding the accredited higher qualifications and institutions recognized by the Higher Education Commission of Pakistan.

Subject Classification List:

The subjects offered by HEIs/DAIs of Pakistan has been categorized, therefore, the qualifications offered by HEIs/DAIs in Pakistan have been included in Joint Academic Classification of Subjects (JACS) list and the same has been upload on HEC website.

Financial Scenario of HEC:

For efficient allocation and disbursement of public funds, HEC has developed a formula based funding mechanism that assigns appropriate weights to different need and performance indicators along with students and faculty strength. The detail of recurring funds released to higher education sector during last 4 years is given in Table 10.12.

Table 10.12: Recurring Grant Released

(Rs. million)

Year	Recurring Grant Released
2007-08	12,536.498
2008-09	15,766.425
2009-10	21,500.000
2010-11	29,057.000
2011-12	28,887.318
2012-13	35,778.278

Source: HEC.

To streamline and support institutional processes and operations, the HEC has successfully introduced/installed SAP Enterprise Resource Planning (ERP) application in its offices. The HEC has introduced a tenure track system, which offers a market based competitive salary package to attract and retain intelligentsia in public sector institutions of higher learning. Currently, there are 1,750 tenure track teachers working in different public sector universities.

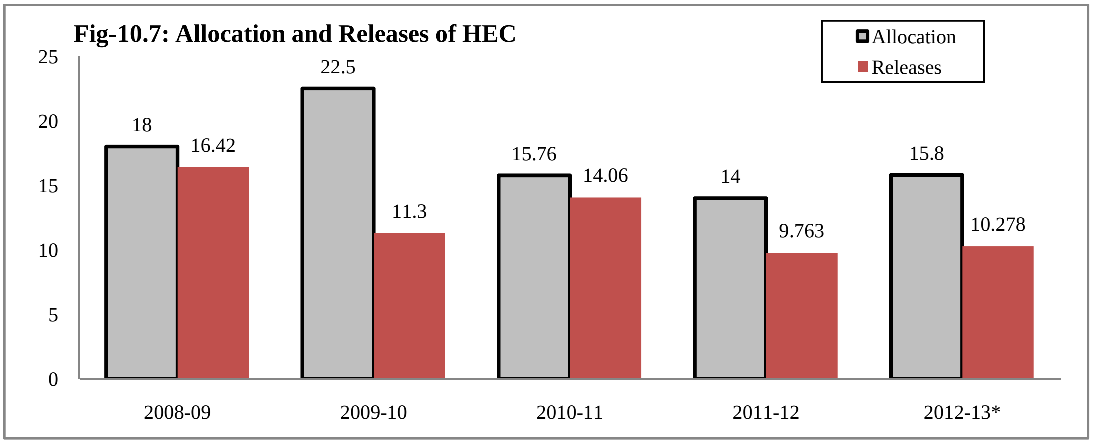
Planning & Development:

In the development portfolio of HEC, there are 168 approved development projects and only 07 new projects were allowed to be included in current year PSDP 2012-13. The allocation has been revised during 2012-13 from Rs. 15.800 billion to 15.590 billion and so far Rs. 10.278 billion has released up till April 2013. The HEC would be able to complete 56 development projects during the current financial year if entire development budget is released. The year wise breakup is given in Table 10.13 below:

Table 10.13: Development Expenditure (Rs. Billion)

Financial Year	Allocation	Releases
2008-09	18.00	16.42
2009-10	22.50	11.30
2010-11	15.76	14.06
2011-12	14.00	9.763
2012-13*	15.800	10.278
Total	**86.060**	**61.821**

Source: HEC, *: The releases are till April. 2013



Education Survey:

Annual Status of Education Report (ASER), 2012 is a citizen led household based learning survey mostly in rural and selected urban areas. It measures learning levels of children 5-16 years the same age group as identified for compulsory education in Article 25 A of the Constitution of Pakistan. ASER is conducted each year across Pakistan and will continue up to 2015. It is led by the Idara-e-Taleem-o-Aagahi (ITA) in collaboration with the National Commission for Human Development (NCHD), Sindh Education Foundation and many other Civil Society Organizations (CSOs). In 2012, ASER's specifically trained 9,000 member volunteer team who surveyed 82,521 households in 4033 villages and 4,226 blocks across 136 rural and 6 urban districts of Pakistan. Detailed information of 251,444 children aged 3-16 has been collected (59% male and 41% female), amongst which 216,125 children aged 5-16 years were tested for language and arithmetic competencies.

Box-II

ASER 2012 National Summary (RURAL)
Enrolment:

- In 2012, 75.5% of 5-16 year old children in rural Pakistan were enrolled in schools whereas 24.5% children were out-of-school. Compared to 2011, enrollment levels of rural Pakistan have fallen whereas percentage of out-of-school children is on the rise.
- Nationally, there is an increasing gender gap in out-of-school children with more girls than boys not being enrolled or have dropped out of school. In ASER 2011, amongst the 20% out-of- school children, 10% were males and 11% were females whereas as per ASER 2012, 10% boys continue to remain out-of-school and 13% females were out-of-school.
- Pre-school enrollment (3-5 years) was 37.1%, gradually approaching the National Action Plan's (NAP) target of 50% enrollment in pre-school by 2015. Highest enrollment in this age group was 56.1% in ICT and the lowest in Balochistan with 22.3%.

Quality of Learning:

- Learning levels in all three competencies i.e. Language (Urdu/Sindhi/Pashto), English and Arithmetic have been improved since last year but still remain poor. Half of the children from Class 5 still cannot read Class 2 Urdu/Sindhi/Pashto story.
- In ASER 2011, 47% of Class 5 students were reported as being able to read a story compared to 51% of Class 5 students who could do so in 2012. For English this year, 48% of class 5 students were reported to read Class 2 level English sentences as compared to 41% of Class 5 students who could do so in 2011. Similarly, forty-four percent of Class 5 students were able to do 3-digit division sums compared to 37% of children in 2011.
- Punjab was found to be the best and FATA the worst in terms of average assessment results for the three (English, Arithmetic and Language) assessments**.** When assessment results for class 5 children in all the regions of the country were assessed, FATA was identified as the least satisfactory. Only 17% of the Class 5 children in the region of FATA were able to accomplish Class 3 level tasks in Arithmetic and Class 2 level tasks for English and reading language. GB was found to be the best performing region in English. Punjab was the best performing province in the reading language and Arithmetic tasks.

Similar Pattern of improvement for basic reading levels can be seen for children in class 3

- Twenty percent of the children of class 3 could read a story in Urdu/Pashto/Sindhi which is the highest competency level. The proportion of children achieving this competency level has risen by 3% when compared to the previous year.
- Nineteen percent of the children of class 3 could read sentences in English whereas 81% could not do so. In 2011, only 13% could read sentences in English. Therefore, some level of improvement in the quality of learning can be seen.
- Fifteen percent of children of class 3 could do 3-digit division whereas 85% were not able to do so. In the previous year, only 10% of the children could read the highest competency level in Arithmetic.

Private Tuition Trends:

- Private tuition incidence and uptake is more prevalent among private than government school students. Around 25% of all private school-going children were found taking paid tuition compared to only 6% of all government school children.

Multi Grade in 2 and 8:

- Half of all government schools surveyed nationally had Class 2 students sitting with other classes. It was found that 50% of the surveyed government schools and 28% of the surveyed private schools had Class 2 sitting with other classes. Also, seventeen percent of surveyed government schools and 22% of surveyed private schools had Class 8 sitting with other classes.

Mother Tongue Findings and Preferred Language for Medium of Instruction:

- ASER 2012 survey findings reveal that 41 different languages were used in the surveyed households throughout Pakistan. The 5 languages used commonly were: Pashto (27%), Punjabi (19%), Sindhi (16%), Balochi (10%) and Siraiki (7%).
- Each surveyed household was also asked their preferred medium of instruction for their children in schools. 46% of all the households surveyed preferred Urdu as the medium of instruction in schools. Home language was preferred by a major proportion of 37% of all households and 17% surveyed households preferred English.
- It was also found that only 22% of mothers in the sampled households had completed at least primary schooling against 47% of fathers.

School Facilities (RURAL):

- ASER 2012 surveyed **3,934** government and **1,660** Private schools in Pakistan. The figures for 2012 show a slight improvement in attendance of teachers and students and provision of school facilities in schools.

Useable Facilities:

- National figures for 2012 show a slight improvement in the proportion of schools with useable water and toilet facilities. Of the total government primary schools surveyed, 66% had useable water facility and 50% had a functional toilet.
- Although there is an improvement but still the figures are not promising enough as private sectors stays dominant in the provision of basic facilities. Of the total private primary schools surveyed, 84% had useable water facility and 75% had a functional toilet.
- In ASER 2012, boundary walls were found in 62% of the surveyed government and 72% of the surveyed private primary schools as compared to 65% of the surveyed government primary schools and 77% of the surveyed private schools last year.
- Larger proportions of surveyed government high schools had computer labs and library books in their premises as compared to private schools. 57% of the surveyed government high schools had library books available for students to use in the school premises, while 53% of the private schools had the same facility. Similarly 46% of government high schools had computer labs as opposed to 38% private high schools.
- ASER 2012 further identified that government schools have more qualified teachers than private schools. Thirty-four percent of the teachers in government schools had post-graduate degrees, while private schools had only 21% teachers. Sixteen percent of the teachers had Masters in Education in government schools, while only 10% of the teachers in private schools had the same degree.
- Overall teacher attendance in government schools was 87% while the overall attendance in private schools was 88% as per the register.
- Overall, Punjab was the region with the highest percentage of primary schools with useable facilities. It had useable facilities in 77% of all ASER-surveyed primary schools. GB was ranked a close second with 69% of ASER-surveyed primary schools having useable facilities. KP was ranked last with only 32% of all ASER-surveyed primary schools having useable facilities.

URBAN Trends:

- In 2012, overall 92.8% children aged 5-16 years were found to be enrolled in 6 urban districts surveyed whereas 7.2% (3% of girls and 4% of boys) children were found to be out-of-school.
- Private schools absorb a large share of school aged children. 59% of all school going children are enrolled in non-state schools in urban areas.
- 41% of the children enrolled in private schools are girls and 59% are boys.
- The proportion of children in class 5 who were able to read a class 2 level Urdu story text were reported to be 60% as compared to 59% in ASER 2011. For English, this year 60% of Class 5 students were reported as being able to read Class 2 English sentences compared to 67% of Class 5 students who could do so in 2011. Similarly, fifty-three percent of Class 5 students were able to do 3-digit division sums in 2012 as compared to 50% in 2011.
- It was also found that private tuition incidence was more prevalent among private than government school students. Around 39% of all private school-going children take paid tuition as compared to 27% of all government school children.
- Percentage of primary schools having facilities in urban areas is twice more than rural areas. Of the total government primary schools surveyed, only 17% did not have useable water facility and 12% did not have functional toilets.
- The percentage of private primary schools found with useable water facility was 97% and 88% had functional toilets in 2012.

Source:ASER,2012AnnualReport

Education plays a pivotal role for creation of skills and human capital which certainly leads to higher economic growth. In our country, education is recognized as a fundamental right. Pakistan is, therefore, cognizant of the fact that achievement of Universal Primary Enrolment will go a long way forward to improve overall education and literacy level. The government of Pakistan is hence committed to improving both the quality and the coverage of education through effective policy interventions and expenditure allocations. International commitments require political will to achieve EFA goals and MDGs.

The time factor for achieving UPE by 2015 and making education available to all the children, is too critical but not impossible. The sincere and serious efforts for educational improvement have been started. In the first step, the percentage of expenditure on primary education has increased substantially to achieve UPE by 2015 and then the overall public expenditure on elementary and secondary education as percentage of government spending on education has also increased considerably to ensure free and compulsory education.

Chapter 11

Health and Nutrition

Health is a crucial part of well being and has essential economic benefits. Pakistan is among the 115 countries in the world recognizes the constitutional right of health. With this mandate, Pakistan has pledged to improve the quality of care and to achieve the better health outcomes through a new vision for health outlined in the guideline of National Health Policy 2009. To reduce the burden of diseases, tame population growth, highlight ways to achieve health related MDGs by 2015 and greater role for private sector are some of the focused areas of immediate priorities. However, communicable diseases still take a heavy toll in burden of diseases and is likely to rise further with rapid urbanization, food insecurity, poor dietary habits, environmental dangers, lack of access to safe drinking water and illiteracy. All these factors reinforce the consequences of ill health.

The public health sector in Pakistan was provincialized as consequence of 18th amendment of the Constitution in June 2011 and all health responsibilities were devolved to provinces to ensure better delivery of health services. However, to arrest the post devolution fragmentation of health in Pakistan, the government has consolidated all key health institutions and health related function under the National Health Service, Regulation and Coordination Division (NHSRCD). The renamed Division would serve national functions in health in a consolidated manner. The new division will have two functions; regulation and coordination which are in line with spirit of the 18th amendment. The new health structure would consolidate all the key institutions scattered across 8 Divisions into renamed Division which will strengthen federal co ordination, thereby producing favorable impact on provincial services as well.

Progress on MDGs Targets:

MDGs is a global agenda of actions for human development. Inter-countries comparison of progress on MDGs targets from different South Asian countries confirms that there seems little possibility of meeting the MDGs. This is probably due to resource constraints and diversion of resources away from health to meet the pressing expenditures of energy, floods, food and security over the last few years which had a significant impact on the delivery of health services. Though Pakistan has registered a significant decline in its child and maternal mortality rates since 1990 through a coverage of essential intervention to combat the major diseases malaria, measles and HIV etc. However, slow progress in the indicators of maternal health and child mortality are major concerns in the progress towards Millennium Development Goals. Special efforts would be required to meet MDGs deadline of reducing the infant mortality rate to 40 ,under 5 mortality rate to 52 and maternal mortality to 140 by 2015.

Table 11.1: Progress on MDGs Targets

		Infant Mortality Rate Per1000	Under 5Mortality Rate per 1000	Maternal Mortality Rate per 100000
Pakistan	1990 As MDGs Base Year	102	140	533
	MDGs Target by 2015	40	52	140
	Current Status	59	72	260
India	1990 As MDGs Base Year	80	125	437
	MDGs Target by 2015	26.7	42	109
	Current Status	47	61	200
Bangladesh	1990 As MDGs Base Year	92	146	574
	MDGs Target by 2015	31	48	143
	Current Status	37	46	240
Sri Lanka	1990 As MDGs Base Year	17.7	22.2	42
	MDGs Target by 2015	6	8	10.6
	Current Status	11	12	35
Bhutan	1990 As MDGs Base Year	90	123	560
	MDGs Target by 2015	30	41	140

Table 11.1: Progress on MDGs Targets

		Infant Mortality Rate Per1000	Under 5Mortality Rate per 1000	Maternal Mortality Rate per 100000
	Current Status	42	54	180
Nepal	1990 As MDGs Base Year	108	162	850
	MDGs Target by 2015	36	54	213
	Current Status	39	48	170

Source: MDGs Annual Reports of the respective countries

Table-11.2 highlights gaps in well being and life chances in Pakistan in relation to other regional countries. Health outcomes in Pakistan are low versus other countries in South Asia. Some of the factors that account for this lack of progress is higher population growth at 2.0 percent in 2013, a much higher than elsewhere in South Asia. Life expectancy in Pakistan is 65.5 years in 2012. Indicators relates to child mortality and maternal health also shows low progress.

Table: 11.2 Regional Countries Human Development Indicator

Country	Life Expectancy 2012	Infant Mortality Rate Per 1000 2011	Under 5 Mortality Rate Per 1000 2011	Maternal Mortality Rate Per 100000 2010	Population Growth Rate(%) 2012
Pakistan	65.7	59	72	260	2.03*
India	65.8	47	61	200	1.31
Bangladesh	69.2	37	46	240	1.58
Sri Lanka	75.1	11	12	35	0.91
Nepal	69.1	39	48	170	1.77
Bhutan	68.0	42	54	180	1.18
China	73.7	13	15	37	0.48
Malaysia	74.5	06	07	29	1.57
Indonesia	69.8	25	32	220	1.03
Philippines	69.0	20	25	99	1.87
Thailand	74.3	11	12	48	0.54

Source: Human Development Report 2013 & UNICEF
* National Institute of Population (NIP)

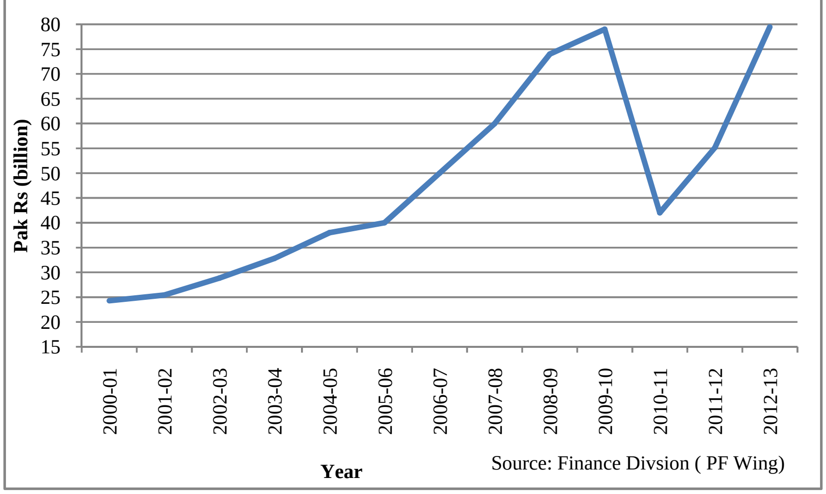
Health Expenditure

In Pakistan, health expenditure is as current and development expenditure. For the current on going year 2012-13, the current expenditure is as Rs. 62.12 billion and development Rs.17.34 billion. They together estimates as 79.46 billion which in term of percentage is 0.35 percent of GDP and has increase by 44.16 percent over last year of 2011-12.

Table 11.3: Health & Nutrition Expenditures (2000-01 to 2012-13) (Rs. Billion)

Fiscal Years	Public Sector Expenditure (Federal and Provincial)			Percentage Change	Health Expenditure as % of GDP
	Total Health Expenditures	Development Expenditure	Current Expenditure		
2000-01	24.28	5.94	18.34	9.9	0.72
2001-02	25.41	6.69	18.72	4.7	0.59
2002-03	28.81	6.61	22.21	13.4	0.58
2003-04	32.81	8.50	24.31	13.8	0.57
2004-05	38.00	11.00	27.00	15.8	0.57
2005-06	40.00	16.00	24.00	5.3	0.51
2006-07	50.00	20.00	30.00	25.0	0.57
2007-08	60.00	27.22	32.67	20.0	0.57
2008-09	74.00	33.00	41.10	23.0	0.56
2009-10	79.00	38.00	41.00	7.0	0.54
2010-11	42.00	19.00	23.00	(-)47	0.23
2011-12	55.12	26.25	28.87	30.97	0.27
2012-13	79.46	17.34	62.12	44.16	0.35

Source: Finance Division (PF Wing)



Health Facilities:

The health sector in Pakistan suggests that the number of Doctors has increased to more than 1,60289, Dentists 12544, 82119 Nurses and 13678 Lady Health Visitors (LHV). The current ratio of population density versus health facilities is at 1127 person against one doctor, 14406 per dentist and availability of one hospital bed for 1786 person compares well with some regional countries like Bangladesh and India. Pakistan has also a large market for private health care delivery. The private sector provides varying levels of care and constitutes a diverse group of doctors, nurses etc. Most of the facilities have been established in urban areas. Despite a substantial growth in the number of health institutions, facilities and services, the desired health outcomes could not be achieved due to rapid growth of population.

Table 11.4: Healthcare Facilities

Health Manpower	2010-11	2011-12	2012-13
Registered Doctors	144,901	152,188	160,289
Registered Dentists	10,508	11,584	12,544
Registered Nurses	73,244	77,683	82,119
Population per Doctor	1,222	1,164	1,127
Population per Dentist	16,854	15,288	14,406
Population per Bed	1,701	1,647	1,786

Source: Pakistan Bureau of Statistics

Health Insurance

Protection against illness is the goal of most countries, and they are making struggle to achieve it on fast track. Health insurance in Pakistan is a component of social protection strategy. It provides security to the most health insecure sections of society in the country. The existing health protection mechanism in Pakistan include Zakat and Bait-ul-mal. Pakistan Bait-ul-mal provides financial assistance to the poor against health impoverishment. The health related targeted programmes for the benefits of poor include Individual Financial Assistance (IFA), Child Support Programs (CSP) and Special Friends of PBM. Through IFA, poor and disadvantaged are supported for medical treatment. An amount of Rs.4207.536 million has been disbursed to benefit 52,870 individuals country wide during last 04 years. Under the special Friends of PMB, the Pakistan Bait-ul-mal is providing wheel chairs to disabled in the country. Up till now, 60000 wheel chairs, 2026 tricycles, 2500 white canes and 800 hearing aids have been disbursed. Total amount disbursed so far to special friends is Rs 199779860 and for hearing aids Rs. 10828646. 40000 wheel chairs donated by China were also added to the inventory.

Table 11.5: Individual Financial Assistance Medical

Year	2008-09	2009-10	2010-11	2011-12	Total
Rupees Million	642.86	1236.18	1810.21	518.29	4207.54
Beneficiaries	8888	17301	20604	6077	52870

Source: Pakistan Bait-ul-Mal

While zakat fund is utilized for assistance to the needy, poor and indigent for their subsistence and rehabilitation. Zakat fund is provided either directly through respective zakat committee or indirectly through hospitals and social institutions. The beneficiaries of these schemes are different. However, the coverage of existing mechanism relative to the needs necessitates to make the scheme wider. The fund provides assistance to limited number of cases to cover medical treatment cost. As consequence of 18th amendment, the subject of zakat has been devolved to the provinces and other areas. In 2012-13, Rs.3951.667 million were disbursed to provinces and other areas as under.

Table 11.6: Zakat Disbursement (Million Rupee)

Provinces	Punjab	Sindh	KPK	Balochistan	FATA	ICT	G.B	Total
Disbursed amount	2108.01	871.35	507.89	187.80	128.05	97.20	51.37	3951.67

Source: Pakistan Bait-ul-Mal

Physical Targets and achievements during 2012-13:

The achievements for the health sector during 2012-13 include an addition of 4200 hospital beds, establishment of 7 Rural Health Centers (RHCs) 32 Basic Health Units (BHUs) and upgradation of 10 existing RHCs and 37 BHUs along with the addition of 4400 new doctors, 430 dentists, 3300 Nurses, 4500 paramedics and 450 Traditional Birth Attendants. Under the preventive program, about 6 million children were targeted to be immunized and 20 million packets of ORS were to be distributed during 2012-13.

Table 11.7: Physical Targets/Achievements 2012-13 (Nos.)

Sub Sector	2012-13		
	Targets	**Achievements**	**(%)**
A. Rural Health Programme			
New BHUs	40	32	80
New RHCs	10	7	70
Strengthening/Improvement of BHUs	45	37	82
Strengthening/Improvement of RHCs.	15	10	67
B. Hospital Beds	5000	4200	84
C. Health Manpower			
Doctors	5000	4400	88
Dentists	500	430	86
Nurses	4000	3300	73
Paramedics	5500	4500	82
TBAs	550	450	90
Training of LHWs	10000	8000	80
D. Preventive Programme			
Immunization (Million)	8	6	75
Oral Rehydration Salt (ORS) (Million Packet)	23	20	87

Source: Planning Commission of Pakistan

Health Programmes

To improve health status of the people and to reduce burden of disease a series of programs and projects are on track. Although vertical programmes in health sector have been devolved to the provinces, however, upon request of the provinces and in pursuance to decision of CCI, funding for these vertical programmes during the 7th NFC Award shall be catered by federal government. An amount of Rs. 20.5 billion was provided in Federal PSDP 2012-13 and there is utilization of approx. Rs. 12 billion by the end of March 2013. Although allocation for health care have substantially increased yet the same are not in commensurate with the needs of health sector. Beside effective utilization of fund is also a big constraint

Following programs and projects are funded through the Federal PSDP and implemented by the Provincial and area governments.

Programme for Family Planning and Primary Health Care;

The program has recruited more than 100,000 Lady Health Workers (LHWs). The total population covered under this program spread over 60 % in Balochistan to more than 80 % in Punjab. 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 new PC-I of provincial as well as area governments are under the process of approval in which salary packages of the staff of this program have been increased through regularization of their services in compliance of the orders of the Honorable 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. Still overarching issues of governance and monitoring needs attention at the district and sub districts level.

Expanded Program for Immunization:

EPI Program 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 penta-valent vaccine have been introduced with the help of UNICEF. Though after devolution this has become largely the responsibility of the provincial/area governments but federal EPI cell currently took the responsibility of the procurements, coordination and technical guidance whereas provincial EPI cell are largely responsible for implementation of the program. World Bank along with other financial partners WHO and JICA have largely contributed towards smooth implementation of the program. Still the issues of routine immunization in the out reach areas of FATA and Balochistan needs attention.

Malaria Control Program:

Malaria is a preventable and treatable disease. However, it is the 2nd most prevalent and devastating communicable disease in the country. More than 90% of disease burden in the country is shared by 56 highly endemic districts, mostly located in Balochistan (17 out of 29 districts), FATA (7 agencies), Sindh (12 districts) and Khyber Pakhtunkhwa (12 districts). Most of the reported cases from these districts are due to falciparum malaria which is the most dangerous form of malaria. Federally Administrated Tribal Areas (FATA) is the second highest malaria affected belt of the country which accounts for 12-15% of the total case load of the country. National strategy for Malaria Control is based on the following 6 key RBM elements:

(i) Early diagnosis and prompt treatment. (ii) Multiple prevention (iii) Improved detection and response to epidemics. (iv) Developing viable partnerships with national and international partners. (v) Focused operational research and (vi) National commitment.

Despite a significant progress over the years, malaria continues to exert significant health cost and burden worldwide . WHO is promoting the effective use of T3 strategy (test, treat and track) for malaria prevention and control. The WHO new initiative T3 urges malaria –endemic countries to move towards universal access to diagnostic testing and anti - malaria treatment to build control and surveillance system. International funding for malaria prevention and control has steadily increased and reached US $ 1.84 billion in 2012. Every year April 25th is observed as malaria day around the world.

TB Control Program:

Pakistan is ranked 6th amongst 22 high disease burden countries of the world. 40% of the burden of disease in Pakistan 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 total number of absolute cases is 211500 upto the third quarter of 2012 and the treatment success rate remained 91%. TB Control Program has achieved over 80% 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 in Pakistan. The programme is moving steadily to achieve the global targets of 70% case detection. There are areas where NTP has to improve suspect management, contact management, quality bacteriology services, engaging all care providers through public private partnership, inter-sectoral collaboration, monitoring and supervision, research for evidence based planning and advocacy communication and social mobilization.

HIV/AIDS Control Program:

Prevention and treatment of HIV/AIDS remain among the most important condition for resumption of human development activities across much of the regions. The objectives of the HIV/AIDS prevention programme are to prevent HIV/AIDS transmission and to promote safe blood transfusion. The number of injecting drug users has posed a threat of increasing numbers of total cases of HIV/AIDS in Pakistan. Still the prevalence of HIV/AIDS is considered to be as low as 1%, hence not considered a high risk country. The focus of the program is on behavior change communication (BCC), services to high-risk population groups, treatment of sexually transmitted infections (STIs), supply of safe blood and capacity building of various stakeholders. Till date 4,500 HIV positive cases have been reported to the AIDS Control Programs at federal and provincial levels. The program is technically supported by the UN agencies and Global Fund against AIDS, TB, and Malaria.

Maternal & Child Health Program:

Mother and Child health has been one of the priority areas of Public health in Pakistan. This program has been launched by the government in order 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. comprehensive Emergency Obstetric and Neonatal Care (EmONC) services in 275 hospitals/health facilities, basic EmONC services in 550 health facilities, and family planning services in all health outlets. Despite these modalities, Pakistan has shown a modest improvement in this segment and the Infant mortality rate and Child mortality rates are still very high as compared to the other countries in the region. It is envisaged that successful implementation of this project will bring these indicators in a respective range with improved health status of mothers and children.

Prime Minister's Program for Prevention and Control of Hepatitis in Pakistan:

All forms of hepatitis are of concern within a public health framework. The program envisages meeting the challenges posed by the high prevalence of viral hepatitis in the country. The program aims at 50% reduction in new cases of hepatitis B and C by 2015 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. A long awaited Safe Blood Transfusion project with the technical cooperation of GIZ and Kfw has been revived and is in the implementation process in all four provinces that will bring down the incidence of hepatitis in the country.

Drug Abuse:

Illicit drugs use, its production and trafficking has emerged as serious issue. According to the UNODC's "World Drug Report-2012", the illicit drug use continues to be rising in several developing countries. Pakistan being a neighboring country to Afghanistan which is producing about 90% of world's opium ; has been affected in many ways. It is estimated that around 25% of the illicit drugs traded though Pakistan have been consumed within Pakistan.

National Anti-Narcotics Policy-2010 is already in place. It is implemented in collaboration and cooperation of all international and national stakeholders in coordination with all provincial governments, Law Enforcement Agencies (LEAs), NGO and community organization.

Currently, there are 11 ongoing development projects in the fields of area development, drug demand and drug supply reduction and addicts, outreatment and rehabilitation, which are being implemented at a total cost of Rs.4.30 billion including local cost of Rs. 1.75 billion and Foreign Aid of Rs. 2.55 billion.

The seizures of Narcotics by Anti-Narcotics Force (ANF) during the period July 2012- January, 2013 are given in the table as below;

Table 11.8: Drug Seizures

S.No.	Kind of Narcotics	Quantity of Drugs Seized (in Kgs)
i	Opium	4,498.750
ii	Hashish/ Charas	17,299.825
iii	Heroin	1,991.331

Source: Narcotic Control Division

Cancer Treatment:

Cancer has been considered as one of the deadliest forms of non-communicable disease.The incidence of cancer is increasing worldwide, specially in developing countries including Pakistan. Pakistan Atomic Energy Commission's (PAEC) Cancer

Hospitals in four provinces are already providing diagnosis and treatment facilities to cancer patients, Nine new cancer hospitals are in the process of construction. Federal Breast Cancer Screening program have been launched in 2013 in Islamabad at PIMS for early diagnosis and screening of women.

Pakistan Atomic Energy Commission (PAEC) is using the nuclear and advanced techniques for diagnosis and treatment of cancerous and allied diseases It has established so far 15 cancer hospitals in various cities throughout the country while three others are in final stages of completion and expected to start functioning by June 2013.

PAEC cancer Hospitals are equipped with advanced, sophisticated and modern diagnostic facilities. Major services provided at these hospitals are Diagnostic and Therapeutic Nuclear Medicine, Hormonal Assay, Radiotherapy and Cancer Prevention and Awareness Programs.

PAEC hospitals are manned by skilled teams of more than 2000 professionals, including doctors, scientists, engineers and paramedical staff Besides treating about 2,66,899 patients in the reported period (July to December 2012), the PAEC continued working on the following projects:

03 Hospitals in KPK Province have been almost completed. These are expected to start full functioning by June 2013.

Addition of latest and advanced Diagnostic & Therapeutic facilities to come at par with international standard is also under progress and PET/ CT facility at PAEC Cancer Hospital (INMOL), Lahore has been added and patients throughout Pakistan are being benefited.

PEAC Cancer Registry Program (PCRP), started in 2007 is now in final phase and is expected to be completed by August 2013.

Patients in remote areas also benefited with Mobile Breast Care Clinics being arranged on fortnightly and monthly basis for awareness, diagnosis and treatment of patients.

Food and Nutrition:

Food security and supply impact the nutritional well being and improvement of human resources. The increased food prices in recent past results in high food cost having impact on nutrition status of the people and attainment of MDG relevant targets. It is still assumed that lack of food is the only reason for malnutrition. Hence, the problem of food insecurity deserve to be tackled through a strategic approach by taking the demand, supply and its distribution factors into account.

Food availability and consumption are the indicators to assess food adequacy. According to food balance sheet, the availability of essential food items has been at adequate level to meet national food needs. The average calories estimation through food balance sheets during last five years remained above 2400 calories and protein 70gm per capita per day. During the fiscal year 2012-13 it has been around 2450 calories per capita per day. The five year overview of food availability pattern for major food items is given in Table 11.9 and Fig-11.2.

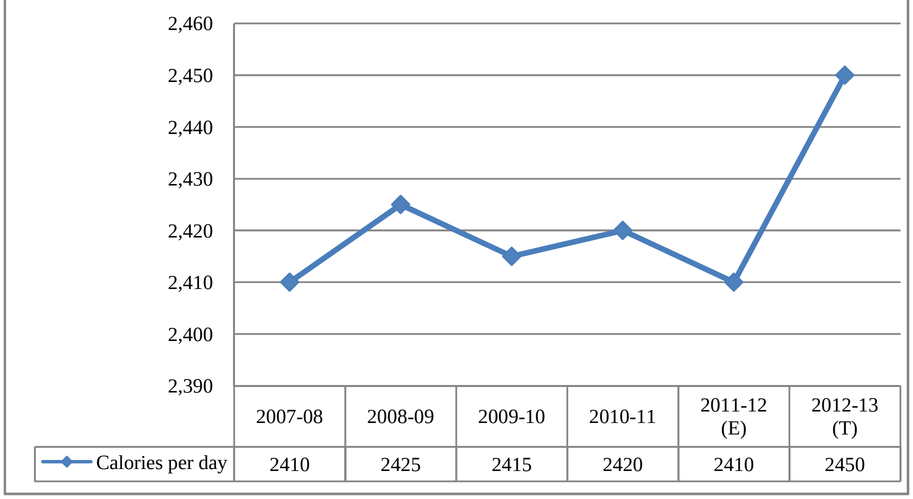
Table 11.9: Food Availability per capita

Items	Year/ units	2007-08	2008-09	2009-10	2010-11	2011-12 (E)	2012-13 (T)
Cereals	Kg	158.1	160.3	158.8	158.7	159.0	160.0
Pulses	Kg	7.2	5.8	6.8	6.7	6.4	6.7
Sugar	Kg	30.0	25.6	26.1	26.5	30.4	31.0
Milk	Ltr	165.4	167.2	169.1	169.8	169.0	170.0
Meat	Kg	20.0	20.0	20.5	20.9	20.4	21.0
Eggs	Dozen	5.5	5.6	5.8	6.0	6.0	6.0
Edible Oil	Ltr	12.8	12.5	12.6	12.6	12.7	13.0
Calories per day		2410	2425	2415	2420	2410	2450
Protein per day (gm)		72.0	72.5	71.5	72.0	71.5	72.5

Source: Planning Commission of Pakistan

The national costs of malnutrition are very high: a vicious intergenerational cycle of poor health, high death rates, poor quality of life, decreased mental capacity and reduced worker productivity. Thus improvements in nutrition and food adequacy are important for a healthy productive life as well as for sustained economic growth and development.

Fig-11.2: Calories per day



The overall supply of major food items sustained on one hand, but average retail prices of essential items over the period have an overall increasing trend impacting consumption of essential food items. The cost of the minimum food basket for the fiscal year 2012-13 (July-12 to February-13) remains fluctuating however, a cumulative increase of about 3 percent from Rs.1,875 to Rs.1,928 was noted.

To address and overcome malnutrition problems in provinces and federal territories, an effective multi-sectoral approach has been adopted, and an Integrated Nutrition Policy Guidance Notes and Strategic & Operational Planning for Development of a National Nutrition Policy and formulation of plans for five years have been completed. The micronutrient deficiencies are being addressed through food fortification/ supplementation and awareness programs remained in progress mainly through LHW covering more than 60% of population.

Universal Salt Iodization (USI) expansion along with the improvement in Quality Management System (QMS) is being focused and a generic safety and quality manual has been prepared. It will assist the salt producers, regulatory and monitoring authorities to overcome quality issues. Institutionalization of internal and external quality of fortified food products has been taken up across provinces.

A National Zero Hunger Program, collaboration of public sector and UN agencies is being finalized to address hunger and malnutrition in the country. This program aims to reach to most food insecure and vulnerable sections of society across the country particularly malnourished children, primary school children and pregnant women, by provision of nutritious and fortified food commodities.

Food security and social safety net measures in terms of Benazir Income Support Program (BISP) and Pakistan Bait-ul-Mal constantly provided cash incentives to the poorest of the poor households to reduce the impact of food inflation and to improve nutritional status of population.

New initiative for Management of Severe Acute Malnutrition & Nutrition Surveillance has been initiated and under process of progress. Regional training and development of the manual for management of Severe Acute Malnutrition has been developed for implementation.

Conclusion:

The chapter attempts to highlight health practices and activities carried out during the on going fiscal year as well as to present the prevailing situation regarding the provision of health facilities in Pakistan. The role of public and private institutions toward provision of health coverage to the overall population is discussed in a comprehensive way. The chapter also discusses the progress on the status of MDGs targets among the regional countries with focus on health related indicator. The chapter is mainly based on data from Pakistan Bureau of Statistics (PBS), Planning and Development Division (P&D), Narcotics Control Division and other public data depositories. A fair detail is provided on health programmes implemented by Federal, Provincial and Local governments. The efforts are also made to indicate the contribution of donors in the provision of health facilities. Various estimates and comparison highlights some prominent findings like the health of the people has improved but the rate of improvement in health out comes in some respects has been slow compared to its neighboring countries. The pace of improvement is not satisfactory due to various reasons like resources constraints and rapid growth of population.

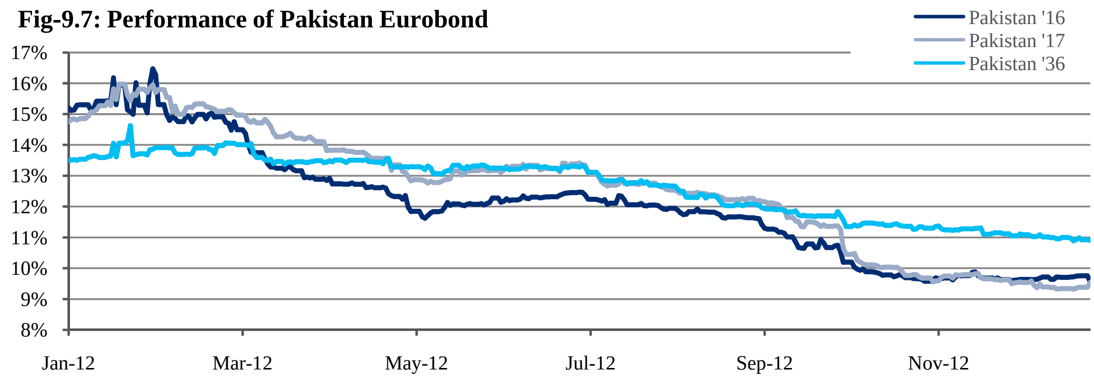
The gradual improvement in course of trading level suggests confidence of international investors in Pakistan's credit. This outlook is further affirmed by Standard and Poor's which maintained its stable outlook on the country credit. The following table contains the latest position of bonds issued by Pakistan:

Table-9.9: Selected Secondary Market Benchmarks

Issuer	Ratings (Moody's/S&P)	Coupon (%)	Maturity	Spread over UST (bps)	Yield (%)
Pakistan	Caa1/B-	7.125	March 2016	840	8.707
Pakistan	Caa1/B-	6.875	June 2017	782	8.496
Pakistan	Caa1/B-	7.875	March 2036	804	10.926

Source: Bloomberg, as at April 30, 2013

Fig-9.7: Performance of Pakistan Eurobond



9.6 Conclusion

Pakistan's public debt position declined slightly in the current fiscal year owing to host of internal and external factors. Internally, the fragile law and order situation, growing burden of subsidies, ailing Public Sector Enterprises (PSEs) and increasing debt servicing requirement caused substantial fiscal imbalance. On the other hand, things remained equally challenging on the external front where the foreign exchange outflows outstripped foreign inflows, putting immense pressure on the exchange rate and drawdown on official foreign currency reserves. Despite rising absolute debt levels, the debt as a percentage of GDP has remained in proximity to around 60 percent since 2007-2008. Prudent government policy will be necessary to address the issue of public debt.

Chapter 12

Population, Labour Force and Employment

Persistent efforts to control population through family planning programs and improved education facilities helped in controlling population growth and resultantly, the world population growth slowed down. The comparison of population data published by Population Reference Bureau shows that the world population growth rate reduced from 1.4% in 2011 to 1% in 2012. Nevertheless the decreased growth rate added 71 million people in global population, and the total world population crossed the figure of 7 billion at the end of June 2012. Each year the number of human beings is on the rise, but the availability of natural resources, required to sustain this population, to improve the quality of human lives and to eliminate mass poverty remains finite.

Resultantly, these resources are becoming scarce and incapable of fulfilling ever increasing demand of population. The main affectees of increasing population are the developing countries where population growth rate is higher than developed countries while availability/use of natural resources is scarce as compared to developed world. However, this issue can be handled by advancement in technology and human resource development. Increased investment in the technology development and higher labor productivity through improvement in education, health and training facilities are the main modes of increasing productivity of human resources.

Pakistan is sixth most populous country in the world with an estimated population of 184.35 million in 2012-2013. The growth rate of population during 2012-2013 is 2.0 percent. Under current circumstances, it is expected that Pakistan will attain fifth position in the world in terms of total population in 2050. However, population especially working age population can become asset of a country and can help the country to prosper at greater rate. It is estimated that median age in Pakistan is 22 years which means Pakistan is a young country. The total population of Pakistan in 2012-13 is 184.35 million out of this; the working population is 110 million which is the 60 percent of total population. This means that the country has abundant economically active human resource. However, this human resource is not being utilized properly due to lack of human resource development programs.

Population and Demographic Indicators

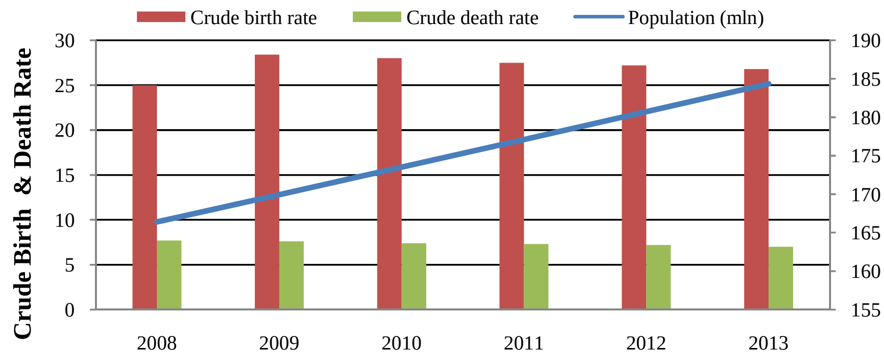
The Crude Birth Rate (CBR) and Crude Death Rate (CDR) are main statistical values that can be utilized to measure the trends in structure and growth of a population. Crude Birth Rate (CBR) or simply birth rate is the annual number of live births per one thousand persons. The Crude Birth Rate is called "Crude" because it does not take into account age or sex differences among the population. Crude Birth Rate of more than 30 per thousand are considered high and rate of less than 18 per thousand are considered low. According to the World Population Data Sheet, the Global Crude Birth Rate in 2012 was 20 per thousand. The CBR in Pakistan is estimated at 26.8 per thousand in 2012-13 while in 2008 it was 25.0 per thousand, this shows the improving trend.

Similarly, the Crude Death Rate measures the rate of deaths per one thousand people in a given population per year. Crude Death Rate of below 10 per thousand is considered as low while above 20 per 1000 is considered as high death rate. The Global Crude Death Rate at the end of June 2012 was 8 persons per 1000 whereas in Pakistan it was 7.2 per thousand during the same year. It is worth mentioning that crude death rate decreased from 7.7 per thousand in 2008 to 7.0 per thousand in 2012-13. Both of these statistics shows the improving trends on the population front. Low death rates primarily reflect improved child survival rates, and child survival is a key determinant in family size.

Globally birth and death rates have declined over the past several decades and resultantly life expectancy has improved. People are living longer in both industrial and developing countries because of increased access to immunization, primary health care, and disease eradication programs. In Pakistan life expectancy has also increased from 65.8 (female) and 63.9 (male) in 2010-11 to 66.1 (female) and 64.3 (male) in 2011-12 and further improved in

2012-13 and reached at 66.5 (female) and 64.6 (male).

Fig-1: Population Overview



Source: National Institute of Population Studies (NIPS)
Population Census Organizations

Population growth rate (PGR) is another important factor used for the projection of population. It reflects the number of births and deaths during the period and the number of people migrating to and from a country. Due to the slowing of birth rates, population growth rates have started to decline in many countries of the world, but it still remain high in those countries where birth rates have not fallen as rapidly as death rates. The PGR in Pakistan has shown improvement and it decreased from 2.05 percent (2010-11) to 2.03 percent in 2011-12 and 2.00 percent in 2012-13.

Table 12.1: Selected Demographic Indicators

	2010-11 (1st July)	2011-12 (1st July)	2012-13 (1st July)
Total Population (Million)	177.1	180.71	184.35
Urban Population (Million)	65.3	67.55	69.87
Rural Population (Million)	111.8	113.16	114.48
Total Fertility Rate (TFR)	3.5	3.4	3.3
Crude Birth Rate (Per thousand)	27.50	27.20	26.80
Crude Death Rate (Per thousand)	7.30	7.20	7.0
Population Growth Rate (Percent)	2.05	2.03	2.00
Life Expectancy (Year)			
- Females	65.8	66.1	66.5
- Males	63.9	64.3	64.6

Source: Planning Commission of Pakistan, National Institute of Population Studies (NIPS)

Population Density

The term population density is number of persons per sq.km and is estimated by dividing midyear population with land area. According to a World population data sheet published in 2012, Bangladesh has 1, 062 people/sq.km is considered most densely populated country in the region as compared to other regional countries like Maldives with 1,110 people /sq.km, India 383 people /sq.km and Sri Lanka has 323 people /sq.km.

The Population density in Pakistan is 231 in 2012-13. Due to uneven distribution of population, its density in Pakistan varies dramatically, ranging from scarcely populated arid areas, especially in Balochistan to some of the highest urban densities like Karachi and Lahore.

Age Composition of Population

Age composition of a population is the number of people in different age groups in a country. It is one of the most basic characteristics of a population. A person's age influence what he needs, buys, does, and thinks. The study of age composition of population is also helpful in determining the proportion of the labour force in total population. It also facilitates in understanding about the dependent population, longevity and aged population. According to age composition, population of a nation is categorized into three broad groups. These are Children (young), adult (middle age) and aged (old age). Numbers and percentage of a population within these groups determine population's social and economic structure. A projection of the population structure by NIPS is presented below:

Table 12.2: Population by Age Groups (Million)

Age Group	1998	2011	2012	2013	2015	2020	2025	2030
00-04	19.59	22.02	22.22	22.40	22.76	23.28	22.44	20.35
05-09	20.72	20.40	20.63	20.87	21.33	22.35	22.95	22.18
10-14	17.14	19.94	19.73	19.56	20.07	21.24	22.28	22.88
15-19	13.73	20.27	20.57	20.78	20.12	20.01	21.19	22.24
20-24	11.88	17.72	18.22	18.72	19.8	20.05	19.95	21.14
25-29	9.76	15.25	15.70	16.16	17.13	19.71	19.98	19.89
30-34	8.24	12.95	13.40	13.85	14.72	17.04	19.62	19.91
35-39	6.32	10.83	11.19	11.57	12.4	14.62	16.94	19.53
40-44	5.89	8.90	9.34	9.69	10.36	12.27	14.49	16.81
45-49	4.68	7.32	7.58	7.85	8.49	10.2	12.01	14.31
50-54	4.26	6.01	6.22	6.44	6.88	8.26	9.95	11.84
55-59	2.86	4.83	4.99	5.16	5.53	6.57	7.93	9.6
60-64	2.72	3.78	3.90	4.03	4.31	5.13	6.14	7.45
65+	4.64	6.81	7.04	7.28	7.82	9.39	11.39	13.93
Total	132.43	177.03	180.71	184.35	191.72	210.12	227.26	242.06

Source: National Institute of Population Studies, Planning Commission of Pakistan.

Table 12.2 illustrates the distribution of population of Pakistan according to the age group. The population in the group (children between 0 to 14 years of age) increased very marginally i.e. from 62.36 million in 2011 to 62.83 million in 2013. This group is economically unproductive and need food, clothing, education and medical care. They depend upon working population for their necessities. Countries with young population need to invest more in schools colleges and technical institutes.

The adult population is considered as wealth of a nation in terms of human resource. Adult population (15-59) has increased from 104 million in 2011 to 110 million in 2013. This age structure of a population affects a nation's key socioeconomic issues. These people are economically productive and they comprise the working population. Nevertheless, the rapid growth in this group can become problematic, if they are unable to find employment. However, the government with appropriate polices can utilize this youth bulge for the development of the economy. The population in third group (60 years and above) has shown a mild increase i.e. less than one million during 2011 to 2013 period.

Total fertility

Fertility is a general term covers the relationship between the current population (typically the current female population) and current numbers of births. Total fertility rate represents the number of children that would be born to a woman if she were to live to the end of her childbearing years and bear children in accordance with current age-specific fertility rates. The fertility rate has rapidly declined in those countries which achieved major improvements in child survival rates and educational levels and have implemented family planning programs as well. The increased access to family planning is helping parents to control the number and spacing of their children. In addition, with greater access to education and jobs more women are starting their families later and are having fewer healthier children**.**

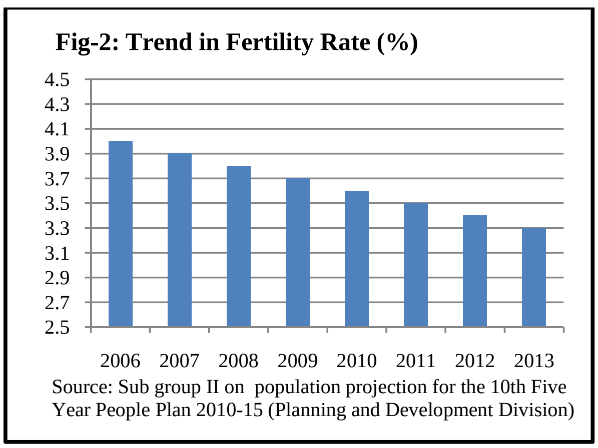


Figure 2 gives the details about fertility rate in Pakistan. As is evident from the figure the fertility rate is continuously declining and reached at 3.3 in 2013. There are number of reasons for declining fertility rates in Pakistan. However, the main reasons are the introduction of the family planning methods, increased workforce participation by women and increased costs of child rearing. Fertility rates are lower in urban than in rural areas in Pakistan.

Population Welfare Programme

Reduction in population growth is one of the top priorities of the government as this will help in attaining a balance between country's resources and population leading to sustainable socioeconomic development. In this context family planning programs contribute significantly. Population Welfare Programme is an ongoing social development endeavor operating within the framework of nationally accepted broad-based and strategically focused population and development policies. Since its launching the Population Welfare Programme has gone through many phases in terms of administrative and financial setup.

Family Welfare Centre (FWC): The population welfare program has established 2891 family welfare centres (FWC) during 2011-12. The FWC is the cornerstone of Pakistan's Population Welfare Programme. These centers constitute the most extensive institutional network in the country for promoting and delivering family planning services in both urban and rural areas. As a static facility it serves a population of about 7000 persons while operating through its satellites clinics and outreach facility, an FWC covers a population of about 12000 persons.

Reproductive Health Services Centers: The Reproductive Health Service Centers are the major clinical component of the Pakistan's Population Welfare Programme. They provide services through RHS-A Centers and RHS-B Centers. The government has launched 207 Reproductive Health Centres –A and 133 Reproductive Health Centres –B in 2011-12.

Reproductive Health Services-A (RHS-A) Centers: The RHS-A centers are hospital-based service delivery units. They provide contraceptive surgery facilities for women and men with safe and effective backup medical support.

Reproductive Health Services-B (RHS-B) Centers: These are well - established hospitals and clinics with fully-equipped operating facilities (operation theatre facilities, beds for admission, post-operative care, sterilization and emergency resuscitation equipment, etc.) and trained work force.

Mobile Service Units (MSUs): The MSUs are the flagship of the Population Welfare Programme. These provide a package of quality Family Planning/Reproductive Health (FP/RH) services to the people of those remote villages and hamlets where no other health facility exists. The MSUs operate from specially-designed vehicles which carry with-in them all the facilities of a mini clinic ensuring complete privacy for simple gynecological procedures.

Regional Training Institutes (RTIs): The RTIs provide skill-based training in FP/RH for all categories of health care providers i.e. doctors, medical students, nurses, student nurses, lady health visitors and other paramedics. The RTIs also undertake activities focused on raising the awareness level of hakims, homeopaths, community health workers, teachers and college students. At present 12 Regional Training Institutes are providing training to different groups of the community.

Table-12.3: Physical and Contraceptive Users Targets

(Cumulative Number) Name of Service Outlet / Unit	2011-12 (Target)	2011-12 (Achievement)	2012-13 (Target)
Public Sector			
Family Welfare Centers (FWCs)	3,427	2,891	3,427
Reproductive Health-A Centers	269	207	269
Mobile Service Units (MSUs)	300	292	300
Private Sector			
RHS-B Centers	184	133	184
Registered Medical Practitioners (RMPs)	27,576	9,297	27,576
Hakeems and Homeopaths	14,009	8,071	14,009

Source: Planning Commission of Pakistan

Regional Demographics

Many countries that prospered in recent decades did only after their populations stabilized. Not surprisingly nearly all regional countries have actively focused on family planning programs. These countries were chosen since many of these had similar population indicators in the 60s and 70s and they started their family planning programs in the 60s or so as did Pakistan. The Asian Continent has a population of 4260 million with an annual growth rate of 1.0 percent and total fertility rate 2.2 per women.

Contraception uptake is the most effective process that can reduce fertility in a country. Almost 90 percent Pakistani women are well informed about family planning methods but its usage is not high. Contraceptive prevalence rates in Pakistan are the lowest among all the different countries compared and has increased marginally from 27 percent in 2011-12 to 30 percent in 2012-2013. While Pakistan's regional neighbours have achieved CPR that is double or more as compared to Pakistan.

Iran is a muslim country that has achieved 73% contraception uptake among the married couples which is comparable to developed countries. This has enabled Iran to experience one of the fastest fertility reductions in the world. Iran's fertility transition has resulted in universal access to health care and family planning, a dramatic rise in female literacy, and strong support from religious leaders. Bangladesh reduced its fertility remarkably by increasing contraceptive use through effective large scale family planning models. The biggest increases in CPR was achieved through NGO run programs that provided diverse method choices, door-step and facility based services. Bangladesh has also done extremely well in raising the educational level of its people especially women. Given its limited resources the government has put high priority on girls's education which has helped in increasing the level of awareness of women and thereby decreasing fertility trends. The neighbouring country India is a large country with the 2nd largest population in the World. India is first country which launched well defined family program in 1951. Approximately 55 percent couples practice FP.

Pakistan's total fertility rate (TFR) is one birth more than India and Bangladesh and two births more than Iran's TFR. The slower decline in TFR is due to the slow usage of family planning methods because people have fear about their quality and side effects. Table 12.4 and 12.5 provide a comparison with regional and Islamic countries on Total Fertility (TFR), Contraceptive Prevalence Rate (CPR) and Population Growth Rate (PGR).

Table 12.4: Family Planning Indicators of Regional Countries-2012

Country	**Total Fertility Rate**	**Contraceptive Prevalence Rate %**	**Population Growth Rate%**
Asia	2.1	67	0.9
Bangladesh	2.2	56	1.3
Bhutan	2.3	66	1.5
India	2.5	55	1.3
Maldives	1.7	35	1.3
Nepal	2.6	50	1.7
Sri Lanka	2.2	68	0.8
Pakistan	3.4	30	2.03

Source:
i) State of the world population 2012, United Nation Fund for Population Activities (UNFPA) Population Projection by Planning Commission's Working Group on Population Sector, 2010
ii) Sub Group II on Population Projections for the 10th Five Year People's Plan 2010-15

Table 12.5: Family Planning Indicators of Muslim Countries-2012

Country	Total Fertility Rate	Contraceptive Prevalence Rate %	Population Growth Rate%
Egypt	1.7	60	2.6
Morocco	2.2	63	1.0
Turkey	2.0	73	1.1
Iran	1.6	73	1.0
Indonesia	2.1	61	1.0
Malaysia	2.6	49	1.6
Pakistan	3.4	30	2.03

Source:
i) State of the world population 2012, United Nation Fund for Population Activities (UNFPA) Population Projection by Planning Commission's Working Group on Population Sector, 2010
ii) Sub Group II on Population Projections for the 10th Five Year People's Plan 2010-15

Urbanization

The world is undergoing the largest wave of urban growth in history. In 2008, for the first time in history more than half of the world's population was living in towns and cities. By 2030 this number will swell to almost 5 billion. Population growth and urbanization go together and economic development is closely correlated with urbanization. The more urbanized a country the higher is the level of individual income. No country has ever reached high income levels with low urbanization and mostly rich countries have higher levels of urbanization. Population growth together with rural urban migration increases density and creates higher urban agglomeration. This is the phenomenon which is critical for achieving sustained growth as large urban centers allow for innovation and increase economies of scale.

Table 12.6: Urban and Rural Population (Millions)

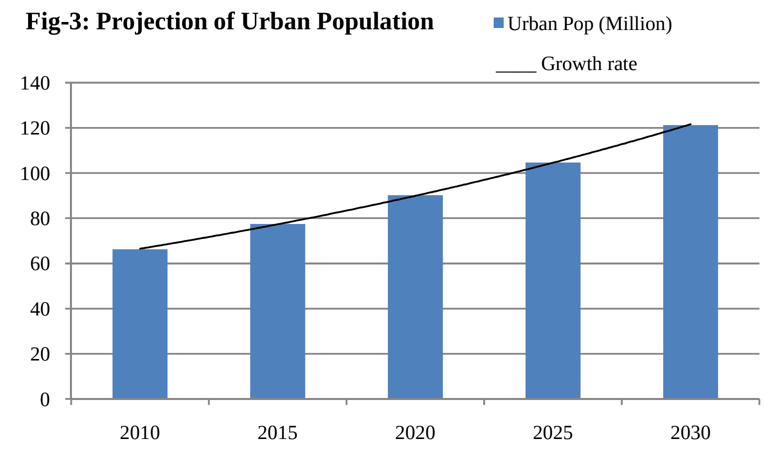
Year	Urban Population	Rural Population
2008	58.74	107.67
2009	60.87	109.07
2010	63.05	110.46
2011	65.28	111.82
2012	67.55	113.16
2013	69.87	114.48

Source: Population Census Organization, National Institute of Population Studies(NIPS)

Pakistan is the sixth most populous country in the world and the second largest country in South Asia. Pakistan's urban population is expanding rapidly. The population in urban areas increased from 58.74 million in 2008 to 69.87 million in 2013. Table 12.6 gives the detail, of urban and rural population in Pakistan during last six years. If the current pattern of urbanization continues, the urban population of Pakistan will cross the figure of 122 million in 2030, which is 50 % of total population of the country (Figure-3).Urban growth which is mostly due to natural increase is inevitable. However, the speed and size of the growth are not fixed and vary widely among different regions of the country.

The major contributor of urbanization is migration. Migration is the process of movement of people in search of social and economic opportunity. Cities generate jobs and income. With good governance they can deliver education, health care and other services more efficiently than less densely settled areas simply because of their advantages of scale and proximity. Cities also present opportunities for social mobilization and women's empowerment. Furthermore, the density of urban life can relieve pressure on natural habitats and areas of biodiversity.

Fig-3: Projection of Urban Population



Millennium Development Goals

In 2000, the global community under the umbrella of the United Nations adopted the Millennium Declaration and committed themselves to work collectively towards improving the lives of billions of poor individuals around the world. Subsequently, in 2001 a team of UN experts created a set of Millennium Development Goals (MDGs) with indicators. As inter-governmental processes did not play any part in the creation of these goals and indicators, many governments and NGOs for the first five years of the millennium treated the latter with doubt and opposition. However, by the second half of the decade, the MDGs had gained grip in many developing countries and development partners. There are eight MDGs and these are to be achieved by 2015.

1. Eradication of extreme poverty and hunger
2. Achievement of universal primary education
3. Promotion of gender equality and women's empowerment
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria, tuberculosis and polio
7. Promotion of environmental sustainability
8. Develop a global partnership for development.

These goals have been set to lead the country towards economic development with better life style of the population and gender equality. The goals specifically relevant to population welfare are goal 3, 4 and 5 which are discussed below.

Promote Gender Equality and Women's Empowerment.

MDGs remain government's priority and pursued in tandem with other international commitments regarding women empowerment, "Convention for Elimination of Discrimination against Women (CEDW)", the Beijing Platform of Action, and several other UN human rights conventions and covenants.

The policies/plans have been realigned in socio-economic and legislation domain to achieve the MDG target. At the national level major initiatives include Women Crisis Centers establishment, Women's Empowerment Policy, the National Plan of Action, the Gender Reform Programs, and the Benazir income Support Program (BISP) besides ensuring bias free workplace through law. On the political front, Women parliamentary Caucus is working as a bipartisan and across the board group of all women parliamentarians; legislation for women such as granting of 10 percent quota in public sector and reserving seats in parliament and at union council level is facilitated.

The passage of numerous bills and legislations has been aimed at empowering women. The "Prevention of Anti-Women Practices (Criminal Law Amendment) Bill" makes it unlawful to deprive a woman of her rightful inheritance through "deceitful or illegal means", force a woman into marriage to settle a civil or criminal dispute; and "compel or arrange or facilitate" a woman's 'marriage' to the Quran. In order to provide legal safety nets to working women the "Protection against Harassment of Women at the Workplace Act, 2010" was made mandatory at organizations. Similarly, The Criminal Law (Amendment) Act, 2010 was passed with amendments in Section 509 of the Pakistan Penal Code relating to sexual harassment at the workplace. Moreover, the "National Commission on the Status of Women Bill 2012" was approved to protect women's right against discrimination, thus providing financial and administrative autonomy to the Commission.

Second indicator is the Gender Parity Index (GPI) for primary and secondary education, in terms of GPI in primary education, a slow but steady pace of progress has been achieved. The GPI in primary education has increased from 0.73 percent in 1990-91 to 0.90 percent in 2011-12. The GPI of secondary education is consistently stagnant 0.8 percent since 2006-07. Pakistan has made consistent progress over the years towards the achievement of third indicator (Youth Literacy GPI) of Goal 3. Youth Literacy GPI has increased from 0.51 in 1990-91 to 0.81 in 2011-12. Fourth indicator is the consistently increase of women's share in wage employment in the non-agricultural sector from 8.07 percent in1990-91 to 10.64 percent in 2007-08.

Reducing Child Mortality

There are six indicators relating to Goal 4. First indicator is the decline in under five mortality rate from 140 in 1990-91 to 52 by 2015. Over the 1990-91 to 2010-11 the child mortality has declined to 72 percent. Special efforts would be required to meet the target. Second, infant mortality rate of 102 in 1990-91 is to be reduced to 40 by 2015. The infant mortality rate has declined to 67.50 percent in 2013. Third, proportion of fully immunized children of 12-23 month should exceed 90 percent by 2015. Since in 1990-91 the proportion was 75 percent the target looked within reach but by 2010-11 the proportion barely increased to 81 percent. Fourth, proportion of children immunized against measles in the age bracket of less than 1 year is to be increased to more than 90 percent. Fifth indicator relates to the children suffering from diarrhea and the proportion fell from 26 percent in 1990-91 to 11 percent in 2010-11. Since the proportion has already declined from 26 to 11 percent the target is likely to be achieved. Sixth, Lady Health workers coverage is to be universal by 2015. In 2000-01 the coverage was 33.6 and it had reached to 83 percent by 2010-11. The target seems to be easily achievable.

Improve Maternal Health

The Maternal Mortality Rate in 1991 was 533 which has reduced to 276 in 2010-11. Second, the proportion of birth attended by skilled health personal has improved from 18 in 1990-91 to 55 in 2010-11. In terms of these two indicators, Pakistan while attaining some success has a considerable distance to meet the MDG targets by 2015. The third indicator related with health improvement is contraceptive prevalence rate (CPR).The CPR was 12 in 1990-91 and increased to 30 percent in 2012. Again the country is far behind the target i.e. 55 by 2015. The antenatal care also shows low progress towards the 2015 target. From the available data it is clear that many of the specific targets for this goal will not be met in the immediate future and it will be challenging to meet the targets in 2015.

Labour Force and Employment

The world facing a serious jobs challenge and widespread of decent work deficits. In the fifth year after the outbreak of the global financial crisis, global growth has decelerated and unemployment has started to increase again leaving an accumulated total of some 197 million people without a job in 2012. Despite a moderate pick-up in output growth expected for 2013-14, the unemployment rate is set to increase again and the number of unemployed worldwide is projected to rise to more than 202 million in 2013 and by another 3 million in 2014. However, in terms of unemployment rate the baseline projection of international labour organization shows no change in the global unemployment rate between now and 2016 remaining at 6 per cent of the global labour force.

Pakistan has the 9th largest labour force in the world. According to the labour force survey 2010-11, the total labour force in the country was 57.24 million. Out of this labour force, 3.40 million people are unemployed and 53.84 million people are employed as shown in the Table given below. However unemployment rate decreased marginally from 7.7 percent in 2003-04 to 5.9 percent in 2010-11.

Table 12.7: Civilian Labour Force, Employed and Unemployed for Pakistan (Million No.)

Year	2003-04	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Labour Force	45.5	50.05	50.33	51.78	53.72	56.33	57.24
Employed	42.0	46.95	47.65	49.09	50.79	53.21	53.84
Unemployed	3.5	3.1	2.68	2.69	2.93	3.12	3.40

Source: Labour Force Surveys
Note: LFS 2011-12 was not published

Productive workforce plays a major role in attaining the potential economic growth through competitiveness. It enhances productivity and increase competitiveness. The government has adopted new growth strategy which focuses on both employment and income generation. On employment front, both employment expansion and activation polices are pursued to absorb the growing labor force. The policies on employment expansion generate demand for labor while policies on employment activation are main source of improving supply of labor force. The Frame Work for New Growth gives importance to youth population and suggests innovative and entrepreneurial education for youth to solve the problem of unemployment.

Employment promotion polices

The policy focus of the government is on creation of decent employment opportunities and human resources development. The following specific policies and programs proved very helpful in employment generation and human resources development.

Sectoral Development

To give a boost to agriculture sector a number of projects have been initiated to develop water resources to increase the availability of sufficient irrigation water. These projects include raising the crest of Mangla Dam and construction of Mirani Dam, Subak Zai Dam, Sat Para Dam and Gomal Zam Dam. Similarly, Greater Thal, Rainee and Kachhi canals are being constructed to take water to the areas where land remained un-cultivated. The construction of Bhasha Diamer Dam has been started and it will be a vital source of employment generation in various fields. The government has also launched a project/scheme namely “Land and Water Resources Development Project” Benazir Tractor Scheme, Awami Zarai Scheme and Rural Development Scheme for promoting agriculture sector. This will have a positive development impact on industrial and services sectors for maximum generation of employment opportunities in the country.

Micro Credit Facilities through SME Bank

SME Bank has been established to provide financial assistance and business support to small and medium enterprises. SME Bank has disbursed loans amounting to Rs.10, 206 million and 41,587 persons have been benefited from this financial assistance. SME Bank can take special initiatives to boost SMEs for employment generation in the coming financial years.

Micro Credit Facilities through Khushhali Bank

The Khushhali Bank (KB) has been established to provide loans up to Rs.30,000 to unemployed people to set up their own businesses. The bank has disbursed loans amounting to more than Rs.27, 369 million and more than 2,398,603 persons have been benefited from this financial assistance while the KB loans recovery is around 97%.

President's Rozgar Scheme by National Bank of Pakistan (NBP)

The solution of Pakistan's major socio-economic problems primarily lies in the development and growth of small and micro businesses. In this regard, NBP has developed a full range of products under the President's Rozgar Scheme with a brand name of "NBP KAROBAR". Under this scheme, an average loan size of Rs.100,000 is being given for a maximum period of five years with a grace period of three months.

Information Technology

Information Technology has enormous potential to create jobs for the educated unemployed in the country. The development of information technology and telecom sector has created enormous employment opportunities, directly or indirectly, for educated unemployed in a wide range of areas like call centers, telecom engineering, telecom sales, customer services, finance and accounting etc.

Overseas Employment

The government is making every effort to boost overseas employment. In this regard, MoUs have been signed with a number of labour importing countries e.g. UAE, Qatar, Malaysia and Saudi Arabia. The government has planned to send at least 600,000 skilled workers abroad annually. Recently, government has announced the National Policy for Overseas Pakistanis which aimed at to protect conserve and restore legal rights of overseas Pakistanis and their families abroad and in Pakistan, provide greater access to education and training particularly tailored to identify labour/market needs internationally, assist the integration of returning overseas Pakistanis, by providing full support and facilities, prepare new schemes incentives to attract investment from overseas Pakistanis and motivate and encourage overseas Pakistanis to save and send their remittances through legal channels.

National Internship Program (NIP)

The scheme intends to provide financial relief to fresh graduates and to facilitate their employability by providing them real work experience. During the year 2010-11, 30,000 internship were planned by the government under the NIP, out of which 22,757 (76%) fresh graduates were engaged in various government departments. This is the first badge of candidates that is being placed after the devolution of Ministry of Youth Affairs. For the next year, NIP target is to place 30,000 to 40,000 interns and in the past three years, NIP has offered internships to 85,000 young people with an attractive monthly stipend of Rs.10,000.

Pakistan Skilling Programme

National Vocational and Technical Training Commission (NAVTTC) has been established with a view to overcome lack of standardization, skill gap, non-availability of proper curricula, poor quality of instructional staff, inadequate accreditation/ certification, and poor infrastructure to enhance technical education and vocational training capacity and to bring harmony and develop linkage between technical education and vocational training. NAVTTC is giving Rs.2000/- per month to each trainee during the training course. Presently, 1522 technical institutes with enrollment of 314,188 are working in the country and providing technical skills to the labour force. It is also being planned to produce one million skilled labour forces per year. Five Skill Development Councils (SDCs) have also been established to meet the diversified training needs of the industrial and commercial sectors and have so far trained more than 50,000 workers.

Employment by Sectors

Most of the labour force in Pakistan works in the rural areas where agriculture is the dominant activity. The total labour force working in the agricultural sector remained unchanged during the

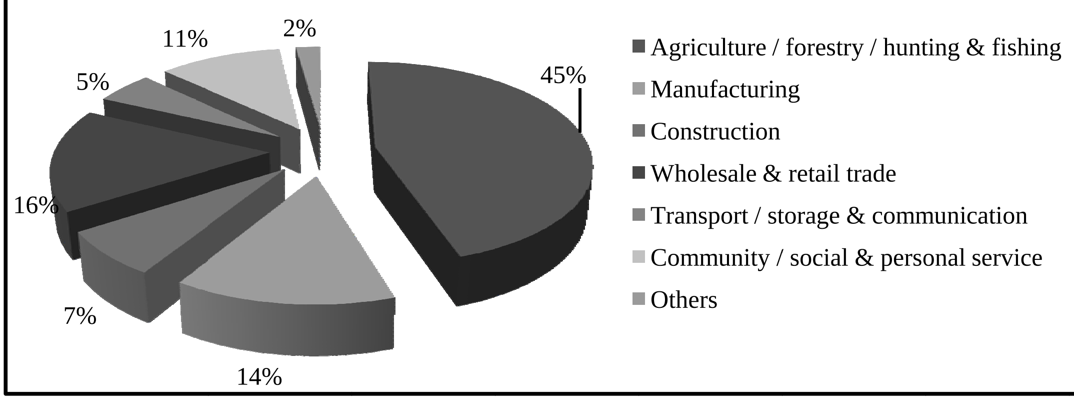
2008- 2011 period. However, female participation has shown an increase of 1.4 percent during this period. Contrary to that the male participation shows a declining trend. The manufacturing and construction sector are also playing an important role in the provision of employment. In these sectors the total participation rate has increased while the female participation rate has declined in 2010-11 as compared to 2008-09. The wholesale, transport and community sectors, however did not provide employment opportunities and therefore their share is reduced during this period.

Table-12.8: Employment Shares by Industry (%)

Major Industry Divisions	2008-09			2009-10			2010-11		
	Total	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Agriculture/ forestry/ hunting & fishing	45.1	37.3	74.0	45.0	36.6	74.9	45.1	36.2	75.4
Manufacturing	13.0	13.3	11.9	13.2	13.9	11.0	13.7	14.5	10.9
Construction	6.6	8.3	0.4	6.7	8.5	0.3	7.0	8.9	0.2
Wholesale & retail trade	16.5	20.5	1.6	16.3	20.2	2.1	16.2	20.4	1.6
Transport/ storage & communication	5.2	6.6	0.2	5.2	6.6	0.3	5.1	6.6	0.1
Community/social & personal service	11.2	11.1	11.6	11.2	11.2	11.2	10.8	10.8	11.5
*Others	2.4	2.9	0.3	2.4	3.0	0.2	2.1	2.6	0.3

Source: Pakistan Bureau of Statistics, Labour Force Survey 2010-11

Fig-4: Industry-wise Employment Share



Unemployment by Province

The volume of unemployed persons as a whole increased from 3.12 million in 2009-10 to 3.40 million in 2010-11.The number of unemployed people witnessed decline in rural area from 1.89 million (2009-10) to 1.85 million in 2010-11. Howerever in urban area the number of unemployed people increased from 1.23 million (2009-10) to 1.55 million in 2010-11. The comparison among provinces for 2009-10 and 2010-11, shows that the unemployment rate in Punjab is high (as shown in table 12.9) as compared to other provinces. The number of unemployed people in Sindh has increased from 0.57 million in 2009-10 to 0.70 million in 2010-11 while in Khyber-Pakhtunkhwa (KPK) a fall in unemployment has been observed due to better performance of government in terms of job provision. However, in Baluchistan number of unemployed people increased from 0.06 million in 2009-10 to 0.07 million in 2010-11.

Table-12.9: Unemployed – Pakistan and Provinces **(Millions)**

Province /Area	Unemployment								
	2008-09			2009-10			2010-11		
	Total	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**
Pakistan	**2.93**	**1.87**	**1.06**	**3.12**	**1.91**	**1.21**	**3.40**	**2.22**	**1.18**
Rural	1.76	1.06	0.70	1.89	1.12	0.77	1.85	1.14	0.71
Urban	1.17	0.81	0.36	1.23	0.79	0.44	1.55	1.08	0.47

Table-12.9: Unemployed – Pakistan and Provinces (Millions)

Province /Area	Unemployment								
	2008-09			2009-10			2010-11		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Punjab	**1.87**	**1.21**	**0.66**	**1.94**	**1.18**	**0.76**	**2.10**	**1.31**	**0.79**
Rural	1.14	0.70	0.44	1.16	0.68	0.48	1.25	0.76	0.49
Urban	0.73	0.51	0.22	0.78	0.50	0.28	0.85	0.55	0.30
Sindh	**0.44**	**0.28**	**0.16**	**0.57**	**0.35**	**0.22**	**0.70**	**0.54**	**0.16**
Rural	0.14	0.06	0.08	0.24	0.12	0.12	0.15	0.10	0.05
Urban	0.30	0.22	0.08	0.33	0.23	0.10	0.55	0.44	0.11
KPK	**0.56**	**0.36**	**0.20**	**0.55**	**0.35**	**0.20**	**0.53**	**0.32**	**0.21**
Rural	0.44	0.29	0.15	0.45	0.29	0.16	0.41	0.25	0.16
Urban	0.12	0.07	0.05	0.10	0.06	0.04	0.12	0.07	0.05
Balochistan	**0.06**	**0.02**	**0.04**	**0.06**	**0.03**	**0.03**	**0.07**	**0.05**	**0.02**
Rural	0.04	0.01	0.03	0.04	0.02	0.02	0.04	0.03	0.01
Urban	0.02	0.01	0.01	0.02	0.01	0.01	0.03	0.002	0.01

Source: Labour Force Survey 2010-11

Export of Manpower

Pakistan has remarkable human resource which is characterized by hard work and dedication. The human resource is classified into five occupational categories i.e professional, non-professional, skilled, semi skilled and unskilled. As a developing economy with large population, it is not possible to provide jobs to all. The government therefore is focused on availing all the opportunities which are available overseas to ensure meaningful employment to Pakistan workforce. As a result of dedicated efforts of the government, highest ever number of workers proceeded abroad for employment during January-December, 2012, were 0.63 million against 0.45 million in the comparable period of last year.

The government is highly committed on producing skilled workers in order to send them abroad to ensure healthy foreign exchange. Export of quality manpower is the main driver in growth of remittances. At present 48 percent of the overseas Pakistanis are working in the Middle East, 28 percent in Europe and 19 percent in United States. According to the Bureau of Emigration 2.3 million workers went abroad during 2008-2012 for employment. They included labourers, semi-skilled and skilled workers, technicians, as well as professionals including doctors, engineers, bankers, teachers, telecom and IT experts and accountants. Mostly construction workers are proceeding abroad for the purpose of employment and out of these construction workers a large proportion of Pakistanis are unskilled. In 2012 the number of skilled workers went abroad were 2,61,531 while the numbers of unskilled workers were 2,59,316. Saudi Arabia being a muslim state is attractive for millions of Pakistani workers seeking jobs abroad. Saudi Arabia has become the largest market for Pakistani workers in the world besides the Gulf States such as UAE, Oman and Bahrain are attractive markets for manpower exports but majority of them have lost charms since the massive uprising hit economic activities and working environment in Yemen, and Libya. During January-December 2012 the number of workers of all categories proceeded to Saudi Arabia were 358,560 and in UAE the number of people went for job were 182,630.

Table 12.10: Number of Pakistani workers registered for overseas employment through Bureau of Emigration & Overseas Employment during the period 2008-2012

S.#	Countries	2008	2009	2010	2011	2012
1	UAE	221765	140889	113312	156353	182630
2	Bahrain	5932	7087	5877	10641	10530
3	Malaysia	1756	2435	3287	2092	1309
4	Oman	37441	34089	37878	53525	69407
5	Qatar	10171	4061	3039	5121	7320
6	Saudi Arabia	138283	201816	189888	222247	358560
7	UK	756	556	430	308	183

Source: Bureau of Emigration and Overseas Employment

Pakistan has a huge Diaspora and around seven million or about four percent of the country population is residing in about 140 different countries around the world. They are either the Pakistani citizens or are of Pakistani by origin. Sustainable development in economic and social sectors in the country is not possible without the possible participation of Pakistan Diaspora working abroad. Economic productivity of Diaspora, including remittances is also highly valuable.

Table 12.11: Workers Registered for Overseas Employment by Bureau of Emigration & Overseas Employment During The Period 2008-2012 (Province Wise)

YEAR	PUNJAB	SINDH	K. PAKHT-UNKHAW	BALOCH-ISTAN	AZAD KASHMIR	N/AREA	TRIBAL AREA	TOTAL
2008	206284	31835	131342	6763	31881	378	21831	430314
2009	201261	30779	114633	4480	31329	507	20539	403528
2010	190547	31814	98222	3130	22535	458	16198	362904
2011	228707	40171	130119	5262	33133	732	18769	456893
2012	341874	46607	176349	5122	38833	780	29022	638587
Total	1168673	181206	650665	24757	157711	2855	106359	2292226

The comparison among province shows that the manpower export is high from Punjab as compared to other provinces. During 2008-2012 the highest number of workers went abroad for employments were from Punjab 1168673 followed by KPK 650665. However, the situation is not pleasing in Sindh and Balochistan as compared to Punjab in the given period.

Conclusion

Pakistan is one of most populous country of the world and current population growth rate is 2%. Resources are limited and therefore increasing population is putting more stress on these scarce resources. However, government is well aware of this problem and is making efforts to control the population growth rate through various population welfare programmes and by creating awareness among people through education. These Population welfare programmes are contributing significantly in controlling population growth rate, fertility rate, infant mortality rate and maternal mortality rate. Furthermore, the structure of existing population of Pakistan shows that the country has 60% economically active population or work force. This workforce can be a productive asset of the country if properly trained through skill development programmes. In this regard government has initiated many programmes for their skill development and also explores overseas employment opportunities which will not only reduce the unemployment burden in the economy but will also enhance remittances. Government has also announced National Policy for Overseas Pakistanis for the welfare of the overseas and their families.

Chapter 13

Transport and Communications

Introduction

Transport and Communications sector plays a significant role in the socio-economic development of the country. An efficient transport system with modern infrastructure is considered an economic factor of production. The most common modes of transportation are: Roads and highways, Railways, Rivers, Canals, Seaports, and Aviation. The communication system plays an important role in cultural development and making knowledge based society. People to people contact through modern communication ways have emerged as a significant tool for awareness of the masses. In Pakistan, the transport system broadly consists of roads, railways, air transport and ports & shipping services.

13.1 Road Transport

Roads are the most important segment of infrastructure in any developing country. The rapid development and economic well being is dependent on the road networks. The road network in Pakistan carries over 96 percent of inland freight and 92 percent of passenger traffic and are undoubtedly the backbone of the economy. About 63% of our population lives in villages, the topography of the region which consist upon hilly mountainous areas, far flung agriculture lands and the productive resources are scattered all over the country. Roads provide easy and efficient means of transportation.

The total road-network in Pakistan is about 263,415 kms. consists of 9,324 kms. (3.53%) of National Highways and 2,280 kms of Motorways (0.87%). Strategic roads and Expressways contribute 262 kms and 100 kms respectively i.e. (0.10%). The rest of the road network contains provincial highways and the roads under respective local administration e.g. Cantonment Boards, Municipal Corporations, Local Development Authorities, etc.

About 40.9% of total roads lie in the province of Punjab, followed by 30.9% in Sindh, 16.3% in Khyber Pakhtunkhwa and 11.3 % in Balochistan. Azad Jammu and Kashmir, being mostly hilly area, shows a small proportion of just 0.6%, of road network. Following table shows the details of Roads in Pakistan.

Table 13.1: Estimated Length of Roads in Provinces (kms)

Years	Category	Punjab	Sindh	KPK	Balochistan	GB & AJK	TOTAL
2007-08	Total	104,115	80,863	42,369	29,451	1,552	258,350
	Low Type	33,864	26,301	13,781	9,579	505	84,030
	High Type	70,251	54,562	28,588	19,872	1,047	174,320
2008-09	Total	104,114	80,863	42,369	29,452	1,552	258,350
	Low Type	32,949	25,591	13,409	9,321	491	81,761
	High Type	71,165	55,272	28,960	20,131	1,061	176,589
2009-10	Total	105,085	81,618	42,765	29,727	1,565	260,760
	Low Type	32,179	24,993	13,095	9,103	480	79,850
	High Type	72,906	56,625	29,670	20,624	1,085	180,910
2010-11	Total	105,253	80,625	42,550	29,500	1,535	259,463
	Low Type	32,147	24,000	13,000	9,000	450	78,597
	High Type	73,106	56,625	29,550	20,500	1,085	180,866
2011-12	Total	106,455	80,960	42,975	29,625	1,580	261,595
	Low Type	32,590	24,335	13,140	9,125	465	79,655
	High Type	73,865	56,625	29,835	20,500	1,115	181,940
2012-13	Total	107,805	81,385	42,980	29,655	1,590	263,415
	Low Type	33,090	24,685	13,140	9,130	470	80,515
	High Type	74,715	56,700	29,840	20,525	1,120	182,900

Source: National Transport Research Centre (NTRC)

National Highway Authority

Transport sector in general and road infrastructure in particular has profound and enduring effect on the economic growth of Pakistan. NHA is contributing a vital role in improving the quality of Pakistan's road network which entails in improving the quality and standard of life of the population.

Pakistan is virtually bisected into two halves by River Indus. Eastern segment is historically well developed. To bring the Western segment at par with the Eastern, NHA is improving East-West connectivity through construction of numerous bridges across river Indus and also across rivers Jhelum, Chenab, Ravi and Sutlej.

The present NHA network comprises of 33 national highways, motorways, expressways, strategic roads. Current length of this network is 12131 kms. NHA existing portfolio consists of 79 development projects costing Rs 557 billion. GoP allocated Rs. 50.7 billion for NHA's development projects in PSDP 2012-13. The amount included Rs. 26.1 billion foreign currency and Rs. 24.6 billion in local currency components.

Ongoing Projects

Some significant ongoing projects are:

1. Faisalabad –Khanewal – Multan Motorway (M-4)
2. Sehwan-Ratodero Additional Carriageway (N-55)
3. Sukkur-Shikarpur-Jacobabad (N-65)
4. Qila Saifullah – Zhob (N-50)
5. Peshawar Northern Bypass (E-2)
6. Khushalgarh Bridge (N-80)
7. Qazi – Amri Bridge across River Indus

Four projects having length of 138 kms are ongoing in Punjab that have achieved more than 70% progress. Similarly, four projects of 165 kms length are also ongoing in Sindh for which more than 70% progress has been achieved. Five projects having length of 585 kms have achieved 70% progress in Khyber Pakhtunkhwa, Gilgit-Baltistan and Azad Jammu & Kashmir. Two projects in Balochistan having length of 298 kms have achieved more than 70% progress and will be completed in next few months.

Completed Projects

Some major completed projects include the following:

1.	6 Interchanges on Inner Ring Road Multan
2.	4-lane Underpass at Wah Gate, Texila
3.	Multan – Muzaffargarh (N-70, ADB Assisted)
4.	Larkana-Naudero-Lakhi Road
5.	Sakrand-Benazirabad Dual Carriageway
6.	Hyderabad – Badin Road to Mir Wah Sanjar Chang Road
7.	Ghazi and Chuch Interchanges on Motorway (M-1)
8.	Pleri-Gabd Section of Makran Coastal Highway
9.	Hub-Uthal Section of National Highway (N-25)

During the last five years, NHA has constructed 610 kms roads all over the country. Province-wise break-up is as follows:

S. No.	Province	Kms
1.	Punjab	109
2.	Sindh	148
3.	Khyber Pakhtunkhwa	145
4.	Balochistan	208
	Total	610

NHA has completed 8 major river bridges during the last five years. Five major bridges on river Indus and one each on rivers Ravi and Chenab are ongoing and five bridges are also planned to be constructed in near future.

NHA has already constructed three segments of Trans-Pakistan Motorway network viz M-1 (Peshawar-Islamabad), M-2 (Islamabad-Lahore) and M-3 (Pindi Bhattian-Faisalabad) on a virgin corridor bringing remote areas on mainline and boosting economic activities. NHA is now constructing M-4 (Faisalabad-Khanewal-Multan).

Box Item No.1
Provision of Transport Facilitation in Provinces

Punjab:

The vision for Punjab road sector aims at upgrading, augmenting and maintaining a modern road network in the province under most cost-effective, optimal and efficient development and management regimes. Sectoral priorities have been identified for Punjab road sector.

In Federal PSDP 2012-13 an allocation of Rs.35.6 billion has been made for roads and bridges sector; out of which an allocation of Rs.26.22 billion has been made for on-going projects and balance of Rs.9.4 billion for new projects. One major new initiative is for “Construction of Lahore Ring Road (Southern Loop)” on BOT mode.

Metrobus at Lahore

To provide safe, efficient and comfortable urban transportation system in major cities of Punjab; Government of the Punjab has established Punjab Metrobus Authority (PMA) for construction, operation and maintenance of mass transit system with the technical support of M/s Ulasim a Turkish based Company. The Metrobus System Line-1 from Gajjumata to Shahdara, in Lahore, is the first initiative of PMA. Metro Bus Service has been started from February 2013 which facilitate the passengers on 27 stations. The project cost is Rs.30 billion, 45 articulated buses are running on the 27 kms long corridor starting from Gajjumata to Shahadra. About 1500 persons got direct jobs and 1,20,000 passenger are using Metrobuses every day.

Sindh:

<u>Revival of Karachi Circular Railway</u>

Karachi Circular Railway (KCR) was proposed in the first Master Plan of Karachi prepared in 1952. KCR was opened for passengers in the year 1964. The planning, construction, funding and subsequent operation was undertaken by the Pakistan Railway. It was highly patronized and at its peak in 1984, 104 trains were running per day when the population of Karachi was around 4.0 Million. However, due to lack of investment, infrastructure facilities i.e. tracks, signaling system, locomotives & coaches deteriorated thereby marginalizing its operating efficiency causing reduction in the rider ship and simultaneous reduction in the number of trains. Eventually, KCR was closed for traffic in December 1999 when only two trains were operating.

At present with the increasing population, Karachi city does not have a Mass Transit System which is causing enormous problems to the commuters. Government of Pakistan along with taking other steps also decided to revive Karachi Circular Railway comprising of 50 Kms track as a modern commuter system. ECNEC approved the project in August 2012 at a revised cost of US$ 2609 million. All the Social, Environmental and Engineering studies / requirements as per guidelines of JICA, World Bank and Asian Development Bank for negotiation of loan have been completed. JICA will provide Soft Term Loan at a markup of 0.2% repayable in 40 years including 10 years grace period for the entire project. Ministry of Railways is the executing agency. The project will start from November 2013 and will be completed by December 2017. A compensation plan for the project affected persons has also been prepared.

In Federal PSDP 2012-13 an allocation of Rs.16 billion has been made for T&C sector; out of which 80% will be utilized on on-going projects and 20% on new projects. One of the major new initiatives is “Construction of Nawabshah–Sanghar road (61 kms)”.

Khyber Pakhtunkhwa:

In Khyber Pakhtunkhwa, Transport Department has taken certain foremost steps for safe, affordable, comfortable and environment friendly transportation services in the province. Following is a brief description:

1. As a special initiative Feasibility Study on Mass Transit System for Peshawar under Technical Assistance (TA) of Asian Development Bank (ADB) worth of US $ 372,000/- has been approved, TORs has been prepared, hiring of international consultant/experts is under process and expectedly, the team will start its work in July 2013 and the study report is expected by December 2013.
2. Two stroke rickshaws are banned along with the ban on fresh registration of the rickshaws.
3. Pakistan Railways has been approached for providing details/modalities for track access policy to utilize existing railway track for mass transit in Peshawar.
4. Strengthening of international mobility between Pakistan and Afghanistan, numbers of route permits are steadily enhanced from 06 to 13 for ensuring better public transport service provision between the two states.
5. Vehicular Emission Testing Station (VETS), a self-sustainable unit, has been strengthened and its offices in three more districts i.e. D. I. Khan, Abbottabad and Mardan have also been replicated for a cleaner environment. From July 2009 to December 2013 VETS has checked 144,882 vehicles in the province.

In Federal PSDP 2012-13 an allocation of Rs.10.7 billion has been made for road sector; out of which Rs. 9.0 billion has been made for on-going projects & Rs 1.7 billion for new projects. Major new initiatives are:

- Dualization of Charsadda–Tangi Road i/c Utmanzai Bypass District Charsadda (23 kms)
- Dualization of Mardan–Charsadda Road i/c Dargai Bypass and Rehabilitation of existing dual carriage way to

Charsadda City "Phase-II (14.5 kms)

- Dualization of Haripur–Hattar–Farooqia Section of S-1 (22 kms)

Balochistan:

The government of Balochistan has earmarked funds in Transport and Communication Sector during last few years keeping in view the long distances and scattered locations of population of the province. The main theme is to raise road density of Balochistan to 0.25 km /Sqkm i.e. to bring it to a respective land mark.

In Balochistan 159 new schemes tentatively costing Rs.11.3 million alongwith carry forwarded 162 on-going schemes i.e. total 321 schemes have been included in PSDP 2012-13 for which an allocation of Rs.9650.714 million has been made. Among total of 321 schemes 173 schemes are expected to be completed in current financial year 2012-13. Expectedly rest of 148 schemes will be placed in PSDP 2013-14 as on-going schemes. Following table highlights a brief description of progress in Road Sector from 2008-09 to 2012-13 in Balochistan Province.

Year	No. of Schemes	Completed Schemes	Allocation Rs. in Million	Achievements (Black Top) kms
2008-09	223	122	5134.000	1159
2009-10	257	74	5851.000	1380
2010-11	320	160	9069.000	1541
2011-12	279	170	8866.000	2000
2012-13 July-March	321	173	9650.714	2100

Box Item No.2
Transport and Logistics Sector in Pakistan

Government of Pakistan has accorded the high priorities to Transport and Logistic (T&L) Sector. The T&L Sector is required to be improved by modernizing through a continuous process of reforms supported by focused investments. The overarching objectives are to bring down the costs of doing business by improving various sub-sectors of Transport and Logistics. An allocation of funds about 23% of the total Public Sector Development Programme 2012-13 has been provided to the Transport and Logistic Sector of the country. However, more investment is required to develop this sector not only for the higher development but also for the improvement of regional connectivity and prosperity with the neighbouring countries. In addition to public investment and reforms efforts need to be made to promote PPPs and leverage higher investment from the private sector to accelerate growth in the shortest possible time. Frame work for Economic Growth emphasizes participation of private sector / PPP in T&L as growth-driver having an open market. This will further enhance productivity, competitiveness, efficiency, innovation and entrepreneurship in the economy.

National Transport Policy

Ministry of Communications has prepared a draft National Transport Policy (NTP) in consultation with all stakeholders. The policy covers all modes of transport; roads, railways, ports & shipping and aviation. This policy is under review within the ambit of "National Transport Corridor Improvement Program (NTCIP)". The broad objectives of the draft NTP is to provide safe, reliable, effective, efficient, affordable, accessible, sustainable and fully integrated transport system that will meet the needs of freight and passenger mobility requirements, improved service in a cost effective way that supports government's goal of increasing public welfare through economic growth, social improvement, poverty reduction and infrastructure development while being environmentally, economically sustainable and energy efficient.
Following table shows the PSDP allocations made during the last two years in priority areas of Transport and Logistic Sector:

Transport and Logistics – PSDP Allocation and Utilization 2011-12 and 2012-13 (Rs. Million)

Executing Agency	**2011-12**			**2012-13**
	Allocation	**Estimated Expenditure**	**Expenditure % of Allocation**	**Allocation**
National Highway Authority (NHA)	39,900	68,808	172	50,727
Pakistan Railways	15,000	20,950	140	22,877
M/o Ports & Shipping	727	27	4	325
M/o Communications	172	172	100	142
• National Transport Research Centre (NTRC)	4	4	100	0
• Construction Technology Training	72	72	100	142

Institute (CTTI)				
• National HW & Motorway Police (NH&MP)	96	96	100	0
Planning & Development Division (NTCMU)	400	137	34	600
Ministry of Commerce (TTFU-2 Project)	50	50	100	80
M/o Defence	1,177	227	19	649
• Pakistan Meteorological Deptt. (PMD)	30	25	83	28
• Maritime Security Agency (MSA)	35	14	39	21
• Airport Security Force (ASF)	12	12	100	0
• Civil Aviation Authority (CAA)	1,100	176	16	600
M/o Defence Production (KS&EW)	1,455	1,455	100	2,000
Finance Division (Provincial Roads)	3,597	2,518	70	2,605
Housing & Works Division (Provincial Roads)	181	181	100	1,010
AJK & GB Division (One Strategic project of AJK)	1,046	1,046	100	700
Total Transport and Logistics	**63,704**	**95,570**	**150**	**81,715**

Source: Annual Plan 2012-13, Planning Commission of Pakistan

13.2 Pakistan Railway

The network of Pakistan Railway comprises of 7791 route kilometers, 515 Locomotives 1901 passenger coaches and 17543 freight wagons. Pakistan Railway is enduring the worst crisis since its formation. Passenger traffic which was 230 trains per day has been reduced to 92 trains a day, while number of freight trains has dropped from 96 to merely one per day. Since 2011, the numbers of locomotives available for use have reduced by an average of 10 each month. By June 2012, only 8 locomotives were available for freight and 92 for passenger services. Resultantly, revenue earnings have drastically fallen by 25 per cent while working expenses have increased by 33 per cent during the period. Employees related costs and pensions stood about 198 per cent of revenue earned in 2011-12. This is evident from the following table that gross earnings of Pakistan Railway are declining during the last five years. Due to over aged infrastructure and rolling stock, increase in fuel prices (high speed diesel), escalation of dollar exchange rate and a subsidized railway fare led to an increase in expenditure for sustained train operations. With the capping of overdraft by GoP in 2009, the finances required for increased maintenance costs could not be borne by the railways. Finally, the sharp increase in the salary and pension in 2010-11 and again in 2011-12 led to diversion of all the revenue earnings to this obligatory payment at the cost of operational and maintenance requirements. Finance Division has committed to bear the expense of salary and pension thereon along with its impact of increase in future till the crisis is over. GoP has allocated Rs.23 billion in PSDP for the current financial year 2012-13 for the development schemes of Pakistan Railway.

Table 13.2: Earning of Pakistan Railway

Fiscal Year	Earning	% Change
2007-08	19,973	--
2008-09	23,160	16.0
2009-10	21,886	-5.5
2010-11	18,740	-14.4
2011-12	15,444	-17.5
2012-13 Jul-Mar	12,730	--

Source: Ministry of Railways

Table 13.3: Railways Passenger Traffic and Freight

S. No.	Subject	2010-11	2011-12	2012-13 July-Mar
1.	Number of Passenger carried (Million)	64.9	41.1	31.42
2.	Passenger Traffic Kms (Rs. Million)	20,618.8	16,093.3	13,104.36
3.	Freight carried Tones (Rs. Million)	2.6	1.3	0.75
4.	Freight Tones Kms (Rs. Million)	1,757.3	402.5	279.8

Table 13.3: Railways Passenger Traffic and Freight

S. No.	Subject	2010-11	2011-12	2012-13 July-Mar
5.	Route Kms	7,791.0	7,791.0	7,791.0
6.	Freight Wagons	18,464.0	17,611.0	16,635.0
7.	Gross Earning (Rs. Million)	18,739.9	15,444.4	12,730.30

Source: Ministry of Railways

New Initiatives under Public Private Partnership (PPP)

i. PPP and Passenger Services

Under Public Private Partnership (PPP), Pakistan Railway has started following trains between Lahore and Karachi from 3rd February 2012 to cater the needs of business community and general public.

S. No.	Train	Route	Commencement date
1.	Business Express Train	Lahore-Khanewal-Lodhran-Karachi	3rd February 2012
2.	Shalimar Express Train	Lahore-Faisalabad-Multan-Karachi	24th February 2012
3.	Night Coach Train	Lahore-Faisalabad-Multan-Karachi	15th January 2013

These trains provide high level passenger services at competitive price while generating good revenue for Pakistan Railway. Pakistan Railway is required to maintain 100% punctuality of the trains, whereas commercial management of the trains is the responsibility of private partners.To generate maximum revenue and to control financial losses, Ministry of Railways has identified 18 more trains for outsourcing.

ii. PPP and Freight Services

(a) Track Access Policy

Track Access Policy has been formulated under the umbrella of Infrastructure Project Development Facility (IPDF) for which the process started in June 2010. Under this policy, private parties would be allowed to use track and infrastructure of Pakistan Railway for private freight train operation. In return, the private parties would pay an agreed amount of tariff for each kilometer usage. The tariff is based on the commodity being transported and the gross weight of the train. The rolling stock and locomotives would be purchased/ leased by the private parties who would also manage their upkeep and maintenance. Expressions of interest for this purpose were called on 31st January, 2011 and three parties qualified for the competitive bidding. Upon conclusion of the bidding process, short concession agreement has been signed between Pakistan Railway and private partners for transportation of the following commodities, while the detailed agreement shall be signed shortly.

- Oil
- General Cargo
- GITA (Goods in Transit to Afghanistan)
- Rock Phosphate
- Container Cargo
- Coal and Cement

(b) Private Participation in Dry Ports

Pakistan Railway has also involved private sector in the management and operation of terminal facilities including dry ports. Prem nagar dry port Lahore is the first successful model of joint venture between Pakistan Railway and two private parties. Agreement entails that the dry port would cater both bonded and non bonded cargo. Land has been provided by PR and other investment is of the private party. The Term of Agreement is 35 years on BOT basis. Other dry ports including Aza khel at Peshawar and Shershah at Multan Divisions of PR network are also being finalized on similar partnership basis.

iii. Non- Core Business

(a) Creation of “A Real Estate Development & Marketing Company” as a subsidiary of Ministry of Railways

Pakistan Railway owns huge chunk of land throughout the country and has been striving to commercialize the surplus land for the past 15 years in order to overcome its financial challenges. However, the process has thus far been marred with several issues which have hampered progress and apart from little successes the expected potential could not be achieved. In a review meeting held in November 2011, the then Prime Minister directed that an Asset Management Company be set up for management of non-core assets of Pakistan Railway including its land bank. Ministry of Railways has initiated the process of establishing the company on fast track basis.

(b) Corporatization of Manufacturing Services

In addition, six factories including Locomotive Factory Risalpur, Carriage Factory Islamabad, and four Concrete Sleeper Factories (Kohat, Khanewal, Sukkur and Kotri), are being corporatized subject to approval of the government.

iv. Achievements during the fiscal year 2012-13

(a) Track

During 2012-13, 60 kms of track was rehabilitated on the Pakistan Railway network besides doubling of 68 kms track.

(b) Rolling Stock

Contract agreement for procurement/ manufacturing of 202 passenger coaches was signed at a cost of US$ 134.5 million with Chinese supplier firm. So far 55 completely Built Up (CBU) coaches and 97 Completely Knocked Down (CKD) coaches have been received while the balance 50 CKD coaches will be received soon. Manufacturing / assembly of CKD coaches is in progress at Railway Carriage Factory Islamabad (CFI). In addition, 9 passenger coaches have also been rehabilitated at CFI during 2012-13.

(c) Rehabilitation & Repairs of Locomotives

At present more than 300 locomotives are out of service and are waiting for major repairs. Following initiatives are under way for rehabilitation of held up locomotives.

i. Funding to the tune of Rs 6.1 billion is being arranged through banking consortium for rehabilitation of 66 held up locomotives through PRACS.
ii. Rehabilitation of 27 held up locomotives (HGMU-30) of 3000 HP is being arranged through PSDP at a cost of Rs. 5108 million for which an agreement has been signed with M/s Electromotive Division USA. Two locomotives per month shall be turned out for service from April 2014.
iii. Special repair of 150 locomotives to improve their reliability and performance, is also being carried out through PSDP at a cost of Rs.5005 million. Under this initiative 20 locomotives shall be repaired in 2012-13 and 65 locomotives each in the next two years.

(d) Procurement / Replacement of Locomotives

i. ECNEC has approved the procurement of 275 locomotives, subsequently the contracts have been awarded to the successful bidders. Delivery of 50 locomotives will start from March 2014.
ii. Project proposal for procurement of another 100 locomotives has also been submitted to Planning Commission for approval of ECNEC.

Box Item 3
BUSINESS PLAN

<u>Pakistan Railways</u>

The financial and operational performance of Pakistan Railway has been deteriorated since last many years. Passenger traffic since 2007-08, has declined from 230 trains per day to 92 trains per day, while the number of freight trains has drastically went down from 96 per day to just one per day. Presently out of 515 only 100 locomotives are operational. Over aged infrastructure and rolling stock, sharp increase in fuel prices (high speed diesel), depreciation of rupee against dollar and substantially subsidized railway fare have led to an increase in the cost of operations.

Government of Pakistan (GoP) is making efforts to revitalize Pakistan Railway. Board of Directors of PR has been reconstituted by including of high caliber professionals. Cabinet Committee on restructuring (CCOR) has finalized a restructuring framework for Pakistan Railway. Repair and addition of locomotives is the foremost priority for increased revenue generation and restoration of rail services. Freight operations is another priority area. Under the Plan outsourcing of maintenance to reduce cost is being pursued. Credit line of PR from Pakistan State Oil has been enhanced to ensure smooth supply. The strategy recommends disintegration of PR into two companies, viz. Pakistan Railways Infrastructure, Management and Operations Company (PRIMO) and Pakistan Railway Ancillary Services Company (PRASC) to make it a viable entity. GoP is supporting PR by financing revenue-expenditure gap and the development budget. In resolving the severe financial and operational crisis, an amount of Rs. 31 billion has been allocated as a grant to PR for salary and pension expenditures. Monthly installments are being released in this regard. GoP has also allocated Rs. 23 billion in PSDP for financial year 2012-13. Private Sector participation is the focus moving forward under which private companies would acquire locomotives on lease while they pay track access charges to Pakistan Railway.

13.3 Pakistan International Air Lines

PIA has developed a five years strategic business plan which will transform the Airline into a strong, dynamic and vibrant institution, aggressively tackling new opportunities and absorbing external shocks. Induction of newer aircrafts in PIA fleet would be the turning point for the airline as it will be the foundation of being able to deliver cost cutting on fuel and improve punctuality and regularity bringing back the confidence of the customers.

The focus of the present management is on cost reduction, improvement, and expansion in network, yield and revenue. PIA made successful Hajj operation this year and carried 98,000 Hajis achieving 96 percent flight regularity and punctuality winning award from Saudi Civil Aviation Authorities. PIA ranked best among 72 international airlines operating from Jeddah.

PIA has launched an aggressive marketing campaign “FORI TICKET” in collaboration with Tameer Microfinance Bank and Telenor Easy paisa to enhance its market share in the air traffic. In the age of Information Technology it has become easier to reduce cost of operations and Fori Ticket service is one initiative where customers will be provided service at their door step without incurring any infrastructure costs. Virtual Agents have been launched this year in Pakistan to facilitate non IATA travel agents. Its success can be mentioned by the fact that only one month after its official launch the deposits have surpassed Rs. 10 million.

During 2012 PIA earned revenue Rs.112.1 billion as compared to last year revenues amounting to Rs.117.4 billion, which is 4.7 percent declined. Seat available this year were 19,849 against 21,725 seats last year. PIA expenses this year were on the lower side this year amounting to Rs.125.7 billion as against Rs.132.9 billion last year, a decline 5.4 percent was recorded in this year in the current expenditure. PIA covered 448,120 Kms route this year while last year route covered was 460,719 Kms. Operational performance of PIA is given in the following table:

Table 13.4: PIA Performance

Description	2012*
PIA Fleet (No. of Planes)	39
Route Kms	448,120
Available Seats	19,849
Passenger Load Factor (%)	70
Revenue Kms Flown (000)	75,750
Revenue Hours Flown	127,268
Revenue Passengers Carried (000)	5,236
Revenue Passengers Kilometers (mn)	13,874
Revenue Tonne Kms	1,513
Revenue Load Factor (%)	53
Operating Revenue (Million Rupees)	112,129
Operating Expenses (Million Rupees)	125,701
Available Tonne Kms	2,859

*: PIA financial year is based on calendar year i.e. January to December

In 2012, PIA has contributed significantly to friendly image of Pakistan by starting twice weekly flights to Kandahar, Afghanistan. Moreover, PIA has resumed its operation to Saidu Sharif (Swat) so that the tourism industry may flourish.

Box Item 4
BUSINESS PLAN

Pakistan International Airlines Corporation

PIA has a fleet of 39 Aircrafts, 26 aircrafts are on average operational, 22 aircrafts have outlived their useful life. Non renewal/expansion of the Airplane fleet, depreciating the Pak rupee, higher administrative and HR costs, sharp increase in fuel prices have all had a negative impact on financial position. Government of Pakistan since 2002 to December 2012, has contributed equity amounting to Rs. 27.36 billion, provided loan of Rs.8.0 billion and given guarantees amounting to Rs.166.92 billion.

To drag out PIA from its financial crisis, an initial plan for PIA has been developed, which envisages the introduction of fuel efficient aircrafts, route rationalization, focus on separation of core and noncore activities and HR rationalization with the objective of making PIA a sustainable and profitable entity in the long run. The plan provides an overall picture of financial position and future prospects based on operational strategies being implemented in these focal areas. Cornerstone of the business plan being put forward is a shift in strategy from high capacity, low frequency operations to high frequency optimum capacity operations. Success of this plan depends on lowering the level of liabilities as high debt cost will continue to pose challenges for operational viability and sustainability.

Ministry of Finance (ERU Wing) is finalizing a detailed revitalization plan of PIA in consultation with its management and other stakeholders. The revitalization plan of PIA is divided into two phases:

REVITALIZATION PLAN	
a. Keep the airline afloat	(February 2013–June 2013)
b. Restructuring Plan	
i. Short-term Plan	(July 2013–June 2014)
ii. Medium to Long-term Plan	(July 2014–June 2018)

Taking immediate step, GoP approved a bailout package for PIA on February 26, 2013. The bailout package includes support for cash flow deficit amounting to Rs. 49 billion. In addition, GoP is also facilitating PIA in extension of guarantees which are being expired and issuing fresh guarantees against loans taken by PIA. The GoP is also supporting PIA for induction of five A320 narrow body aircrafts with guarantee amounting to $46 million for security deposit, spare parts / materials and training.

13.4 Ports and Shipping

13.4-a Pakistan National Shipping Corporation

At present, PNSC fleet comprises of nine vessels of various type / size (Six Bulk carriers & Three Aframax tankers) with a total deadweight capacity (cargo carrying capacity) of 642,207 tonnes. Year wise detail is given in the following table:

Table 13.5: PNSC-Fleet Deadweight Tonnage

(In Tonnes)

Year	No. of ships	Total DWT
2007	14	536,821
2008	14	536,821
2009	11	477,238
2010	10	633,273
2011	11	646,666
2012	10	628,409
2013	9	642,207

Source: PNSC

The consolidated revenue of the PNSC group for the period ended upto March 31, 2013 were Rs. 3,211 million (including Rs. 1,582 million from PNSC), making a total of Rs. 8,211 million (including Rs. 3,161 million from PNSC) for the nine months period under review as against Rs. 6,640 million for the corresponding period last year, showing an increase of 23%. Expenses were under control and increased only by 7.0%. The net profit after tax for the nine months upto 31 March 2013 was Rs. 1,200 million as against Rs. 544 million last year, a substantial increase of 121% from last year. One Dry Combi Vessel “Islamabad” was sold for demolition as the Vessel had completed its useful commercial life.

Despite a depressed shipping scenario worldwide, PNSC has not only been able to maintain but also improved its profitability. Commercial and Financial performance (un-audited) of PNSC during the period July-March 2012-13 is given in the following table:

Table 13.6: Commercial Performance (In 000 Tonnes)

Cargo Lifted	2012-13 (Jul-Mar)
Dry Cargo	1,949.0
Liquid Cargo	6,781.0
Total (Dry + Liquid)	8,730.0
Financial Performance	(In million rupees)
Revenues	8,210.7
Expenditures	5,652.5
Gross Profit	2,558.2

PNSC is providing transportation services for crude oil requirements to the country. Almost 99% of the total imports of crude oil are undertaken by PNSC.

The Corporation is now actively working on a plan to increase its tanker fleet size, particularly to carry processed fuel like Fuel Oil, High Speed Diesel Oil, Jet Fuels, Naphtha and Gasoline.

To meet safe and reliable transportation requirement of Pakistan's strategic liquid cargo, PNSC presently is in process for acquisition of four tankers - two Aframax tankers for transportation of fuel oil and two product tankers for transportation of white oils to cater for most of the requirement of PSO under obligation of long term Contract of Affreightment. These four tankers will be in addition to PNSC's existing tanker fleet of three Aframax tankers. The corporation intends to acquire these vessels preferably through commercial loan / joint venture.

13.4-b Karachi Port Trust

Karachi Port Trust consists of two wharves; the East and West Wharf. The East wharf has 17 multipurpose berths and the West wharf has 13 berths. Each of the Wharves has two dedicated container terminals and oil piers to handle liquid cargo. Karachi Port Trust operation comprised upon a 11.5 kilometers long approach channel, a depth of 12 meters and a turning basin of 600 meters, the Karachi Port provides safe navigation for vessels up to 75,000 metric tonnes deadweight (DWt.). KPT handled 28.8 million tonnes of cargo during the first nine months of the current fiscal year. The data on cargo handled during the last five years is given in the following table:

Table 13.7: Cargo Handled at KPT (000 tonnes)

Period	Exports	Imports	Total
2007-08	11,676	25,517	37,193
2008-09	13,365	25,367	38,732
2009-10	13,528	27,892	41,420
2010-11	12,843	28,589	41,432
2011-12	11,674	26,201	37,875
2012-13 (July–March)	8,893	19,909	28,802

Source: Karachi Port Trust

13.4-c Port Qasim Authority

Port Qasim Authority was established in 1973 as a second deep sea port of Pakistan. Port Qasim caters around 40 percent shipping requirements of the country. Port Qasim handled 18.569 million tonnes of total cargo during the financial year 2012-13 (July-March). The volume of import cargo during July-March 2012-13 stood at 13.458 million tonnes, showing 1.2% higher than 13.301 million tonnes handled during corresponding period last year. The exports handled 5.111 million tonnes during the current financial year 2012-13, as compared to 4.454 million tonnes handled during corresponding period 2011-12, registering an increase of 14.7%. The containerized cargo was 7.677 million tonnes (41%), Liquid cargo was 8.343 million tonnes (45%) and remaining 2.550 million tonnes (14%) was miscellaneous types of dry bulk / break bulk cargo. PQA handled 0.538 million TEUs (Twenty Equal Units) of containers traffic in 2012-13, the growth in container traffic during the nine months of 2012-13 is 6%over the July- March 2011-12.

Table- 13.8: Cargo Handled at Port Qasim
(in 000 Tones)

Period	Export	Import	Total
2007-08	4,922	21,502	26,424
2008-09	5,584	19,445	25,030
2009-10	6,380	19,226	25,626
2010-11	6,657	19,511	26,168
2011-12	5,950	18,075	24,025
2012-13 (Jul-Mar)	5,111	13,458	18,569

Source: Port Qasim Authority

13.4-d Gawadar Port

Gwadar Port was inaugurated on the 20th March, 2007 and started commercial operations from March 2008. Government has decided to import all bulk cargo comprising of Urea, Wheat and Coal through Gwadar Port. During the period July-March 2012-13 Urea 341.0 tonnes was handled. The total cargo handled at the port up till now is 5.0 million tonnes. Detail of Ship arrived and Cargo handled is given in the following table:

Table-13.9: Total Import of Cargo at Gawadar Port Since 2008

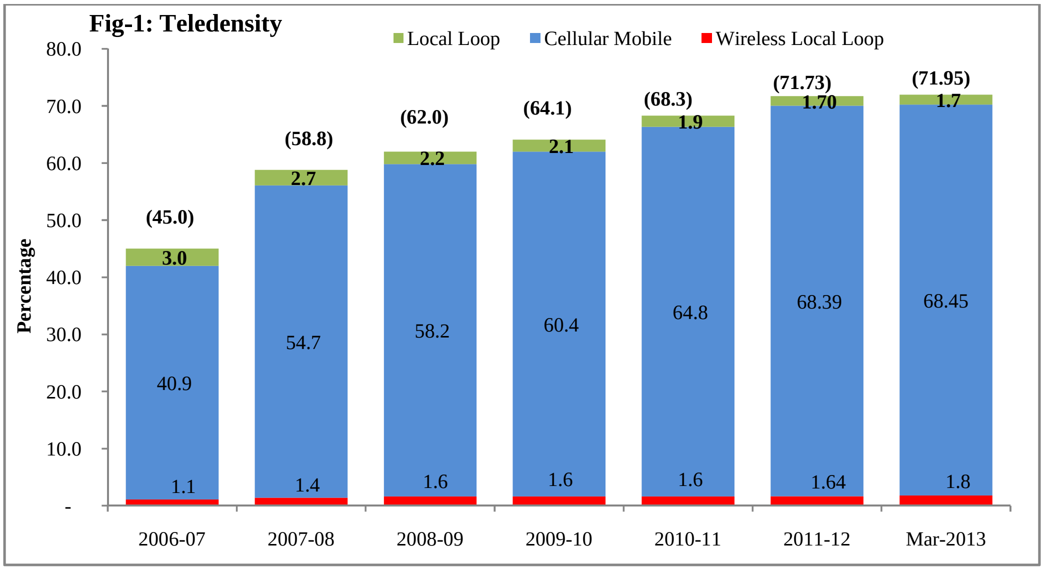
No. of Ships arrived	Type of Cargo	Quantity (000Tonne)
26	Wheat	963.4
119	Urea	4,101.4
Total 145	Wheat + Urea	5064.8

Source: Gawadar Port Authority

13.5 Communications

Telecom Sector of Pakistan

At the end of March 2013, total teledensity in the country increased to 71.95 percent, showing a growth of 2.4 percent over the same period last year.

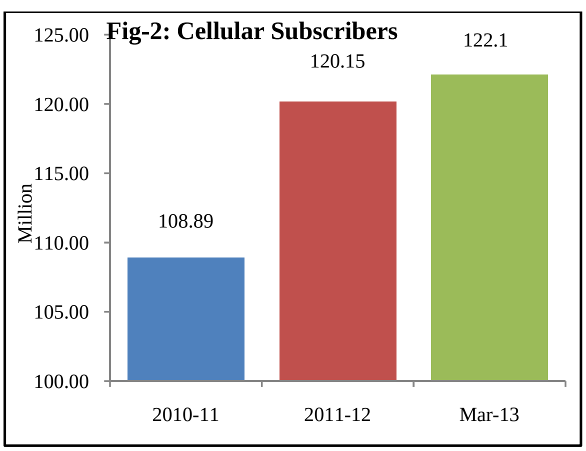


Cellular Mobile Sector

The growth in mobile penetration has been better during the last two years. Since 2009, mobile penetration growth in Pakistan remained in single digit due to slow economic growth, market maturity and availability of only 2G services in the market. In this situation, rural markets provide opportunities for the cellular mobile operators to increase mobile penetration in these areas.

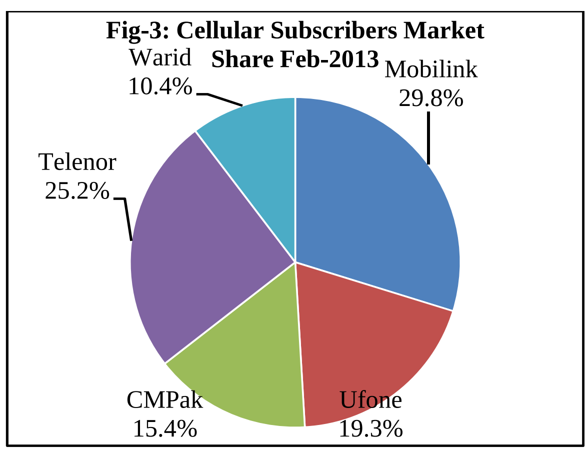
Cellular Subscription

There were 121.13 million mobile subscribers at the end of March 2013 compared to 118.32 million subscribers last year depicting a growth over last year. Out of 121.0 million mobile subscribers, 119.2 million are pre-paid (98.40%) and 1.8 million post-paid (1.60%). The percentage of pre-paid in total subscribers has increased over the years.



Cellular Market Share

Cellular market is moving towards maturity, stability and intense competition as operators are dedicating their best efforts to achieve a higher stake in the overall market share. Over the last calendar year, cellular market share has not altered significantly. Mobilink which has been the largest player in the mobile market of Pakistan is losing its market share. The market share of Mobilink, which was more than 50% at the time of deregulation in 2004 has declined to 29.8% at the end of Feb 2013. The new player CMPak, with its aggressive marketing has been able to achieve a market share of 15.4% in less than five years since start of its operations in Pakistan. Due to subscribers churn and intense competition from other operators, Warid is continuously losing its market share since 2009 and currently has the lowest market share of 10.4% among all the cellular mobile operators.

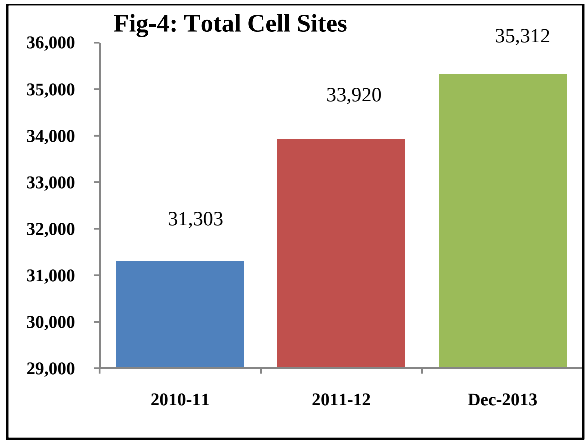


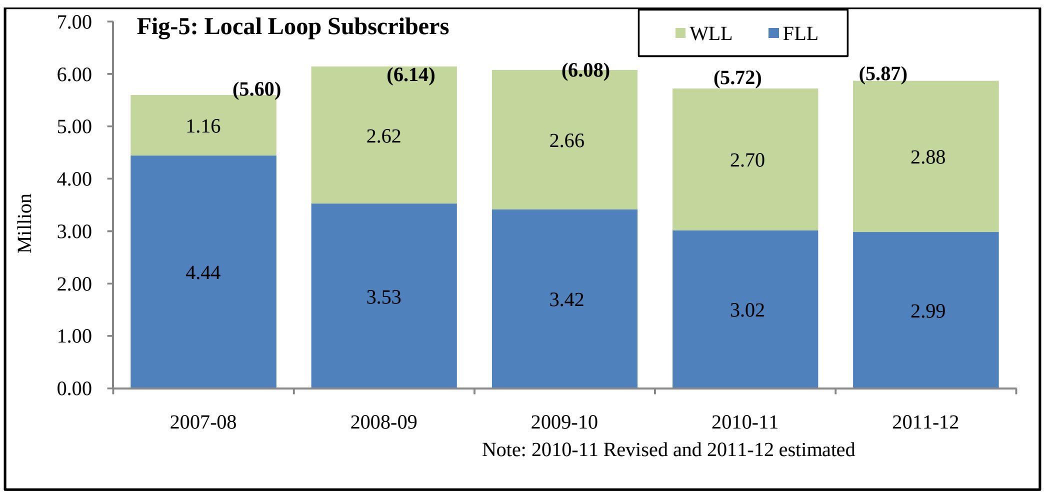
Network/Cell Sites

The cellular mobile network is covering over 92 percent of the land area of Pakistan. Cellular mobile companies have expanded their networks to every nook and corner of the country. After two years of relatively slow network growth, cellular industry has shown a growth of 8.4% in cell sites during 2012. At the end of Dec 2012, there were 35,312 cell sites in Pakistan.

Basic Services

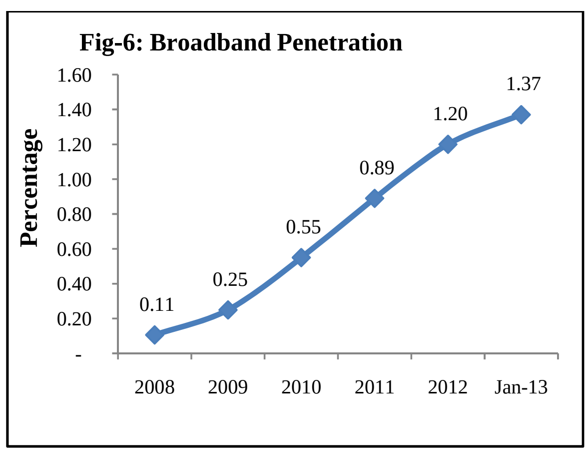
The total local loop subscriber base including fixed and wireless stood at 6.16 million at the end of March 2013. The LL industry has grown by 1.5% during the last year after successive decline in the last two fiscal years. In the Fixed Local Loop (FLL) sector. FLL subscribers were 3.03 million and WLL subscribers were 3.13 million. The positive growth in subscribers achieved during the reported period is a result of strong performance of PTCL, Wateen and World Call mainly in the WLL sector. However, the overall affect of the subscriber addition on the teledensity figures was minimal because of subsequent population increase.





Broadband

Broadband in Pakistan is an example of a competitive, technologically advanced, well regulated and consumer friendly market. Government of Pakistan has extended full support to telecom sector especially broadband, by spending Rs. 22 billion on rural telecom development through USF7. Some of the fruits of this spending include 7400 kms of fiber optics laid in far flung areas. Moreover, government has plan to allocate Rs. 17 billion in next year budget for stretching the broadband services further in un-served and under-served areas of the country. PTA kept a technology-neutral licensing regime thereby facilitating influx of latest broadband technologies such as WiMAX, EvDO, VDSL2, in addition to existing infrastructure of DSL, HFC, FTTH, Satellite etc.



Penetration

Penetration level of broadband services in Pakistan has been progressing at a leisurely but steady pace.

The current penetration of broadband was 1.37% at the end of Jan-2013 as compared to 0.89% as of June, 2011. Although the broadband net additions and growth rates have been satisfying, coordinated efforts are required by the regulator, industry and the government to address several key factors that are hindering the penetration of broadband in Pakistan.

Subscriber Mix

Broadband subscribers crossed the two million mark in just a few years since competition was first introduced in Pakistan. This year, the broadband industry added the highest number of subscribers ever while average annual growth rate remained above 100%. It shows that Pakistan's broadband market has tremendous potential for growth and investment and PTA vows to fully cooperate with the investors in this regard. Currently, Broadband subscribers stood at 2.54 million at the end of March, 2013.

Broadband Technology Trends

Pakistan broadband market is a true blend of latest and primitive technologies both in the fixed and wireless categories. An interesting trend has been witnessed over the last few years in the broadband market where wireless technologies have taken over major share in just four years as depicted in Figure-7. The mobility option, quick delivery and dismal quality of fixed line infrastructure in the country paved way for the success of wireless technologies despite the higher cost of entry. Since 2009, wireless technologies have increased their market share from 32% to 56% thereby surpassing fixed line technologies in 2012.

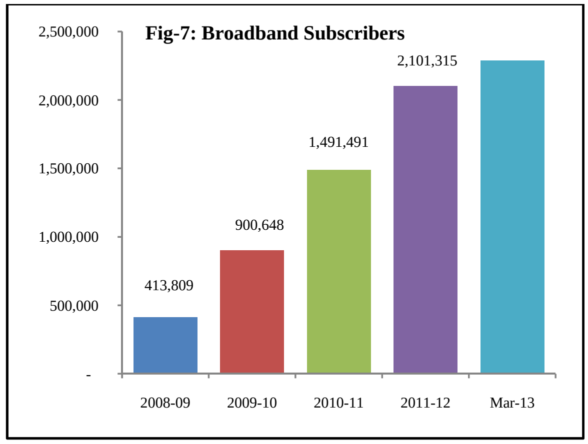


Table 13.10: Broadband Technology Share (in Percentage)

Broad Band	2011	2012
Fixed (DSL, HFC, FTTH)	50.5	56.0
Wireless (WiMAX, EvDO)	49.5	44.0

Analyzing individually, DSL still has the highest stake in broadband market with 42% of the subscribers while WiMAX and EvDO are in close contest with a share of 28.1% and 27.8% respectively.

Telecom Economy

Telecom Investment

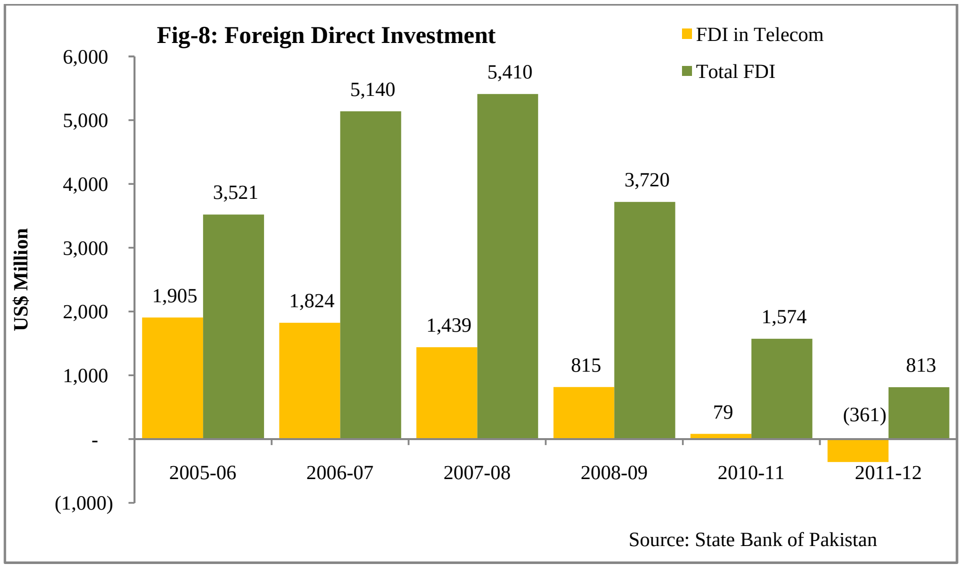
Telecom sector of Pakistan has attracted substantial investments after the deregulation. During the last seven years, more than US$ 12 billion have been invested in the telecom infrastructure and new technologies. Currently, over 92 percent of our population has access to telecom services, which has been possible due to expansion of telecom infrastructure all over the country by telecom operators. As operators have established their basic infrastructures, necessary expansion, and done the technology adoption. Therefore, telecom investment which was to the tune of US$ 4 billion in 2007, has now reduced to US$ 251 million during July-March 2013.

Table 13.11: Telecom Investment US$ Million

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Cellular	2,584.5	2,337.7	1,229.75	908.8	358.6	211.8
LDI	602.8	403.9	276.75	183.1	108.7	16.2
LL	40.6	342.1	57.37	22.5	18.2	5.0
WLL	747.0	52.8	82.11	23.0	7.6	7.3
Total	3,974.8	3,136.4	1,645.98	1,137.51	493.25	240.3

Source: PTA

Foreign Direct Investment (FDI) in telecom has also shown similar patterns of overall investment in the sector. During 2006 to 2010, telecom sector attracted over US$ 6 billion FDI in the country, which was almost 30 percent of the total FDI in the country. During the last two years, overall FDI in the country has reduced significantly. According to State Bank of Pakistan, total FDI in Pakistan was US$ 853.7 million during July-April 2013, whereas net inflows of FDI in telecom remained negative during the year on account of capital outflow by some companies. Overall slow economic growth has also contributed in the low investment in telecom. With the expected launch of 3G/4G services in the country during 2013, it is expected that the cellular mobile sector will attract significant investment in the next two years.

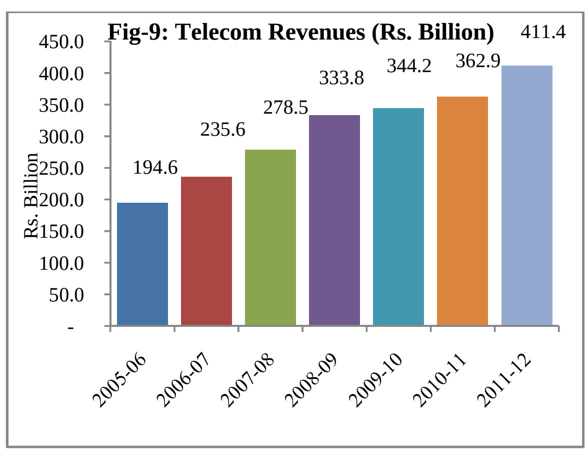


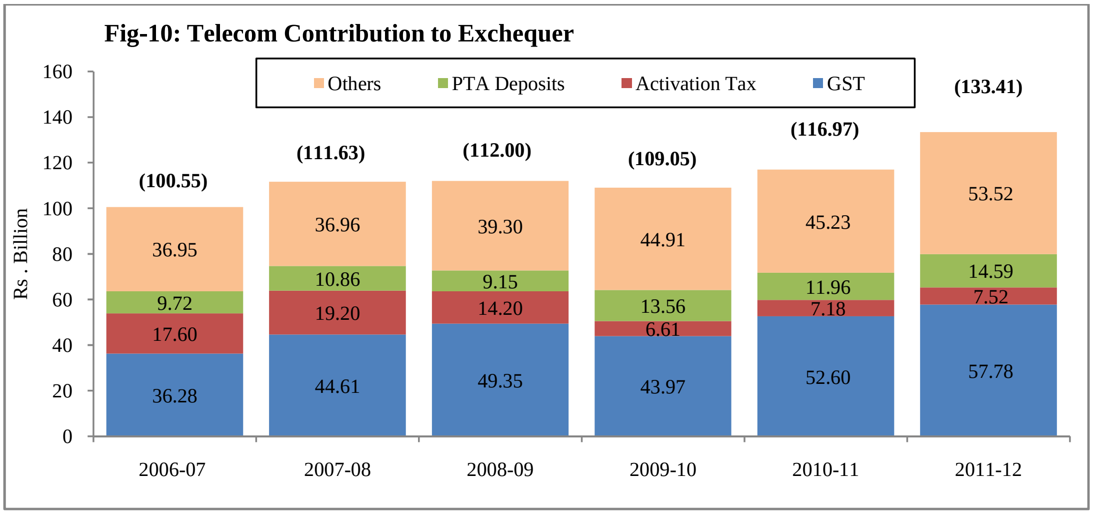
Telecom Revenue

Annual revenue of the telecom sector have reached to Rs. 411.4 billion during 2012, registering a growth of 13 percent over the last year. This is a significant increase in revenues compared to slow revenue growth in the last two years where total telecom revenue growth remained in single digit i.e. 5.4 percent in 2011 and 3.1 percent in 2010. Revenues of Telecom sector during Jul-Mar 2013 have reached to Rs. 323.0 billion registering a growth of 2.92 percent.

Telecom Contribution to National Exchequer

Telecom sector has been contributing significantly to the national exchequer in terms of taxes, regulatory fee, activation tax and other charges. During 2012, the sector has contributed a record amount Rs. 133 billion compared to Rs. 117 billion last year. Major share of this growth has been through Federal Excise Duty (FED) and other taxes. Telecom sector has been overburdened with heavy taxes and telecom companies are contributing almost 30 percent of their revenues under FED and withholding tax. General Sales Tax (GST) on telecom services is deducted under FED @19.5% whereas normally prevailing GST rate on services in the economy is 16%. Rationalization of telecom taxes can positively contribute to the telecom sector growth and telecom contribution in the economy.





Telecom Imports

During 2012, total telecom imports in the country reached US$ 954 million, showing a sharp rise of 24.5 percent over the previous year. This increase in total telecom imports is due to a sharp rise in the imports of cellular mobile handsets in the country, which have reached US$ 465.3 million in 2012 compared to 218 million in 2011.

Table 13.12: Telecom Imports US$ (Million)

	2007-08	2008-09	2009-10	2010-11	2011-12
Cellular Mobile sets with Battery	445.9	129.7	169.23	218.2	465.3
Other Telecom Apparatus	885.1	570.4	556.45	548.1	488.7
Total Telecom Imports	1,331.0	700.1	725.68	766.3	954.0

Source: State Bank of Pakistan

Table 13.13: Pakistan Telecommunication (In 000 Nos.)

	FLL Subscribers	WLL Subscribers	Mobile Phones	Broadband Subscribers
2007-08	4,548.4	1,155.2	88,019.8	168.1
2008-09	3,526.6	2,617.6	94,342.0	413.8
2009-10	3,419.3	2,659.8	99,185.8	688.4
2010-11	3,016.9	2,704.9	108,894.5	1,491.5
2011-12	2,985.6	2,817.7	120,151.2	2,101.3

13.6 Electronic Media in Pakistan

13.6-a Pakistan Electronic Media Regulatory Authority (PEMRA)

Pakistan Electronic Media Regulatory Authority (PEMRA) is a statutory body established in March 2002 through an Ordinance to facilitate and regulate growth of Electronic Media in the private sector. The law was further revamped as PEMRA Amendment Act 2007. 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

During the last ten years the country has witnessed a massive spurt 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. 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. Following figure shows the massive growth in electronic media in the private sector during the last decade.

Table 13.14: PEMRA Performance

S. No.	Category	Number of licenses Issued
i.	Satellite TV Channels	89
ii.	Landing Rights Permission to TV Channels	26
iii.	FM Radio licenses	188
iv.	Cable TV Licenses	3,516
v.	Multimedia, Multi Channels Distribution System (MMDS)	6
vi.	Internet Protocol Television (IPTV)	01
vii	Mobile TV licence	04
viii.	Mobile Audio Licenses	02

Table 13.15: Licensing in 2012-13

	Category	No. of licenses
i.	Satellite TV Channels	03
ii.	Landing Rights Permission to TV Channels	02
iii.	FM Radio licenses.	31
iv.	Cable TV Licenses	516

Economic Contribution

Due to the government investment friendly policies amid of challenges confronted by our economy both at internal and external, the Electronic media has shown some resilience. There has been a cumulative investment of approximately U.S. $ 3.0 billion in the electronic media industry in Pakistan. Electronic media sector has generated direct employment for more-than 200,000 people of diversified skills and qualifications. With the current growth rate it is estimated that the cumulative investment in the electronic media industry will reach nearly U.S. $ 4.0 billion by the end of the current financial year. This expansion in investment would in turn have a multiplier effect on increasing job opportunities for skilled media personnel and journalists, expanding work of media production houses, advertising agencies and proliferation of the performing arts.

13.6-b Pakistan Television Corporation Limited

PTV is gradually extending its signal to remote and economically backward areas of the country in order to uplift the socio-economic conditions.

PTV is operating 6 multiple terrestrial channels in the country i.e. PTV home, PTV News, PTV Bolan, PTV National, PTV Global and PTV Sports. Beside this a TV Channel has been established in Azad Jammu and Kashmir with one TV Centre, and with four Rebroadcast Centers at Kotli, Rawala Kot, Bagh and Bhimber.

In Pakistan an English television channel was required since a long to create greater understanding of Pakistan’s point of view in the world. PTV has launched English News Channel in January 2013. This is the only English News Channel in Pakistan telecasting the information about Pakistan domestically as well as internationally. Nine Projects, comprising, RBS-Neela-But, RBS Besham, RBS Pooran, RBS-Khaplu, RBS-Shigar, RBS-Gahkuch, RBS-Chilas RBS-Kohat and NNB-Larkana will start functioning from June 2013.

PTV has planned for Digitalization of PTV Terrestrial network. Government of Pakistan is making efforts for getting grant-in-aid from Chinese government. On completion of the project PTV Corporation would be able to extend Terrestrial coverage of six more channels in National Bouquet. Establishment of TV Rebroadcast Stations in following areas is in progress throughout the country during 2012-13.

Sindh
RBS at Badin.

Punjab
RBS at Shakargarh, Kotli Sattian and Mian Channu.

Khyber Pakhtunkhwa
RBS at Buneer, Kund Bangla.

Balochistan
RBS at Kharan, and Bar Khan

Northern Areas
RBS at Aliabad/Karimabad, Jaglot, Bunji, and Astore

Pakistan Television Corporation Limited has installed state of the art complete digital studio equipment in all the five TV Centers. Apart from it four Digital Satellite News Gathering (DSNG) which are complete mobile satellite transmission units are fully in operational. Total numbers of television sets in the country were 13.865 million as on 31-03-2013.

13.6-c Pakistan Broadcasting Corporation

Pakistan Broadcasting Corporation (PBS) is the largest state-owned media organization of the country. It operates with 64 AM/FM Radio Stations/Channels, spreading all over the country with its daily broadcasts of about 940 hours programmes and 124 news bulletins of 746 minutes in 29 languages.

PBC is providing following major services:

- 124, News bulletins are placed on air daily. These include National, Regional, External and Local News bulletins.
- Saraiki News Bulletin has launched on 8th February 2012 by the then Prime Minster of Pakistan. Four local bulletins were also launched from Abbottabad.
- PBC monitors news talk shows and comments of 14 radio and 10 satellite TV channels including foreign broadcasts. This monitoring report is sent to VVIPs, sensitive organizations and top officials through e-mail.
- National Broadcasting Service is a dedicated current affairs channel of PBC. This gives live coverage to breaking news, discussions and analytical programmes on important national and international issues for 17 hours a day.
- Planet FM-94 (English Channel) launched in Islamabad, Karachi and Lahore, covers the aspiration of the young generation. This channel entertains the diplomatic society and foreign missions in Pakistan.
- South Asia Broadcasting Services is broadcasting programmes in five languages Mitali (Bangla), Hindi, Nepali, Sinhali and Tamil with the objectives of promoting peace and brotherhood among the SAARC countries.
- PBC External Services, Broadcasts programme for 8 hours daily in 11 foreign languages covering countries; Afghanistan, Iran, China, India, Bangladesh, Nepal and Sir Lanka.
- PBC has started work to transfer precious audio material of historical value from magnetic tapes to computer in MP-3 form via Digitization Project.

Modernization Projects:

- Work on procurement of equipment has been initiated for establishment of an earth satellite station at National Broadcasting House Islamabad for linking the radio stations located all over the country through satellite.
- Work on procurement of the first-ever Digital Satellite News Gathering (DSNG) van of PBC has been initiated for efficient live OB (outdoor broadcast) overage of important events taking place from time to time.
- The Website of PBC has been upgraded and incorporated many new features. The site offers live streaming of 15 audio channels and a video channel on the internet. It also features streaming on mobile phones. The website is connected with the social media websites like Facebook, You Tube and Twitter.
- One FM transmitter was commissioned in Skardu for transmission of FM-93 services.
- 2.5 KW FM transmitter installed at PBC Murree has been replaced and upgraded with 5 KW FM transmitter for improving signal quality of FM-101 services in the capital city of Islamabad.
- PBC entered into an agreement with China Radio International (CRI) for launching of Dosti channel with the establishment of two FM-98 stations at Islamabad and Karachi.
- Renovation work on the existing building of transmitting station Larkana has been completed for installation of new 100 KW medium-wave digital transmitter.
- Work on commissioning of 400 KW medium-wave transmitter at Peshawar and 100 KW medium-wave transmitter at D.I.Khan is continued. Work progress on both the projects is about 90%.
- PC-I for replacement of ageing transmitter installed at Faridabad with a digital transmitter of 500 KW power and revamping of 05 studios along with master control room at national Broadcasting House Islamabad with the financial assistance of Japan has been approved by ECNEC ON 16-08-2012 at a total cost of Rs.1644.145 million, including Japanese Grant-Aid equivalent Rs.1558.384 million.

13.7 Pakistan Post Office

Pakistan Post is in the process of computerizing and re-engineering of its services to ensure that best possible quality services are available to the customers. Various measures have been taken to streamline the Post Office System on modern lines and emphasis is given on the use of Information Technology. An overview of few of the projects is as follows:

- **Western Union Money Remittances Business**

During the first nine months of current fiscal year, Pakistan Post has received the foreign remittances amounting to US $ 78.7 million dollars equivalent to Rs. 7,551.2 million.

- **Pakistan Military Pension System**

(a) Computer Pension Payment System

Over 1.5 million Military Pensioners are receiving their pensions through computerized Pension Payment System. The Pakistan Telecommunications Employees Trust (PTET) in joint efforts with Pakistan Post has developed computerized PTCL Pension disbursement System. Pakistan Post is also disbursing pension to over 40,000 PTCL pensioners.

(b) Achievements of Saving Bank

Pakistan Post has been doing saving Bank work as an agency function on behalf of the Ministry of Finance under the government savings Bank Act 1873 on commission basis. During the period July 2012 to December 2012 an amount of Rs.85,490.0 million has been collected through National Savings Schemes and earned commission amounting to Rs.538.725 million during this period.

(c) Benazir Income Support Programme (BISP)

Complete web-based tracking and monitoring system for disbursement of funds for Benazir Income Support Programme (BISP) has been evolved that include continuous processing, monitoring and reconciliation of the specialized money orders scheme. During the financial year July-March 2012-13 total 4,123,413 BISP Money orders along with required funds amounting Rs.12.37 billion were received from BISP authorities, out of which 95.4% Money orders amounting to Rs.10.969 billion have been paid within prescribed time.

(d) Postal Life Insurance.

Following are the achievements of Postal Life Insurance

Fresh Polices:	
No of Fresh Policies Issued	17,489
Fresh Premium Received	257.284 Million
Sum Assured	4,971.312 Million
In Force Policies:	
No of Policies	395,780
Premium Income	2,528.369 Million
Sum Assured	54,297.075 Million

(e) Pak Post and the First Microfinance Bank – A Public Private Partnership

Pakistan post, offers wide portfolio of postal and financial services to the people of Pakistan through its vast network of over 12000 post offices spread all over the country. While the First Micro Finance Bank Ltd. Pakistan (FMFB), a private sector bank, established under MFI Institutions Ordinance 2001 and regulated by the State Bank of Pakistan, has joined hand with the Pakistan Post for collaboration to extend micro finance facility at the grass roots level. This innovative private-public sector partnership has facilitated the provision of a range of micro credit facilities to the poor and vulnerable segments of the population, thus addressing the major issue of accessibility in the microfinance sector. It has enable the disadvantages people to build a safe and secure future for themselves and their future generations; increase their capacity to access education, health and safe built environments, and contribute towards national development. It has also addressed the major issue of poverty alleviation through sustainable economic development.

FMFB is using postal network in rural and urban areas to provide a range of financial services (initially micro loans) to micro entrepreneurs and small farmers. The services of Pakistan post are required to facilitate FMFB in disbursement and collection of loans, and verifying the particulars of the loan applicants.

This strategic collaboration is an important milestone in the government’s endeavors for sustainable poverty alleviation, and employment generation amongst the poor. Moreover, it is supporting a public institution in

Chapter 14

Energy

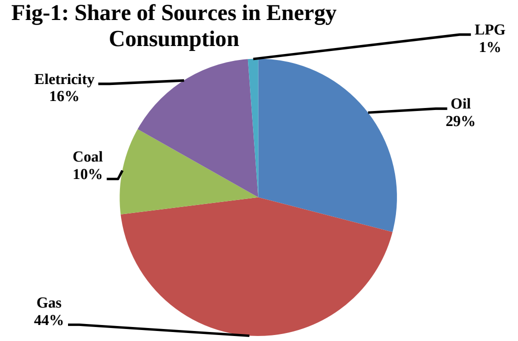
One of the opportunity costs of civilization is increase in the amount of consumption of energy per capita per year. Many alternative sources of energy are still being researched and tested but technologies are continually being developed and enhanced to improve energy sources. Still oil and natural gas will continue to be the world's top two energy sources accounting for about 60 percent of global demand. World liquid fuels consumption grew from 88.4 million barrels per day (bbl/d) in 2011to reach 89.0 million barrels per day (bbl/d) in 2012 thus posting a growth of 0.8 percent. Energy Information Administration (EIA) expects growth will be higher over the next two years because of a moderate recovery in global economic growth. The world consumption will grow by 0.9 million barrels per day (bbl/d) in 2013 and by 1.2 million barrels per day (bbl/d) in 2014. EIA estimates that global liquid fuels consumption outpaced production in the first quarter of 2013 resulting in an average draw in global liquid fuel stocks of 1.2 million barrels per day (bbl/d), which is much higher than the average 0.3millionbarrels per day (bbl/d) drawn over the last 5 years. In case of the Brent crude oil spot price, EIA projects that it will fall from an average of $112 per barrel in 2012 to annual averages of $106 per barrel and $101 per barrel in 2013 and 2014, respectively. This decline in prices is also due to increase in supply of liquid fuels from non-OPEC countries. Still energy price forecasts are highly uncertain. Thus for developing a secondary source of energy especially electricity researches has started focusing on attainment of optimal energy mix through fuel substitution by renewable energy.

In Pakistan oil and gas are two key components of energy mix contributing almost 65 percent (oil 15% and gas 50%) share to the 64.7 million TOE[1] of energy supplies during 2012 while share of coal and nuclear is almost 7 percent and 2 percent, respectively. Pakistan is one of the largest consumers of gas in the region while Pakistan's proven coal reserves are the world's sixth largest. Thus the government intends to increase the share of coal in the overall energy mix. There is a claim that coal quality is inferior and having low BTU (British Thermal Unit), however, in this era of modernization, technology and boilers are available that can burn any kind of coal, still there is need of true economic cost of measurement. However, there is no doubt that the strategic location of country has the attraction and significance as an attractive market and transit route for energy, therefore merits the investor friendly policies.

Pakistan's Energy Sector

During calendar year 2012, net primary energy supply remained 64, 727 thousand TOEs compared to 64,522 thousand TOEs last year thus posting growth of 0.32 percent, however, on average the growth rate of net primary energy supply remained 1.8 percent for last six years. The final energy use during current year became 40, 026 thousand TOE as almost 29 percent (18,462 thousand TOEs) were used in transformation while 10 percent (6,239 thousand TOEs) were used in diversion which include 3 percent transport and distribution losses (1,999 thousand TOE). When compared with final energy use last year there is 3.1 percent growth, as last year it was 38,842 thousand TOEs, however, on average the growth rate of final energy use remained 2.9 percent for last six years. Statistics on energy consumption by source revealed that gas and oil had largest share as shown in following figure:

Fig-1: Share of Sources in Energy Consumption



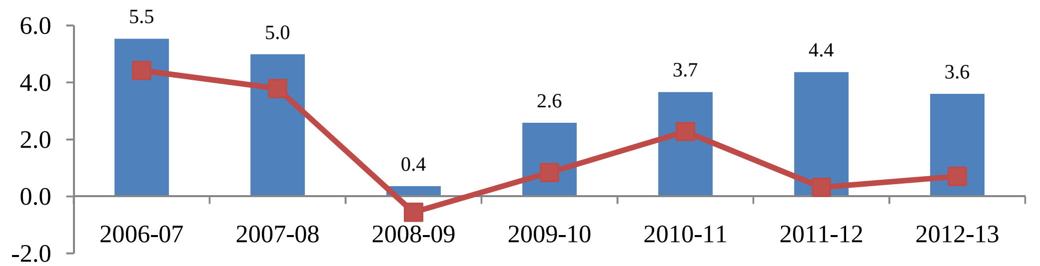
Source: Hydrocarbon Development Institute of Pakistan

Energy outages hampered economic growth of Pakistan for last few years. Further since early

[1]TOE (ton of oil equivalent) is a unit of energy. It is considered as an amount of energy released by burning one tonne of crude oil approximately equal to 42 GJ. [1 TOE = 41.868 GJ = 11, 630 Kilowatt Hours =39.683 million Btu]

2000s, the energy sector (especially its sub sector electricity) received greater attention because of the faster rate of growth in its demand. The government put all efforts to resolve the issue still the crisis is not over. As the crisis has affected every one, thus resolving energy crisis got immediate priority in manifestos of all political parties which competed in the election 2013. There is no doubt that there exists high correlation between growth rate of GDP and that of energy consumption as evident from Figure 2. It can be revealed that periods of high growth rate of energy consumption was followed by high growth rate of GDP, conversely periods of lower growth in energy consumption caused lower growth in GDP.

Figure 2: Relation between growth rate of GDP and energy consumption



Source: Hydrocarbon Development Institute of Pakistan, PBS and EA Wing

Circular debt, weak financial position of energy companies, falling gas production, high dependence on oil/gas (over 80%), low exploitation of indigenous coal and hydel resources and unutilized power generation capacity are some of the significant constraints leading to severe energy shortages.

Pakistan Energy Sources:

14.1 Oil (Petroleum Product)

The total oil resource potential is 27 million barrels with production of 66,032 barrels per day. There are almost thirteen companies involved in crude oil production. Among these thirteen, Oil and Gas Development Company Limited of Pakistan have the highest share almost 57 percent as 38,284 barrels per day is produced during 2012. United Energy Pakistan (UEP), Pakistan Petroleum Limited (PPL) and MOL Hungarian Oil and Gas Company (MOL) contributed almost 10 percent each whereas Hycarbex from USA has yet to start its production. There is refining capacity of 14 million tonnes and seven oil refineries are operating in the country, however Dhodak refinery remained shutdown during 2012 due to depletion of wells. Due to massive domestic demand of oil, a large quantity of crude oil is imported every year. 24, 573 thousand barrels (67,140 barrels per day) of crude oil is extracted or produced locally while almost double of it that is 47, 104 thousand barrels was imported during 2012. Likewise 8,395 thousand tonnes of petroleum was produced domestically while 11, 507 thousand tonnes was imported. Thus in 2012 this raised the import bills to US $ 10,292 million. High Sulphur Furnace Oil (HSFO), High Speed Diesel (HSD) and Motor Spirit has the highest share in above mentioned import bills having share of 48, 32 and 16 percent, respectively. 49 percent of High Sulphur Furnace Oil (HSFO) is imported from UAE, while 27 and 12 percent is respectively imported from Saudi Arabia and Kuwait. Almost 93 percent of High Speed Diesel (HSD) is imported from Kuwait while 72 percent Motor Spirit is imported from UAE, 12 percent from Oman and 10 percent from France. Since 2001-02, the consumption of petroleum products shows a continuous declining trend. The longer term trend suggests that composition of annual energy consumption is shifting from petroleum products to other energy sources due to volatile prices of oil. Since FY03, oil import bill has increased by 27% p.a. In FY11 alone oil bill was to the tune of US$12 billion.

During FY 12 the import bill of petroleum group was US $ 15.2 billion. If to look it in quantity terms it was 19.2 million metric tons including 13.2 million metric tons of petroleum products and 6.0 million metric tons of petroleum crude. However, during July-March FY13, it posted a negative growth of 0.53 percent due to fall in quantity (negative 0.18 percent).The main reason attributed to decline is declining prices of petroleum products globally and fall in consumption of oil/petroleum products.

The main users in the consumption of petroleum products are transport and power which jointly have almost ninety percent share in total consumption as shown in Table 14.1. The reason being almost 65 percent electricity is generated by thermal while fuel (Furnace Oil and Diesel Oil) consumption for thermal power generation is 52 percent.

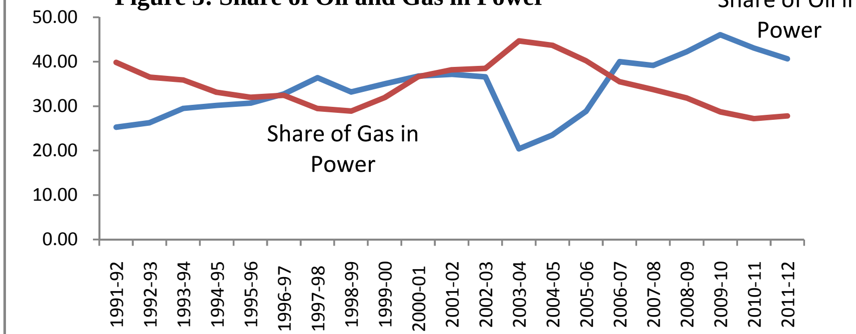
Table 14.1: Supply and Consumption of Oil / Petroleum Products

Fiscal Year	Oil / Petroleum Products										
	Supplies (Growth Rates)				Consumption						
	Oil		Petroleum Product		Oil / Petroleum Products						
	Crude Oil Imports	Local Crude Extraction	Imports	Production	Total Consumption Growth Rate	Share in Total Consumption (%)					
						Household	Industry	Agriculture	Transport	Power	Other Govt
	%				%						
2001-02	-1.00	10.01	-10.03	8.29	-3.90	2.0	9.5	1.33	47.28	37.18	2.73
2002-03	1.02	1.13	-6.49	0.62	-3.00	1.7	9.8	1.20	49.13	36.59	1.62
2003-04	9.88	-3.55	-38.72	7.22	-18.42	1.7	11.1	1.37	63.07	20.41	2.30
2004-05	6.00	6.60	9.79	7.54	9.31	1.3	10.5	0.97	61.51	23.53	2.16
2005-06	3.90	-0.76	5.87	0.23	-0.30	0.9	11.5	0.56	55.77	28.84	2.45
2006-07	-4.49	2.84	38.63	-1.75	15.18	0.6	9.5	0.58	47.38	40.01	1.93
2007-08	6.95	4.01	8.34	4.27	7.32	0.7	5.9	0.60	51.90	39.18	1.72
2008-09	-4.31	-6.13	10.52	-8.61	-0.94	0.5	5.4	0.39	49.34	42.27	2.05
2009-10	-14.54	-1.36	12.07	-8.47	6.81	0.5	5.1	0.30	46.32	46.07	1.69
2010-11	-3.34	1.41	10.67	-0.94	-1.28	0.5	7.2	0.21	47.08	43.09	1.98
2011-12	-8.19	2.21	-6.98	-5.79	-1.10	0.4	7.6	0.12	49.61	40.66	1.58
Jul-Mar											
2011-12	NA	NA	NA	NA		0.4	8.2	0.15	49.23	40.41	1.54
2012-13	NA	NA	NA	NA	-10.04	0.5	7.5	0.14	49.57	40.82	1.53

Source: Hydrocarbon Development Institute of Pakistan
NA: Not Available

Gas supply is considered as a cheaper substitute of oil in generation of power especially when the country has to import oil to meet domestic demand. Although gas could be substituted for being cheaper than oil yet share of oil in power has increased after 2006. The government has the stance that gas should be provided to fertilizer companies to reduce the import bill by increasing domestic production of fertilizer.

Figure 3: Share of Oil and Gas in Power



Source: Hydrocarbon Development Institute of Pakistan and EA

POL Pricing

In March 2006, OGRA was also given the task to compute and notify prices of petroleum products as per the federal government approved formula. OGRA computes and notifies ex-refinery/ex-depot price of Superior Kerosene Oil (SKO) and IFEM (In Land Freight Equalization Margin). Furthermore, OGRA also monitor the pricing of petroleum products and submit quarterly reports on pricing of petroleum products indicating the trend in international markets and petroleum products pricing determined by Oil Marketing Companies (OMCs)/refineries along with analysis/findings and suggestions, if any on regular basis to ECC.

14.2 Natural Gas

Pakistan being the larger consumer of the gas has total resource potential of 282 trillion cubic feet with recoverable reserves 24 trillion cubic feet and production of almost 4 billion cubic feet per day. During 2012 total production remained 1,559 billion cubic feet that is equivalent to 32 million TOE which shows a growth of 6 percent when compared to last year in billion cubic feet while in TOE it shows a growth of 4.5 percent. There are 146 non-associated gas fields while 44 associated gas fields operating under 15 companies. The detail of the company having major share in supply of gas is given below:

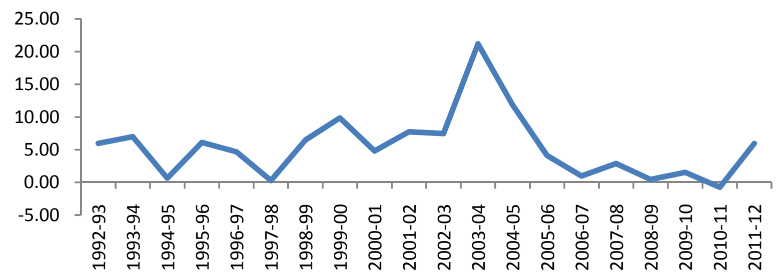
Table 14.2: Supply of Gas from Company

Name of the Company having highest share	Share in Gas Production	Numbers of Field Location for both non-associated and associated				
		Punjab	Sindh	KPK	Baluchistan	Total
Oil and Gas Development Company Limited	**24.79**	12	51	2	5	**70**
Pakistan Petroleum Limited (PPL)	**18.09**	1	4	0	1	**6**
Mari Petroleum Company Limited	**13.21**	0	5	0	1	**6**
ENI	**11.31**	0	3	0	0	**3**
BHP Billiton Petroleum (Pakistan) Pvt Ltd	**10.39**	0	1	0	0	**1**

Source: Hydrocarbon Development Institute of Pakistan

Pakistan's power sector is heavily depended on gas. Reduction of gas has crippled its performance. The country is witnessing gas shortage due to misallocation of natural gas and low growth in its supplies as shown below:

Figure 4: Growth in Gas Supply



Source: Hydrocarbon Development Institute of Pakistan

During July-March FY 13, gas supplies remained 1,139,253 million cubic feet as compared to 1,164,915 million cubic feet last year indicating a negative 2.2 per cent.

Efficient allocation of domestic gas supplies is of utmost importance. The government has formulated a Gas Allocation and Management Policy, 2005 which highlights a merit order in low gas supply scenario. However, actual gas allocation has been blatantly violated by the gas companies since 2005. Gas allocation since 2005 is violating Gas Policy as the Merit Order envisaged in the policy was not followed. According to Gas Allocation Policy 2005 industry & CNG were fourth on priority list, generally became the largest beneficiary of incremental gas supplies from FY05-11. Even fertilizer sector witnessed an increase in gas allocation with 46% share in the incremental gas supplies. Power sector was the major loser during this period, where gas was actually diverted from the power to other sectors with absolute reduction of 33% in gas allocation during the period. Low gas supplies have been substituted by expensive oil imports. Thus the reduction of gas compensated with increased furnace oil generation. Pakistan's Gas allocation is in contrast to regional peers. Power sector gas allocation in India and Bangladesh is on an upward trend In FY05India allocated 39% (1,171 mmcfd) of gas to power. InFY12, gas allocation increased to 53% (2,652 mmcfd). India produces bulk of its power from coal (69%), while gas has a small share of 12% in power sector. Still almost half the import of LNG is also dedicated to the power sector. Likewise, in Bangladesh from FY05 to FY11, power sector has witnessed an absolute increase of 42% in gas allocation from 578 mmcfd in FY05 to 823 mmcfd in FY11.

The consumption pattern of gas by different users since 1992-93 is presented in Table 14.3:

Table 14.3: Consumption of Gas in Sectors (Shares and Growth rates) Gas (mm cft)

	Households		Commercial		Cement		Fertilizer		Power		Industry		Transport (CNG)		Total
Fiscal Year	Share	Growth	Share	Growth	Share	Growth	Share	Growth	Share	Growth	Share	Growth	Share	Growth	Growth
1992-93	14.8	7.1	2.8	9.7	2.3	1.3	23.4	17.9	36.5	-3.6	20.1	7.7	0.0	24.0	5.1
1993-94	15.0	8.8	2.8	6.4	1.8	-14.5	26.2	20.8	35.9	5.8	18.3	-2.3	0.0	38.7	7.7
1994-95	17.7	17.7	2.9	5.4	1.2	-33.9	25.9	-1.9	33.1	-8.4	19.0	3.4	0.0	9.3	-0.7
1995-96	18.9	13.5	2.9	5.6	1.3	12.5	25.8	6.1	32.0	3.0	19.1	6.8	0.0	225.5	6.6
1996-97	19.3	4.9	3.1	8.5	1.5	15.2	25.2	0.1	32.4	4.0	18.5	-0.8	0.1	134.0	2.6
1997-98	22.1	16.5	3.1	2.0	2.0	38.7	24.3	-1.8	29.5	-7.7	19.0	4.4	0.1	36.9	1.7

Table 14.3: Consumption of Gas in Sectors (Shares and Growth rates) Gas (mm cft)

	Households		Commercial		Cement		Fertilizer		Power		Industry		Transport (CNG)		Total
1998-99	20.7	-2.1	3.4	14.4	1.3	-33.9	26.3	13.3	28.9	2.6	19.1	5.4	0.3	345.3	4.6
1999-00	19.7	6.3	3.0	1.1	1.2	7.1	24.9	5.8	31.9	23.8	18.9	11.1	0.3	11.2	12.0
2000-01	18.3	0.7	2.7	-5.0	0.9	-18.5	22.8	-1.0	36.6	23.7	18.0	2.7	0.6	82.3	7.9
2001-02	17.5	2.3	2.7	7.3	0.9	1.2	21.5	1.3	38.2	11.9	18.4	9.3	0.9	66.6	7.4
2002-03	17.6	6.5	2.6	2.9	0.4	-51.2	20.7	1.7	38.5	6.6	18.9	9.0	1.3	53.6	5.8
2003-04	14.8	1.1	2.3	6.2	0.7	123.8	17.6	2.6	44.7	40.0	18.4	17.2	1.5	40.1	20.5
2004-05	14.8	10.9	2.3	12.4	1.2	73.6	16.4	2.7	43.7	8.0	19.5	16.9	2.1	54.1	10.4
2005-06	14.0	-0.6	2.4	7.6	1.3	14.6	16.2	4.1	40.2	-3.1	22.8	23.3	3.2	59.1	5.4
2006-07	15.2	8.4	2.6	7.2	1.2	-4.2	15.8	-2.3	35.5	-11.8	25.1	10.0	4.6	45.2	-0.1
2007-08	16.0	10.0	2.7	8.1	1.0	-13.3	15.7	3.3	33.7	-0.9	25.3	5.2	5.6	27.6	4.4
2008-09	16.9	4.9	2.8	4.8	0.6	-42.6	15.8	0.5	31.8	-6.0	25.1	-1.1	7.0	22.5	-0.5
2009-10	17.2	2.5	2.9	4.0	0.2	-73.4	17.2	9.5	28.7	-9.2	26.1	4.5	7.7	12.2	0.7
2010-11	18.7	5.9	2.9	-1.3	0.1	-29.1	18.4	3.8	27.2	-8.0	23.5	-12.5	9.1	14.2	-2.9
2011-12	20.3	12.8	3.1	8.7	0.1	-8.1	16.4	-7.3	27.8	6.2	23.0	1.5	9.2	5.3	3.8
Jul-Mar															
2011-12 P	21.5	10.5	3.1	8.1	0.1	150	16.6	-4.8	27.5	3.6	21.8	0.0	9.4	10.8	1.8
2012-13 P	23.2	3.9	3.3	1.9	0.1	-60.0	15.2	-12.1	27.5	-3.7	22.6	0.0	8.2	-16.2	-3.7

Source: Hydrocarbon Development Institute of Pakistan

Overall there was negative growth in the consumption of gas during Jul-March 2012-13. The analysis of the sectoral consumption of gas indicates that during July-March 2012-13, the highest share in consumption of gas remained in power sector (27.5 %) followed by industry (22.6 %). As the government accorded priority to provide gas to household, the share of household in gas consumption remained 23.2 percent. However, the trend of providing gas to power sector is declining since 2005-06 except in 2012 there was positive growth of 6 percent. The transport sectors is the other significant sector that posted a positive growth in gas consumption of 5.3 percent during 2011-12, however, during July-March 2012-13 negative growth of 16 percent has been witnessed in this sector. Although its share in total consumption of gas has increased from 0.6 percent to 9 percent in last ten years, but now due to load management its growth is declining. Over the time period the share of fertilizer has declined but still its share is significant (16%), however there was negative growth of 7 percent in 2012 when compared with last year. During July-March 2012-13, its growth further declined to 12 percent.

During July 2012 to February, 2013, the two Gas utility companies (SNGL & SSGCL) have laid 14 Km Gas Transmission Network, 4326 Km Distribution and 831 Km Services lines and connected 261 villages/towns to gas network. During this period, the gas utility companies have invested Rs. 1513 million on Transmission Projects Rs. 11,925 million on Distribution Projects and Rs.1,898 million on other projects bringing total investment to about Rs. 15,336 million. During this period, 237588 additional gas connections including 236997 Domestic, 221 Commercial and 370 Industrial were provided across the country. It is expected that gas will be supplied to approximately 39,000 new consumers and about 350 new towns/villages will be connected to the gas network during the fiscal year 2013-14. Gas utility companies have planned to invest Rs, 17437 million on Transmission Projects, Rs. 27,265 million on Distribution Projects and Rs. 11,165 million on other projects bringing the total investment of Rs. 55,867 million during the fiscal year 2013-14.

Compressed Natural Gas (CNG):

The government has been promoting use of Compressed Natural Gas (CNG) to reduce pollution and to improve the ambient air quality. During past few years CNG Industry has observed a tremendous growth. Today Pakistan is the world leading CNG user country with more than 2.7 million NGVs (Natural Gas Vehicles) plying on the roads. The choice of conversion is mainly due to the fact that price of CNG is significantly less than petrol price. Currently more than 3,395 CNG stations are operational in the country fulfilling the fuels need of the NGVs.

Liquefied Petroleum Gas (LPG):

Liquefied Petroleum Gas (LPG) is a colorless and environmental friendly mixture of inflammable hydrocarbons. It contributes to about 0.5% of country’s total primary energy supply mix. Use of LPG as a domestic fuel is being encouraged. It halts deforestation in the areas where supply of natural gas is technically not viable. The government has approved the PLG (Petroleum & Distribution) Policy Guidelines, 2013, which aims to enhance availability of LPG through LPG imports and indigenous production. To encourage imports, the government has charged Petroleum Levy on indigenous LPG production as provided in the Petroleum Products (Petroleum Levy) Ordinance, 1961. However, the said levies as well as few other provisions of LPG Policy have been challenged in the Lahore High Court and litigation is in progress.

Liquefied Natural Gas (LNG):

In order to encourage LNG import to bridge widening gap between gas demand and supply, the government has notified LNG Policy, 2011. In line with said objectives, ECC of the Cabinet on October 3, 2012 have approved following LNG import projects;

Two Long Term Integrated Projects

- SSGCL will seek proposal for delivery of 400 MMCFD Re-gasified Liquefied Natural Gas (RLNG) under two separate projects through open competitive bidding under PPRA Rules. The selected party will perform all activities i.e. securing LNG supply, marine transportation and establishment of LNG terminal and injection of RLNG into SSGCL's network.
- The bids will be evaluated based on the gas price at SSGC delivery point. The contract will be for 15 years with 5 years price review clause.
- **Fast Track LNG Import Project**
  M/s SSGCL's subsidiary company (M/s SSGCL LPG Company) will act as Special Purpose Vehicle (SPVs) to secure LNG supply. To receive the LNG, the LNG terminal will be set up at the existing LPG Terminal site(s) to reduce commission time.
- M/s SSGC sought open competitive bids for supply of 400 MMCFD RLNG on long term basis under 1st phase. The bids have been received and evaluated by SSGC and their LNG consultant (M/s QED). After receipt of project award recommendations of SSGC's Board of Directors, the matter would be submitted to ECC for final approval of project award.
- M/s SSGCL have also sought bids for 2nd phase of import of 400 MMCFD RLNG. The last dates for submission of bids have been extended to 31st May, 2013. However, the fast track project has been put on hold to avoid confusion in the procurement of long term LNG.

Meanwhile, Supreme Court of Pakistan took a suomoto notice of the LNG import Project(s) based on news reports in press dated 09-03-2013. So far two hearings have been held on 11-03-2013 and 18-03-2013. The Court has directed to stay the proceedings at all forums till the decision of the case.

Cabinet, while considering a separate proposal for import of LNG from Qatar on government to government basis have decided that SSGC shall negotiate with Qatar gas to finalize the terms and conditions of LNG sales and purchase agreement on government to government basis. Moreover, setting up to the LNG terminals shall be decided by Board of Directors of SSGC.

Natural Gas Pricing

The Oil and Gas Regulatory Authority (OGRA) determines the gas prices to the extent of revenue requirements (prescribed prices) of the gas companies whereas the consumer's sale prices are fixed by the federal government under the OGRA Ordinance 2002, Revenue requirement consists of the following three components (1) cost of gas (2) operating cost and (3) return on assets in the accordance with the federal government's policy guidelines which is currently 17.5% in case of SNGPL and 17.0% in case of SSGCL. The federal government under Section 9(3) of the Ordinance advises the sale prices for each category of consumers which are then notified by OGRA in the official gazette.

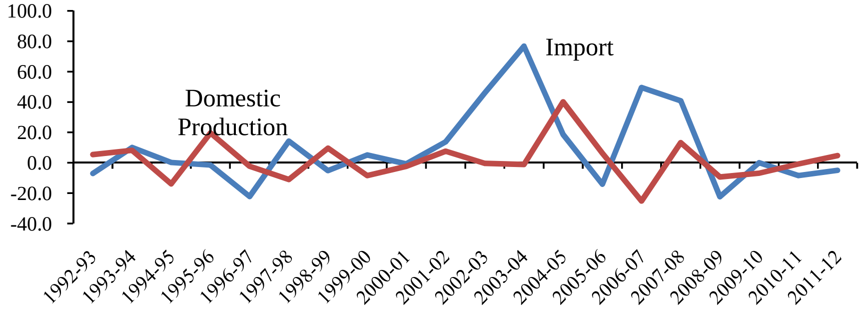
CNG Pricing

OGRA also determines and notifies the maximum sale price of CNG to be charged by the CNG station from the consumer for vehicular use other mobile use under Rule 13 of the CNG (Production and Marketing) Rules 1992

14.3 Coal

Pakistan has huge coal resources estimated at over 186 billion tonnes; including 175 billion tonnes, identified at Thar coalfields. Pakistan's coal generally ranks from lignite to sub-bituminous, therefore, to cater domestic demand almost 4 million tons of coal is imported.

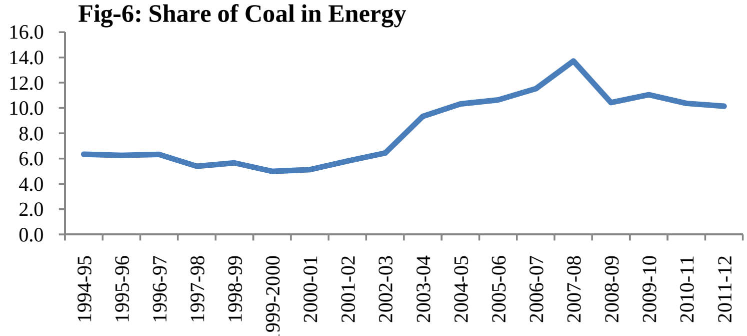
Fig-5: Growth in Coal Supply



Source: Hydrocarbon Development Institute of Pakistan

It can be seen from the figure that on average import of coal remained more than domestic production which support the claim that domestic resource is of inferior quality having low BTU and it is better to import rather than processing it because of high cost. However, share of coal in energy has started declining since 2007-08 as shown below:

Fig-6: Share of Coal in Energy



Source: Hydrocarbon Development Institute of Pakistan

The major users of coal are the cement sector and brick kilns; about 58 percent of total coal was consumed by cement while 41 percent was consumed by the brick kiln industry during 2012. The longer term trend analysis shows that for the last ten years, on average the cement sector and brick kilns have been the highest consumers of coal. The reason for the high share of consumption of coal in the cement industry is due to switching over to coal from furnace oil which has increased the utilization of indigenous as well as imported coal. However, during current year some positive growth has been witnessed in consumption of coal in power sector(Table 14.4).

Table 14.4: Consumption of Coal (Share and Growth rates)

Year	Share in Total Consumption				Growth Rates				Total
	House hold	Power	Brick Kilns	Cement	House hold	Power	Brick Kilns	Cement	
1992-93	0.1	1.4	98.5	..	-52.9	18.2	5.4	..	5.4
1993-94	0.1	1.2	98.7	..	3.1	-6.6	8.4	..	8.2
1994-95	0.1	1.3	98.6	..	-3.0	-6.7	-14.0	..	-13.9
1995-96	0.1	11.0	88.9	..	-3.1	..	7.9	..	19.6
1996-97	0.3	9.9	89.8	..	212.9	-11.8	-1.4	..	-2.3
1997-98	0.1	11.0	89.0	..	-76.3	-1.5	-12.0	..	-11.1
1998-99	0.0	12.0	88.0	..	-43.5	19.9	8.4	..	9.6
1999-00	0.0	11.0	89.0	..	-23.1	-16.2	-7.4	..	-8.5
2000-01	0.0	5.1	70.2	24.7	0.0	-40.9	0.7	..	27.7
2001-02	0.0	5.7	58.5	35.9	10.0	21.2	-9.2	58.1	9.0
2002-03	0.0	4.2	53.3	42.5	0.0	-18.4	1.1	31.5	10.9
2003-04	0.0	3.0	42.7	54.2	-9.1	-9.2	-0.7	58.3	24.0
2004-05	..	2.3	49.5	48.2	..	-2.7	50.9	15.7	30.2
2005-06	..	1.9	54.7	43.3	..	-17.1	8.1	-12.2	-2.3
2006-07	0.0	2.1	41.5	56.4		10.1	-22.4	33.2	2.3
2007-08	0.0	1.6	37.2	61.2	0.0	-1.5	14.7	39.0	28.1
2008-09	0.0	1.3	39.0	59.6	-20.0	-30.6	-12.9	-19.2	-17.0
2009-10	0.0	1.5	36.9	61.5	..	11.6	-8.2	0.1	-3.0

Table 14.4: Consumption of Coal (Share and Growth rates)

Year	Share in Total Consumption				Growth Rates				Total
	House hold	Power	Brick Kilns	Cement	House hold	Power	Brick Kilns	Cement	
2010-11	**0.0**	**1.3**	**38.9**	**59.8**	**..**	**-23.1**	**-0.1**	**-7.8**	**-5.2**
2011-12	**0.0**	**1.4**	**40.5**	**58.1**	**..**	**8.4**	**3.5**	**-3.5**	**-0.6**
Jul-Mar									
2012-13	**0.0**	**1.3**	**47.1**	**51.5**		**7.1**	**-7.4**	**-4.2**	**-5.6**

Source: Hydrocarbon Development Institute of Pakistan

14.4 Nuclear Energy

Pakistan Atomic Energy Commission (PAEC) is responsible for planning, construction and operation of nuclear power plants i.e Karachi Nuclear Power Plant (KANUPP) and Chashma Nuclear Power Plant Unit-1 and 2 (C-1 & C-2). The construction of two more units C-3 and C-4 is in progress.

KANUPP, located at Karachi, completed its design life of 30 years in 2002. After necessary refurbishments and safety retrofits, it is now operating on extended life. KANUPP, generated highest ever electricity in a calendar year in 2012, in its 40-years history. C-1 and C-2 located at Chashma are performing very well. C-1 achieved record of continuous operation of 239.13 days in July 2012. Performance of the operating nuclear power plants of Pakistan is shown in the Table 14.4:

The commercial operation of the under construction nuclear power plants C-3 and C-4 of 340 MW each, is planned in December 2016 and October 2017, respectively. At present, the construction activities are three months ahead of the schedule. Dome on C-3 containment was placed successfully on March 6, 2013.

The government has mandated Pakistan Atomic Energy Commission (PAEC) for the installation of 8,800 MW nuclear power capacities by the year 2030. PAEC has technical and engineering infrastructure is in place to provide technical support to existing under construction and future nuclear power plants. It also has a network of in-house educational and training institutions that encompass all major facets of nuclear science and technology.

Table 14.5: Performance of the Operating Nuclear Power Plants in Pakistan

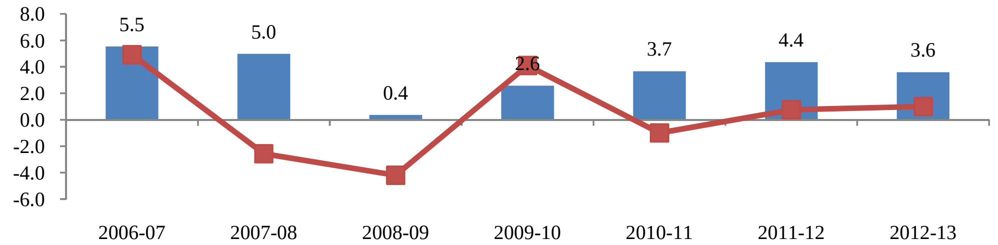
Plants	Gross Capacity (MW)	Grid Data	Commercial Data	Electricity sent to Grid	
				July-March 2012-13 (million KWh)	Lifetime (billion KWh)
KANUPP	137*	18-Oct-71	7-Dec-72	399	12,574
C-1	325	13-Jun-00	15-Sep-00	1,474	24,295
C-2	325	14-Mar-11	18-May-11	1161	3,872

Source: Pakistan Atomic Energy Commission
* KANUPP re-licensed at 98 MW (gross) after completing design life

14.5 Electricity

Electric Power is the secondary source of energy being derived from natural physical form of energy. It is formed by converting some other form of energy. A number of challenges and crisis are being faced by this sector. Some improvement was witnessed but could not correspond to the desired demand. There is claim that financial and technical issues are involved in resolving this crisis. To bring some improvement in the output capacities and performance of generation companies (GENCOs), international donor agencies have been providing technical and financial support to GENCOs in their rehabilitation efforts, however expected results would be confirmed when some of these on-going projects are completed. Similarly, rehabilitation for additional capacity of hydropower plants with the help of international donor agencies would be completed over next couple of years. National Transmission and Dispatch Company plans to add 6100 MVA of new 500/220 kV grids over the next two years. Similarly it has planned to add 6400 MVA of new 220/132 kV grids over next three years. NTDC has also initiated reinforcement and extensions in two of its 500/220 kV and six of its 220/132 kV Grid stations. However, the critical issue is that according to NTDC, the annual electricity demand growth rate is forecasted to hover around 5 to 6 percent over next ten years. With current position of expansion, it seem that crisis will not be over which in turn will effect economic growth of the country.

Figure 7: Relation between GDP growth rate and Electricity generation



Souurce: Hydrocarbon Development Institute of Pakistan

There exists a strong relationship between GDP growth and electricity growth as shown in figure above. It can be easily deduced that periods of low or negative electricity growth have witnessed low GDP growth rate, while periods where electricity growth picked up there is increase in GDP growth rate.

Pakistan's electricity generation is highly dependent on imported oil as almost $ 14.5 billion worth of oil is imported each year, the bulk of which is used for electricity generation. Thus pronounced shift from hydro to thermal generation, and more recently from natural gas to fuel oil as the primary fuel for electricity generation have caused fuels crisis in Pakistan's power sector. Further these trends have contributed to an increase in power supply costs. Thus there is need of immediate shifting of fuel mix from expensive to cheaper. It can be seen from the following table that Pakistan has larger share of oil in electricity generation:

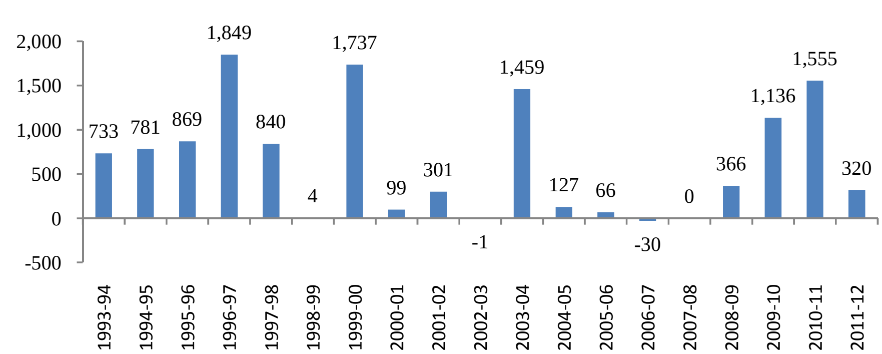
Table 14.6: Comparison of electricity generation by sources

2012	Gas	Oil	Coal	Hydle, Nuclear or import
India	9.2%	0.8%	71.0%	19.0%
Bangladesh	73.0%	20.4%	3.4%	3.2%
Pakistan	29.0%	35.0%	0.1%	35.7%

Source: Economic Survey of India, Bangladesh and HDIP

The generation capacity also could not be operated at full due to constraints in fuel availability and timely payments. Even it is a claim that no sizeable capacity in the power sector was added during last 10 years, barring the 3,377 MW added since 2008-09 as evident from the figure given below:

Figure 8: Installed Capacity (MW) since 1992-93



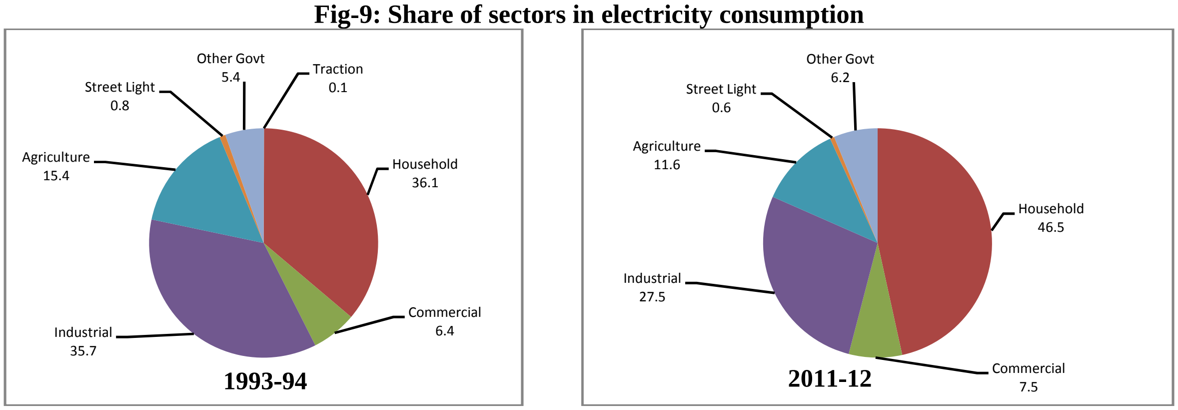
Source: Hydrocarbon Development Institute of Pakistan

This addition also could not bring a positive impact on reduction in load shedding because of financial constraints and lukewarm performance of the Public Sector GENCOs. Consequently, the country experiences extreme shortages, both in winter due to low hydel availability and in summer due to higher air conditioning demand (5000 + MW). Significant capacity needs to be added but this capacity should be affordable, sustainable and in line with a least cost generation. The quickest options are to 'squeeze' the most out of existing capacity, which means essentially efficiency improvement across the power production/supply chain and continued and emphasized conservation both for gas and electricity.

However, leakages in the fuel oil delivery and usage system need to be plugged to lower the cost of generation as well as to increase generation. An improvement of 5 to 10 % can be achieved if implementation is followed. Similarly gas reserves need to be exploited on a fast track basis with accelerated addition of reserves through increased exploration.

The consumption of electricity during 2012 remained 76,761 GW has compared to 77,099 GWh in 2011, while during the period July-March 2012-13 its consumption increased to 57,754 GWh from 56,930 GWh in corresponding period 2011-12 posting a positive growth of 1.4 percent. In the total consumption of electricity the share of household, commercial and other government sector has increased while share of industrial and agriculture sector has decreased over 1993-94 to 2011-12 as shown in figure 9:

Fig-9: Share of sectors in electricity consumption



Source: Hydrocarbon Development Institute of Pakistan

Water and Power Development Authority (WAPDA)

The installed capacity in the PEPCO system is 20,986 MW as of June 2011; with hydro 6627 MW and thermal 14,359 MW. The hydropower capacity accounts for 31.5 percent, thermal 65.4 percent and Nuclear 3.1 percent. Of this 4829 MW is owned by ex-WAPDA GENCOs, 650 by PAEC and rest by IPPs. There is 55-MW of isolated generation capacity in Pasni and Punjgoor areas. WAPDA is executing, on priority basis, the projects such as 969 MW-Neelum Jhelum and 4500 MW Diamir Basha hydropower projects.

(i) Electricity Generation & Power Transmission

Due to alarming increase in fuel prices, the need for cheaper hydro power has gained more importance. Unfortunately the composition of electricity generation shows that the hydro potential has not been fully utilized. The hydro potential which is located in the north require long transmission lines to carry power to the load centers. The hydro generation accounted for 31.9 percent during July-March 2011-12. During FY 2012-13 (upto March, 2013) it contributed 33.67 percent of the total generation. The trend of hydro-thermal energy generation for the last five years is given in the following table.

Table 14.7: Electricity Generation

Year	Hydro (Gwh)	% age	Thermal (Gwh)	% age	Total (Gwh)	% Change
2007-08	28,667	33.2	57,602	63.6	86,269	6.8
2008-09	27,763	32.9	56,614	66.8	84,377	-2.2
2009-10	28,492	31.9	60,746	67.1	89,238	5.8
2010-11	32,259	35.6	58,316	68.1	90,575	1.5
2011-12	28,543	31.9	61078	64.4	89721	-1.1
July-Mar						
2011-12	22,411	33.0	45,534	67.0	67945	1.5
2012-13	22,273	-0.1	43,874	66.3	66147	1.5

Source: Pakistan Electric Power Company (Pvt) Limited (PEPCO), National Transmission & Distribution Company Limited (NTDC)
Gwh : Giga watt hours

To carry power from power generation station to the consumers' network, the role of transmission and primary lines network is very essential. Not only the length of network-lines is important but the transformation capacity of the grid-stations is also of equal value. The length of transmission lines was 7427 KM for 220kV and 26321 KM for 132-kV level at the end of June 2011. This has gone up to 7947 KM for 220 kV and 28347 KM for 132 level at the end of June 2012, showing a combined increase of 566 KM.

The transformation capacity of 220 kV substations was 15014 MVA at the end of June 2010, which was 16494 MVA by the end of June 2011 showing an increase of 1480 MVA. It has further gone up 18044 MVA by the end of June 2012 showing an increase of 1550 MVA over June 2011. Similarly, the 132 kV transformation capacities which were 26569 in June 2010 has gone up to 30137 MVA in June 2012.

(ii) Growth in Consumers

The number of consumers has been increasing due to rapid expansion of electric network to villages and other un-electrified areas. As of March 2013, the number of consumers has been increased to 21.704 million. The trend of increase in number of consumers during the last five years is given in the following table:

Table 14.8: Number of Consumers

Year	Domestic	Commercial	Industrial	Agriculture	Others	Total
2007-08	15,226,711	2,229,403	242,401	245,640	11,211	17,955,366
2008-09	15,481,734	2,256,837	250,593	254,891	11,504	18,255,559
2009-10	16,673,015	2,362,312	263,507	271,268	12,122	19,582,224
2010-11	17,322,140	2,421,221	273,067	280,603	12,452	20,309,483
2011-12	17,978,395	2,482,702	286,401	286,287	12,826	21,046,611
July-March						
2011-12	17,808,962	2,466,049	284,049	282,639	12,745	20,854,444
2012-13	18,5623,80	2,534,957	294,660	297,932	13,163	21,703,092

Source: National Transmission & Dispatch Company Ltd, Water & Power Development Authority

(iii) Village Electrification

The village electrification program is an integral part of the total power sector development program in order to provide basic necessity of life to all people of Pakistan, raise the productive capacity and socio-economic standards of the population living in rural areas.

Table 14.9: Village Electrification

Year	Addition During the Year	Progressive Total	Growth (%)
2007-08	10,441	127,897	8.9
2008-09	9,868	137,765	7.7
2009-10	15,062	152,827	10.9
2010-11	11,705	164,532	7.7
2011-12	10,268	174,800	6.2
July-Mar			
2011-12	6,558	171,090	6.9
2012-13	8,995	183,795	7.4

Source: Water and Power Development Authority

Between the period 30th June 2012 to March 2013, 8995 was the progressive number of electrified villages. The trend of village electrification during past 05-years period is provided in Table 14.9:

(iv) Electricity Consumption by Economic Group

The consumption of electricity by economic group identifies the domestic sector as the largest user for the past many years. Even during the current year 2012-13, the consumption pattern, more or less, remained the same having domestic share of 43 percent, industrial 26 percent and agricultural about 11 percent. The consumption trend by economic group for the past five years is given below:

Table 14.10 Consumption of Electricity by Economic Group (Million Kwh)

Year	Domestic	Commercial	Industrial	Agriculture	Public Lighting	Bulk Supply	Traction	Supply to KESC	Total
2007-08	28,751	4,358	17,299	8,380	340	3,332	8.0	4,072	66,540
2008-09	27,787	4,203	16,035	8,695	347	3,198	5.0	5,014	65,284
2009-10	29,507	4,466	16,371	9,585	372	3,367	2.3	5,208	68,878
2010-11	30,973	4,683	17,700	8,847	374	3,644	2.0	5,449	71,672
2011-12	30,391	4,563	18,402	8,414	360	3,553	1.0	5,684	71,368
July-Mar									
2011-12	23,137	3,483	14,023	6,298	280	2,716	0.5	4,319	54,257
2012-13	22,987	3,359	14,016	5,780	279	2,835	0.3	4,092	53,348

Source: National Transmission & Dispatch Company Ltd, Water & Power Development Authority

(v) Power Losses

The PEPCO and DISCOs have invoked various technical and administrative measures to improve operational and managerial efficiency to reduce power losses. These measures have given positive signs resulting in reduction of power losses and increase in revenues. Certain measures such as renovation, rehabilitation, capacitor installation and strengthening the transmission/distribution network are a continuous process to control/reduce/wastage of power/energy. The Transmission and Distribution losses for the past five year are given below which indicates a steady trend of efficiency improvement:

Table 14.11: Transmission & Distribution Losses of Net System Energy

Year	Transmission & Distribution (T & D) Losses (%)
2007-08	21.3
2008-09	21.1
2009-10	20.9
2010-11	20.8
2011-12	20.5
July-Mar	
2011-12	19.5
2012-13	19.3

Source: National Transmission & Dispatch Company Ltd, Water & Power Development Authority

Private Power and Infrastructure Board (PPIB)

The Private Power and infrastructure Board (PPIB) is a ‘One Window” facilitator to the private investors in the fields of power generation. PPIB is currently processing thirty eight (38) multiple fuel (Oil, Coal, Gas and Hydel) based Independent Power Producer (IPP) projects with a cumulative capacity of around 11,583 MW. Out of these thirty three projects, a total of thirteen (13) new IPPs having a cumulative capacity of around 2,614 MW have been commissioned during the tenure of the previous democratic government, while other companies are aggressively working to achieve the financial close/ commissioning of their respective projects.

The year wise actual/expected capacity additions of IPPs upto year 2020 are as follows:

Table 14.12: Actual/expected capacity additions of IPPs upto year 2020

Year	(MW)
Project already commissioned	2614
2013	404
2014	163
2016	134
2017	247
2018	230
2020	3800

Source: Private Power and Infrastructure Board

14.6 Alternative Sources of Energy

The government of Pakistan (GoP) has been taking all possible measures to ensure energy security and sustainable development in the country. The government in its bid to diversify its energy mix, has been giving due attention towards fast track development of Alternative / Renewable Energy (ARE) resources in the country.

Alternative Energy Development Board (AEDB), under the Ordinance was mandated to implement policies, programs and projects through private sector in ARE sector; assist and facilitate development and generation of ARE to achieve sustainable economic growth; encourage transfer of technology and develop indigenous manufacturing base for ARE Technology; and promote provision of energy services that are based on ARE resources. In May, 2010, AEDB was given the mandate to implement ARE commercial projects on its own or through joint venture or partnership with public or private sector entities in addition to its mandates under the ordinance. AEDB has updated the Renewable Energy (RE) Policy, 2006, in consultation with the provinces and other stakeholders. The RE Policy, 2006 was focused only on Solar, Wind and Hydro; whereas, ARE Policy, 2012 includes all ARE technologies including Wind, Solar, Hydro, Bagasse, Cogeneration, Waste-to-Energy, Geothermal, providing extremely attractive financial and fiscal incentives to both local and foreign investors while offering them a level playing field.

The Policy invites investment from private sector for i) Independent Power Projects (IPPs) for sale of power to the grid only; ii) Grid spillover power projects for self-use and sale to utility; iii) Captive power projects for self or dedicated use; and iv) Isolated Grid Power Projects.

Supportive Measures

AEDB initiated a number of supportive measures that were required to be taken for laying a strong foundations of the ARE sector in Pakistan; these include:

- New wind corridors in areas outside Sindh have also been identified. Resource assessment of these corridors underway and a number of wind measuring masts are being installed in all four provinces.
- National Grid Code for wind power projects has been amended. Grid Integration Plan 2010 -2015 for wind power projects is developed by AEDB to support NTDC.
- Regional Environmental Study has been conducted by AEDB to support wind power projects. Guidelines for environmental assessment have also been developed.
- Trainings & capacity building of partner departments like NTDC, NEPRA, PMD, DISCOs, Provincial Government Departments, etc. have been arranged by AEDB.
- MoU between General Electric (GE)& Government of Pakistan has been signed that includes execution of wind power projects and setting up of manufacturing facility with in the country.
- Local manufacturing of micro wind turbine has been started. Manufacturing for large wind turbines is also being initiated. The turbine towers for the first project are being manufactured in Pakistan. World leading WTG manufacturers are also in talks with local investors and agencies to start full scale manufacturing facilities.
- Issues related to financing of projects have been resolved and now leading financing agencies like IFC, ADB, OPIC, ECO Trade Bank etc. are offering financing to wind power projects in Pakistan.
- There existed a shyness in adopting ARE technologies applications amongst the people, as these are new in the country. AEDB initiated mass campaign to create awareness of these technologies with support of media and stakeholders. A number of international and national level exhibitions were organized, road shows arranged, talk shows / seminars / conferences were arranged to attract entrepreneurs for investments and consumers to buy the ARE equipment.

As a result of the government's will to develop ARE sector and the AEDB's extensive and untiring efforts, the country has made significant progress in the development of a considerable base of ARE technologies in the country, especially Wind, Solar, Biomass, Waste to Energy, Small / Mini / Miro Hydro, Biodiesel.

WIND

AEDB issued LOIs to 46 IPPs pursuing development of wind power projects. Land allocated to 21 IPPs for 50 MW wind power projects each in GharoKetiBander Wind Corridor. Projects with a cumulative capacity of 1050 MW are at various stages of development on these lands, the details of which are as under:

- One project of capacity 50 MW in Jhampir developed by M/s Fauji Fertilizer Company is completed and providing electricity to National Grid (HESCO) since December 2010.
- One project of capacity 56.4 MW developed by M/s ZorluEnerji Ltd (Turkish company) has been completed and will achieve commercial operation soon.
- 2×50 MW wind power project by M/s Foundation Wind Energy I&II Ltd are under construction.

NEPRA announced an Upfront Tariff in October 2011 which expired in December 2012. NERPA has now announced a new upfront tariff for 500 MW wind power project in April 2013.

It is expected that 1000-1200 MW wind power projects would be added to the national grid by 2015 if land is allocated to the new projects.

SOLAR

In Solar Energy, 16 LOIs for cumulative capacity of 343 MW On-Grid Solar PV power plants have been issued. Four (4) companies have submitted the feasibility studies of their projects and one feasibility study is approved by AEDB. Other sponsors are at the stage of preparation of feasibility studies

Solar Village Electrification Program was initiated under PM's directive. 3000 Solar Home Systems have been installed in 49 villages of district Tharparkar, Sindh. Another 51 villages in Sindh and 300 villages in Balochistan are approved for electrification using solar energy and will be implemented on release of funds.

AEDB is also doing Parliamentarian Sponsored Village Electrification Program and has so far prepared and submitted 39 feasibilities for approval and release of funds. Funds for 04 schemes have so far been released under PWP-II and the schemes have been implemented.

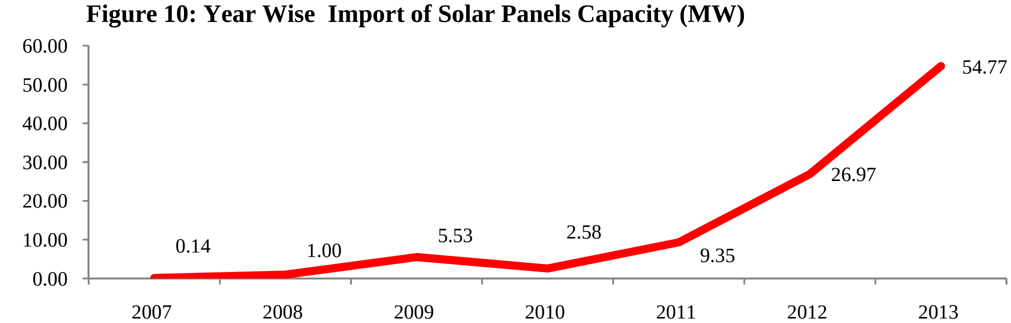
Separate pilot programs have been initiated under World Bank assistance to study the technical, financial and social viability for conversion of electric / diesel driven tube-wells / dug-wells with solar energy and replacement of conventional water heater with Solar Water Heaters.

Import of Renewable Energy Equipment

a) Import of Solar Panels / Solar Modules

AEDB in light of SRO 575(1)12006 issued duty exemption certificates for a large number of solar panels / solar modules to private sector companies for installation / generation of almost 54.77 MW of energy in the country. These solar panels / solar modules are deployed all over the country.

Figure 10: Year Wise Import of Solar Panels Capacity (MW)

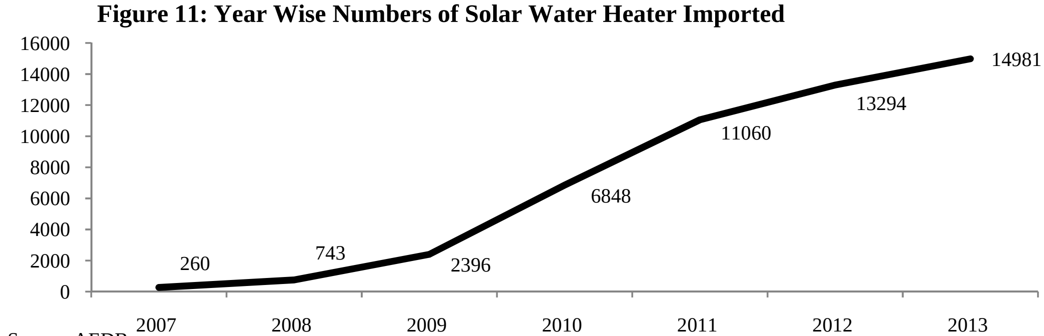


Source: AEDB

b) Import / Installation of Solar Water Heaters

AEDB issued tax exemption certificate for import of almost 15000 units of Solar Water Heaters in the country. These heaters are deployed all over the country especially in Balochistan, GilgitBaltistan, Khyber Pakhtunkhawa and Northern Punjab.

Figure 11: Year Wise Numbers of Solar Water Heater Imported

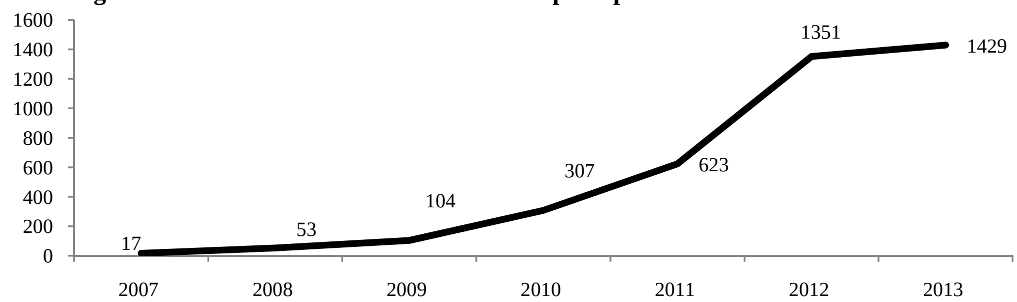


Source: AEDB

c) Import / Installation of Solar Water Pumping Systems

AEDB also issued tax exemption certificate for import of about 1429 units of Solar Water Pumping System in the country. These water pumping systems are installed for community drinking and agriculture purpose all over Pakistan.

Figure 12: Year Wise Numbers of Solar Pumps Imported



Source: AEDB

BIOMASS / WASTE-TO-ENERGY

Pakistan produces huge amount of municipal waste (up to 50,000 tons / day) and agricultural waste in the form of Bagasse, Cotton Sticks, and Rice Husk etc. Converting this waste to energy can generate up to 5,000MW of power. Pakistan offers lucrative opportunities in this sector in which a number of projects are already being implemented.

A World Bank funded project for carrying out detailed study for Biomass / Waste-to-Energy projects in 20 cities of Pakistan has been initiated. Another Waste to Energy Study, funded by USTDA is being carried out for Karachi to generate 5-10MW power.

AEDB has issued a LoI to set up a 12MW Biomass to Energy power project in Sindh, based exclusively on Bagasse / Agricultural Waste. The project is jointly sponsored by investors from US and local entrepreneurs, the SSJD Bio Energy. Another LoI has been issued to M/s Lumen Energia Pvt. Ltd. to set up an 12MW power plant at Jhang, based on Agricultural Waste like cotton stalk, rice husk, sugarcane trash, bagasse, wheat chaff and other crops as multi-fuel sources. AEDB has issued a letter of intent to M/s Pak Ethanol (Pvt) Ltd. to set up a 09 MW biogas power project at Pak Ethanol (Pvt) Ltd, Matli, Sindh.

- **14000** biogas plants are being installed through RSPN with the cost of Rs. 356 Million (Dutch Grant) in the country.
- **09** RDF / WTE plants are in various stages of implementation

Efforts are under way to convert all agro based industry on biomass generated power a few kino factories consuming 250-500Kw each, have already been converted partially / fully on biogas.

There are 85 sugar mills in Pakistan, possessing cumulative potential to generate up to 3000MW of power through bagasse. Status of Sugar Mills Waste to Energy projects is as under:-

- 27MW of Biomass / Waste to Energy plant operational at Al-Moiz Industries, D. I. Khan.
- 07MW of Biogas / Waste to Energy project operational at Shakarganj Sugar Mills, Jhang;
- 14 New Waste to Energy Projects (213 MW) awarded Generation License by NEPRA.

SMALL / MINI / MICRO HYDRO

Productive Use of Renewable Energy (PURE) Project is being implemented to install 103 hydro power plants in Khyber Pakhtunkhwa (KPK) and Gilgit Baltistan (GB), with the total cost of US$ 19.5 Million. Another project for 250 plants is under preparation for the same areas.

08 hydro projects have been initiated under the Renewable Energy Development Sector Investment Program (REDSIP) with the support of Asian Development Bank (ADB). These projects are being implemented in KPK and Punjab with an estimated cost of US $ 290 Million. Another 02 small hydro power projects have been initiated under REDSIP.

PC-I for these projects have been approved. Loan approval from ADB is awaited.

The Government of Punjab issued LOIs to private investors for establishment of 10 small hydro projects with a cumulative capacity of 142MW at different location in Punjab. AEDB is providing support to the private investors for the realization of their respective projects. AEDB is building capacities for private sector investment in KPK and Punjab through SHYDO, KPK (22 projects, 92MW) and PPDB, Punjab (30 projects, 240 MW).

AEDB initiated a program with the assistance of GIZ support to assist the provinces solicit private investments in small hydro sector; under this program pre-feasibility studies for 25 hydro sites in AJK, Sindh, Punjab and KPK with the cumulative capacity of 284.14MW has been completed.

Public sector Hydro power projects initiated in:

- KPK (worth U$ 150.99 Million, of 17.0MW, 36.6MW and 2.6 MW)
- Punjab (worth U$ 138.74 Million, of 5.38 MW, 4.04 MW, 2.82 MW, 4.16 MW and 7.64 MW)
- GilgitBaltistan (worth U$ 71.12 Million, of 26 MW and 4 MW

BIODIESEL

- Pilot Energy plantations for Biodiesel cultivated on 650 acres under study;
- Biodiesel production initiated with PSO;
- First Biodiesel refinery with the capacity of 18,000 Tons / annum Capacity has been set up at Karachi.
- SRO 474(1)12008 exempt custom duties and sales tax on Biodiesel production equipment and material.
- Amendments in OGRA Ordinance for Biofuels pricing approved.
- Proposal for undertaking a feasibility study to set up 10,000 tons per annum Biodiesel production facility awaits funding.
- Barriers to implementing Biodiesel Policy identified at National Stakeholders Conference. Task force for barrier removal established.
- Registration of Jatropha seeds under process.

Developing ARE Sector through Facilitation

1. International Collaboration

Capacity building of public and private sector agencies undertaken with assistance of international agencies (Training, Project Development, CDM, Installation of Wind Measuring Masts, Upgrading Test Facilities, Environmental Impact Assessment, development of EIA Guidelines, Socio-economic Assessment of rural areas for off-grid electrification, Identification of Appropriate Technologies etc.).

2. Main Streaming the Provincial Government

- Provincial governments represented on the AEDB Board under AEDB Act, 2010; these are now a full Member of the AEDB Board, which takes all major decision on ARE sector development in the country.
- Provincial governments are Member of the Renewable Energy Policy, 2010;
- Viewpoints of provincial governments being included in the ARE Policy through consultative process.
- Joint Monitoring of ARE Projects are undertaken with provinces;
- Regular meetings with the Departments of provincial governments for RE Projects progress monitoring and review.
- Technical Assistance for project preparation in provinces obtained from the ADB (Punjab US $ 5 Million, KPK US 5.0 Million, Sindh & Balochistan US $ 1.2 Million).
- Training and up gradation of provincial departments.

3. Developing Private Sector

- Over 160 new companies are providing are services in the sector.
- 03 New ARE Associations have been established.
- Solar Water Heaters being manufactured in Pakistan.
- Micro Wind Turbines are now being manufactured in Pakistan (AEDB provided them licenses in March, 2010).
- Many components of Heat Pumps are also being manufactured in Pakistan.
- Biogas services being provided in the private sector.
- 04 companies have been assembling solar panels locally.
- Many companies are assembling energy efficient lights (LED Lights) locally.

Chapter 15

Social Safety Nets

The global economic slowdown of 2008 and rise in fuel and commodity prices severely impacted Pakistan's economy resulting in lower economic growth and spiraling inflation. The macro-economic crisis in the country necessitated making social protection an urgent priority for the poor and vulnerable segments of society. With the objectives to attain both growth and equity, social protection is the best mechanism available to transfer the benefits of economic progress to the extremely poor and vulnerable people in order to make them part of the overall development process.

Well-targeted anti-poverty outlays and social safety transfers are essential ingredients of a comprehensive poverty reduction strategy. While anti-poverty public expenditures are essential for improving human capabilities, reducing income inequalities, and ensuring greater participation of poor in the process of economic development. Social safety transfers are necessary for creating an environment in which the most vulnerable segments of society are protected from the social and political costs of economic and structural reforms. The effectiveness of such outlays relies not only upon their levels but also their quality.

The commitment made under Fiscal Responsibility and Debt Limitation Act,2005 in reference to social sector expenditures is as follows "Ensure that in every financial year, beginning from the 1st July,2003 and ending on the 30th June,2013, the total public debt is reduced by no less than two and a half percent of the estimated Gross Domestic Product (GDP) for any given year, provided that social and poverty alleviation related expenditures are not reduced below 4.5 percent of the estimated GDP for any given year".

The government's commitment to follow a sustained poverty reduction strategy and to allocate a minimum of 4.5 percent of GDP to social and poverty related expenditures is clearly reflected in the allocations to the pro-poor sectors shown in Table 15.1. The government prioritized 17 pro-poor sectors through the Medium Term Expenditure Framework (MTEF) in the PRSP-II, which provided a link between the policy priorities and the budget reality. Expenditure on pro-poor sectors in 2008-09 stood at 7.4 percent of GDP. In 2009-10, these were 7.5 percent of GDP and in 2010-11, 8.3 percent of GDP. These expenditures were well above the requirement under the law. During 2011-12, total expenditures for these sectors were increased further and amounted to Rs 1,980.819 billion, which was 9.9 percent of GDP. During July-December of the current fiscal year 2012-13, Rs.775.620 billion expenditures have been made in these sectors.

Table 15.1: Budgetary Poverty Related Expenditures by Sectors (Rs. Million)

Sectors	2008-09	2009-10	2010-11	2011-12	2012-13*
Roads, Highways & Bridges	99,613	98,456	99,567	113,537	30,793
Water Supply and Sanitation	22,204	25,459	28,506	36,578	12,139
Education	240,378	259,525	322,811	432,121	205,342
Health	83,714	94,399	106,017	139,465	63,660
Population Planning	5,345	7,048	4,861	5,560	2,607
Social Security & Welfare	29,129	54,571	56,315	65,652	35,145**
Natural Calamities & Other Disasters	10,083	12,548	49,115	77,096	14,200
Agriculture	88,912	104,815	115,511	134,813	63,370
Land Reclamation	2,738	1,990	3,669	4,340	2,175
Rural Development	16,362	20,391	19,109	32,977	13,070
Subsidies	220,567	234,926	497,441	689,012	192,938
Food Support Programme	12,420	0	0	0	0
People's Works Programme-I	3,329	8,417	5,049	4,296	2,180
People's Works Programme-II	28,000	31,754	21,300	33,589	30,597
Low Cost Housing	583	1,828	373	383	143
Justice Administration	9,193	10,996	14,223	17,071	9,625

Table 15.1: Budgetary Poverty Related Expenditures by Sectors (Rs. Million)

Sectors	2008-09	2009-10	2010-11	2011-12	2012-13*
Law and Order	104,658	143,639	169,791	194,329	97,636
Total	**977,228**	**1,110,762**	**1,513,658**	**1,980,819**	**775,620**
Total as % age of GDP	**7.4**	**7.5**	**8.3**	**9.9**	**-**

Source: Ministry of Finance
*: July-December
**: Social Security & Welfare includes the expenditure of BISP (27,086 million) and PBM (784 million)

Box-1
Poverty Alleviation and Millennium Development Goals

The UNDP's Human Development Report, 2013 ranks Pakistan at 146th with Human Development Index (HDI) value of 0.515. The report shows gradual increase in the value of HDI from 0.504 in 2011 and 0.503 in 2010, though Pakistan's rank has slipped a slight during 2012. Other composite indices place Pakistan at a lower rank. The Inequality Adjusted Human Development Index is 0.356 and multi-dimensional poverty index is 0.264 and Gender Inequality Index for Pakistan is 0.567. These indices weight more inequality and non-income dimensions of poverty.

Pakistan Social and Living Standards Measurement Survey 2011-12 shows mixed results in terms of the education enrolment indicators. Literacy rate (10+) has improved from 57 percent in 2008-09 to 58 percent and adult literacy improved from 54 percent to 55 percent in the same period, while Primary and Middle school Gross Enrollment Rate also registered a one percentage point improvement. However, slippage on the primary and secondary Net Enrollment Rate is an area of concern for policy makers, particularly after devolution of the subject to the provinces.

Immunization of children also improved during 2011-12. The PSLM also reported trends in terms of the water supply and sanitation indicators. Whereas the sanitation situation at household level has registered an improvement (in terms of 72 percent of population using flush toilets compared to 66 percent in 2010-11), the access to drinking water to urban and rural population of Pakistan is 92 percent and 88 percent respectively, with an average of 89 percent in 2011-12.

A committee of poverty experts has been constituted in Planning and Development Division to estimate Poverty Headcount as well as poverty correlates and Pakistan MDG Report 2013. The committee is working in a professional way considering all dimensions of poverty. The report of the committee has not yet been finalized.

Source: Planning & Development Division.

Social Safety Programmes

Recognizing the need to protect the poor and the vulnerable, the government has launched several safety net programs. The following social safety net programs in particular minimizes the adverse affects of poverty on the targeted population of the country.

I. Pakistan Poverty Alleviation Fund (PPAF): Pakistan Poverty Alleviation Fund (PPAF) is the lead apex institution or community-driven development in the country. Set up by the government as an autonomous non-profit organization. PPAF enjoys facilitation and support from the government, The World Bank, International Fund for Agricultural Development (IFAD), KFW (Development Bank of Germany) and corporate donors. Outreach of PPAF now extends throughout Pakistan and its microcredit, water and infrastructure, drought mitigation, education, health and emergency response interventions have been widely recognized. Externally commissioned independent studies have demonstrated positive outcomes and impact of PPAF interventions on the lives of benefiting communities related to their economic output, household incomes, assets, agricultural productivity skills and other quality of life indices. PPAF aims to be the leading catalyst for improving the quality of life, broadening the range of opportunities and socio-economic mainstreaming of the poor and disadvantaged, especially women. The core operating units of the PPAF deliver a range of development interventions at the grass root/community level through a network of 123 partner Organizations across the county.

The overall objective of the PPAF is to improve the quality of life of poor and marginalized people throughout the country. Its specific goals are:

- Eradicate extreme hunger and poverty
- Promote gender equality and empower women
- Achieve universal primary education
- Improve maternal health
- Reduce child mortality
- Community and NGO institutions pursuing the preceding objectives established and strengthened.

Since its inception in April 2000 to December, 2012, the cumulative outreach of the PPAF, with respect to its various operational activities had extended to 121 districts of the country through its partner organizations. During this period, 5.6 million individuals had availed the PPAF financing with 55% of the loans went to women. 27,600 water and infrastructure projects had been initiated, 1800 health and education projects supported, 416,000 community organizations/groups formed, 698,000 staff and community members were trained, 32,500 assets were transferred to poor households, 18,587 ultra-poor were trained on enterprise development under Waseela-e-Haq Scheme of BISP and facilitated in establishing successful ventures, and 13,400 persons with disabilities were rehabilitated.

During the first two quarters (July-December, 2012) of 2012-13, Pakistan Poverty Alleviation Fund (PPAF) has managed to disbursed an amount of Rs 7.5 billion to its partner organizations (POs) under PPAF core interventions administered through various operational units and special initiatives as shown in Table 15.2.

Table 15.2: Disbursement by Operating Units/Special Initiatives

S.No	Components	Amount (Rs.billion)
1	Waseela-e-Haq (BISP)	0.528
2	Institutional Development/Social Mobilization	0.603
3	Microfinance Portfolio Management (MPM)	4.472
4	Livelihood Enhancement and Protection (LEP)	0.924
5	Community Physical Infrastructure (CPI)	0.303
6	Water, Energy and Climate Change (WECC)	0.167
7	Health, Education and Disability (HED)	0.428
8	PPAF Funded Model villages	0.007
9	Disaster Management	0.066
	Total	**7.498**

Source: Pakistan Poverty Alleviation Fund, Islamabad.

During 2012-13, under institutional Development /Social Mobilization 25,508 Community Organization (COs) were formed/revitalized through organizing 337,980 households. Also 4,505 linkages were developed, 190,713 CNICs formation were facilitated and 163,671 voters were registered. Similarly, under Training/Awareness Raising sessions for female CO members, 38,148 females were trained for "Rights," 85,993 females were imparted training to properly understand the legalities and rights inherent in Nikah Namas (Islamic Marriage Registration Document) and 84,389 females were trained to understand their rights under the Law of Inheritance. Overall, these projects benefitted approximately 3 million poor people including 59 percent women beneficiaries.

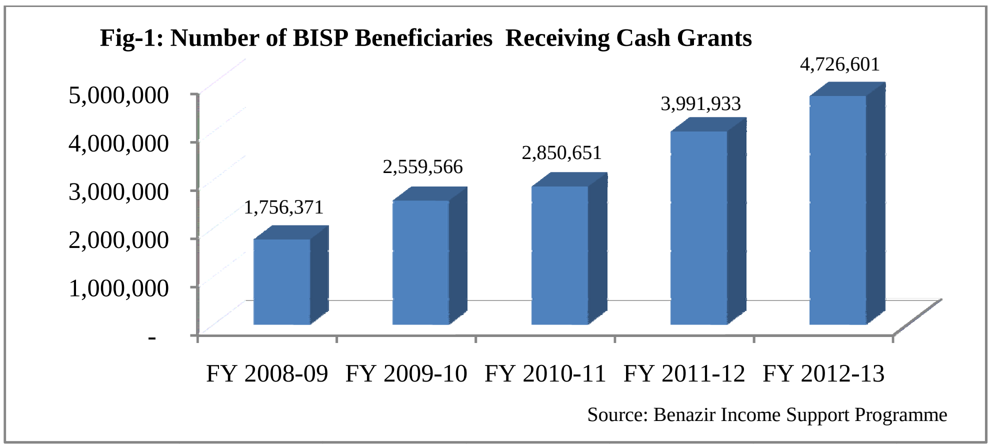
II. Benazir Income Support Programme (BISP): Benazir Income Support Programme was established by the Government of Pakistan in July 2008 with the primary objective of providing immediate relief to the poor enabling them to absorb the shock of rising prices of food and fuel. Best practices from around the world were tailored to the country environment to develop a modern and efficient social protection system. The innovations included a) switching from community based targeting to a scientific Proxy Means Test (PMT) based targeting, b) developing one of the largest data base of poor households; c) instituting automated payment generation; d) providing cash transfers through innovative technology, e) establishing an automated case management system providing interface to the beneficiaries at the Tehsil level, and f) utilizing third party evaluations of processes and the programme to assess efficiency and improve the quality of services.

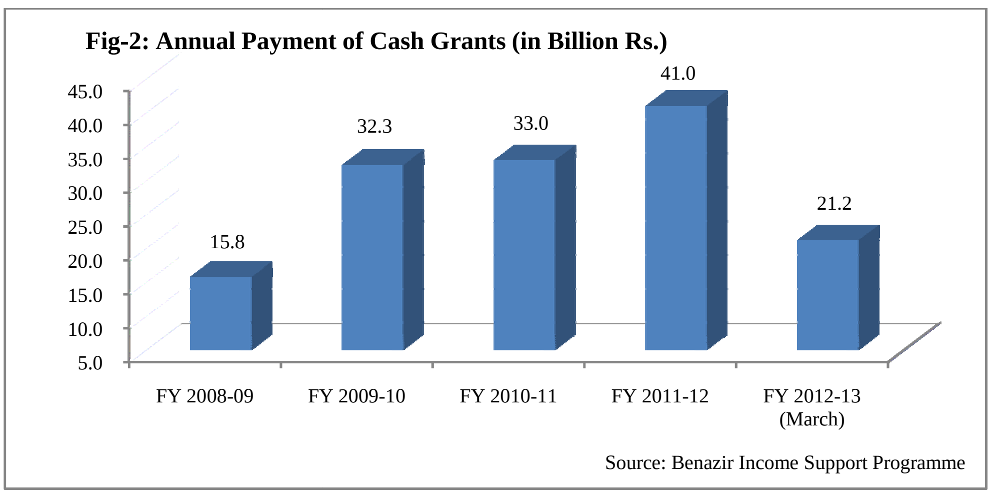
BISP has evolved over the past few years into the country's main social safety net. It is committed to the fulfillment of the dream of making Pakistan a welfare state through poverty alleviation and women empowerment. It provided needed relief to over 4.7 million recipients including flood and bomb blast victims all across Pakistan. An amount of over Rs 165 billion up to March, 2013 has been disbursed to its recipients. The number of recipients is expected to increase to 7 million once the on-going processing of data collected during the nation-wide poverty scorecard targeting survey is completed.

Nationwide Poverty Scorecard Targeting Survey: BISP has evolved over the past few years into the country's main social safety net. The number of beneficiaries (Fig-1) increased from 1.7 million households in 2008-9 to nearly 4.7 million in 2012-

13 and BISP annual disbursements (Fig-2) enhanced from 15.8 billion in 2008-9 to 41.0 billion in 2011-12. It has been characterized into two phases. In phase I (2008-09 to 2010-11), beneficiaries were identified by parliamentarians while in phase II (2010-11 to 2012-13 as survey is yet to be completed in two Agencies of FATA) a more reliable Poverty Scorecard Survey method was used. The Nationwide Poverty Scorecard Survey, the first of its kind in South Asia, enabled BISP to identify eligible households through the application of a Proxy Means Test (PMT) that determines welfare status of the household on a scale between 0-100. The survey was started in October 2010 and has been completed across Pakistan except in two FATA Agencies. The survey has the following features:

- It identified 7.2 million families who are living below cut-off score of 16.17. (Cut-off score of 16.7 is not representing a poverty line. However, this cut-off was decided on the basis of available fiscal space).
- It created a large and reliable national registry of the socio-economic status of around 27 million households across Pakistan.
- It uses GPS to map the data of the entire country for informed decision making (for example, to respond to natural disasters and other emergencies). It validates the targeting process through third party evaluation.





Payment to Beneficiaries: BISP has made remarkable progress by providing much needed relief to over 4.7 million beneficiaries including flood affectees and bomb blast victims across the country. As of March 1, 2013, BISP since its inception has spent close to Rs. 165 billion on various activities including cash transfers, graduation program and emergency relief along with conducting a nationwide poverty scorecard survey.

Spot Check and Process Evaluation: Rigorous evaluations have been built into the design of BISP.

The evaluations are conducted by external organizations to ensure credibility. BISP contracted third party to conduct a validation through spot check and process evaluation of the different procedures relating to the scorecard implementation. The specific objectives of these assignments were to test the coverage and quality of the survey conducted by the partner organizations. The spot check assignment revealed that the overall coverage of BISP's targeting survey at national level is 93% and the magnitude of difference in the poverty score across the two surveys (i.e. national roll out of poverty survey and spot check representative survey) is small. Additionally, the process evaluation interim results shows that almost 85 % of the processes were followed for all the activities completed under poverty scorecard survey.

Graduation Initiatives: Besides cash transfers, BISP has also launched various graduation programmes for its recipients to enable them to exit from the poverty trap. During 2012-13, the following progress has been made by these programmes:

Waseela-e-Rozgar: This initiative provides technical/ vocational training to one member per beneficiary family to help them get vocational training. BISP collaborating with several public and private sector training organizations. Private sector training institutions were selected all across Pakistan through a competitive process. As of March 1, 2013 around 11,644 persons have been trained while 39,374 persons are currently enrolled. It is expected that by June 30, 2013 the total number of trained persons would be approximately 70,000.

Waseela-e-Haq: Under this initiative, microfinance in the form of returnable interest-free loans up to Rs. 300,000 were provided to the beneficiaries, selected through a monthly computerized random draw, for setting up of small businesses. So far, 41 draws have been held and a total of 40,868 beneficiaries have been declared eligible for this facility. A total Rs.1.8 billion has been disbursed till March 1, 2013 under this initiative.

Waseela-e-Sehat: Group life insurance of Rs. 100,000 for the bread earner of beneficiary families was launched in January 2011. Over 4.1 million beneficiary families now have their bread earners covered under the group life insurance scheme launched by BISP in collaboration with State Life Insurance Corporation of Pakistan (SLIC). Over 7000 death claims have already been processed by SLIC during 2011-13. A comprehensive Health Insurance Scheme covering all members of BISP beneficiary family has also been piloted in district Faisalabad since April 2012. Agreement for 5 additional districts (Badin, Nowshera, Quetta, Gilgit and Muzaffarabad) has been signed with SLIC and implementation is projected to start in the next financial year.

Waseela-e-Taleem: The Government of Pakistan is making every effort to achieve Universal Primary Education as part of its commitment to the Millennium Development Goals (MDGs). National data shows that while primary education enrollment rates have gone up for most of the population, majority of the children from families in the bottom 20% of the social pyramid remain out of school. BISP's data – based on the recently concluded poverty scorecard survey-- shows that over 71% children (of ages between 5-12 years) of its beneficiaries have never been to school. BISP designed a co-responsibility cash transfer programme titled "Waseela-e-Taleem" through which children of the beneficiary families aged 5-12 year will be supported for primary education and a cash transfer of Rs. 200 per child per month (up to a maximum of three children) will be transferred to the beneficiaries subject to their compliance with the required school attendance. Under the Waseela-e-Taleem initiative, the objective is to enroll 3 million children of the ages of 5-12 from BISP beneficiary families over the period of four years (2012/13 – 2015/16).

The official launch of the Waseela-e-Taleem programme was held in November, 2012. As of March 1, 2013, 24,536 families have been enrolled from five districts (Badin, Nowshera, Quetta, Gilgit and Muzaffarabad) whose 59,380 children have been identified and issued admission verification certificates by the enrolment centers of Waseela-e-Taleem Program.

International Recognition of BISP: BISP has achieved international recognition due to its technology based and transparent systems. The UN Secretary General, World Bank, US government through USAID, British government through DFID and Asian Development Bank have all appreciated BISP's performance and have provided financial and technical support to BISP (Box-2).

Box-2
Donor's Support to BISP

BISP has also received support from the World Bank, ADB, USAID and DFID as summarized below:

1. **World Bank:** The International Development Association (IDA) provided a credit of US$ 60 million to BISP for the "Pakistan Social Safety Net Technical Assistance Project" for the period August 4, 2009 to July 31, 2013. The TA project has supported the design of the poverty scorecard, survey of all households in Pakistan, data entry and processing and associated activities. BISP also successfully negotiated additional financing of US$ 150 million for the TA project to launch a Co-responsibility Cash Transfer (Waseela-e-Taleem) programme for the primary education of the children of BISP beneficiaries.
2. **USAID:** BISP was provided a grant of US$ 85 million by the USAID as budgetary support for payment of cash benefits to the beneficiaries identified under the new poverty scorecard system. This amount was fully consumed by March 9, 2011. Subsequently, USAID has also provided an additional amount of US$ 75 million. USAID also commissioned a 3rd party assessment of BISP beneficiaries. The report shows that 98.7% beneficiaries of BISP received their monthly cash transfers.
3. **Asian Development Bank** In June 2009, an amount of US$150 million was provided by the ADB to the Ministry of Finance under the ADB-funded "Accelerating Economic Transformation Programme" (AETP), specifically for use by BISP to make cash transfers to beneficiaries identified through the new targeting system. ADB has committed another $ 200 million for Social Protection Development Project for BISP in late 2013.
4. **DFID** supported BISP's initial activities (test phase targeting survey, process evaluation and spot checks etc.) through a GBP 3 million Trust Fund managed by the World Bank. DFID is also providing a grant of GBP 300 million to BISP beneficiaries for the co-responsibility cash transfer (CCT) programme for primary education of the children of BISP beneficiaries.

Source: Benazir Income Support Programme

III. Zakat: Zakat plays an important role in poverty alleviation. Zakat system in Pakistan was introduced through an Ordinance called Zakat and Ushr Ordinance, 1980. Zakat funds are utilized to assist the needy, indigent, poor, orphans, widows, handicapped and disabled. These poor segments of society are provided Zakat funds either directly through respective local Zakat Committee or indirectly through institutions i.e. educational, vocational, social institutions and hospitals, etc.

Table : 15.3 Disbursement of Zakat

S.No	Provinces /Other Areas	Disbursed Amount (Rs. Million)
1	Punjab	2108.009
2	Sindh	871.354
3	Khyber Pakhtunkhwa	507.892
4	Balochistan	187.795
5	FATA	128.046
6	ICT	97.203
7	Gilgit Baltistan	51.368
	Total	**3951.667**

Source: Ministry of Religious Affairs

Under the 18th Constitutional Amendment, the subject of Zakat has been devolved to the Provinces/Federal Areas. Up to March, 2013 an amount of Rs.3,951.667 million was distributed in bulk amongst the provinces and other administrative areas. The Zakat funds disbursed to the provinces and other Areas during the financial year 2012-13 is given in Table 15.3

IV. Pakistan Bait-ul-Mal: Pakistan Bait-ul-Mal (PBM) is making a significant contribution towards poverty reduction through its various poorest- of- the poor focused services by providing assistance to destitute, widow, orphan, invalid, infirm and other needy persons irrespective of their gender, caste, creed and religion through its on-going core projects/schemes. Following are its objectives;

- Financial assistance for
  - i. Fighting hunger
  - ii. Medical treatment
  - iii. Education
  - iv. Sponsor and promote self-employment

- Financial aid to Charitable Institutions including Educational & Vocational setups
- Residential Accommodation and necessary facilities for the deserving
- Reduction in child labour
- Dispensation through IT and E-governance
- Any other purpose approved by the Board.

During current fiscal year July to March 2013, an expenditure of Rs.1504.713 million has been incurred on its ongoing core projects/schemes.

Major Projects/Achievements of PBM:

a. **Individual Financial Assistance:** 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. 6186.402 million has been disbursed to benefit 1,47,361 individuals countrywide during the last 04 years as shown in Table 15.4 below:

Table 15.4: Individual Financial assistance by PBM

Year	IFA General		IFA Medical		IFA Education		IFA Rehabilitation		Total Benefi-ciaries	Total Amount (Million)
	Bene	Rs. Million	Bene	Rs. Million	Bene	Rs. Million	Bene	Rs. Million		
2008-09	8846	186.74	8888	642.86	1224	33.34	16	0.23	18974	863.144
2009-10	29836	321.397	17301	1236.176	5641	120.96	0	0	52778	1678.535
2010-11	27223	636.386	20604	1810.21	4298	62.352	0	0	52125	2508.95
2011-12	4146	117.090	6077	518.290	1765	39.040	0	0	11988	674.420
2012-13 (upto Dec, 2012)	6877	164.095	3326	27.301	1293	24.258	0	0	11496	461.353
Total	**76928**	**1425.708**	**56196**	**4234.837**	**14221**	**279.95**	**16**	**0.23**	**147361**	**6186.402**

Source: Pakistan Bait-ul Mal, Prime Minister Secretariat, Islamabad

b. **Establishment of Pakistan Sweet Homes (Orphans):** Pakistan Bait-ul Mal has established orphanages at divisional level in Pakistan. As a pilot project, 30 Pakistan sweet homes (orphanages) have been established where 3000 children have been enrolled so far where they are being provided free food, nutrition, medical treatment, lodging & boarding, as well as free education through well reputed educational institutes. An amount of Rs 261 millions have been spent so far.

c. **Special Friends of PBM:** PBM has envisioned providing Wheel Chairs to every disabled in the country. A family who has two or more special children is called as "Special family" and have the right to be benefited. Through this new scheme Rs.25,000/- is being given to each family annually. Up till now, more than 60,000 wheel chairs, more than 2026 tricycles, more than 2500 white canes and more than 800 hearing aids have been distributed. Total amount so far disbursed to special family is Rs.19,97,79,860/- and for Hearing Aid Rs. 1,08,28,646/. It is also added that 40,000 wheel chairs were donated by China.

d. **Child Support Programme (CSP):** This is a cash transfer programme, in which cash incentive is provided to the parents for sending their children to schools. Rs. 300 per month is paid to the families with one child and Rs.600 per month to the families with two or more children of school age. Currently the programme is running in 11 districts. An amount of Rs. 66.754 million has been disbursed up to February 2012. UNICEFF is technically collaborating with Pakistan Bait-ul Mal in designing the programme. Gallup Pakistan hired by PBM for Base Line Survey and Rapid assessment has reported encouraging results. The World Bank Team is working for Final Impact Evaluation report of CSP pilot. On successful evaluation of the pilot further scale up of the programme would be undertaken.

e. **National Centres for Rehabilitation of Child Labour (NCsRCL):** PBM has established National Centres for Rehabilitation of Child Labour countrywide since 1995 for primary education in 5 years as per education department. Children (Male & Female) between the ages of 5-6 years are weaned away from hazardous labour and enrolled in these centres. The current strength of NCsRCL is 158. Presently, 19372 students are benefiting from these centres. Since inception, an amount of

Rs.1,399.87 million has been utilized. Up to December, 2012 17285 students have passed out and 11915 have been admitted in govt; schools for further education.

f. **Vocational Training Centres (VTCs):** Vocational Training Centres have been established throughout the country since 1995. 157 centres are providing free training to widows, orphans and poor girls in different skills. Presently, 6453 trainees are benefiting from these centres. Since inception an amount of Rs.478.54 million has been utilized. Up to December, 2012, 59,897 female students have been trained from these centres.

Other Initiatives taken by PBM:

- Parks for special friends (Disabled)
- Stitching Units
- Provision of school uniform and lunch boxes to Special Children.
- Celebration a Mega Sports Gala with Orphans of Pakistan Sweet Homes from all over the country every year on 23rd March or 14th August.

In order to reach the poor segments of the society, the future vision of Pakistan Bait-ul-Mal is:

- Establishment of Musafar Khanas in each hospital.
- Scale-up of Orphanage Centres (Pakistan Sweet Homes) in every city.
- Establishment of Orphanage Centres for girls.
- Scale-up of Child Support Program (CSP) to 144 districts.
- E-government through IT culture.

V. Peoples Works Program-I & II: Peoples Works programme (PWP) I & II are the welfare programmes comprising of small development schemes for provision of electricity, gas, farm to market roads, telephone, education, health, water supply, and sanitation facilities to the rural poor. PWP-I & II incurred expenditures of Rs 8.4 billion and Rs 31.8 billion during 2009-10 and Rs. 5.049 billion and Rs 21.30 billion during 2010-11 and Rs. 4.3 billion and Rs.33.6 billion during 2011-12 where as Rs.2.2 billion expenditure have been incurred between July-December 2012-13 on PWP-I and Rs. 30.6 billion expenditures on PWP-II.

VI. Employees Old Age Benefits Institution (EOBI): Employees Old-Age Benefits Institution has been established to fulfill provision of the Article-38(c) of the Constitution of Pakistan "The state shall provide for all persons employed in the services of Pakistan or other wise social security by compulsory social insurance or other means". EOBI provides monetary benefits to old age workers through various programmes such as Old Age Pension on attaining superannuation, Invalidity Pension on sustaining Invalidity affecting insured person's earning more than one third of the normal, Survivors Pension in case of death of insured person/pensioner and Old Age Grant not meeting the benchmark for old-age pension. During 1st July, 2012 to 31st December, 2012 an amount of Rs. 6,603.492 million has been utilized for 373,433 beneficiaries, which is 25.0 percent higher as compared to the corresponding period of last year. Furthermore, it is planned that 102,656 more beneficiaries will take benefits from the EOBI up to June 2013; an additional amount of Rs. 7,093.51 million is allocated for Old-Age Pension, Survivors Pension, Invalidity Pension and Old-Age Grants.

VII. Workers Welfare Fund (WWF): Workers Welfare Fund was established under Workers Welfare Fund Ordinance, 1971 for providing low cost housing and other amenities to the industrial labour. Initial contribution of Rs.100 million was made by the government and the further resources were to be raised by the private sector. During the current fiscal year July to March, 2013, expenditures amounting to Rs.874.601 million has been made for 22,684 scholarships. Another Rs. 356.740 million has been disbursed as Marriage Grant (@100,000/-) from which 5,418 families of the workers have benefited. WWF has also disbursed Rs.495.750 million for Death Grant for 1,251 cases of mishaps of workers all over the country. More than 70,000 children of workers are getting free of cost education (up to higher secondary level) in all Workers Welfare Model Schools. Matric Tech Programme under WWF is also providing training to around 2500 students of 9th and 10th class in 17 Worker Welfare Schools and 7 Vocational Training Institutes established under Provincial workers welfare Boards. Further, WWF also executed 36 housing projects with a total projected cost of Rs 21,436 million during 2012-13.

VIII. Microfinance Initiatives: Microfinance has been widely recognized as an effective strategy to combat poverty by providing financial services, especially credit to the poor to allow them to become economically active. The credit programs offer a small loan to the beneficiaries for self-employment purposes that can start or enhance their income streams, and eventually making them self-reliant and move out of poverty. Although micro credit has been the main thrust in the past, today microfinance is seen as encompassing a wide range of financial services such as credit, saving and Insurance.

Microfinance contrary to the popular belief in not just limited to micro-credit but also encompasses micro-savings, micro-insurance and remittances. The microfinance industry in Pakistan aims to be fully integrated with the financial industry in the country. According to World Bank's Financial Inclusion Data, only 10 percent of the adult population has a bank account with only 1 percent of the population saving at financial institutions and only 2 percent having borrowed from financial institutions. The microfinance industry in Pakistan is ideally suited to extend financial services to these underserved segments of the population. Using innovation in technology, branchless banking can extend outreach to all across the country.

Although there have been many positive developments over the last year, the sector continues to achieve scale. With potential market for microfinance estimated at close of 27 million, penetration remains low at only 8.7 percent. Although pockets of competition have emerged in mostly urban centers, many areas remain untapped. Risks arising out of natural disasters and security continue to create uncertainty. Funding requirements for future growth also pose a challenge. A large segment of the market remains unregulated and unprotected since, only microfinance banks are currently actively supervised and regulated under the SBP. A regulatory framework for non-bank MFIs is needed to provide protection to both the MFIs and their clients.

In presence of an enabling environment and the industry attaining sustainability, the sector is poised for growth. With the entry of new players and consolidation taking place, the industry is ideally positioned for expansion and provision of a wide array of services covering the entire spectrum of microfinance. The microfinance industry provides services in three broad categories namely, micro-credit, micro-savings and micro-insurance. Details of the industry is provided in Table-15.5 below:

Table 15.5: Active Borrowers, Active Savers and Active Policy holders by Peer Group

Details	Micro-credit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (PKR Million)	Active Savers	Value (PKR Million)	Policy Holders	Sum insured (PKR Million)
2011-12	2,090,617	28,959	3,692,909	12,924	2,439,890	28,203
2012-13	2,355,943	38,238	4,682,422	24,974	2,854,194	36,054
Increase/ decrease (%)	12.69%	32.04%	26.79%	93.24%	16.98%	27.84%
Increase/ decrease (Net)	265,326	9,279	989,513	12,050	414,304	7,851

Source: Pakistan Microfinance Network (PMN).

The microfinance industry in Pakistan is entering into a new era as the industry matures. New players such as mobile network operators, banks and international funds, high net worth individuals or groups are becoming interested in investing in institutions that serve the bottom of the pyramid markets. State Bank of Pakistan (SBP) continues to play a leadership role through its regulatory framework that has been ranked one of the best in the world (by the Economist Intelligence Unit (EIU) of the Economist magazine) but also providing strategic direction to the sector. Currently, the industry outreach stands at 2.4 million active borrowers with a portfolio size of Rs. 38 billion. There are nearly 4.7 million active saver and the total savings are valued at Rs. 25 billion. Numbers of policy holders are 2.8 million and the sum insured by MFPs is Rs. 36 billion as shown in Table-15.5

The objective of the microfinance initiative is to provide liquidity to the microfinance providers in response to tighter liquidity conditions and spikes in inflation. 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 Loans Portfolio (OLP) and Disbursements by loan providers.

Table 15.6: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement

MFP	Active Borrowers	Outstanding Loans portfolio (PKR)	Number of Loans disbursed	Disbursements (PKR)
Total for Pakistan MF sector	2,355,943	38,238,283,324	696,884	16,816,819,117
MFBs				
Apna Microfinance Bank (AMFB)	3,064	125,787,777	1,647	77,050,062
First Microfinance Bank Ltd (FMFBL)	152,957	3,511,135,600	44,498	1,339,641,855
Khushhali Bank (KB)	469,272	6,554,190,757	135,405	2,885,616,500
Kashf Microfinance Bank (KMFB)	24,372	1,138,758,348	8,083	553,256,123
National Rural Support Program Ltd (NRSP-B)	126,717	3,057,044,999	93,287	2,564,821,080
Tameer Microfinance Bank Ltd (TMFB)	154,973	6,700,230,096	43,288	2,057,095,400
Total MFBs	931,35	21,087,147,577	326,208	9,477,481,020
RSPs				
Ghazi Barotha Taraqiati Idara (GBTI)	4,074	38,856,415	1,101	17,860,000
National Rural Support Program (NRSP)	378,842	4,873,638,147	98,343	1,914,818,500
Punjab Rural Support Program (PRSP)	65,997	832,092,542	18,400	317,854,000
Sindh Rural Support Organization (SRSO)	47,627	666,494,080	16,697	297,665,000
Sarhad Rural Support Program (SRSP)	3,374	26,551,436	1,018	11,484,000
Thardeep Rural Development Program (TRDP)	63,379	597,020,277	19,125	317,990,000
Total RSPs	563,293	7,034,652,897	154,684	2,877,671,500
MFIs				
Akhuwat (AKHU)	104,600	1,156,718,256	41,855	677,794,100
ASA	147,437	1,745,723,807	46,116	797,040,100
ASASAH	5,584	51,611,041	1,850	33,140,000
Community Support program (CSP)	17,383	262,668,112	4,638	123,620,000
Development Action for Mobilization and Emancipation (DAMEN)	35,065	664,280,742	8,000	264,550,000
Farmers Friend Organization (FFO)	8,771	94,686,927	492	70,492,000
KASHF Foundation	300,091	3,248,944,752	54,248	1,276,323,000
MOJAZ Foundation	4,124	66,517,184	1,238	34,581,000
Orangi Charitable Trust (OCT)	40,750	490,399,817	5,705	97,059,752
Safco Support Foundation (SSF)	37,087	351,136,808	7,574	137,748,000
WASIL Foundation	6,127	83,667,668	728	35,697,645
	707,019	8,216,355,114	172,444	3,548,045,597

Table 15.6: Micro credit beneficiaries, outstanding loans portfolio and loan disbursement

MFP	Active Borrowers	Outstanding Loans portfolio (PKR)	Number of Loans disbursed	Disbursements (PKR)
Total MFIs				
Others				
Association for Gender Awareness and Human empowerment (AGAHE)	2,447	27,778,749	1,018	17,125,000
BRAC Pakistan	68,192	820,199,232	19,835	401,436,000
Jinnah Welfare Society (JWS)	20,403	250,300,829	4,989	121,910,000
National Rural Development Program (NRDP)	4,343	64,287,154	829	30,000,000
Orix Leasing Program (OLP)	14,825	191,676,298	3,380	78,754,000
Organization for Participatory Development (OPD)	3,556	44,764,821	1,011	20,872,000
Rural Community Development Society (RCDS)	28,103	398,573,749	8,249	193,820,000
Sungi Development Foundation (SDF)	9,947	71,160,815	2,449	34,645,000
Support with Working Solutions (SWWS)	2,460	31,386,089	1,788	15,059,000
Total Others	154,276	1,900,127,736	43,548	913,621,000

Source: Pakistan Microfinance Network (PMN).

After the 18th Amendment, Planning Commission has initiated policy dialogue with the provincial governments to develop social protection policies. Planning Commission will coordinate with all four provinces to develop consensus on a framework for social protection, including the institutional arrangements, coverage of policy, compliance, monitoring arrangements, legal and regulatory arrangements with a view to align Social Protection Policies with international commitments and achieving national goals. The new growth strategy of Planning Commission focuses on enhanced growth through increase in productivity. The Vision 2030 also emphasized on reducing poverty by aiming to provide affordable and smooth supply of commodities at all level. The government took various measures to bring the inflation down to single digit through prudent expenditure management, tight monetary policy, better supply chain management and monitoring of the prices and supply position of all essential items by taking all the provincial governments on board.

The government is fully committed to effectively implement poverty alleviation programmes. Hence, all the possible steps are being taken for the continuity and strengthening of social safety programmes.

optimal utilization of its resources as well as developing its human capital, and lastly, it is contributing in the government's efforts in the project of improving "Access to Financial Services Programme" for the poor and needy people.

FMFB executed agreement with Pakistan post in October, 2007 and extended its work to five postal locations i.e. Multan, Faisalabad, Lahore, Hyderabad and Sukkur. After closure of business by FMFB, 54 post offices are providing the FMFB services. Pakistan Post disbursed an amount of Rs.3040.7 million to the FMFB clients and recovered Rs. 2762.3 million. Pakistan post has also earned the following amount from FMFB.

	(Rs. in million)
PPO Commission (0.5%) (both on disbursed & recovered)	29.04
Rent charges	2.42
Address verification fee	1.87
Total	33.33

International Postal mail links

Pakistan Post has mail links with all countries of the world except Israel. Exchange of mail is carried under rules and regulations of the Universal Postal Union. Direct mail links exists with 165 countries. For remaining, mail is exchanged through transit facilities of intermediary countries. Airmail is transported through airlines selected through open tendering process.

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. 46.9 million during the period July-March 2012-13 on account of Terminal Dues for imbalance of international mails received from and dispatched to other countries.

In 24th Congress of the Universal Postal Union Pakistan has been elected as a member of Council of Administration for a period of four-years from 2013-2016.

Computerization

Pakistan is in the process of computerizing and re-engineering of its services to ensure the best possible service quality is available to the customers and has taken various measures to streamline the Post Office System on modern lines, major emphasis is on the use of Information Technology.

Counter Automation System

Over one hundred GPOs including renovated post offices through out Pakistan have already been provided with counter computerization facility for the better service quality to the customer through LAN based system. This number will be increased in a phased manner. Computer Cell is actively engaged in expansion of computerization of Postal Services for Pakistan Post. Currently Electronic Money Order (EMO) Service has been implemented at 57 GPOs and it will be extended in all 83 GPOs. Online Computerized collection of all utility bills through Centralized Software Solution has also been implemented at automated GPOs. Further, BISP, Child Support Program, Military Pension Payment System and Saving Bank will be shortly implemented in Centralized Software Solution Platform.

Chapter 16

Environment

The United Nation's Conference on Sustainable Development (UNCSD) was held in Rio de Janeiro from 20-22 June, 2012 to review the progress on the achievements made in the past 20 years since commencement of the first UN Conference on Environment and Development (UNCED) in 1992 at Rio de Janeiro also known as "Earth Summit" which adopted Rio Declaration to help shape new policies to promote global prosperity reduce poverty and advance social equity and environment protection since uncontrolled development all over the world has seriously put the sustainability of the whole planet at high risk. Such development will cause more harm than good in the long run if not properly planned to be sustained, hence time is ripe to carefully consider all the environmental issues i.e. its protection, renewal and enrichment.

Like other developing countries, Pakistan is also facing environment problems mainly due to demographic growth, lack of public awareness and education, catastrophic mismanagement of water and other natural resources and ill planned urban and industrial expansion. Air pollution, inadequate water supply, sanitation, agricultural soil degradation, deforestation and rangeland degradation are other core environmental challenges. The deterioration of environment continues to affect livelihoods and health thus increasing the vulnerability of the poor to disasters and environment-related conflicts. Poor's are directly dependent on natural resources for their livelihood whether agriculture, hunting, forestry, fisheries etc. Poverty combined with a rapidly increasing population and growing urbanization is deteriorating environment. In addition, the rise in frequency and intensity of climate triggered natural disasters has added to the burden of managing environmental sustainability. Besides, coastal zone degradation, fisheries productivity loss due to climate is yet to be valued in economic calculations. Therefore, the strategy to realize accelerated GDP growth cannot afford to neglect the environment and climate change impact on the economy.

Pakistan and other countries in the world have increasingly become cautious of environmental degradation. In case of our country, it is facing serious challenges of degradation and pollution of air, water and land. In response to the environment and climate change related policies, number of projects has been funded by Federal and Provincial Governments to improve the capacity of relevant institutions to deal with increasing environmental degradation. The ongoing projects are under implementations in order to address policy measures such as Sustainable Land Management to Combat Desertification in Pakistan, Global Change Impact Study Centre, Establishment of Clean Development Mechanism (CDM) Cell, National Conservation Strategy Resource Center, Establishing National Multilateral Environmental Agreements (MEAs). Secretariat Program, National Awareness campaign on Energy and Environment Conservation, National Bio-safety Centre, etc.

The MDGs have been adopted by the international community as a framework for the development activities of over 190 countries in ten regions; they have been articulated into over 20 targets and over 60 indicators. The Millennium Development Goals (MDGs) are the centerpiece of development efforts of the Government of Pakistan. The MDGs have also been incorporated into the government's important macroeconomic frameworks including the Medium Term Development Framework (MTDF), which covers a five-year period from 2005-2010. The status of the MDGs with reference to environment sector indicators is presented below:

Table 16.1—The MDG targets and achievements

Name of Sector/Sub-Sector	**Year**		**MDG Targets 2015**
	2010-11	**2011-12**	
Forests cover including State and private forests/farmlands **(%)**	5.1	5.2	6.0
Area protected for conservation of wildlife **(%)**	11.3	11.5	12.0
No. of petrol & diesel vehicles using CNG fuel **(thousands)**	2500	2800	920
Access to sanitation (national)**%**	@66	@72	90

Table 16.1—The MDG targets and achievements

Name of Sector/Sub-Sector	Year		MDG Targets 2015
	2010-11	2011-12	
Access to clean water (national)**%**	@87	@89	93
Number of federal air pollution monitoring stations.	1	1	--
Environmental Protection Tribunals.	5	5	--
Fixed Air Quality Monitoring Stations.*	7	7	--
Mobile Air Quality Monitoring Stations.*	3	3	--
Analytical Laboratories.*	5	5	--

Source: Environment Section, P&D Division. * Non functional due to non-funding.
Pak-EPA (M/o Climate Change). @ PSLM Survey 2011-12. Pakistan Bureau of Statistics.

To date, however, sufficient progress has been made on most of the target environment sector indicators while others lag behind. In order to achieve the MDGs targets, it is very important to ensure adequate level of social sector investments, particularly for environment. While the pace of human capital formation seems to be slightly better in urban areas of Pakistan; more resource need to be diverted towards the rural areas, especially for safe drinking water and access to sanitation.

Forest in Pakistan covers 4.224 million hectares, 5.2% of the total land area of 87.98 million hectares which has slightly shown an increase. Over 150,000 ha of former forestlands, since converted for non-forestry purposes have also reduced the forest cover. With the population growth in the country, forests are under increasing demand for watershed regulation and subsistence uses including firewood and grazing.

Pakistan has a network of 225 Protected Areas, covering an area of 9,939,480 ha which is 11.5% of the total land area. Pakistan's network of 225 protected areas (PA) consists of 19 national parks, 99 wildlife sanctuaries, 96 games reserves and 16 unclassified. About 5700 species of flowering plants are recorded in Pakistan.

Energy sector is the top contributor with emission as highest among the direct and indirect Green House Gasses (GHGs). Most of the energy is consumed at the household and at the community level. Stationary sectors are the highest emitter of CH_4, of which 98.4% is residential sector at household and community level primarily due to combustion of biomass for domestic purposes. Almost 85% of rural households use wood biomass for cooking. Twenty-five percent of Pakistan's total energy consumption comes from biomass, contributing to 47% of all Green House Gas emission of the country. Almost 100% of biomass energy consumption and consequent emission are at the rural and small urban community level.

Under the Millennium Development Goals (MDG), it is envisaged to halve by 2015, the proportion of people without sustainable access to safe drinking water and to achieve significant improvement in access to sanitation. This translates to increasing water supply and sanitation coverage to 93 percent and 90 percent, respectively by 2015. While the water supply and sanitation programmes are being accelerated, there would be some shortfalls in the achievement of envisaged MDG targets of water supply and sanitation coverage.

Activities by Pakistan Environmental Protection Agency (Pak-EPA).

Monitoring Directorate.

During the period (July-March), 2012-13 ten Initial Environmental Examination reports have been received for review by the agency. Five approvals have been granted while five cases are under process namely: -

i. Initial Environmental Examination (IEE) report of M/s US Embassy Complex, diplomatic Enclave, Islamabad.

ii. Initial Environmental Examination report of M/s Chinese Embassy diplomatic Enclave, Islamabad.

iii. Initial Environmental Examination report of M/s Pakistan Space and Upper Atmosphere Research Commission (SUPARCO), Islamabad.

iv. Initial Environmental Examination report of M/s Capital Enclave, Zone-V, Housing Scheme, Islamabad.

v. Initial Environmental Examination report of M/s National Assembly Secretariat Cooperative Housing Society, Zone-V, Islamabad.

During the same period, no Environment Impact Assessment (EIA) reports have been received primarily due to the post-eighteenth amendment whereby the function of Pak-EPA is restricted to ICT area.

Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA).

The International Union for Conservation of Nature and other partners are jointly implementing National Impact Assessment programme (NIAP) in the country. The program aims to contribute towards sustainable development in Pakistan through strengthening the Environmental Impact Assessment and introducing Strategic Environmental Assessment (SEA) in national development planning. The NIAP is a unique initiative, which intends to use a multi-pronged strategy to improve effectiveness of EIA and introduce SEA in the country. The programme involves interventions at the policy level through introduction of SEA, capacity building at all levels and sectors, development of tools, procedures and mechanisms, improved understanding of impact assessment processes, as Strategic Environmental Assessment (SEA) calls for "integration of the principles of sustainable development into country's policies and programmes."

Legal/Enforcement Directorate:

Pakistan Environmental Protection Agency (Pak-EPA), with the approval of the Ministry of Climate Change and after obtaining consent of the Law and Justice Division, notified a regulation prohibiting manufacturing, import, sale and use of non degradable plastic bags and other plastic products in the limits of Islamabad Capital Territory, effective from April,2013.

This landmark step taken by the Ministry of Climate Change will have long term benefits to control spread of waste plastic bags and enable exporters to comply with the environment friendly packaging demanded in the international market. Many countries in Asia, Europe and America have successfully controlled plastic waste by introducing **oxo-biodegradable plastic technology**. The technology is simple which neither needs alteration in machinery nor in the process. A small quantity of olefin based additive (1-3%) is mixed with the raw material (granules) to develop biodegradable properties in plastic. Plastic bags made with this technology if left in open air or water absorb oxygen; gradually weakens internal bond of plastic material thereby allowing biological degradation to take place. Finally the bag will vanish leaving behind humus (a non-toxic product). The plastics have extensive usage in packaging of food, beverages, cigarette, leather, textile, electrical/mechanical machinery and components etc. Now, it is also being used in agriculture and in forestry for saplings. If use of non-degradable plastic continues, it will create havoc due to poor waste collection in the country. Ministry of Climate Change has also coordinated with the provincial governments to introduce degradable plastics by following the suit.

In 2004, Pak-EPA on the direction of the Pakistan Environmental Protection Council, conducted national study on plastic bags, which revealed that about 55 billion bags were being manufactured and consumed annually in the country with an annual growth rate of 15%. The annual average consumption of plastic bags was estimated at 397 bags per person, i.e. 1 bag per head per day approximately. It was reported that if this trend continued, the consumption of plastic bag will reach to 112 billion by year 2015. The report observed that more than 8000 plastic bag units were operating in different parts of the country. Majority of which were in Lahore (6000), Karachi (1200), Peshawar (300) and Faisalabad (230). About 200,000 people directly and 600,000 people indirectly are associated with this business. The report considered different options to deal with the plastic bags issue, which included complete ban on plastic bags; or introduction of photo-degradable plastic bags; hydro-soluble plastic bags; and ox-biodegradable bags.

The National Assembly of Pakistan also passed a Resolution on 22nd April, 2008 that the government should take steps to ban on the use of plastic shopping bags and instead bring in use the degradable shopping bags. In compliance, the Ministry devised a two-prong strategy to deal with the issue of plastic bags namely:

i. Launch a campaign "Say No to Plastic Bag" aiming at reducing usage of plastic bags and discouraging habit of using excessive quantity of plastic bags.

ii. Introduce technology making plastic degradable so that the waste plastic bags vanish if left un-collected.

The campaign "Say No to Plastic Bag" was run successfully as a result of which large stores Metro Cash & Carry introduced cotton bags with slogan on them "Say No to Plastic Bag" and McDonald's started using paper bags instead of plastic bags. However, due to lack of resources, the campaign could not be continued.

The Ministry of Environment (Defunct) held series of meetings with plastic bag manufacturers association, users and exporters to work out solution to deal with the issue. The consensus reached on oxo-biodegradable gab technology. With a view to promoting this technology in the country, Pak-EPA approached local and multinational companies and users to promote oxo-biodegradable plastic bags in the country. The Lahore and Karachi Chamber of Commerce held workshops on biodegradable plastics to create awareness among entrepreneurs. Because of these efforts, a number of users like; Dawn Bread, KFC, McDonald's, Hyper Star, Sazgar, DHA, ICI Polyester, MENUE etc. have started using oxo-biodegradable plastic bags as part of their social responsibility.

Issuance of Guidelines:

- Pakistan Environmental Protection Agency has also notified Tyre Derived Fuel (TDF) and Refused Derived Fuel (RDF) guidelines in order to save energy effectively and safe use of alternative resources of energy and without compromising on the issue of environmental pollution in the country.

Rawal Lake Contamination:

- The residents of Rawalpindi are supplied drinking water from Rawal Lake, Islamabad and water quality of this water reservoir was drastically contaminated due to certain activities in the catchments of the lake. The health of people was at risk at large; therefore, Honorable Supreme Court of Pakistan took Suo Motu notice of the situation. Pakistan Environmental protection Agency with support of CDA and ICT has got constructed septic tanks at Bari Imam and plugged of sewage point flowing into the water stream/nullah leading to Rawal Lake. Further, Sewage Treatment Plants (STPs) are also being constructed in the catchments area.

Lab/NEQS Directorate:

i. Monitored the Rawal Lake and Bari Imam Area, Rawal Dam catchment area.
ii. Monitored the industrial area of I-9 and I-10 to control the pollution.
iii. Visited several industries Like M/s Engro Polymer, M/s Excide Battery and M/s Syngenta Pakistan Pvt, Ltd. and issued the NOCs for import of non-hazardous chemical.
iv. Prepared the draft Tyre Derived Fuel (TDF) and got approved from the Ministry.
v. Worked on implementation of Euro-II standards for 2 & 3 wheelers.

National Sustainable Development Strategy (NSDS) has been formulated and finalized by Ministry of Climate Change in consultation with a variety of stakeholder groups to achieve goals of sustainable development through climate resilient interventions. NSDS addresses the challenge of establishing the quality of environment as a *public good;* and highlights the role of State in its protection and improvement along with other stakeholders.

The environment section of NSDS enlists detailed strategic goals (briefly given in the ensuing pages) for addressing air and water pollution, land degradation and forestry issues and protection of the country's unique biodiversity. The overall focus is on safeguarding the environment by:-

i. Conserving and enhancing the natural resource base while protecting biodiversity and managing fragile ecosystems through an integrated natural resource management approach.
ii. Enhancing the life support system by addressing air and water pollution and reducing the ecological footprint of growth through strengthening the regulatory framework and community based interventions.
iii. Preparing for climate change and its accompanying uncertainties through comprehensive adaptation and mitigation planning and concrete implementation measures.

Box-1
Green Economy Fuelled by Green Jobs

Pakistan's economy possesses the potential opportunity to grow in a sustainable and cost effective manner. Hence, the concept of Green Economy, still under defining debate at the global level, can become a reality in Pakistan by tackling the resource inefficiencies within the water, energy and agriculture sectors as well as addressing the damaging trends of unregulated urbanization and rising unemployment. In order to make it politically palatable as well as implicitly sustainable, it is essential that this concept is translated into possible green jobs that can be generated through a shift towards an alternate development pathway.

Trends and Issues: In recent years, areas such as clean and efficient technology, renewable energy, chemical and waste management, biodiversity based business, and sustainable cities, buildings, construction and transport are attracting investments and emerging as the new engines of economic growth. They have also become avenues for creating green jobs.
Green jobs are defined as work in agricultural, manufacturing, research and development, administrative and service activities that contribute substantially to preserving or restoring environmental quality. Specifically, but not exclusively, this includes jobs that help to protect ecosystems and biodiversity; reduce energy, materials and water consumption through high efficiency strategies; de-carbonize the economy; and minimize or altogether avoid generation of all forms of waste and pollution.

A United Nations Environment Program (UNEP) report shows that at global level green jobs are now being generated in some sectors and economies and it is estimated that investment in low-greenhouse-gas energy could well reach $1.9 trillion by 2020. Shifting patterns of investment flows into areas from renewable energy generation to energy efficiency and pollution control projects at the household and industrial level are creating avenues for generation of green jobs. Also, the bulk of documented growth in these jobs has so far occurred mostly in developed countries, along with some rapidly developing countries like Brazil and China.

There is a tremendous scope for such initiatives and creation of green jobs in Pakistan but this potential needs to be strategically identified, economically weighed and then politically owned to ensure its sustainability. One area where Pakistan achieved great success in creating green jobs is CNG industry which has, unfortunately, been also hit by the growing "gas gap" and associated gas shortages.

Following strategic measures are proposed to be taken:

- Implement the commitment made in Vision 2030 to make *"employment and employability, a central theme in economic and social policies"* while aiming for sustainable development.
- Promote green investment and green jobs for the purpose as far as possible by carrying out a scoping exercise for jobs in the various green initiatives already elaborated.
- Encourage the political ownership of sustainable development strategies in the country marketing the creation of new jobs through an alternate economy as an incentive.

Source: Ministry of Climate Change

State of the Environment

Air:

Air Pollution from suspended particulars has shown an alarming increase especially in most urban and industrial areas owing to rising weakly regulated vehicle and industrial emission. This air pollution primarily affects urban areas where the high density of industrial and vehicular emissions is aggravated by low air dispersion. Urban air quality in Pakistan is alarming. The limited information available indicates that concentrations of particulate matter in most cities are already above acceptance levels for human health.

Vehicle, emissions represent the greatest source of air pollution in the country reflecting the rapid growth of vehicles use in Pakistan. Subsequently, motor vehicle emissions account for about 90 percent of total emissions of hydrocarbons (smog and carbon monoxide), all of which have dangerous health implications, especially in densely populated urban centers.

Motorcycles and rickshaws, due to their two stroke (2-strokes) engines, are the most inefficient in burning fuel and contribute most to emissions. 2-stroke vehicles are responsible for emission of very fine inhalable particles that settle in lungs and cause respiratory diseases. The 2-stroke vehicles industry is fast growing in Pakistan and has increased by 138.6 percent in 2011-12 when compared with the year 2001-02. Rickshaws have grown by 22.2 percent while motorcycles and scooters have posted a growth of 142.5 percent over 2001-02, (Table 16.2).

Table 16.2—Motor Vehicles on the Road			(000 Nos.)
Year	**Total**	**Motorcycles/Scooter**	**Rickshaws**
2001-02	2561.9	2481.1	80.8
2002-03	2737.1	2656.2	80.9
2003-04	2963.5	2882.5	81.0
2004-05	3146.4	3064.9	81.5
2005-06	3868.8	3791.0	77.8
2006-07	4542.9	4463.9	79.0
2007-08	5126.3	5037.0	89.3
2008-09	5456.4	5368.0	88.4
2009-10	5501.2	5412.1	89.1
2010-11	5558.6	5468.8	89.8
2011-12	6114.5	6015.7	98.8
Percentage increase in 2011-12 over 2001-02	138.6	142.5	22.2
2012-13(July-March)	5670.5	5550.0	120.5

Source: National Transport Research Centre

The use of coal in the power sector has been decreasing. This may be due to the fact that a number of plants have now been converted to natural gas. Likewise, there has been a reduction in coal usage for domestic purposes. Bricks kilns are another source of pollution in many areas. Use of low-grade coal and old tyres in bricks kilns generate dense black smoke (soot) and other kind of emissions. The use of coal has increased by 20.6 percent for bricks kilns in 2011-12 when compared with year 2001-02 (Table 16.3).

Table 16.3: Consumption of Coal			(000 M/Tons)
Year	**Power**	**Brick Kilns**	**Household**
2001-02	249.4	2577.5	1.1
2002-03	203.6	2607.0	1.1
2003-04	184.9	2589.4	1.0
2004-05	179.9	3906.7	-
2005-06	149.3	4221.8	-
2006-07	164.4	3277.5	1.0
2007-08	162.0	3760.7	1.0
2008-09	112.5	3274.8	0.8
2009-10	125.5	3005.2	-
2010-11	96.5	3003.6	-
2011-12	105.0	3108.0	-
Percentage inc./dec.in 2011-12 over 2001-02	-57.9	20.6	-
2012-13(July-March)	60.0	2105.7	-

Source: Hydrocarbon Development Institute of Pakistan
- : Not Available

Indoor air pollution in Pakistan is also very high and poses a serious problem. The use of biomass fuels such as wood, dung and crop residues is quite common in the country. Majority of rural household and a large proportion of urban households rely on these as their primary cooking fuel. Biomass burnt in poorly ventilated homes has severe health consequences, particularly for women, young children and the elderly who are most likely to be exposed to indoor pollutants.

Strategy

- Implement the National Clean Air Act and ensure effective enforcement of the National Environmental Quality Standards on air pollution.
- Establish standards for vehicles at the manufacturing state and promotion of cleaner production technologies.
- Introduce greener fuel options and making them affordable for public. The government is already on this path, but it needs to further these policy initiatives with the active involvement of the private sector.
- Facilitate cost effective inter-city mass transit

systems in major cities through public private partnerships.

- Introduce clean cook-stoves and solar lanterns, especially in rural areas not only to prevent indoor air-pollution but also to save lives, improve health and living conditions.

Water:

Pakistan faces serious deterioration of surface and ground water quality because of unabated industrial, municipal and agricultural pollution. In the absence of a regular surveillance or monitoring program and weak regulatory enforcement, several drains, irrigation canals and rivers have become severely polluted. The indiscriminate discharge of untreated industrial wastewater, municipal sewage as well as unchecked agricultural runoffs is increasingly polluting irrigation system, rivers as well as other aquatic and marine ecosystems. Subsequently this is leading to severe contamination of ground water. Pollution of surface water in major rivers and seawater is also posing threat to aquatic life.

The associated adverse health and productivity impacts are significant, with the poor bearing the brunt. Hence, polluted water is the cause of a rising incidence of water borne diseases such as diarrhea, dysentery, cholera, pneumonic and hepatitis. The situation is worsened by the fact that the poor being most economically disadvantaged are highly vulnerable to these health problems. This is because of their greater exposure to the sources of polluted water, augmented by low nutritional intake, unhygienic and crowded living conditions in urban areas, and lack of access to good and timely medical facilities. The positive nexus that exists between water related illness and income, thus further worsens the situation for poor making this one of the most pressing environmental issues for the country. One of the offshoots of water pollution issue is the sea water intrusion occurring in the southern part of the country, due to low river waste flows in some months, affecting the natural mangrove plantation as well as fisheries in the delta region.

In Pakistan, statistics on access to drinking water is impressive; according to the Pakistan Bureau of Statistics (PBS) report Pakistan Standard Living Measurement (PSLM) 2011-12, access to drinking water to urban and rural population of Pakistan is 92 and 88 percent respectively, with an average of 89 percent. Hence access to the source of drinking water is satisfactory. Access to sanitation in urban and rural population of Pakistan is 97 and 58 percent respectively, with an average of 72 percent.

Strategy:

- Provision of clean drinking water to all within next 5 years through installation of totally suited water filtration plants to be managed through community.
- Facility of filtered potable water should be ensured in every educational institution of the country. Improvement of old sewerage systems in large cities and installation of new sewerage systems on an urgent basis.
- Environmental regulations to curtail pollution must be strictly enforced through effective monitoring.
- Installation of Combined Effluent Treatment Plants at all large industrial estates to ensure treatment of polluted effluents into water bodies.
- Periodic scientific monitoring of water aquifers and drinking water bodies in all cities.
- Ensure minimum water discharge needs for river Indus, as per agreed water accords to address issues relating to sea water intrusion as well as mangrove deterioration.
- Environmental regulations to curtail pollution must be strictly enforced through effective monitoring and incentivisation.

Solid Wastes:

Solid and hazardous wastes is causing great damage to Pakistan's fragile eco-system, due to lack of management and disposal methods. There are six types of hazardous solid waste that have been identified in the Guidelines for Solid Waste Management report. These are agricultural pollutants, hospitals and laboratories, small scale industries, large scale industries, commerce and households as well as unchecked agricultural runoff is also increasingly polluting irrigation systems , streams, rivers as well as other aquatic and marine ecosystems, subsequently leading to severe contamination of ground water including drinking water, pollution of surface water in major rivers and seawater.

Commercial and household plastic bags are another spreading menace in the country. Due to lack of resources and weak planning at the implementation level of local bodies, only about 60 percent of urban solid waste can be transported to final disposal sites, which generally are open dumping system. In the absence of any operational sanitary landfill system in the country, the rest of the waste blocks the sewer system or spreads all over the cities.

The main issue associated with solid waste is the absence of an integrated solid waste management program at national, provincial and local levels and the present management system's inability to cope at the various stages of waste handling, transport and disposal. Sector-wise source of hazardous waste as given in the table below:

Table 16.4 Sources of Hazardous waste

Sectors	Sources	Types of wastes
Agriculture	Planting area and paint Production/agriculture department, warehouse	Obsolete pesticides, herbicides, insecticides, used chemicals contaminated soils.
Hospitals, Clinical and laboratories	Clinic consulting rooms, Operation theaters, hospitals, Wards, laboratories	Infected human tissues and organs, excreta, blood, sharp instruments, laboratory equipment and tissue cultures drugs etc.
Small scale industries	Metal processing, photo finishing Textile processing, printing, Leather, tanning.	Acids, heavy metals solvents , acids, silver cadmium, minerals acid solvents, inks, dyes solvents, chromium, etc
Large scale industries	Bauxite processing, oil refining petrochemical manufacture, pharmaceutical manufacture, chlorine production	Rig mud, spent catalysts, oily waste, tarry residues, solvents, mercury.
Commerce	Vehicles services and airports, dry Cleaning, electrical transformers, bus stations, workshops, petrol pumps	Oily, hydraulic fluids, halogenated solvents, polychlorinated Biphenyls(PCBs),water management, tyre, plastic etc.
Household	Homes	Used fluorescent tubes, batteries, drugs, cosmetics and vehicles care materials.

Source: National Sustainable Development Strategy, Ministry of Climate Change.

Also there is a growing concern about rising quantities of e-waste (electronic waste e.g. used computers, cell phones, wires, television etc.) in Pakistan. There is, however no current estimate of the amount of e-waste entering the country from various developed countries. There is lack of local awareness about the issue and scant knowledge about e-waste and its harmful effects on health due to lack of technical expertise in this area.

Strategy:

- Develop an integrated solid waste management program to empower local bodies and technical capacity to handle the collection, transport and disposal of solid waste.
- The production and use of polythene (plastic) bags should be strictly prohibited and steps should be taken to research and employ biodegradable alternatives.
- Employ public private partnerships for waste management especially for concentrated urban populations.
- Strengthen the Self- Monitoring and Repotting (SMART) programs, to assist the industry to structure and implement their environmental improvement plan. Its implementation to be made mandatory in the industrial zones as well as hospitals.
- Introduce additional training programs in hospitals across the country for safe and environmentally sound handling, transportation and storage of hazardous chemicals, contaminated equipment and waste generated from the hospitals.
- Promote the concept of shared hospitals waste incineration in big cities.
- Address the issue of e-waste management and regulate laws for e-waste disposal.

- Improve sanitation, hygiene and health through implementation of National Sanitation Policy.

Forest:

The area covered by forests in Pakistan is one of the lowest in the world and within the context of South Asia. Secondly, the forest resources of Pakistan are deteriorating both qualitatively and quantitatively. Most of the forest area is concentrated in the northern part of the country i.e. Khyber Pakhtunkhwa province. Northern Areas and Azad Jammu and Kashmir (AJK) and comprises coniferous and curb forest. The main types of forests in other parts include juniper, chilghoza, scrub riverine and mangrove forests. Irrigated plantations have been raised mainly in Punjab and Sindh provinces.

Pakistan is a mainly dry land country. There is a serious threat of land degradation and desertification in many parts of the country. The situation is further aggravated by scarcity of water, frequent droughts and mismanagement of land resources. World over adoption of Sustainable Land Management (SLM) practices over wider landscape has emerged as an important tool to promote holistic land stewardship by blending SLM practices, technologies, and policies in a way that environmental concerns are integrated in the overall socio-economic well being of the people. The development and implementation of village level land use plans can further help to adopt SLM practices. The coverage, significance, threats and main possible interventions in the land resource regions of Pakistan are described in the following table.

Table 16.5 Land Resources of Pakistan (Significance, Threats and Management Interventions)

Region	Coverage	Significance	Threat	Main SLM interventions
Northern Mounta-ins	Malakand & Hazara Division, Northern area, Murree-khuta Tehsil of Rwalpindi distt.AJK.	Catchment for Tarbela & Mangla discharging water to Indus, produces crops like wheat maize, potato & deciduous fruits	Sheet, rill, & gully Erosion, high rainfall erosivity & soil erodibility, land sliding.	Afforestation, especially on degraded mountain slopes(slopping Agriculture land technology),pasture improvement, soil Conservation, bio-engineering & terrace Maintenance , preserving Biodiversity, especially medicinal plants, off-season Fruits & vegetables cultivation & on-farm water management, water resource development.
Barani Lands	Pothowar, plateau, Northern Gujrat & Sialkot.	Produces wheat, peanut, maize sorghum etc, grazing of large number of livestock.	Soil erosion, drought	Dry land afforestation in gullied and eroded lands, Agro-forestry ,range improvement, soil and water Conservation, rainwater Harvesting, low delta crops and rain fed agriculture ,high efficiency irrigation system & on-farm water management
Irrigated Plains	Canal command area of Punjab, Sindh and Peshawar- Mardan	World's largest contiguous canal network. produces agriculture crops, fruits & fodder for livestock	Salinity, sodicity, Water logging, Floods, industrial pollution	Rehabilitation of saline-sodic and waterlogged soils, Saline Agriculture, improvement of drainage system, agro-forestry & on-farm water management
Sandy Deserts	Thal, Cholistan, Thar & Chagai-Kharan	Grazing by transhuman livestock & produces crops like millet, guara, gram & fodder for goat/sheep	Moving sand dunes, seasonal shortage of forage, drinking water & saline groundwater	Sand-dune stabilization, shelterbelts/woodlots, drylands afforestation, range improvement, rainwater harvesting, biodiversity conservation, low delta crops(date palm, gram pulses etc)and rain fed agriculture, high efficiency irrigation system & on-farm water management
Sulaiman Rod-kohi	Rod Kohi areas of district of D.I khan,	Unique water distribution system.	Un-predicted drought and flash	Soil and water conservation, Rod kohi irrigation improvement, rangeland

Table 16.5 Land Resources of Pakistan (Significance, Threats and Management Interventions)

Region	Coverage	Significance	Threat	Main SLM interventions
	Tank, Bannu, Karak D.G khan Rajanpur, Kashmor, Kohlu, Zhob, Loralai, Sibi & Karachi etc.	produces date palm, mangoes, wheat, maize, cotton and fodder for goat/sheep	floods, deficiencies in water distribution system	improvement, dry land afforestation, agro forestry, biodiversity conservation & on-farm water management
Dry Mounta-ins	Western, Upland Balochistan (except coastal belt) & tribal area/agencies near Bannu district. Northern: tribal areas/ agencies near Kohat & Peshawar districts	Largest region of Pakistan with estimated area of more than 0.3 million km(43% of total area of Pakistan)grazing land used by transhuman and sedentary agro-pastoralists.	Drought, minimum recharge of aquifer, very low vegetation cover and saline groundwater	Dryland afforestation, rangeland improvement, rainwater harvesting/recharging biodiversity conservation, low delta crops and rainfed agriculture, high efficiency irrigation system soil and water conservation/ rehabilitation & on-farm water management
Coastal Region	Gwadar district & southern parts of Karachi, Lasbella Thattha & Badin districts.	Mangrove forests and other coastal biodiversity.	Moving sand dunes in dry areas, saline groundwater, Poor quality soil, mangroves deterioration.	Sand-dune stabilization, shelterbelts/woodlots, afforestation, saline agriculture, management of mangroves, low delta crops(Date Palm etc)high efficiency irrigation system & on-farm water management

Source: National Sustainable Development Strategy, Ministry of Climate Change.

The main causes of deforestation have been outlined as rapid increase in population beyond the carrying capacity of forests, illegal timber extraction by individuals and organized groups, inadequate forest protection measures, forest encroachment through urbanization and agriculture use, arid climatic conditions, over exploitation of forest resources coupled with lack of regeneration, dependence of rural population on wood for fuel and heating, over gazing of land by cattle, forest fires and inefficient use of water.

The government is trying to reverse this downwards trend by taking a number of measures including afforestation, reforestation as well as trying to provide an economic value to the carbon sequestered by forests through emerging market based instruments such as Reduction of Deforestation and Degradation (RDD+) briefly discussed as under:-

REDD+ Potential and Pakistan:

Pakistan has a low forest cover with diversified forest types from coastal mangrove and riverine ecosystem to alpine Chir Pine forests within placed diversified community. There is a decline in overall forest cover in Pakistan, with the amount of forests declining by just under 2 percent in the 1990s, but by more than 2 percent in just five years, from 2000 to 2005. This decline needs to be taken into account to get maximum benefits from REDD+. The government is striving to reverse these negative trends and aiming to increase Pakistan's forest cover to 6 percent by 2015.

The total carbon stock of conifer forests could be estimated as 58 mega tons on the basis of biomass estimations by Asia Least cost Greenhouse Gas Abatement Strategy (ALGAS). On the bases of FAO Deforestation data 1990-2005 and ALGAS, 389 mega tons of carbon potential could be estimated for all types of forests in Pakistan with an estimated annual return of US$ 54 million at a rate of US$ 15 per tonne of carbon credits[1]. Other estimates by Leadership for Environment and Development (LEAD) 2010[2] points to potential earnings of between $94.74 million and $315.8 million per year if deforestation is halted completely. This estimate reflects the limited data available and provides only an indicative estimate. The actual potential could be far greater, depending on the carbon price and the sectors included under REDD+.

Pakistan's efforts with regard to the REDD+ initiative need to be significantly enhanced on a priority basis in order to achieve the global target

[1] Iqbal. K.M.J., and Ahmad. M., (2011) SDPI, Policy Paper Series # 38 September 2011

[2] LEAD (2010) REDD+ Policy Brief 4. LEAD-Pakistan

and meet the basic requirements of REDD+ readiness phase. As Pakistan faces a high rate of deforestation and aims to reverse this trend, the active engagement in REDD+ is a unique opportunity to support this national priority. However, this needs to be driven by a focused strategic plan and supported by scaling up of national technical and institutional capacity to deal with REDD+ mechanism.

Strategy

- Steps will be taken to promote public-private and market oriented farm forestry initiatives along with targeted programs for urban forestry as well as forests in flood plains, drylands, riverine and catchment areas and capturing the potential of women, being the main custodians.
- Mangrove forests in the country to be preserved through GIS based documentation and strict control of urban encroachments.
- Introduce programmes on sustainable forest management and the value of sustainable forestry aiming to sensitize the public and stakeholders at the local, provincial and federal level.
- Strict enforcement of Forest Protection laws in particular to limit and control powerful timber interests.
- Promotion of REDD+ (Reduction of Emissions from deforestation and degradation) program in Pakistan for preservation of forests through private sector led carbon sequestration and carbon credit generation. A clear regulatory process needs to be developed urgently to oversee REDD+ activities in the country especially to ensure rights of forestry stakeholders and indigenous populations.
- Promote land use planning for SLM (Sustainable Land Management) at village, district, provincial and national levels.
- Mainstream Sustainable Land management (SLM) principles and best land use practices as well as technologies into sectoral policies, strategies, programs and development plans.
- Undertake measures to control water logging and salinity in agricultural lands to sustain longevity of productive lands.
- Complete the lining of canals across the country to address a major source for water inefficiency as well as water losses due to seepage while also providing considerable employment opportunities.

Biodiversity Protection

Biodiversity refers to the variety of life, which can be seen in diverse habitats of ecosystems, species and genetic diversity. Sustainability of ecosystems depends to a large extent on the buffering capacity provided by having a rich and healthy diversity of genes, species and habitats. The air we breathe, the water we drink and the soil that support crops production are all products of the complex interactions that occur among various living organisms on earth. These services include cleaning of water, purification of air, pollination, soil formation and protection, crop pest control and the provision of food, fuel, fibers and drugs. Moreover, genetic diversity in domestic species and their wild relatives enables researchers to develop improved varieties of animals and plants for human needs; which serves as an insurance for future food security. In addition diversity in wild plant species is a major medicinal resource in *yunani* (traditional medicine) and 40% of allopathic drugs are originally made from wild medicinal plants. This entails safeguarding all components of biodiversity, ecosystems or habitats, species as well as genetic diversity.

Issues and Trends: With a widespread conversion of natural ecosystems to agriculture, erosion and rapid degradation of habitats spread of alien invasive species and the continuing depletion of populations of wild animals and plants, almost all remaining natural or modified ecosystems are now critically threatened. To date, no systematic and comprehensive assessment with the aim of objectively ranking the biodiversity importance of Pakistan’s natural ecosystems has been made. However, based on various reports and the opinions of recognized authorities, Biodiversity Action Plan of Pakistan identifies at least 10 ecosystems of particular value (Table-16.6) for their species richness and or unique communities of flora and fauna that are threatened with habitat loss and degradation. These ecosystems are considered to be of critical concern in conservation.

Table: 16.6 Ecosystems, Characteristics, Significance and Threats.

Ecosystem	Characteristics	Significance	Threats
Indus delta and coastal wetlands	Extensive mangroves and mudflats Inadequate protected area coverage	Rich avian and marine fauna Diverse mangrove habitat Marine turtle habitat	Reduced freshwater flow from diversions upstream Cutting mangroves for fuelwood Drainage of coastal wetlands
Indus river and wetlands	Extensive wetlands	Migratory flyway of glottal importance Habitat for Indus river dolphin	Water diversion/drainage Agricultural intensification Toxic pollutants
Chagai desert	A desert of great antiquity	Many endemic and unique species	Proposed mining Hunting parties from the Gulf
Balochistan Juniper forest	Huge and ancient junipers	Largest remaining juniper forest in the world unique flora and fauna	Fuelwood cutting and overgrazing habitat fragmentation
Chilghoza forest (Sulaliman Range)	Rocky outcrops with shallow mountain soils	Important wildlife habitat for several species at risk	Fuelwood cutting and overgrazing illegal hunting
Balochistan sub-tropical forests	Mid-altitude forests with sparse canopy but rich associated flora	Very few areas now remain important wildlife habitat	Fuelwood cutting and overgrazing
Balochistan rivers	Not connected with the Indus river system	Unique aquatic fauna and flora with high levels of endemism	Water diversion/drainage overfishing
Tropical deciduous forests (Himalayan foothills)	Extend from the Margalla Hills National Park east to Azad Kashmir	Perhaps the most floristically rich ecosystem of Pakistan	Fuelwood cutting and overgrazing
Moist and dry temperate Himalayan forests	Important forest tracts now becoming increasingly fragmented	Global hotspot for avian diversity; important wildlife habitat	Commercial logging Fuelwood cutting and overgrazing
Trans-Himalayan alps and plateau	Spectacular mountain scenery	Unique flora and fauna; center of endemism	Fuelwood cutting and overgrazing illegal hunting unregulated tourism habitat fragmentation

Source: National Sustainable Development Strategy, Ministry of Climate Change.

Strategy

- Promote the future environment conservation, management and resource use based on a three pronged approach i.e. equitable sharing of benefits of environmental management, increasing community management of natural resources and integrating environmental issues into socio-economic development planning through the concept of Payment for Ecosystem Services (PES) to achieve sustainable development.
- Save the natural resources from depletion and stress, especially water and land, focusing on eco-based interventions especially designed for the varied ecological zones of the county
- Preservation of the diverse wetlands and forests of the country that are repositories of the country's biodiversity.
- Develop Protected Area Systems plan for protecting flora and fauna of global significance as well as ensuring that the National Parks of the country are effectively managed.
- Take steps towards creation of a gene pool/bank as a bio-repository that can preserve genetic material for the plants, animals as well as forest biodiversity present in the country.
- Conserve life support systems, habitats, species and genetic diversity as the assets of making and promote tangibly defined efforts such as doubling of forest cover by 2030, as envisaged in Vision 2030.
- Prepare national lists of threatened species including those which are nationally rare and declining; those which are nationally rare, not declining, but otherwise at risk and those which are highly localized in distribution; and those which are still widespread and common but suffering significant decline.

Climate Change: Institutional Response

Climate change is a global concern and its adverse impacts are likely to affect most of the developing countries. Pakistan is committed to engaging vigorously with international community to find solutions and help the world towards a new era of global cooperation on climate change. Furthermore, developing countries face the dual challenge of addressing the negative impacts of climate change and pursuing sustainable development. The inescapable linkages between climate change and sustainable development were recognized at the global level when the 14th and 15th meeting of the Commission on Sustainable Development (CSD) called for integrating the concerns, as well as opportunities arising out of this interaction. The CSD advocated that the National Sustainable Development Strategy (NSDS) should become the central document to outline a comprehensive development framework that incorporates the needs for future climate adaptation as well as mitigation.

The Ministry of Enviornemnt was the designated national focal point for United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol but has now recently been transformed into the Ministry of Climate Change that clearly points towards the prioritized importance being provided to this important isssue by the government. The Ministry of Climate Change is now mandated to lead the efforts to address climate challenges in the country while also coordinating with other concerned agencies/institutions on various technical aspects including; The National Energy Conservation Centre (ENERCON); Alternative Energy Development Board; and Pakistan Council of Renewable Energy Technolgies.

Other major relevant organizations in the country working on research in climate change and sea level rise include Pakistan Meterological Department, Water and Power Development Authority (WAPDA), National Agriculture Research Centre (NARC), National Institute of Oceanography (NIO) and Space and Upper Atmosphere Research Commission (SUPARCO) as well as private sector NGO's such as LEAD, IUCN, WWF and SDPI. There are serveral other organizations in the coutry, the mandates and activites of which partly cover climate change related issues and which have either some very relevant climate change related capacities or are pursuing climate change related projects. These efforts need to be continued and enhanced to meet the strategic goals related to climate change.

Pakistan's international commitments regarding climate change finds expression in its national policy frameworks such as the, recently announced, National Climate Change Policy, the Framework for Economic Growth (2011) which lists "Environment and Climate Change" as one of the action matrix, the Medium Terms Development Framework 2010-2015, UN programme on Environment, National Environmental Policy as well as the National Energy Conservation Policy. These documents describe clearly how the government intends to honor its international commitments on climate change.

The Government of Pakistan (GOP) has also made institutional arrangements to handle climate change issues, which among others include the Prime Minister's Committee on Climate Change (PMCCC) and a multi stakeholder and inter-ministerial Core Advisory group on climate change. The PMCCC is an overarching body, which meets about once a year to monitor the climate change related developments taking place globally and within Pakistan and provide overall policy guidance. Global Change Impact Studies Centre (GCISC) serves as the secretariate to PMCCC. The Core Advisory Group, however has been meeting very frequently and playing an active and influential role on climate change matters ranging from overseeing the country's position in international climate negotiation to provide technincal inputs on preparation of the national climate change policy.

Abnormal Climate Patterns Threatening Global Food Crisis

In view of the abnormal climate pattern, the threatening global food crises and anticipation regarding lower production of food grains and rising prices globally in forthcoming times, the government has established National Food Security & Research Division with the function to policy planning in respect of Agriculture to ensure food safety through various programmes. The Ministry has been allocated Rs. 495.000 million during current fiscal year 2012-13 for their development projects to enhance crops production by better seed production, research & development and by other agriculture development programs. In addition government is also following the three pronged strategy for improving irrigation, water supply and availability which is as under:-

a) To improve storage capacity, work is on going on thirty two projects of dams having allocation of Rs. 22450 million in PSDP 2012-13 and twenty four hydel projects are under implementation with allocation of Rs. 63982 million.

b) To improve conveyance efficiency major canals have been lined. Likewise major portion of water-courses have been lined/centered and twenty projects are on-going with allocation of Rs. 15007.809 million in PSDP 2012-13.

c) To improve on farm water use high efficiency irrigation system like sprinkler and drip irrigation has been introduced. Similarly, technology of permanent raised bed has been introduced to grow more with less water. Twenty seven projects of irrigation capacity buildings and for flood management structures are under implantation with allocation of Rs. 10234.470 million in PSDP 2012-13 and government is fully committed to complete all these projects on fast track.

d) Grain storages projects have also been undertaken which will help in storing food grains in clean and safe silos for longer period with minimum losses.

The Climate Change Division is also making efforts for sustainable Land Management to combat desertification in Pakistan and implementing six projects which will help in minimizing the adverse impact of abnormal climate patterns.

Moreover, provincial governments; are also under taking number of projects for food and agriculture, water management, soil conservation and infrastructure projects to address the challenges of global food crises.

Conclusion

The Government of Pakistan recognizes the environmental concern and taking necessary measures to combat environmental degradation effectively. This chapter encompasses air and water pollution, solid waste, forest, biodiversity protection issues being faced by these sectors and strategic goal (envisaged in National Sustainable Development Strategy). Significant initiatives have been taken to counter all the complex issues responsible for environmental degradation. It is hoped that these measures will yield desired goals.

Annex 1

Contingent Liabilities

Contingent liabilities are possible obligations that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the government. The public debt may be understated without reporting contingent liabilities. Contingent liabilities are not added to the overall debt of the country however, such off-balance sheet transactions cannot be overlooked in order to gain a holistic view of a country's fiscal position and unveil the hidden risks associated with the obligations made by the government outside the budget. Therefore, it is imperative to examine the contingent liabilities in the same manner as a proposal for a loan, taking into account inter alia; the credit-worthiness of the borrower, the amount and risks sought to be covered by a sovereign guarantee, the terms of the borrowing, justification and public purpose to be served, probabilities that various commitments will become due and possible costs of such liabilities etc.

Contingent liabilities in Pakistan include, explicit and implicit guarantees issued to Public Sector Enterprises (PSEs) and unfunded losses of state owned entities. Public disclosure of information about guarantees is an essential component of fiscal transparency but it is more important to reflect the impact of financial risk associated with guarantees in the fiscal account. Total outstanding stock of government guarantees as on March 31, 2013 stood at Rs.609 billion. It includes guarantees issued in both domestic and foreign currencies that appear in the accounting books of PSEs. The Rupee guarantees accounted for 54 percent of the total stock as on March 31, 2013.

Table-1.1: Guarantees Outstanding as on March 31, 2013	(Rs. in billion)
Outstanding Guarantees extended to Public Sector Enterprises (PSEs)	609
- Domestic Currency	328
- Foreign Currency	281
Memo:	
Foreign Currency (US$ in million)	2,855

Source: Debt Policy Coordination Office Staff calculations, Finance Division

The volume of sovereign guarantees undertaken during a financial year is limited under Fiscal Responsibility and Debt Limitation Act 2005 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, output 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-March, 2012-13, the Government of Pakistan issued fresh/rollover guarantees aggregating to Rs.111 billion or 0.5 percent of GDP as shown in Table 1.2.

Table-1.2: Guarantees Issued Details (Rs. in billion)

	2006	2007	2008	2009	2010	2011	2012	2013 (Jul-Mar)
New guarantees issued	14.0	140.7	138.8	276.3	224.0	62.4	203.2	111.0
(as percent of GDP)	0.2	1.5	1.3	2.1	1.5	0.3	1.0	0.5

Source: Debt Policy Coordination Office Staff calculations, Finance Division

The outstanding contingent liabilities as on March 31, 2013 stood at Rs.609 billion against the end-June 2012 position of Rs.516 billion (See Table 1.3).

Table-1.3: Guarantees Stock

	2010	2011	2012	2013 (Jul-Mar)
Outstanding Guarantees (1+2)	603	559	516	609
1- Domestic Currency (Rs. in billion)	329	301	262	328
2- Foreign Currency (Rs. in billion)	274	258	254	281
Foreign Currency (US$ in million)	3,246	2,999	2,689	2,855

Source: Debt Policy Coordination Office Staff calculations, Finance Division

Guarantees issued against commodity operations are not included in the stipulated limit of two 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 March31, 2013, the outstanding stock issued against commodity operations was Rs.426.3 billion against the end-June 2012 position of Rs.480.1 billion.

Annex 2

Tax Expenditure

A Note on Tax Expenditure 2012-13

Tax expenditures for fiscal year 2011-12 and 2012-13 have been estimated at Rs. 205.9 billion and Rs. 239.5 billion respectively. Detailed estimates are highlighted below:

Income Tax

The tax expenditures in respect of direct taxes during 2011-12 and 2012-13 have been reflected in Table 1:

Table 1: Tax Expenditure of Direct Taxes during 2011-12 and 2012-13 (Rs. in billion)

S. No.	Tax Expenditure on various exemptions and concessions	Estimated Revenue Loss 2011-12	Estimated Revenue Loss 2012-13
1	Pensions & Gratuity	0.171	0.800
2	Income from Funds, Board of Education, Universities and Computer Training Institutions	6.077	9.100
3	Donations and Contributions to Charitable	0.624	1.300
4	Independent Power Producers	46.939	48.600
5	Income from Certain Trust, Welfare and Charitable institutions non-profitable organization	0.205	0.600
6	Profits on Debt/interest from government securities and certain foreign currency accounts/books profit on debt	1.461	2.000
7	Export of Information Technology	0.822	0.993
8	Capital gains	2.108	4.000
9	Other Sector and enterprise specific exemptions	11.201	15.000
Total		**69.608**	**82.393**

Sales Tax

The main exemptions in sales tax and their tax expenditures during 2011-12 and 2012-13 are presented in Table 2.

Table 2: Tax Expenditure of Sales Tax for 2011-2012 and 2012-13 (Rs. in billion)

S. No.	Sector	Estimated Revenue Loss	
		2011-12	2012-13
1.	Tractor (Partially Exempt)	4.280	2.140
2.	Pharmaceutical products	5.800	7.076
3.	Sugar(partially Exempt)	-	12.000
4.	Other	14.220	16.220
Total		**24.300**	**37.436**

Customs

Exemption of customs duties are mainly given on raw materials & components, plant & machinery imported by industries particularly export oriented sectors. Some of these exemptions are on account of international bilateral/multilateral agreements with our trading partners like China, Malaysia and SAARC countries.

Following is the break-up of estimates of tax expenditures of main exemptions in customs duties for fiscal year 2012-13 [Table 3].

Table 3: Tax Exemption of Customs Duty for 2011-12 and 2012-2013 (Rs in billion)

S.No	SRO No. & Date	Description	Estimated Revenue Loss	
			2011-12	2012-13
1.	558(1)/2004 01.07.2004	Concession of customs duty on goods imported from SAARC and ECO countries (FTA)	92.7	121.9
2.	570(1)2005 06.06.2005	Exemption from customs duty on imports from Sri Lanka (FTA)	388.5	634.6
3.	1296(1)2005 31.12.2005	Exemption from customs duty on import into Pakistan from China	6.7	1.3
4.	894(1)2006 31.08.2006	Exemption from customs duty on import from Iran under Pak-Iran PTA	1.3	3.1
5.	1274(I)/2006 29.12.2006	Exemption from customs duty under SAFTA Agreement	183.8	494.2
6.	659(I)/2007 30.06.2007	Exemption from customs duty on import from China (FTA)	19,510.3	21,932.2
7.	1151(I)/2007 26.11.2007	Exemption from customs duty on goods imported from Mauritius	0.0	0.0
8.	1261(I)/2007 31.12.2007	Exemption from customs duty on import into Pakistan from Malaysia	3,076.8	2,753.3
9.	565(I)/2006 05.06.2006	Conditional Exemption from customs duty on import of raw materials and components etc. for manufacture of certain goods (Survey based)	8,159.1	9160.0
10.	567(I)/2006 05.06.2006	General and Conditional Exemption of customs duty (non survey)	26,276.4	28,138.9
11.	678(I)/2004 12.06.2004	Exemption from customs duty and sales tax to Exploration and Production (E&P) companies on import	3,411.6	6,110.3
12.	575(I)/2006 05.06.2006	Exemption from customs duty and sales tax on import of specified items	15,239.8	18,506.3
13.	655(I)/2006 22.06.2006	Exemption from customs duty for vendors of Automotive sector	13,578.1	11,052.3
14.	656(I)/2006 22.06.2006	Exemption from customs duty for OEMs of Automotive sector	20,613.1	19,302.1
15.	809(I)/2009 19.09.2009	Exemption from customs duty for Textile Industry	1,473.7	1,495.8
		Total	**112,011.9**	**119,706.3**

Following is the consolidated summary of tax expenditures for the fiscal year 2009-10 [Table 4]

Table 4: Tax Expenditure of Federal Taxes for 2011-12 and 2012-13 (Rs. in billion)

S. No.	Type of Tax	Tax Expenditure	
		2011-2012	2012-13
1.	Income Tax	69.608	82.393
2.	Sales Tax	24.300	37.436
3.	Customs Duty	112.012	119.706
	Total	**205.920**	**239.535**

ECONOMIC AND

INDICATORS	1960s	1970s	1980s	1990s	2000s	2000-01	2001-02
	Average (Annual)					Base Year	
GROWTH RATE (%) (Constant fc)*							
GDP	6.8	4.8	6.5	4.6	4.7	2.0	3.1
- Agriculture	5.1	2.4	5.4	4.4	3.2	-2.2	0.1
- Manufacturing	9.9	5.5	8.2	4.8	7.1	9.3	4.5
- Commodity Producing Sector	6.8	3.9	6.5	4.6	4.3	0.8	1.4
- Services Sector	6.7	6.3	6.7	4.6	5.1	3.1	4.8
GROWTH RATES (%)(Current mp)*							
Total Investment	-	21.8	4.2	8.1	15.6	8.6	3.2
- Fixed Investment	14.8	20.5	3.7	7.8	15.7	8.5	3.2
- Public Investment	14.0	25.3	2.6	7.3	12.5	11.1	-22.2
- Private Investment	20.9	17.0	5.1	8.8	17.5	7.2	17.3
As % of Total Investment							
- National Savings	-	67.5	79.2	75.4	89.9	95.9	110.7
- Foreign Savings	-	32.5	20.8	24.6	-14.1	4.1	-11.3
As % of GDP (Current mp)							
Total Investment	-	17.1	18.7	18.3	17.9	17.2	16.8
- Fixed Investment	-	15.9	17.0	16.6	16.4	15.8	15.5
- Public Investment	-	10.3	9.2	7.5	4.6	5.7	4.2
- Private Investment	-	5.6	7.8	9.1	11.8	10.2	11.3
National Savings	-	11.2	14.8	13.8	15.9	16.5	18.6
Foreign Savings	-	5.8	3.9	4.5	-2.6	0.7	-1.9
Domestic Savings	-	7.4	7.7	14.0	14.6	17.8	18.1
Per Capita Income (mp-Rs.)	-	-	-	-	46240.2	29438.5	31002.7
Per Capita Income (mp-US $)	-	-	-	-	746.0	503.8	504.7
GDP DEFLATOR (Growth %)	-	-	2.3	8.3	8.4	8.0	2.5
CONSUMER PRICE INDEX (CPI)							
(Growth %)	3.2	12.5	7.2	9.7	7.3	4.4	3.5
FISCAL POLICY							
As % of GDP (mp)							
Total Revenue	13.1	16.8	17.3	17.1	14.0	13.3	14.2
- Tax Revenue	-	-	13.8	13.4	10.4	10.6	10.9
- Non-Tax Revenue	-	-	3.5	3.7	3.6	2.7	3.3
Total Expenditure	11.6	21.5	24.9	24.1	18.6	17.4	18.3
- Current Expenditure	-	-	17.6	19.4	15.2	15.5	15.9
Defence	-	-	6.5	5.6	3.2	3.2	3.4
Interest Payment	-	-	3.8	6.8	4.9	6.0	6.2
Others	-	-	7.3	7.0	7.2	6.3	6.3
- Development Expenditure	-	-	7.3	4.7	3.4	2.1	2.8
Overall Deficit	2.1	5.3	7.1	6.9	4.4	4.3	4.3
MONEY & CREDIT (Growth %)							
- Monetary Assets (M2)	16.3	21.0	13.2	16.8	15.0	9.0	15.4
- Domestic Assets	15.0	20.5	15.4	12.2	14.1	3.7	2.2
STOCK EXCHANGE (Growth %)							
- KSE 100 Index	-	-	0.1	4.1	27.2	-10.2	29.5
- Aggregate Market Capitalization	-	-	2.5	13.4	29.1	-13.4	20.2

- : Not available   mp : Market prices   fc : Factor cost

*: In 2005-06 base year and composition of sub sectors of GDP has been changed, therefore growth rate in respective variable is onward from 2006-07 is provided on new base.

SOCIAL INDICATORS

1999-2000			Base Year 2005-06							
2002-03	2003-04	2004-05	2005-06	2006-07 *	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P
4.7	7.5	9.0	5.8	5.5	5.0	0.4	2.6	3.7	4.4	3.6
4.1	2.4	6.5	6.3	3.4	1.8	3.5	0.2	2.0	3.5	3.3
6.9	14.0	15.5	8.7	9.0	6.1	-4.2	1.4	2.5	2.1	3.5
4.3	9.2	9.5	5.1	5.5	5.1	-0.9	1.8	3.3	3.1	3.4
5.2	5.9	8.5	6.5	5.6	4.9	1.3	3.2	3.9	5.3	3.7
10.7	14.4	32.6	36.1	9.3	17.7	13.4	1.4	9.8	16.1	8.7
8.2	14.7	34.3	38.0	9.0	17.9	12.4	0.3	8.4	16.9	8.1
4.0	19.3	23.7	30.3	21.0	21.0	11.2	-2.1	6.6	27.0	18.4
9.8	13.1	38.3	40.5	5.2	16.8	12.9	1.2	9.0	13.4	4.1
123.1	107.8	91.6	78.8	74.3	57.5	68.6	85.9	100.7	86.1	94.9
-22.5	-7.8	8.4	-21.2	-25.7	-42.5	-31.4	-14.1	0.7	-13.9	-5.1
16.9	16.6	19.1	19.3	18.8	19.2	17.5	15.8	14.1	14.9	14.2
15.3	15.0	17.5	17.7	17.2	17.6	15.9	14.2	12.5	13.3	12.6
4.0	4.0	4.3	4.2	4.6	4.8	4.3	3.7	3.2	3.7	3.9
11.3	10.9	13.1	13.5	12.6	12.8	11.7	10.5	9.3	9.6	8.7
20.8	17.9	17.5	15.2	14.0	11.0	12.0	13.6	14.2	12.8	13.5
-3.8	-1.3	1.6	-4.1	-4.8	-8.2	-5.5	-2.2	0.1	-2.1	-0.7
17.6	15.7	15.4	13.4	12.3	9.1	9.4	9.8	9.7	7.7	8.7
34046.4	38181.7	42981.8	53846.1	59413.4	65873.2	80544.6	89869.2	108982.0	118084.9	131543.1
582.0	663.2	724.1	897.4	979.9	1053.2	1026.1	1072.4	1274.6	1323.3	1368.0
4.4	7.7	7.0	10.5	7.2	12.9	20.7	10.8	19.5	5.3	7.5
3.1	4.6	9.3	7.9	7.8	12.0	17.0	10.1	13.7	11.0	7.7
14.9	14.3	13.8	14.2	14.0	14.1	14.0	14.0	12.4	12.8	9.3
11.5	11.0	10.1	10.6	9.6	9.9	9.1	10.1	9.3	10.3	6.8
3.4	3.3	3.7	3.6	4.4	4.2	4.9	3.9	3.0	2.4	2.6
18.5	16.7	17.2	18.5	19.5	21.4	19.2	20.2	18.9	19.6	13.9
16.3	13.5	13.3	13.6	14.9	17.4	15.5	16.7	15.9	15.5	11.5
3.3	3.3	3.3	3.2	2.8	2.7	2.6	2.5	2.5	2.5	1.8
4.8	4.0	3.4	3.4	4.2	4.8	5.0	4.4	3.9	4.5	3.4
8.2	6.2	6.6	7.0	8.0	10.0	8.0	9.1	9.5	8.5	6.3
2.2	3.1	3.9	4.8	4.6	4.0	3.7	3.7	2.8	3.7	1.9
3.7	2.4	3.3	4.3	4.1	7.3	5.2	6.2	6.5	6.8	4.6
18.0	19.6	19.3	15.2	19.3	15.3	9.6	12.5	15.9	14.1	9.0
0.5	23.7	22.4	15.8	14.2	33.6	15.4	12.7	13.1	20.3	11.8
92.2	55.2	41.1	34.1	37.9	-10.8	-41.7	35.7	28.5	10.4	30.7
83.0	88.0	45.2	35.8	45.3	-6.0	-43.9	28.8	21.4	6.2	32.0

(Contd.)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2000-01
		Average (Annual)					
TRADE AND PAYMENTS (Growth %)							
- Exports (fob)		-	13.5	8.5	5.6	9.9	9.1
- Imports (fob)		-	16.6	4.5	3.2	13.7	6.2
- Trade Deficit		-	20.5	0.9	-0.6	60.2	-10.1
- Workers Remittances		-	-	1.9	-5.3	26.8	10.4
- Current Account Deficit		-	-	21.2	12.2	-4.6	-55.1
As % of GDP (mp)							
- Exports(fob)		-	-	9.8	13.0	12.3	12.4
- Imports(fob)		-	-	18.7	17.4	16.2	14.2
- Trade Deficit		-	-	8.9	4.4	3.9	1.8
- Current Account Deficit		-	-	3.9	4.5	3.8	0.7
COMMODITY SECTORS							
Agriculture							
Total Cropped Area	Mln. Hectares	-	-	20.3	22.4	22.9	22.0
Wheat Production	Mln. Tonnes	-	-	12.5	17.0	20.8	19.0
Rice "	"	-	-	3.3	3.9	5.2	4.8
Sugarcane "	"	-	-	33.1	44.6	50.4	43.6
Cotton "	Mln. Bales	-	-	6.3	9.7	11.6	10.7
Fertilizer Offtake	Mln.N/Tonnes	-	-	1.4	2.3	3.3	2.7
Credit Disbursed	Bln. Rs	-	-	11.2	23.8	112.9	44.8
Manufacturing							
Cotton Yarn	Mln. Kg.	5.6	3.4	10.0	1884.4	2236.2	1721.0
Cotton Cloth	Mln.Sq.Mtr.	3.1	-5.2	-1.1	487.8	763.3	490.0
Fertilizer	Mln. Tonnes	27.5	13.2	10.7	4.9	5.4	3.8
Sugar	"	34.3	2.2	14.4	3.6	3.4	2.9
Cement	"	10.7	2.5	8.6	11.2	16.4	9.7
Soda Ash	000 Tonnes	12.0	2.6	6.7	269.0	292.6	218.0
Caustic Soda	000 Tonnes	24.4	5.0	6.6	147.2	195.0	145.0
Cigarettes	Bln.Nos.	10.7	4.9	-0.4	55.4	60.0	58.6
Jute Goods	000 Tonnes	-	3.4	9.5	101.1	105.0	89.4
INFRASTRUCTURE							
Energy							
Crude Oil Extraction	Mln. Barrels	-	2.8	10.9	26.1	23.3	21.0
Gas (supply)	Mcf	-	165.4	385.2	908.0	1186.8	857.4
Electricity (Installed Capacity)	000 MW	-	1.3	3.1	12.9	18.7	17.5
Transport & Communications							
Roads	000 Km	70.5	74.1	123.8	279.3	255.6	250.0
Motor Vehicles on Road	Mln.Nos.	-	0.4	1.4	4.6	6.4	4.5
Post Offices	000 Nos.	7.1	9.0	11.8	15.8	12.3	12.2
Telephones	Mln.Nos.	0.1	0.2	0.6	3.3	4.2	3.3
Mobile Phones	Mln.Nos.	-	-	-	-	30.3	0.7

- : Not available   P: Provisional

SOCIAL INDICATORS

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P
2.3	19.1	13.8	16.2	13.8	4.5	18.0	-6.4	2.9	28.9	-2.8	0.0
-7.5	20.1	20.1	37.8	31.4	8.0	31.6	-10.3	-1.7	14.9	11.9	-1.9
-76.8	51.0	172.1	260.3	89.8	15.0	56.1	-15.7	-8.6	-8.8	47.2	-4.8
119.8	77.4	-8.6	7.7	10.4	19.4	17.4	21.1	14.0	25.8	17.7	6.3
360.8	136.5	-58.5	-233.4	-222.2	-30.3	94.3	-33.2	-57.4	-105.4	-	-66.2
12.6	13.1	12.7	13.2	13.0	11.2	12.0	11.4	11.1	11.9	11.0	7.7
13.0	13.6	13.9	17.1	19.4	17.5	20.8	18.9	17.4	16.8	18.0	12.4
0.4	0.5	1.2	4.0	6.5	6.2	8.8	7.5	6.5	4.9	7.0	4.7
+1.9	+3.8	+1.3	1.6	4.4	4.8	8.2	5.5	2.2	+0.1	2.1	0.4
22.1	21.8	22.9	22.8	23.1	23.6	23.9	24.1	23.9	22.7	22.5	22.5
18.2	19.2	19.5	21.6	21.3	23.3	20.9	24.0	23.3	25.2	23.5	24.2
3.9	4.5	4.8	5.0	5.5	5.4	5.6	6.9	6.9	4.8	6.2	5.5
48.0	52.1	53.4	47.2	44.7	54.7	63.9	50.0	49.4	55.3	58.4	62.5
10.6	10.2	10.0	14.3	13.0	12.9	11.7	11.8	12.9	11.5	13.6	13.0
2.9	3.0	3.2	3.7	3.8	3.7	3.6	3.7	4.4	3.9	3.9	2.7
52.4	58.9	73.6	108.7	137.4	168.8	211.6	233.0	248.1	263.0	293.8	231.0
1809.0	1925.0	1939.0	2290.0	2556.3	2727.6	2809.4	2913.0	2787.3	2939.5	2954.6	2253.5
568.0	582.0	683.0	925.0	903.8	1012.9	1016.4	1016.9	1009.4	1020.3	1023.4	771.3
3.8	5.3	5.6	5.9	6.1	6.5	6.2	6.4	6.7	6.8	6.6	4.3
3.2	3.7	4.0	3.0	2.9	3.5	4.7	3.2	3.1	4.2	4.6	4.6
8.9	10.8	12.8	16.4	18.5	22.8	26.7	28.4	31.3	28.8	29.5	22.8
215.2	280.3	286.3	297.3	318.7	330.6	365.0	365.3	409.6	378.0	370.7	268.5
150.3	164.4	187.5	206.7	219.3	242.2	248.3	245.3	182.3	172.0	179.1	138.0
55.1	49.4	55.3	61.0	64.1	66.0	67.4	75.6	65.3	65.4	62.0	49.2
81.7	95.5	103.9	104.8	104.5	118.1	129.0	137.4	106.2	93.2	94.1	74.0
23.2	23.5	22.6	24.1	23.9	24.6	25.6	24.0	23.7	24.0	24.6	20.5
923.8	992.6	1202.7	1344.9	1400.0	1413.6	1454.2	1460.7	1482.8	1471.6	1559.0	1139.3
17.7	17.8	19.2	19.4	19.4	19.4	19.4	19.8	20.9	22.5	22.7	22.8
251.7	252.2	256.0	258.2	259.0	261.8	258.4	260.2	260.8	259.5	261.6	263.4
5.1	5.3	5.7	6.0	7.1	8.1	8.8	9.4	9.8	10.4	10.9	11.6
12.3	12.3	12.1	12.3	12.3	12.3	12.4	12.3	12.0	12.0	12.0	12.8
3.7	4.0	4.5	5.1	5.1	4.8	4.5	3.5	3.4	3.2	3.1	3.0
1.7	2.4	5.0	12.8	34.5	63.2	88.0	94.3	99.2	104.0	120.1	121.0

(..Contd.)

ECONOMIC AND

INDICATORS		1960s	1970s	1980s	1990s	2000s	2000-01	2001-02
		Average (Annual)						
HUMAN RESOURCES								
Population @								
Population	Million	-	-	96.3	124.6	150.9	140.4	143.2
Labour Force	Million	-	-	11.6	35.1	45.5	40.3	40.6
Employed Labour Force	Million	-	-	11.2	33.1	42.4	37.2	39.5
Un-employed Labour Force	Million	-	-	0.4	2.0	3.6	3.2	3.6
Un-employment Rate	% per annum	-	-	1.4	5.7	6.8	6.0	7.8
Crude Birth Rate	Per 1000 Person	-	-	-	-	27.4	-	28.7
Crude Death Rate	Per 1000 Person	-	-	-	-	7.9	-	8.2
Infant Mortality Rate	Per 1000 Person	-	-	-	-	79.6	-	85.0
SOCIAL DEVELOPMENT								
Education								
Primary Schools	000 Nos.	-	-	88.8	143.5	155.2	147.7	149.1
Male	"	-	-	64.6	96.4	96.6	93.4	93.8
Female	"	-	-	24.2	47.1	58.6	54.3	55.3
Middle Schools	"	-	-	6.8	15.3	31.9	25.5	26.8
Male	"	-	-	4.6	8.8	16.7	13.4	14.0
Female	"	-	-	2.2	6.5	15.2	12.0	12.8
High Schools	"	-	-	5.4	10.6	18.6	14.8	15.1
Male	"	-	-	3.9	7.4	12.2	10.2	10.4
Female	"	-	-	1.5	3.2	6.3	4.6	4.6
Secondary/Vocational Institutions	Nos.	-	-	508.6	572.2	1623.8	630.0	607.0
Male		-	-	282.2	328.7	874.8	394.0	368.0
Female		-	-	235.2	243.5	749.0	236.0	239.0
Literacy Rate	Percent	-	-	29.5	40.7	52.6	49.0	50.5
Male		-	-	39.0	51.6	65.7	-	-
Female		-	-	18.7	28.6	41.4	-	-
Expenditure on Education as % of GNP		-	-	0.8	2.3	2.1	1.6	1.9
Health @								
Registered Doctors	(000 Nos.)	2.0	6.3	28.1	68.9	110.5	93.0	97.2
Registered Nurses	"	-	2.9	9.9	24.1	49.0	37.6	40.0
Registered Dentists	"	0.2	0.7	1.4	2.8	6.1	4.2	4.6
Hospitals	Numbers	380.0	521.0	651.0	823.0	912.6	876.0	907.0
Dispensaries	(000 Nos.)	1.7	2.8	3.5	4.3	4.6	4.6	4.6
Rural Health Centres	Numbers	-	1.0	127.0	330.0	494.0	531.0	541.0
TB Centres	Numbers	-	90.0	122.0	245.0	283.3	274.0	272.0
Beds in Hospitals and Dispensaries	000 Nos.	25.5	38.4	55.6	83.8	99.1	93.9	97.9
Expenditure on Health as % of GDP		-	0.6	0.8	0.7	0.6	0.7	0.7

- : Not available   @ : Calendar Year   E : Estimated   P: Provisional

Note : Total may differ due to rounding off

SOCIAL INDICATORS

2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P
146.8	149.7	152.5	155.4	158.2	161.0	163.8	173.5	177.1	180.7	184.4
43.0	44.1	45.9	46.8	50.5	50.8	52.2	53.7	58.1	59.3	60.5 E
39.4	40.5	42.4	43.2	47.3	48.1	49.5	50.8	54.7	55.8	56.9 E
6.6	3.5	3.6	3.6	3.1	2.7	2.7	2.9	3.5	3.5	3.6 E
7.8	8.3	7.7	7.6	6.2	5.2	5.2	5.5	6.0	6.0	6.0 E
27.3	27.3	28.0	26.1	26.1	26.1	24.3	28.0	27.5	27.2	26.8
8.0	8.0	8.1	8.2	7.1	7.1	7.3	7.4	7.3	7.2	7.0
83.0	83.0	82.0	77.0	76.7	76.7	68.2	72.0	70.5	69.0	67.5
150.8	155.0	157.2	157.5	158.7	157.4	156.7	157.5	155.5	154.6	153.9 E
94.7	97.3	98.5	97.7	97.8	92.5	93.3	96.9	93.6	93.6 E	98.8 E
56.1	57.6	58.7	59.8	60.9	64.9	63.4	60.6	58.2	57.0 E	55.1 E
28.0	28.7	30.4	39.4	40.1	40.8	40.9	41.3	41.6	42.0	42.3 E
14.5	14.9	15.6	20.1	22.6	20.2	20.5	21.8	21.9	21.6 E	21.1 E
13.5	13.9	14.8	19.3	17.5	20.6	20.4	19.5	20.4	21.0 E	21.2 E
15.6	16.1	16.6	22.9	23.6	24.0	24.3	24.8	25.2	28.7 E	30.4 E
10.8	11.0	11.3	14.8	14.6	15.0	15.1	14.2	14.4	14.3 E	17.8 E
4.8	5.1	5.3	8.1	9.0	9.0	9.2	10.6	9.5	11.0 E	12.6 E
585.0	624.0	747.0	3059.0	3090.0	3125.0	3159.0	3192.0	3224.0	3257.0 E	3291.0 E
355.0	396.0	419.0	1584.0	1599.0	1618.0	1636.0	1010.0	1018.0	712.0 E	718.0 E
230.0	228.0	328.0	1475.0	1491.0	1507.0	1523.0	2182.0	2206.0	2229.0 E	2573.0 E
51.6	53.0	53.0	54.0	55.0	56.0	57.0	57.7	58.0	58.0	-
-	-	65.0	65.0	67.0	69.0	69.0	69.5	69.0	70.0	-
-	-	40.0	42.0	42.0	44.0	45.0	45.2	46.0	47.0	-
1.7	2.1	2.1	2.2	2.4	2.4	2.1	2.0	1.7	2.0	-
102.6	108.1	113.2	118.0	123.1	128.0	133.9	139.5	144.9	152.2	160.3
44.5	46.3	48.4	51.2	57.7	62.6	65.4	69.3	73.2	77.7	82.1
5.0	5.5	6.1	6.7	7.4	8.2	9.0	9.8	10.5	11.6	12.5
906.0	906.0	916.0	919.0	924.0	945.0	948.0	968.0	972.0	980.0	1207.0
4.6	4.6	4.6	4.6	4.7	4.7	4.8	4.8	4.8	5.0	5.3
550.0	552.0	552.0	556.0	560.0	562.0	561.0	572.0	577.0	579.0	593.0
285.0	289.0	289.0	289.0	288.0	290.0	293.0	293.0	304.0	345.0	354.0
98.3	98.7	99.9	101.5	102.1	103.2	103.0	103.7	104.1	107.5	101.2
0.7	0.6	0.6	0.5	0.6	0.6	0.5	0.5	0.2	0.3	0.4

HIGHLIGHTS OF THE PAKISTAN ECONOMIC SURVEY 2012-13

Growth and Investment

- Pakistan's economy continued to face challenges like energy shortages, floods and rains, poor law and order situation, and a host of other structural impediments that have held back investment and growth in the country.
- The economy of Pakistan during the last five years grew on average at the rate of 2.9 percent per annum.
- Deterioration in the power sector is the main constraint on growth. Power outages have shaved off annual GDP growth 2 percent. GDP growth has been stuck at a level, which is half of the level of Pakistan's long-term trend potential of about 6.5 percent per annum.
- On account of continuous process of development and innovations Pakistan has now completed its rebasing for the year 2005-06 ("base year"). The new base year will replace the existing one of 1999-2000.
- As a result of re-basing, GDP estimates for 2005-06 have improved from Rs.7159 billion to Rs. 7716 billion, showing an increase of 7.8 % over the old base estimates.
- Estimates of the agriculture sector improved by 21.8 %, the industrial sector changed by -16.0 % and the services sector by 14.5 % over the old base.
- Pakistan's National Accounts are calculated on annual basis. After finalizing the rebasing 2005-06, the annual time-series will be quarterized and quarterly accounts will be launched.
- Real GDP growth for 2012-13 has been estimated at 3.6 percent as compared to 4.4 percent in the previous fiscal year 2012 after rebasing the National Accounts at constant prices of 2005-06.
- Commodity Producing Sector comprises of agriculture and industry accounts for 42.3 percent of GDP during the outgoing fiscal year. The commodity producing sector has performed better in outgoing fiscal year as compared to last year; its growth rate is 3.4 percent against 3.1 percent last year.
- Agriculture Sector accounts 21.4 percent of GDP. The performance of the agriculture sector remained weak due to unfavorable weather conditions, which resulted in lower production of cotton and rice. A growth of 3.3 percent is recorded against the growth of 3.5 percent last year.
- Agriculture sector consists of sub-sectors which include crops, livestock, fisheries, and forestry. The crop sub-sector is further divided into important crops, other crops and cotton and ginning.
- The important crops account for 25.24 percent of agricultural value added and registered a growth of 2.3 percent compared to a growth of 7.4 percent last year. The important crops including wheat, maize, rice, sugarcane and cotton witnessed growth in production of 3.23 percent, 6.74 percent,-10.05 percent, 6.98 percent and -4.19 percent respectively.
- Other crops contributed 12.34 percent to value addition in overall agriculture. Growth in the production of this sub-sector is recorded at 6.7 percent against the negative growth of -7.7 percent last year.
- Cotton Ginning has a 2.91 percent share in overall agriculture sector. Cotton Ginning has recorded a growth of -2.9 percent as compared to 13.8 percent growth in last year due to less production of cotton as compared to last year. Previously it was a component of manufacturing sector, now in rebasing of national accounts 2005-06, it is included in the agriculture sector.
- Livestock share in agriculture is 55.4 percent. It has witnessed a marginally lower growth of 3.7 percent against the growth of 3.9 percent last year.
- Fisheries sector witnessed a growth of 0.7 percent against the growth of 3.8 percent last year.

- Forestry recorded growth at 0.13 percent as compared to the growth of 1.74 percent last year.
- Industrial sector contains 20.9 percent of GDP having sub sectors: manufacturing, construction, mining & quarrying and electricity and gas distribution.
- Manufacturing Sector has 13.2 percent share in GDP. The growth of the manufacturing sector is estimated at 3.5 percent compared to the growth of 2.1 percent last year. It has three main sub-components; namely the Large-Scale Manufacturing (LSM), Small Scale Manufacturing and Slaughtering.
- Small scale manufacturing growth rate is estimated at 8.2 percent as compared to 8.4 percent and slaughtering growth is estimated at 3.5 percent against 3.6 percent last year.
- Large Scale Manufacturing has also witnessed an improvement. It has shown a growth of 2.8 percent up to July-February 2012-13 against the 1.2 percent growth of same period last year. But the growth is now 4.26 percent in July-March 2012-13 as against 1.49 percent last year.
- Construction Sector has shown 5.2 percent growth as compared to growth of 3.2 percent in last year.
- Mining and Quarrying sector recorded positive growth of 7.6 percent during the year 2012-13 against the growth of 4.6 percent last year.
- Electricity and gas distribution witnessed a growth of -3.2 percent against the growth of 2.7 percent last year.
- Services Sector has 57.7 percent share in GDP and has emerged as the main driver of economic growth. The services sector consists of the following sub-sectors: Transport, Storage and Communication; Wholesale and Retail Trade; Finance and Insurance; Housing Services (Ownership of Dwellings); General Government Services (Public Administration and Defence); and other Private services (Social Services).
- The Services sector has registered a growth rate of 3.7 percent in 2012-13 against the growth of 5.3 percent in the last year. This performance is mainly contributed by Finance and Insurance at 6.6 percent, General Government Services at 5.6 percent, Housing Services at 4.0 percent, Other Private Services at 4.0 percent, Transport, Storage and Communication at 3.4 percent and Wholesale and Retail Trade at 2.5 percent.
- Pakistani society like other developing countries is a consumption oriented society, having a high marginal propensity to consume. Private consumption expenditure has decreased to 76.98 percent of GDP from 78.53 percent last year; whereas public consumption expenditures have increased to 10.68 percent of GDP against 10.33 percent last year.
- The per capita income in Rupee term has increased from Rs 118085/- to Rs131543/- in outgoing fiscal year as compared to last year. In dollar terms it increased from $ 1323 to $ 1368 in 2012-13 as compared to last year. Per Capita Income in dollar terms grew at a rate of 3.4 percent in 2012-13 as compared to 3.8 percent growth last year.
- Total investment has declined from 18.79 percent of GDP in 2006-07 to 14.22 percent of GDP in 2012-13.
- Fixed investment has decreased to 12.6 percent of GDP in 2012-13 from 17.61 percent of GDP in 2007-08.
- Private investment witnessed a contraction of 8.7 percent of GDP in 2012-13 as compared to 12.8 percent of GDP in 2007-08.
- Public investment as a percent of GDP decreased to 3.9 percent in 20012-13 against the 4.8 percent in 2007-08.
- National savings are 13.5 percent of GDP in 2012-13 as compared to 12.8 percent in 2011-12.
- Foreign Direct Investment in Pakistan stood at $ 853.5 million during July-April 2012-13 as against $ 658.2 million last year, posting an increase of 29.7 percent.

- Workers' Remittances has increased to $ 11,569.82million in July-April of 2012-13, as against $ 10,876.99 million in the comparable period of last year, posted a positive growth of 6.37 percent. The remittances from Saudi Arabia recorded growth of 12.84 percent and from UK it is 27.49 percent during the period.

Agriculture

- The agriculture growth this year stood at 3.3 percent as compared to 3.5 percent during the last year.
- The Livestock sector which has a 55.4 percent share in the agriculture grew by 3.7 percent in 2012-13.
- The Fishing sector having a share of 2.0 percent in agriculture grew by 0.7 percent as against last year's positive growth of 3.8 percent.
- Forestry sector having a share of 2.0 percent in agriculture posted a nominal growth of 0.1 percent this year as compared to positive growth of 1.7 percent last year.
- The cotton ginning under new base 2005-06 has been included in agriculture value addition showed a negative growth of 2.9 percent in 2012-13 against the positive growth of 13.8 percent during the same period1 last year.
- Important crops accounted for 25.2 percent of agricultural value added and has experienced a growth of 2.3 percent in fiscal year 2012-13 against growth of 7.4 percent in 2011-12.
- During 2012-13 Cotton production remained at 13,026 thousand bales as compared to 13,595 thousand bales in 2011-12 registered a decline of 4.2 percent.
- Wheat production increased to 24,231 thousand tonnes in 2012-13 as compared to 23,473 thousand tonnes in 2011-12 showing an increase of 3.2 percent.
- Rice production has decreased to 5,541 thousand tonnes in 2012-13 as compared to 6,610 thousand tonnes in 2011-12 showing a decrease of 10.0 percent.
- Sugarcane production has increased to 62.5 million tonnes in 2012-13 as compared to 58.4 million tonnes last year, registered an increase of 7.0 percent.
- Maize production has increased to 4,631 thousand tonnes in 2012-13 as compared to 4,338 thousand tonnes in 2011-12, showing an increase of 6.8 percent.
- Other crops that contributed 12.3 percent value addition in agriculture witnessed a positive growth of 6.7 percent in 2012-13 against negative growth of 7.7 percent during the same period last year.
- Gram production has increased to 673 thousand tonnes in 2012-13 as compared to 284 thousand tonnes in 2011-12, showing an increase of 137.0 percent.
- In 2012-13 other crops, the production of Chillies, Potatoes and Bajra increased by 218.4 percent, 11.0 percent and 2.0 percent respectively. While the production of Masoor (Lentil) Jawar, Onions, Rapeseed & Mustard, Barley, Mung, Mash and Tobacco, showed decline in production of 11.8 percent, 10.9 percent, 9.2 percent, 6.7 percent, 6.1 percent, 4.0 percent, 2.8 percent and 1.0 percent, respectively, in 2012-13 as compared to the same period last year.
- During July-March, 2012-13 about 319.2 thousand tonnes of improved seeds of various Kharif/Rabi crops were procured.
- Agriculture credit disbursement of Rs. 231.0 billion during July-March 2012-13 is increased by 17.0 percent, as compared to Rs. 197.4 billion over the same period last year. Out of which Rs. 123.7 billion is disbursed by Commercial Banks, Rs. 38.0 billion by Zarai Taraqiati Bank Limited (ZTBL), Rs. 51.0 billion by Domestic Private Banks, Rs. 13.0 billion by Microfinance Banks (MFBs) and Rs. 5.4 billion by Punjab Provincial Cooperative Bank Limited (PPCBL).

- During 2012-13, the availability of water as an essential input for Kharif 2012 was 14 percent less than the normal supplies which is to compare with Kharif 2011, it was 4.4 percent less. The water availability during Rabi season 2012-13 was estimated 31.9 MAF, which was 12.4 percent less than the normal availability, but 8.5 percent higher than last year's Rabi crop.
- Kharif 2012 started with inventory of 800 thousand tonnes of urea. Total availability of urea (including 511 thousand tonnes of imported supplies, 2068 thousand tonnes of domestic production) was about 3379 thousand tonnes against the offtake of 2689 thousand tonnes, leaving inventory of 684 thousand tonnes for Rabi 2012-13. Availability of DAP was 773 thousand tonnes comprising 177 thousand tonnes of inventory, 243 thousand tonnes of imported supplies and 353 thousand tonnes of local production. DAP offtake was 544 thousand tonnes leaving an inventory of 227 thousand tonnes. The left over of this season was to meet the requirements of the Rabi 2012-13.
- Rabi 2012-13 started with inventory of 684 thousand tonnes of urea. Total availability of urea (including 288 thousand tonnes of imported supplies, 2114 thousand tonnes of domestic production) was about 3086 thousand tonnes against the offtake of 2855 thousand tonnes, leaving inventory of 220 thousand tonnes of Kharif 2013. Availability of DAP was 903 thousand tonnes comprising of 227 thousand tonnes of inventory, 327 thousand tonnes of imported supplies and 349 thousand tonnes of local production. DAP offtake was 700 thousand tonnes leaving an inventory of 197 thousand tonnes. The left over of this season will be transferred to next season that will help meet the requirements of the coming Kharif 2013.

Manufacturing and Mining

- During the first nine month of the current fiscal year 2012-13, Large Scale Manufacturing (LSM) posted a growth of 4.26 percent as compared to growth of 1.49 percent during the same period last year.
- Increase in growth of LSM includes Paper & Board (21.97 percent), Rubber Products (17.61 percent), Coke & Petroleum Products (13.31 percent), Iron and Steel Products (13.24 percent), Food Beverages & Tobacco (7.30 percent), Non metallic mineral Products (5.86 percent) and Textile (0.92 percent). Most energy intensive sectors recorded negative growths including engineering products (15.60), wood products (18.98 percent), automobiles (11.84 percent), electronics (6.43 percent), fertilizers (5.03 percent), leather products (2.33 percent) and chemicals (1.08 percent).
- The power outages have obstructed the viability of the textile industry as exporters were unable to meet their commitments. During July-March 2012-13, foreign exchange earning through exports of synthetic textile fabrics and woolen industry showing a decline of 25.3 percent and 5.1 percent respectively as compared to last year. During the period under review even in quantity term also recorded a decline of 30.0 percent and 15.8 percent respectively.
- During July-March 2012-13, in automotive industry only jeeps and tractors managed a significant growth at 67.1 percent and 34.5 percent respectively as compared to same period last year. The other sub items of automobile sector such as buses, cars and LCVs registered a negative growth of 8.8 percent, 23.2 percent and 30.2 percent respectively. The growth in cars suffered on account of amnesty scheme as well second hand imported cars. The growth prospect of this sector is not likely to ease out till the appetite of vehicles is saturated.
- The Mining and Quarrying sector estimated to grow at 7.6 percent in 2012-13 as against 4.6 percent last year. Barytes, Dolomite, Calcite, Marble, Soap Stone, Bauxite, Crude Oil and Magnesite posted a positive growth rate of 435.9 percent, 126.3 percent, 117.7 percent, 83.9 percent, 63.6 percent, 62.0 percent, 15.8 percent and 9.3 percent, respectively. However some witnessed negative growth during the period under review such as major declined has been recorded in Sulphur by 28.9 percent followed by Phosphate 16.1 percent, Cooper 12.1 percent, Chromites 10.1 percent, Coal 3.1 percent and Natural Gas 2.1 percent respectively.

Fiscal Development

- The efforts to achieve fiscal sustainability were challenged during the past five years due to power crisis, unprecedented floods, low tax to GDP ratio, high interest payments, untargeted subsidies and resource drain through PSEs.
- Despite all these challenges, Fiscal deficit was successfully brought down from 7.3 percent in 2007-08 to 6.8 percent in 2011-12. During July-March, 2012-13 fiscal deficit stood at 4.6 percent against 6.4 percent of GDP.
- Moreover, during the current fiscal year various measures to increase the revenues expected to generate additional tax revenues of Rs 41 billion, such as :
  a) The sectors with zero rating facility have been brought under tax as 2 percent sales tax was imposed on local supplies of five leading export sectors (Sports, Surgical, Carpet, Textile and Leather.
  b) Standardized withholding tax regime at the import stage by imposing a uniform rate of 5 percent tax on the imports of commercial and industrial importers, mobile telephone sets, silver, all fibers, yarns, fabrics and goods covered by the five leading export sectors.
  c) Broadening of Sales tax Withholding regime.
  d) Withdrawal of concessionary rate of 5 percent on tea.
  e) Enhancement of rate from 2 to 5 percent on import of cooking oil/vegetable ghee.
  f) Clearance of smuggled vehicle.
- FBR tax collection for the fiscal year 2012-13 was targeted at Rs.2,381 billion which was 26.4 percent higher over the actual collection of Rs.1883.0 billion during 2011-12.
- During the first ten months of 2012-13, FBR tax collection stood at Rs.1,505.2 billion posting a weak growth of 5.5 percent due to energy/gas shortages, security issues, failure to implement tax reforms and decline in imports.
- During July-April, 2012-13, among the four federal taxes, the highest growth 14.9 percent has been witnessed in custom duty, followed by sales tax (5.4 percent) and direct tax (4.7 percent). The growth in sales tax was significantly affected due to the transfer of services to provinces.
- For July-April, 2012-13 direct taxes have been a major source of FBR tax revenue collection, contributing 36.8 percent of total receipts. Net collection was estimated at Rs. 553.7 billion.
- Indirect taxes grew by 6.1 percent during July-April, 2012-13 and accounted for 63.2 percent of the total FBR collection. Net collection was estimated at Rs.951.6 billion.
- Total expenditure of Rs 4,484.2 billion was estimated for the full year, comprising of Rs.3,452.2 billion of current expenditure (77 percent of total) and Rs. 1,032.0 billion of development expenditure and net lending (23 percent of total).
- During July-March, 2011-12 total expenditures amounted to Rs.3,188.1 billion against Rs. 2,641.9 billion in the same period last year showing an increase of 20.7 percent.
- Current expenditures stood at Rs. 2,642.0 billion and development expenditures and net lending recorded at Rs. 445.8 billion during July-March, 2012-13.
- Total revenues reached to Rs. 2,141.9 billion during July-March, 2012-13 against Rs.1747.0 billion in the same period of last year posting a growth of 22.6 percent.
- Within revenues, tax revenues stood at Rs. 1,557.6 billion and non tax revenues remained at Rs. 584.3 billion during the same period of fiscal year 2012-13.

Money and Credit

- SBP has adopted relatively an expansionary policy stance for the past two years as the policy rate has been reduced by cumulative 400 basis point from 13.5 percent in August 2011 to 9.5 percent in December 2012.
- Keeping in view the major risks to medium term inflation outlook and risks to the balance of payment position in the remaining months of 2012-13, SBP has decided to keep the policy rate unchanged at 9.5 percent on 12th April, 2013.
- Broad Money (M2) witnessed an expansion of 9.9 percent during July-10th May, 2012-13 against the growth of 9.1 percent in the comparable period last year.
- Net Foreign Assets (NFA) reduced to Rs. 196.8 billion as compared to the net contraction of Rs. 268.7 billion last year. NFA remained under great pressure due to decline in foreign exchange reserves on account of debt repayment to IMF since February 2012 and drying up of external financial inflows. Till 25th May, 2013 Pakistan has repaid $ 4.1 billion to IMF.
- Net Domestic Assets (NDA) during July-10th May, 2012-13 stood at Rs.950.0 billion against Rs.875.4 billion during the same period last year, reflecting an increase of 13.4 percent over the last year.
- The government borrowing from the banking system for budgetary support and commodity operations stood at Rs. 1042.1 billion during July-10th May, 2012-13 as compared to Rs. 1076.9 billion in the comparable period last year.
- The decline in borrowing for budgetary support during the period under review was primarily due to one-off settlement of Rs. 391 billion in the first half of fiscal year 2011-12 and containment of fiscal deficit at 4.6 percent of GDP during July-March, 2012-13.
- During July-10th May, 2012-13 loans for commodity operations registered a net retirement of Rs. 84.2 billion as against the retirement of Rs. 84.6 billion during the same period last year.
- Credit to private sector increased to Rs. 92.9 billion during July-10th May2012-13 as compared to the expansion of Rs. 235.1 billion in the comparable period of last year.
- Weighted average lending rate (including zero mark-up) on outstanding loans stood at 10.5percent, while weighted average deposit rate (including zero mark-up) stood at 5.2 percent. The lending rates have declined since July, 2012 onwards owing to easy monetary policy stance.

Capital Markets

- Pakistan equity market, the KSE was one of the best performing stock markets in 2012: the benchmark KSE-100 Index gained 49.3% and nearly touched the 17,000 points level by the close of the year. In dollar terms, it offered an impressive 37% returns, despite the devaluation of the rupee with respect to the dollar.
- Since Ist July-2012, the KSE 100 index increased by 6,766 points from 13,801.4 to 20,567.4 level(49 percent gain) till mid- May, 2013. This reflects the restoration of the confidence of the investors especially of foreign investors.
- During July-March FY13 foreign investors were the net buyer showing a net inflow of US $227.67 million as per National Clearing and Settlement of Pakistan (NCCPL).
- The robust performance of Pakistani stock markets during 2012-13 was due to certain encouraging measures like considerable reduction in discount rate by 250 bps by the State Bank of Pakistan, implementation of the Capital Gain Tax Ordinance, improved political environment leading to the outcome of the general elections and improvement in inward remittances by overseas Pakistanis.
- In post election scenario, KSE continued its bullish trend and witnessed sharp increase not only in terms of index but also in volumes. KSE 100 index which was at 19,916.3 before the general

election of 11th May, jumped to around 21,600 level as on 30th May, 2013 in just two and half weeks(13 sessions).

- Pakistan Stock Markets has outperformed during 2012-13(July-Mar) among Global Stock Markets including India, China, Hong Kong, Tokyo, USA and UK. Participation of foreign investment was the main reason behind the better performance of Karachi Stock Exchange (KSE). KSE-100 Index has witnessed an increase of 30.7 per cent from 13,801.41 to 18,043.31 during first nine months.
- Whereas, the US S&P 500 has registered an increase of 15.2 per cent while the UK FTSE 100 was up by 15.1 per cent during the period under review. The Index of Tokyo NIKKEI 225 , however, stood at 12,397.91 with an impressive increase of 37.7 per cent The Hong Kong market went upward by 14.7 per cent but China Shanghai Composite could not perform and increased only by 0.5 percent. It may be noted that as compared with the other indices, Pakistan Stock market performed well during current fiscal year.
- The stock exchanges in Pakistan were successfully corporatized and demutualized on August 27, 2012 consequent to promulgation of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The Act was approved in a joint session of the Parliament and subsequently promulgated after presidential consent on May 7, 2012.
- Demutualization of Stock Exchanges has brought the Pakistani stock exchanges at par with their global counterparts. While bringing enhanced governance and transparency at the stock exchanges, demutualization will also project a positive image of the Pakistani stock market on the international platform and will facilitate the exchanges in attracting global strategic investors of good stature and increase the depth of primary and secondary market.
- During the period July-March FY13 a total of six debt securities were issued through private placement including Sukuk Issue of Rs.47.018 billion by Pakistan Domestic Sukuk Company Limited.
- The Securities and Exchange Commission of Pakistan has prescribed the Debt Securities Trustee Regulations, 2012 (DST Regulations). The main objective of the DST Regulations is to protect the interests of debenture holders and under these regulations so far 15 Debt Securities Trustees were granted registration.
- For development of the debt capital market, the settlement of trading in debt securities listed at OTC (Over-The-Counter) segment of the stock exchanges has been made mandatory through the National Clearing and Settlement System (NCSS) of National Clearing Company of Pakistan Limited (NCCPL) against the earlier practice of settlement of these trades on counterparty basis outside the NCSS. This initiative will facilitate auto settlement of these trades.

Inflation

- CPI inflation year on year (Y-o-Y) basis is at 5.8 percent in April 2013, WPI 6.8 percent and SPI 6.6 percent as compared to 11.3 percent, 3.8 percent and 7.5 percent respectively in the same period of last year. The core inflation measure by non-food non-energy stood at 8.7 percent in April 2013 against 10.9 percent in the same month of last year.
- CPI food items with decrease in their prices are tomatoes, chicken, potatoes, pulses and sugar. While non-food items whose prices decreased are gas and fuel related components.
- The wholesale prices of food and non-food items whose prices decreased from previous year are poultry, sugar, pulses, fuel, fertilizer and cotton related items.
- SPI related items with decrease in their prices include sugar, edible oil, pulses, petrol, diesel, LPG and gas prices.
- The inflation rate as measured by the changes in Consumer Price Index (CPI) stood at 7.8 percent during (July-April) during current fiscal year 2012-13, against 10.8 percent in the comparable period of last year.

- The food inflation on average basis is estimated at 6.6 percent and non-food 8.5 percent, against 11.1 percent and 10.7 percent in the corresponding period of last year.
- The downward trend in inflation during the current year was largely due to better supply position of food and nonfood items resulting in an easing of domestic prices as well as global commodity prices.
- The higher increase in non-food inflation largely stemmed from increase in the sub indices of house rent, electricity tariff rates, education expenses, communication cost, fuel prices and foot ware prices.
- Core inflation on period average basis during (July-April) 2012-13 stood at 9.9 percent against 10.4 percent last year.
- The Wholesale Price Index (WPI) during July-April, 2012-13 on annual average basis has recorded at 7.9 percent against 11.2 percent of last year.
- The Sensitive Price Indicator (SPI) recorded at 7.9 percent during July-April, 2012-13 against 6.7 percent of last year.
- Inflation has been contained during current fiscal year as compared to last year due to better supply position of major and minor crops, decreasing trend in prices of essential items in international market and regular monitoring of prices and supply chain by the National Price Monitoring Committee.

Trade and Payments

- Exports during the first ten months (July-April) of the current fiscal year reached to US$ 20,147 million rising from US$ 19,329 million in the same period last year thereby witnessing a growth of 4.2 percent.
- Imports during the first ten months (July-April), however witnessed a negative growth of 1.02 percent compared with the same period of last year and remained at $36.665 billion against $37.042 billion same period last year.
- Trade account balance recorded a marginal improvement during Jul-April FY13. Trade account deficit contracted by 2.5 percent in Jul-April FY13 as imports (fob) declined 0.9 percent during Jul-April, FY13 compared to same period last year whereas export (fob) remained almost the same compared to last year.
- Worker's Remittances grew by 6.4 percent and reached to $11,569.7 million during July-April, 2012-13 as against $10,877.0 million in the comparable period of last year.
- Current Account Deficit showed substantial improvement over the last year and stood at $1,418 million in July-April 2012-13 against $3,354 million during same period last year.
- Services account deficit improved considerably and stood at $619 million during July-April 2012-13 as compared to $2,384 million during the same period last year.
- Financial Account deficit during July-April 2012-13 stood at $494 million as compared to a surplus of $810 million in corresponding period last year.
- Foreign direct investment (FDI) increased by 29.7 percent during Jul-April FY13, in contrast to a decline of 36.7 percent during the same period last year. During Jul-April, FY13 inflows of FDI remained at $1,893.6 million against $1,723.3 million showing an increase of 9.9 percent.
- Foreign Exchange Reserves stood at $ 11.516 billion as on 15th May 2013. Of which, reserves held with the State Bank of Pakistan stood at $6.468 billion and by banks $5.048 billion.
- Exchange rate of Pak Rupee depreciated by 4.0 percent during July-April 2012-13.

Public Debt

- Pakistan's public debt reached at Rs.13,626 billion by end-March, 2013 that is 59.5 percent of GDP as compared with 59.8 percent during the same period last year.
- The primary source of increase in public debt during July-March, 2012-13 was increase in domestic debt that stood at Rs.8,796 billion represented an increase of 15 percent over end-June 2012.
- External debt posed at Rs.4,831 billion by end-March, 2013 represented a decrease of Rs.200 billion as compared to end-June 2012 owing to repayments against IMF loans, translational gain on account of US Dollar appreciation against other major currencies and marginal fresh disbursements.
- The composition of public debt has witnessed major changes over past few years with increasing reliance on domestic debt due to non-availability of sufficient funds from external sources i.e. domestic borrowings increased in share from 50.5 percent of total public debt in 2008-09 to 64.5 percent at end-March, 2013.
- The composition of major components shaping the domestic debt portfolio has itself undergone a transformation from dominance of unfunded debt to an increasing dependence on short term floating debt i.e. the unfunded category comprising about 45 percent of the aggregate domestic debt stock in 2001-02 has declined to 23 percent by end-March, 2013. Contrary to this, the share of floating debt to total domestic debt has reached 54 percent by end-March, 2013 as compared with 31 percent in 2001-02.
- During July - March, 2012-13, servicing of the public debt reached at Rs.936 billion against the annual budgeted estimate of Rs.1,142 billion, thereby, consumed nearly 44 percent of total revenues.
- External Debt and Liabilities (EDL) stock was recorded at US$ 60.9 billion by end-March 2013, represented a decrease of US$ 5 billion during first nine months of current fiscal year.
- As a percentage of GDP in dollar terms, the EDL was slashed down by 362 basis points during July-March, 2012-13 compared to fiscal year 2011-12 (29.2 percent) and approximated to 25.5 percent.
- The servicing on EDL was recorded at US$ 5.3 billion during first nine months of current fiscal year. Out of total debt servicing, an amount of US$ 3.9 billion was repaid out of which around US$ 2 billion was against IMF loans.
- During July-March, 2012-13, appreciation of the US Dollar against other major currencies caused the foreign currency component of public debt to decrease by US$ 1.5 billion.

Education

- According to Pakistan Social and Living Standard Measurement (PSLM) survey 2011-12,the literacy rate for the population (10 years and above) remains 58 percent during 2011-12.
- Literacy remains much higher in urban areas than in rural areas and much higher for men than for women. Province wise data suggest that Punjab and Sindh leads with 60 percent literacy followed by Khyber Pakhtunkhwa with 52 percent and Balochistan with 46 percent.
- National Education policy (2009) aims to address the issues of access, equity and quality of education at all levels. Under this policy, the government is committed to allocate 7 percent of GDP for education and provide free universal primary education by 2015.
- Under the 18th Constitutional Amendment, the education sector has been devolved to provinces. Now provinces are committed to implement National education Policy in letter and spirit.
- The GER at the primary level excluding Katchi (prep) for the age group 5-9 years at national level during 2011-12 decreased to 91 percent from 92 percent in 2010-11.

- Amongst the provinces, Punjab and Khyber Pakhtunkhwa remained stable with 98 and 89 percent in 2011-12 while Balochistan and Sindh declined from 69 percent to 74 percent and 79 percent to 84 percent in 2011-12
- The NER at the national level during 2011-12 slightly increased to 57 percent from 56 percent in 2010-11.
- Amongst the provinces, Punjab shows an increase of 64 percent in 2011-12 as compared to 61 percent in 2010-11. Sindh shows decrease from 53 percent in 2010-11 to 50 percent in 2011-2012.
- Khyber Pakhtunkhwa witnessed a slight improvement from 51 percent in 2010-11 to 53 percent in 2011-12 while Balochistan witnessed a prominent decline from 47 percent in 2010-11 to 39 percent in 2011-12 due to security prevailing situation.
- The overall number of enrolments during 2011-12 was 40.1 million as compared to 38.5 million during the same period last year. This shows an increase of 4.2 percent. It is estimated to increase to 41.3 million during 2012-13.
- The overall number of institutes stood at 231.2 thousands during 2011-12 as compared to 227.4 thousands during the same period last year. This shows an increase of 1.7 percent. However, the number of institutes is estimated to increase to 233.2 thousands during 2012-13.
- The overall number of teachers during 2011-12 was 1.44 million compared to 1.41 million during the same period last year showing an increase of 2.1 percent. This number of teachers is estimated to increase further to 1.50 million during the year 2012-13.
- During the fiscal year 2012-13 Rs 1429.64 million were allocated in the Federal PSDP for the expansion and development of basic and college education.
- Provincial Annual Development Programmes (ADPs) 2012-13, the government of Punjab has allocated Rs 15000/- million for 62 new and ongoing development projects of School Education in Punjab.
- The government of Sindh has allocated Rs 12000/- million for 157 new and on-going development projects in the Annual Development Plan 2012-13.
- The government of Khyber Pakhtunkhwa has allocated Rs 7116/- million for 57 new and on-going development projects of Elementary and Secondary Education in Khyber Pakhtunkhwa which is 9.6 percentage share of the Annual Development Programme.
- The government of Balochistan has allocated Rs.2150.394 million for 163 new and on-going development projects.
- During July-March 2012-13, a total of 6,755 youth received vocational & technical training under the President' Fanni Maharat Programme and Prime Minister's Hunermand Pakistan Programme and 9,837 are under training.
- HEC is also playing its role in running different scholarship programmes to enhance academic qualification at various levels on merit basis in line with requirements. During the period 2008-13, a total of 6081 scholarships were awarded under different programmes of HEC.
- In the development portfolio of HEC, there are 168 approved development projects and only 07 new projects were allowed to be included in current year PSDP 2012-13.
- The allocation has been revised during 2012-13 from Rs. 15.800 billion to 15.590 billion and so far Rs. 10.278 billion has released up till April 2013.

Health & Nutrition

- There are 1,207 hospitals, 5,382 dispensaries, 5,404 basic health units and 696 maternity and child health centres in Pakistan as compared to 980 hospital, 5,039 dispensaries, 5,449 basic health units and 851 maternity and child health centres in the same period of last year.

- The number of doctors has increased to 160,289, 12,544 dentists, 82,119 nurses and 101,173 hospital beds in the country during 2012-13 compared to 152,188 doctors, 11,584 dentists, 77,683 nurses and 107,537 hospital beds last year. The population and health facilities ratio worked out 1,127 persons per doctors, 14,406 persons per dentist and 1,786 persons per hospital bed. It was 1,164 persons per doctor, 15,288 per dentist and availability of one bed for 1647 person in 2011-12
- During 2012-13, 32 basic health units and 7 rural health centres have been constructed, while 10 rural health centres and 37 basic health units have been upgraded compared to construction of 30 basic health units and 7 rural health centres, while 15 rural health centres and 35 basic health units were upgraded in 2011-12.
- 4,400 doctors, 430 dentists, 3,300 nurses and 4,500 paramedics have completed their academic courses and 4,200 new beds have been added in the hospitals compared to 4,300 doctors, 450 dentists, 3,000 nurses, 4,500 paramedics and 4,000 beds were added last year.
- 8,000 Lady Health Workers (LHWs) have been trained and deployed mostly in the rural areas. Moreover, some 6 million children have been immunized and 20 million packets of ORS has been distributed compared to 9,500 LHWs, 7 million children have been immunized and 20 million packets of ORS in 2011-12.
- Special focus was given by Federal as well as Provincial Government to various health programmes such as cancer treatment, AIDS prevention, Malaria Control Programme, Dengue Control Programme etc.
- The total outlay of health sector is budgeted Rs.79.4 billion which included Rs.17.3 billion for development and Rs.62.1 billion for current expenditure which is equivalent to 0.35 percent of GDP during 2012-13 as compared to 0.27 percent in 2011-12.

Population, Labour force and Employment

- Total population is estimated 184.35 million during the year 2012-13 however, in 2011-12 the population was180.71 million.
- Population Growth Rate has shown improvement and it decreased from 2.03 percent (2011-12) to 2.0 percent in 2012-13.
- Total Fertility Rate (TFR) is 3.3 children per women in 2012-13 as compared to 3.4 in 2011-12.
- Contraceptive Prevalence Rate has increased from 27 percent (2011-12) to 30 percent in 2012-13.
- Life expectancy has also increased from 66.1 (female) and 64.3 (male) in 2011-12 to 66.5 (female) and 64.6 (male) in 2012-13
- Crude Birth Rate has improved from 27.20 per thousand (2011-12) to 26.80 per thousand and Crude Death Rate has decreased from 7.2 per thousand (2011-12) to 7.0 per thousand in 2012-13.
- Infant Mortality Rate decreased to 67.50 per thousand in 2012-13 from 69.0 per thousand in 2011-12.
- Urban population has increased to 69.87 million (2012-13) from 67.5 million in 2011-12 while rural population has increased to 114.4 million (2012-13) from 113.1 million in 2011-12
- The total labour force has increased to 57.24 million in 2010-11 as compared to last year 56.33 million.
- The total number of people employed during 2010-11 was 53.84 million, 0.63 million more than the preceding year.
- Total unemployment rate has increased to 6.0 percent in 2010-11.
- The number of unemployed people increased from 1.94 million to 2.1 million in Punjab, in Sindh from 0.57 million to 0.70 million in 2010-11. In KPK the situation is different the unemployed

people decreased from 0.55 million to 0.53 million and in Balochistan unemployed people increased from 0.06 million to 0.07 million in 2010-11.

- Agriculture sector is the largest provider of employment to 45 percent of total labour force.
- The employment share by manufacturing sector has increased from 13.2 percent in 2009-10 to 13.7 percent in 2010-11.
- The share of wholesale and retail trade has decreased from16.3 percent to 16.2 percent while, the share of community/social and personal service sector decreased from 11.2 percent to10.8 percent in 2010-11.
- The government is making sincere efforts to boost overseas employment. The number of emigrant was 0.45 million in 2011 which has increased to 0.63 million in 2012 which include 0.26 million unskilled, 0.26 million skilled, 0.1 million semi skilled workers.

Transport and Communications

- Pakistan's current road network is about 263,415 kms which caters services to twenty one million vehicles of all type.
- NHA road network is around 12,131 kms, 33 highways and strategic roads.
- At present, 79 development projects having length of 12,131 kms are ongoing at a cost Rs.557 billion. These projects include construction of roads, river bridges, tunnels, flyovers, interchanges.
- Government of the Punjab has started a Metro Bus service in February 2013 in Lahore from Gajjumata to Shahdara. 45 articulated buses are providing services to passengers on 27 stations running on the 27 kms route. About 1500 persons got direct jobs and 1,20,000 passengers are using Metro Buses every day.
- Karachi Circular Railway comprising of 50 kms track has been planned to revive by providing a modern Commuter System. ECNEC approved the project in August 2012 at a revised cost of Rs. 247.0 billion. A compensation plan for the effected persons by the project has also been prepared.
- As a special initiative Feasibility Study on Mass Transit System for Peshawar under Technical Assistance (TA) of Asian Development Bank (ADB) worth of US $ 372,000/- has been approved. TORs has been prepared, hiring of international consultant/experts is under process and expectedly, the team will start its work in July 2013 and the study report is expected by December 2013.
- In Balochistan during financial year 2012-13 (July-March) out of 321 development schemes, 173 schemes have been completed and 2100 kms roads have been made final with black top.
- The network of Pakistan Railway comprises route of 7791 kms, 515 locomotives, 1901 passenger coaches and 17543 freight wagons.
- Pakistan Railway is enduring the worst crisis since its formation, in 2012 only 8 locomotives were available for freight and 92 for passenger services.
- Revenue earning upto June 2012 have fallen by 25% while working expenses have increased by 33%.
- Pakistan Railway has started three trains from Lahore to Karachi on public private partnership basis and 18 more routes have been identified for out sourcing.
- Since year 2002 the performance of PIA is depleting, PIA even not able to generate its own operating expenses. PIA is loosing its market share on international routes. However on domestic routes PIA has captured the major share due to having no drastic competition on home routes.
- During 2012 PIA earned revenue Rs.112.1 billion against Rs.117.4 billion thus registed a decline of 4.5%. Seats available also declined by 8.6%.

- PIA has a fleet of 39 Aircrafts, 26 aircrafts are on average operational, 22 aircrafts have outlived their useful life. Non renewal/expansion of the Airplane fleet, depreciating the Pak rupee, higher administrative and HR costs, sharp increase in fuel prices have all had a negative impact on financial position.
- To drag out PIA from its financial crisis, an initial plan for PIA has been developed, which envisages the introduction of fuel efficient aircrafts, route rationalization, focus on separation of core and noncore activities and HR rationalization with the objective of making PIA a sustainable and profitable entity in the long run.
- PIA has developed a five years strategic business plan which will transform the Airline into a strong, dynamic and vibrant institution, aggressively tackling new opportunities and absorbing external shocks.
- PIA made successful Hajj operation this year and carried 98,000 Hajis achieving 96% flight regularity and punctuality, winning award from Saudi Civil Aviation Authorities.
- PIA in collaboration with Tameer Micro Finance Bank and Telenor Easy Paisa has launched a campaign named “Fori Ticket” by providing services at the customers’ door step without charging any infrastructure cost.
- In 2012 PIA started twice weekly flights to Khadhar, Afghanistan. More over PIA has resumed flights to Saidu Sharif Swat.
- Taking immediate step, GoP approved a bailout package for PIA on February 26, 2013. The bailout package includes support for cash flow deficit amounting to Rs.49 billion.
- In addition, GoP is also facilitating PIA in extension of guarantees which are being expired and issuing fresh guarantees against loans taken by PIA.
- GoP is also supporting PIA for induction of five A320 narrow body aircrafts with guarantee amounting to $46 million for security deposit, spare parts / materials and training.
- At present, PNSC fleet comprises of nine vessels of various type / size (Six Bulk carriers & Three Aframax tankers) with a total deadweight capacity (cargo carrying capacity) of 642,207 tonnes.
- Despite a depressed shipping scenario worldwide, PNSC has improved its profitability and earned a profit of Rs.2,558.2 million during July-March 2013 against Rs.1466.0 million in the same period last year. Similarly total cargo lifted during July-March 2012-13 was 8,730 thousand tonnes against 6009.7 thousand tonnes last year.
- PNSC presently is in process for acquisition of four tankers – two Aframax tankers for transportation of fuel oil and two product tankers for transportation of white oils.
- Karachi Port Trust operation comprised upon a 11.5 kms long approach channel, a depth of 12 meters and a turning basin of 600 meters, the Karachi Port provides safe navigation for vessels up to 75,000 metric tonnes deadweight (DWt).
- KPT handled 28.8 million tonnes of cargo during the first nine months of the current fiscal year against 27.8 million tonnes during the same period last year.
- Port Qasim handled 18.6 million tonnes of total cargo during the financial year 2012-13 (July-March) as compared to19.7 million tonnes during this period last year.
- PQA handled 538 thousands TEUs (Twenty Equal Units) of containers traffic in 2012-13, the growth in container traffic during the nine months of 2012-13 is 6% over July-March 2011-12.
- At Gwadar Port 341.0 tonnes Urea import handled during July-March 2012-13.
- The total cargo handled at the port up till now is 5.0 million tonnes.
- Total 145 Ships have been arrived at Gawadar Port since 2008.

- There has been a cumulative investment of approximately US$ 4.0 billion in the electronic media industry in Pakistan. New jobs more than 200,000 people of diversified skills and qualifications have been provided.
- PTV is operating 6 multiple channels in the country these are; PTV home, PTV News, PTV Bolan, PTV National, PTV Global and PTV Sports. Beside this a TV Channel has been established in Azad Jammu and Kashmir with one TV Centre, and with four Rebroadcast Centers at Kotli, Bagh and Bhimber.
- PTV has launched English News Channel in January 2013. This is the only English News Channel in Pakistan telecasting the information about Pakistan domestically as well as internationally.
- Pakistan Television Corporation Limited has installed state of the art complete digital studio equipment in all the five TV Centers. Apart from it four Digital Satellite News Gathering (DSNG) which are complete mobile satellite transmission units are fully in operational. Total number of television sets in the country was 13.965 million as on 31-03-2013.
- Pakistan Broadcasting Corporation (PBC) operates with 64 AM/FM Radio Stations/Channels, spreading all over the country with its daily broadcasts of about 940 hours programmes and 124 news bulletins of 746 minutes in 29 languages.
- 124, News bulletins are placed on air daily. These include National, Regional, External and Local News bulletins.
- Planet FM-94 (English Channel) launched in Islamabad, Karachi and Lahore, covers the aspiration of the young generation. This channel entertains the diplomatic society and foreign missions in Pakistan.
- PBC has started work to transfer precious audio material of historical value from magnetic tapes to computer in MP-3 from via Digitization Project.
- Pakistan Post is in the process of computerizing and re-engineering of its services to ensure that best possible quality services are available to the customers.
- During the first nine months of current fiscal year, Pakistan Post has received the foreign remittances amounting to US $ 78.7 million equivalent to Rs. 7,551.2 million.
- Over 1.5 million Military Pensioners are receiving their pensions through computerized Pension Payment System. The Pakistan Telecommunications Employees Trust (PTET) in joint efforts with Pakistan Post has developed computerized Pension disbursement System. Pakistan Post is also disbursing pension to over 40,000 PTCL pensioners.
- During the period July 2012 to December 2012 an amount of Rs.85,490.0 million has been collected through National Savings Schemes and earned commission amounting to Rs.538.725 million during this period.
- Teledensity of the country has increased by 71.95 percent at the end of March 2013.
- The cellular mobile network is covering 92% of the land of Pakistan. Cellular industry has shown a healthy growth of 8.4% in cell sites during 2012.
- Mobile penetration rose 68.6 percent at the end of July-March 2013 against 68.2 percent in March 2012.
- Due to mobile substitution, Fixed Local Loop teledensity has been declining over the years and it stands now at 1.93 percent compared to 2.1 percent last year.
- Total mobile subscribers reached 122.13 million by the end of March 2013 as compared 118.32 million in the same period last year, which is 3.2 percent increase.
- During July-March 2013 subscribers of Local Loop (FLL + WLL) have increased to 6.16 million out of which 3.03 million belong to FLL and 3.13 million belong to WLL.
- Broadband subscribers reached 2.54 million at the end of March 2013.

- Revenues of the telecom sector during 2012 stood at Rs.323 billion registering a growth of 2.9 percent over the same period last year.

Pakistan's Energy Sector

- Energy outages hampered economic growth of Pakistan. Further since early 2000s, the energy sector (especially its sub sector electricity) received greater attention because of the faster rate of growth in its demand.
- Circular debt, weak financial position of energy companies, falling gas production, high dependence on oil/gas (over 80%), low exploitation of indigenous coal and hydel resources and unutilized power generation capacity are some of the significant constraints leading to severe energy shortages.
- In Pakistan oil and gas are two key components of energy mix contributing almost 65 percent (oil 15% and gas 50%) share to the 64.7 million TOEs of energy supplies during 2012 while share of coal and nuclear is almost 7 percent and 2 percent, respectively
- During calendar year 2012, net primary energy supply remained 64, 727 thousand TOEs posting a moderate growth of 0.32 percent compared to last year.
- The final energy use during current year remained 40, 026 thousand TOEs showing a growth of 3.0 percent compared to last year.

Pakistan Energy Sources:

Oil (Petroleum Product)

- The total oil resource potential is 27 million barrels with production of 66,032 barrels per day.
- 24, 573 thousand barrels (67,140 barrels per day) of crude oil is extracted or produced locally while almost double of it that is 47, 104 thousand barrels was imported during 2012.
- 8,395 thousand tonnes of petroleum was produced domestically while 11, 507 thousand tonnes was imported.
- In 2012 the import bills increased to US $ 10,292 million while High Sulphur Furnace Oil (HSFO), High Speed Diesel (HSD) and Motor Spirit has the highest share of 48, 32 and 16 percent, respectively.
- The main users in the consumption of petroleum products are transport and power which jointly have almost ninety percent share in total consumption.
- Almost 65 percent electricity is generated by thermal in which contribution from furnace oil and diesel is 52 percent.

Natural Gas

- During 2012 total production remained 1,559 billion cubic feet that is equivalent to 32 million TOEs which shows a growth of 6 percent when compared to last year in billion cubic feet while in TOEs it shows a growth of 4.5 percent.
- During July-March FY 13, gas supplies remained 1,139,253 million cubic feet as compared to 1,164,915 million cubic feet last year indicating a negative 2.2 per cent.
- During July-March 2012-13, power sector (27.5 %) has the highest share in consumption of gas, while industry sector has a share of 22.6 % while negative growth of 16 percent has been witnessed in transport sector. However transport sectors had posted a positive growth of 5.3 percent in gas consumption last year.
- During July 2012 to February, 2013, the two Gas utility companies (SNGL & SSGCL) have laid 14 Kms Gas Transmission Network, 4326 kms Distribution and 831 Kms Services lines and connected 261 villages/towns to gas network.

- During this period, the gas utility companies have invested Rs. 1513 million on Transmission Projects, Rs. 11,925 million on Distribution Projects and Rs.1,898 million on other projects bringing total investment to about Rs. 15,336 million.
- During this period, 237588 additional gas connections including 236997 Domestic, 221 Commercial and 370 Industrial were provided across the country.

Coal

- Pakistan has huge coal resources estimated at over 186 billion tonnes.
- The major users of coal are the cement sector and brick kilns; about 58 percent of total coal was consumed by cement while 41 percent was consumed by the brick kiln industry during 2012.
- During current year some positive growth has been witnessed in consumption of coal in power sector.

Nuclear Energy

- During July-March 2012-13, 399 million KWh from Karachi Nuclear Power Plant (KANUPP) while 1,474 million KWh from Chashma Nuclear Power Plant Unit-1 (C-1) and 1,161 million from Chashma Nuclear Power Plant Unit-2 (C-2) dispatched to main Grid.

Electricity

- Despite 3,377 MW was added since 2008-09, the generation capacity could not be operated at full due to constraints in fuel availability and timely payments.
- The installed capacity in the PEPCO system is 20,986 MW as of June 2011; with hydro 6627 MW and thermal 14,359 MW.
- The consumption of electricity during 2012 remained 76,761GWhas compared to 77,099GWh in 2011, while during the period July-March 2012-13 its consumption increased to 57,754GWh from 56,930GWh in corresponding period 2011-12 posting a positive growth of 1.4 percent.
- During 2011-12, the share of household, commercial and other government sector remained 46.5, 7.5 and 6.2 percent, respectively, in the total consumption of electricity.
- Long run analysis (last ten years)show that there is decreasing trend in share of industrial and agriculture sector in total consumption of electricity. This year share of industrial and agriculture sector in total consumption of electricity remained 27.5 and 11.6 percent respectively.
- The length of transmission lines was 7947 kms for 220 kV and 28347 kms for 132 level at the end of June 2012, showing a combined increase of 566 kms.
- The transformation capacity of 220 kV substations gone up to 18044 MVA by the end of June 2012 showing an increase of 1550 MVA over June 2011.
- The number of consumers has been increased due to rapid expansion of electric network to villages and other un-electrified areas. As of March 2013, the numbers of consumers have increased to 21.704 million as compared to 20.85 million on March 2012 posting a growth of 4.1 percent.
- During July-March 2012-13, the progressive number of electrified villages remained 8,995.

Alternative Sources of Energy

- The government in its bid to diversify its energy mix, has been giving due attention towards fast track development of Alternative / Renewable Energy (ARE) resources in the country.

Wind

- One project of capacity 50 MW in Jhampir developed by M/s Fauji Fertilizer Company is completed and providing electricity to National Grid (HESCO) since December 2010 and another project of capacity 56.4 MW developed by M/s Zorlu Enerji Ltd (Turkish company) has also been completed, however it will achieve commercial operation soon.

Solar

- 3000 Solar Home Systems have been installed in 49 villages of district Tharparkar, Sindh.
- Almost 15000 units of Solar Water Heaters are imported in the country. These heaters are deployed all over the country especially in Balochistan, Gilgit-Baltistan, Khyber Pakhtunkhawa and Northern Punjab.
- About 1429 units of Solar Water Pumping System were imported. These water pumping systems are installed for community drinking and agriculture purpose all over Pakistan.

Biomass/Waste to energy

- **14000** biogas plants are being installed through RSPN at a cost of Rs. 356 Million (Dutch Grant) in the country.

Social Safety Nets

- The government's commitment to follow a sustained poverty reduction strategy and allocated a minimum of 4.5 percent of GDP to social and poverty related expenditures. The government prioritized 17 pro-poor sectors through the Medium Term Expenditure Framework (MTEF) in the PRSP-II.
- Expenditure on pro-poor sectors in 2008-09 stood at 7.4 percent of GDP. In 2009-10, these were 7.5 percent of GDP and in 2010-11, 8.3 percent of GDP. These expenditures were well above the requirement under the law. During 2011-12, total expenditures for these sectors were increased further and amounted to Rs 1,980.819 billion, which was 9.9 percent of GDP.
- During July-December of the current fiscal year 2012-13, Rs.775.620 billion expenditures have been made on pro-poor sectors.
- Pakistan Poverty Alleviation Fund (PPAF) is the lead apex institution or community-driven development in the country with the aim to provide assistance in microcredit, water and infrastructure, drought mitigation, education, health and emergency response interventions. During the period of July-December of 2012-13, Pakistan Poverty Alleviation Fund has managed to disburse an amount of Rs 7.5 billion to its various projects.
- Benazir Income support program launched by the government with the primary objective of providing immediate relief to poor. BISP has made progress by provided relief to over 4.7 million beneficiaries including flood affectees and bomb blast victims across the country.
- As of March 1, 2013, BISP since its inception has spent almost Rs. 165 billion on various activities including cash transfers, graduation program and emergency relief along with conducting a nationwide poverty scorecard survey. BISP has an allocation of Rs.70.00 billion for the fiscal year 2012-13.
- BISP has launched a number of programmes including (i) Payment to Recipients, (ii) Waseela-e-Haq, (iii) Waseela-e-Rozgar, (iv) Waseela-e-Sehat and (v) Waseela-e-Taleem to mitigate the impact of stabilization program as well as inflation.
- Zakat funds are utilized for assistance to the needy, indigent, poor, orphans, widows, handicapped and disabled for their subsistence or rehabilitation.
- As a consequence of the 18th constitutional amendment, the subject of Zakat has been devolved to the Provinces/Federal Areas. Up to March, 2013 a total amount of Rs.3,951.667 million was distributed in bulk amongst the provinces and other administrative areas for onward distribution to the needy and deserving people.
- Pakistan Bait-ul-Mal (PBM) is making a significant contribution towards poverty reduction through its various poorest-of-the poor focused services by providing assistance to destitute, widow, orphan, invalid, infirm and other needy persons irrespective of their gender, caste, creed and religion.

- During July to March, 2012-13 Rs.1504.713 million expenditures have been incurred on its ongoing core projects/schemes.
- Peoples Works programme (PWP) I & II are the welfare programmes comprising of small development schemes for provision of electricity, gas, farm to market roads, telephone, education, health, water supply, and sanitation facilities to the rural poor.
- PWP-I & II incurred expenditures of Rs. 4.3 billion and Rs.33.6 billion during 2011-12 where as Rs.2.2 billion expenditures has been incurred between July-December 2012-13 on PWP-I and Rs. 30.6 billion expenditures on PWP-II.
- Employees Old-Age Benefits Institution provides monetary benefits to the old age workers through Old Age Pension, Invalidity Pension, Survivors Pension and Old Age Grants.
- During the period of July to December, 2012-13, Rs.6,603.492 million has been utilized for 373,433 beneficiaries.
- Workers Welfare Fund was established for providing low cost housing and other amenities to the industrial labour. WWF utilized Rs. 1727.091 million during July-March 2012-13 for marriage grants, death grants and scholarships
- WWF also executed 36 housing projects with a total projected cost of Rs 21,436 million during 2012-13.
- According to PSLM Survey 2011-12, the sanitation situation and water supply at household level has registered an improvement in terms of 72 percent of population using flush toilets compared to 66 percent in 2010-11.
- The access to drinking water to urban and rural population of Pakistan is 92 percent and 88 percent respectively, with an average of 89 percent in 2011-12 as compared to 94 percent and 84 percent in urban and rural population with an average of 87 percent in 2010-11.

Environment

- Like other developing countries, Pakistan is also facing environment problems mainly due to demographic growth, lack of public awareness and education, catastrophic mismanagement of water and other natural resources and ill planned urban and industrial expansion. Air pollution, inadequate water supply, sanitation, agricultural soil degradation, deforestation and rangeland degradation are other core environmental challenges.
- In response to the environment and climate change related policies, number of projects has been funded by Federal and Provincial Governments to improve the capacity of relevant institutions to deal with increasing environmental degradation. The ongoing projects are as under:
  - Global Change Impact Study Centre
  - Establishment of Clean Development Mechanism (CDM) Cell
  - Sustainable land Management to combat Desertification in Pakistan
  - National Conservation Strategy Resource Center
  - Establishing National Multilateral Environmental Agreements (MEAs) Secretariat Program
  - National Awareness campaign on Energy and Environment Conservation
  - National Bio-safety Centre, etc.

- Pakistan Environmental Protection Agency (Pak-EPA), notified a regulation prohibiting manufacturing, import, sale and use of non degradable plastic bags and other plastic products in the limits of Islamabad Capital Territory, effective from April, 2013. This landmark step will have long term benefits to control spread of waste plastic bags. Many countries have successfully controlled plastic waste by introducing oxo-biodegradable plastic technology.

- The Government of Pakistan has also made institutional arrangements to handle climate change issues, which among others include the Prime Minister's Committee on Climate Change (PMCCC) and Core Advisory group on climate change. The PMCCC meets about once a year to monitor the climate change related developments taking place globally and within Pakistan and provide overall policy guidance. Global Change Impact Studies Centre (GCISC) serves as the secretariate to PMCCC. The Core Advisory Group, however has been meeting very frequently and playing an active and influential role on climate change matters.

Statistical Appendices PES 2012-13

GROWTH AND INVESTMENT

TABLE 1.1

GROSS NATIONAL PRODUCT AT CONSTANT FACTOR COST OF 2005-06

(Rs. in Million)

Sectors	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P	% Change 2011-12/ 2010-11	% Change 2012-13/ 2011-12
A AGRICULTURE	1,775,346	1,836,125	1,869,310	1,934,691	1,939,132	1,977,178	2,045,481	2,113,930	3.5	3.3
1. Crops	766,274	800,212	792,050	832,916	798,244	806,162	829,236	855,753	2.9	3.2
Important Crops	449,025	478,175	458,492	497,113	478,540	485,722	521,556	533,600	7.4	2.3
Other Crops	256,777	262,053	277,761	279,273	259,054	264,934	244,493	260,818	-7.7	6.7
Cotton Ginning	60,472	59,984	55,797	56,530	60,650	55,506	63,187	61,335	13.8	-2.9
2. Livestock	930,842	956,546	990,989	1,013,286	1,051,755	1,087,406	1,130,339	1171936	3.9	3.7
3. Forestry	35,067	36,021	39,228	40,237	40,207	42,121	42,854	42,908	1.7	0.1
4. Fishing	43,163	43,346	47,043	48,252	48,926	41,489	43,052	43,333	3.8	0.7
B. INDUSTRIAL SECTOR	1,616,157	1,741,085	1,888,600	1,790,263	1,851,564	1,938,457	1,989,984	2,059,526	2.7	3.5
1. Mining & Quarrying	254,345	273,032	281,635	274,710	282,269	269,798	282,154	303,547	4.6	7.6
2. Manufacturing	1,065,323	1,161,551	1,232,430	1,180,964	1,197,163	1,227,091	1,253,286	1,297,245	2.1	3.5
Large Scale	903,323	989,896	1,050,276	986,887	990,928	1,007,331	1,019,201	1,048,078	1.2	2.8
Small Scale	89,116	96,470	104,519	113,474	123,083	133,556	144,778	156,699	8.4	8.2
Slaughtering	72,884	75,185	77,635	80,603	83,152	86,204	89,307	92,468	3.6	3.5
3. Electricity Generation & Distribution & Gas Distribution	110,109	96,066	131,767	115,812	135,098	224,814	230,948	223,556	2.7	-3.2
4. Construction	186,380	210,436	242,768	218,777	237,034	216,754	223,596	235,178	3.2	5.2
COMMODITY PRODUCING SECTOR (A+B)	3,391,503	3,577,210	3,757,910	3,724,954	3,790,696	3,915,635	4,035,465	4,173,456	3.1	3.4
C. SERVICES SECTOR	4,324,274	4,565,759	4,791,238	4,855,033	5,010,698	5,208,136	5,486,218	5,689,778	5.3	3.7
1. Wholesale & Retail Trade	1,523,067	1,612,086	1,703,741	1,652,874	1,682,465	1,718,014	1,746,463	1,790,423	1.7	2.5
2. Transport, Storage & Communications	959,499	1,025,694	1,082,452	1,136,990	1,170,612	1,198,896	1,305,766	1,350,706	8.9	3.4
3. Finance & Insurance	282,919	308,673	328,071	296,427	286,775	274,674	277,443	295,865	1.0	6.6
4. Housing Services (Ownership of Dwellings)	504,743	524,929	545,950	567,941	590,718	614,460	639,062	664,567	4.0	4.0
5. General Government Services	425,218	436,848	437,742	462,193	499,038	569,191	632,130	667,559	11.1	5.6
6. Other Private Services	628,828	657,529	693,282	738,608	781,089	832,901	885,354	920,658	6.3	4.0
GDP (fc)	7,715,777	8,142,969	8,549,148	8,579,987	8,801,394	9,123,771	9,521,683	9,863,234	4.4	3.6
Indirest Taxes	573,718	577,093	551,694	611,768	509,152	504,829	533,424	623,743	5.7	16.9
Subsidies	73,335	106,830	341,064	183,930	157,993	221,063	269,772	107,716	22.0	-60.1
GDP(mp)	8,216,160	8,613,232	8,759,778	9,007,825	9,152,553	9,407,537	9,785,335	10,379,261	4.0	6.1
Net Factor Income from Abroad	149,901	146,511	152,116	201,584	310,494	372,728	386,559	378,778	3.7	-2.0
GNP(fc)	7,865,678	8,289,480	8,701,264	8,781,571	9,111,888	9,496,499	9,908,242	10,242,012	4.3	3.4
GNP (mp)	8,366,061	8,759,743	8,911,894	9,209,409	9,463,047	9,780,265	10,171,894	10,758,039	4.0	5.8
Population (in million)	155.4	158.2	164.7	168.2	171.7	175.3	178.9	182.5	2.1	2.0
Per Capita Income(fc-Rs)	50,625	52,409	52,844	52,215	53,059	54,171	55,381	56,111	2.2	1.3

Source : Pakistan Bureau of Statistics

P: Provisional

TABLE 1.2

SECTORAL SHARE IN GDP (%)

(%)

Sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P
A. Agriculture	23.0	22.5	21.9	22.5	22.0	21.7	21.5	21.4
1. Crops	9.9	9.8	9.3	9.7	9.1	8.8	8.7	8.7
Important Crops	5.8	5.9	5.4	5.8	5.4	5.3	5.5	5.4
Other Crops	3.3	3.2	3.2	3.3	2.9	2.9	2.6	2.6
Cotton Ginning	0.8	0.7	0.7	0.7	0.7	0.6	0.7	0.6
2. Livestock	12.1	11.7	11.6	11.8	11.9	11.9	11.9	11.9
3. Forestry	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.4
4. Fishing	0.6	0.5	0.6	0.6	0.6	0.5	0.5	0.4
B. INDUSTRIAL SECTOR	20.9	21.4	22.1	20.9	21.0	21.2	20.9	20.9
1. Mining & Quarrying	3.3	3.4	3.3	3.2	3.2	3.0	3.0	3.1
2. Manufacturing	13.8	14.3	14.4	13.8	13.6	13.4	13.2	13.2
Large Scale	11.7	12.2	12.3	11.5	11.3	11.0	10.7	10.6
Small Scale	1.2	1.2	1.2	1.3	1.4	1.5	1.5	1.6
Slaughtering	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
3. Electricity Generation & Distribution & Gas Distribution	1.4	1.2	1.5	1.3	1.5	2.5	2.4	2.3
4. Construction	2.4	2.6	2.8	2.5	2.7	2.4	2.3	2.4
COMMODITY PRODUCING SECTOR (A+B)	44.0	43.9	44.0	43.4	43.1	42.9	42.4	42.3
C. SERVICES SECTOR	56.0	56.1	56.0	56.6	56.9	57.1	57.6	57.7
1. Wholesale & Retail Trade	19.7	19.8	19.9	19.3	19.1	18.8	18.3	18.2
2. Transport, Storage & Communication	12.4	12.6	12.7	13.3	13.3	13.1	13.7	13.7
3. Finance & Insurance	3.7	3.8	3.8	3.5	3.3	3.0	2.9	3.0
4. Housing Services (Ownership of Dwellings)	6.5	6.4	6.4	6.6	6.7	6.7	6.7	6.7
5. General Government Services	5.5	5.4	5.1	5.4	5.7	6.2	6.6	6.8
6. Other Private Services	8.1	8.1	8.1	8.6	8.9	9.1	9.3	9.3
GDP (fc)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 1.3

Growth Rates (%)

(%)

Sector	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P
A. Agriculture	3.4	1.8	3.5	0.2	2.0	3.5	3.3
1. Crops	4.4	-1.0	5.2	-4.2	1.0	2.9	3.20
Important Crops	6.5	-4.1	8.4	-3.7	1.5	7.4	2.3
Other Crops	2.1	6.0	0.5	-7.2	2.3	-7.7	6.7
Cotton Ginning	-0.8	-7.0	1.3	7.3	-8.5	13.8	-2.9
2. Livestock	2.8	3.6	2.2	3.8	3.4	3.9	3.7
3. Forestry	2.7	8.9	2.6	-0.1	4.8	1.7	0.1
4. Fishing	0.4	8.5	2.6	1.4	-15.2	3.8	0.7
B. INDUSTRIAL SECTOR	7.7	8.5	-5.2	3.4	4.7	2.7	3.5
1. Mining & Quarrying	7.3	3.2	-2.5	2.8	-4.4	4.6	7.6
2. Manufacturing	9.0	6.1	-4.2	1.4	2.5	2.1	3.5
Large Scale	9.6	6.1	-6.0	0.4	1.7	1.2	2.8
Small Scale	8.3	8.3	8.6	8.5	8.5	8.4	8.2
Slaughtering	3.2	3.3	3.8	3.2	3.7	3.6	3.5
3. Electricity Generation & Distribution & Gas Distribution	-12.8	37.2	-12.1	16.7	66.4	2.7	-3.2
4. Construction	12.9	15.4	-9.9	8.3	-8.6	3.2	5.2
COMMODITY PRODUCING SECTOR (A+B)	5.5	5.1	-0.9	1.8	3.3	3.1	3.4
C. SERVICES SECTOR	5.6	4.9	1.3	3.2	3.9	5.3	3.7
1. Wholesale & Retail Trade	5.8	5.7	-3.0	1.8	2.1	1.7	2.5
2. Transport, Storage & Communication	6.9	5.5	5.0	3.0	2.4	8.9	3.4
3. Finance & Insurance	9.1	6.3	-9.6	-3.3	-4.2	1.0	6.6
4. Housing Services (Ownership of Dwellings)	4.0	4.0	4.0	4.0	4.0	4.0	4.0
5. General Government Services	2.7	0.2	5.6	8.0	14.1	11.1	5.6
6. Other Private Services	4.6	5.4	6.5	5.8	6.6	6.3	4.0
GDP (fc)	5.5	5.0	0.4	2.6	3.7	4.4	3.6

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 1.4

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CONSTANT PRICES OF 2005-06

(Rs. in Million)

Flows	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P	% Change 2011-12/ 2010-11	% Change 2012-13/ 2011-12
Household Final Consumption Expenditure	6,379,481	6,650,322	6,882,288	6,833,443	6,952,403	7,261,085	7,684,057	7,990,018	5.83	3.98
General Government Final Consumption Expenditure	857,461	848,199	840,345	946,713	941,250	941,446	1,010,494	1,108,315	0.02	9.68
Gross Fixed Capital Formation	1,456,889	1,496,437	1,569,742	1,508,148	1,431,992	1,342,291	1,362,100	1,372,742	-6.26	0.78
Change in Inventories	131,459	137,812	140,156	144,125	146,441	150,521	156,565	166,068	2.79	6.07
Export of Goods and Non-Factor Services	1,161,269	1,178,801	1,125,141	1,087,323	1,258,116	1,287,961	1,091,424	1,224,841	2.37	12.22
Less Imports of Goods and Non-Factor Services	1,770,399	1,698,339	1,797,894	1,511,926	1,577,649	1,575,767	1,519,305	1,482,722	-0.12	-2.41
Expenditure on GDP at Market Prices	8,216,160	8,613,232	8,759,778	9,007,826	9,152,553	9,407,537	9,785,335	10,379,262	2.79	6.07
Plus Net Factor Income from the Rest of the World	149,901	146,511	152,116	201,584	310,494	372,728	386,559	378,778	20.04	-2.01
Expenditure on GNP at Market Prices	8,366,061	8,759,743	8,911,894	9,209,410	9,463,047	9,780,265	10,171,894	10,758,040	3.35	5.76
Less Indirect Taxes	573,718	577,093	551,694	611,768	509,152	504,829	533,424	623,743		
Plus Subsidies	73,335	106,830	341,064	183,930	157,993	221,063	269,772	107,716		
GNP at Factor Cost	7,865,678	8,289,480	8,701,264	8,781,572	9,111,888	9,496,499	9,908,242	10,242,013	4.22	3.37

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 1.5

GROSS NATIONAL PRODUCT AT CURRENT PRICES

(Rs. in Million)

Sectors	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P	% Change 2011-12/ 2010-11	2012-13/ 2011-12
A. Agriculture	1,775,346	2,014,317	2,393,527	2,998,621	3,461,273	4,592,720	4,740,401	5,474,185	3.2	15.5
1. Crops	766,274	870,990	1,097,991	1,460,713	1,604,816	2,309,517	1,953,792	2,282,380	-15.4	16.8
Important Crops	448,504	514,579	690,748	985,311	1,058,365	1,532,889	1,231,303	1,457,176	-19.7	18.3
Other Crops	257,298	293,478	333,499	392,163	423,866	552,499	579,226	673,481	4.8	16.3
Cotton Ginning	60,472	62,933	73,744	83,239	122,585	224,129	143,263	151,723	-36.1	5.9
2. Livestock	930,842	1,058,801	1,195,466	1,417,555	1,717,446	2,131,579	2,610,548	2990990	22.5	14.6
3. Forestry	35,067	41,719	53,061	65,526	72,423	89,390	113,107	128,042	26.5	13.2
4. Fishing	43,163	42,807	47,009	54,827	66,588	62,234	62,954	72,773	1.2	15.6
B. INDUSTRIAL SECTOR	1,616,157	1,846,217	2,312,375	2,533,221	2,931,695	3,755,426	4,272,435	4,665,733	13.8	9.2
1. Mining & Quarrying	254,345	297,183	324,258	413,256	475,366	494,739	638,236	721,565	29.0	13.1
2. Manufacturing	1,065,323	1,226,012	1,572,886	1,679,072	1,943,839	2,527,651	2,803,906	3,002,820	10.9	7.1
Large Scale	903,323	1,043,111	1,363,068	1,427,213	1,644,117	2,144,831	2,356,267	2,492,538	9.9	5.8
Small Scale	89,116	101,162	122,473	145,946	167,383	208,611	242,146	285,511	16.1	17.9
Slaughtering	72,884	81,739	87,345	105,913	132,339	174,209	205,493	224,771	18.0	9.4
3. Electricity Generation & Distribution & Gas Distribution	110,109	101,231	146,125	146,983	209,936	414,585	451,840	496,438	9.0	9.9
4. Construction	186,380	221,791	269,106	293,910	302,554	318,451	378,453	444,910	18.8	17.6
COMMODITY PRODUCING SECTOR (A+B)	3,391,503	3,860,534	4,705,902	5,531,842	6,392,968	8,348,146	9,012,836	10,139,918	8.0	12.5
C. SERVICES SECTOR	4,324,274	4,875,232	5,649,353	7,010,423	7,855,579	9,307,836	10,393,037	11,476,125	11.7	10.4
1. Wholesale & Retail Trade	1,523,067	1,720,385	2,201,667	2,479,758	2,824,137	3,568,178	4,004,596	4,360,061	12.2	8.9
2. Transport, Storage & Communication	959,499	1,080,163	1,065,682	1,693,847	1,834,476	1,923,433	1,964,369	2,264,613	2.1	15.3
3. Finance & Insurance	282,919	342,757	401,060	481,308	474,733	536,345	569,428	502,272	6.2	-11.8
4. Housing Services (Ownership of Dwellings)	504,743	559,956	636,974	707,261	789,220	886,370	984,315	1,092,344	11.1	11.0
5. General Government Services	425,218	470,688	529,107	654,144	778,002	1,009,433	1,244,688	1,414,069	23.3	13.6
6. Other Private Services	628,828	701,283	814,863	994,105	1,155,011	1,384,077	1,625,641	1,842,766	17.5	13.4
GDP (fc)	7,715,777	8,735,766	10,355,255	12,542,265	14,248,547	17,655,982	19,405,873	21,616,043	9.9	11.4
Indirest Taxes	573,718	617,143	696,900	919,059	870,853	1,046,915	1,221,540	1,542,704	16.7	26.3
Subsidies	73,335	113,123	414,383	261,617	252,404	418,028	536,551	249,668	28.4	-53.5
GDP(mp)	8,216,160	9,239,786	10,637,772	13,199,707	14,866,996	18,284,869	20,090,862	22,909,079	9.9	14.0
Net Factor Income from Abroad	149,901	157,631	208,916	346,281	566,247	820,225	1,035,707	1,101,486	26.3	6.4
GNP(fc)	7,865,678	8,893,397	10,564,171	12,888,546	14,814,794	18,476,207	20,441,580	22,717,529	10.6	11.1
GNP (mp)	8,366,061	9,397,417	10,846,688	13,545,988	15,433,243	19,105,094	21,126,569	24,010,565	10.6	13.7
Population (in million)	155.37	158.17	164.66	168.18	171.73	175.31	178.91	182.53	2.1	2.0
Per Capita Income(fc-Rs)	50,625	56,227	64,157	76,635	86,268	105,395	114,256	124,459	8.4	8.9
Per Capita Income(mp-Rs)	53,846	59,413	65,873	80,545	89,869	108,982	118,085	131,543	8.4	11.4
Per Capita Income(mp-US $)	897	980	1,053	1,026	1,072	1,275	1,323	1,368	3.8	3.4
GDP Deflator Index	100.00	107.28	121.13	146.18	161.89	193.52	203.81	219.16	5.3	7.5
GDP Deflator (Growth %)		7.28	12.91	20.68	10.75	19.54	5.32	7.53		

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 1.6

EXPENDITURE ON GROSS NATIONAL PRODUCT AT CURRENT PRICES

(Rs. in Million)

Flows	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P	% Change 2011-12/ 2010-11	% Change 2012-13/ 2011-12
Household Final Consumption Expenditure	6,379,481	7,197,806	8,709,574	10,455,752	11,851,316	14,839,587	16,584,789	18,567,229	11.76	11.95
General Government Final Consumption Expenditure	857,461	912,336	1,037,150	1,388,459	1,533,713	1,779,421	2,102,526	2,475,567	16.02	17.74
Gross Fixed Capital Formation	1,456,889	1,588,048	1,872,870	2,105,285	2,111,791	2,288,325	2,675,235	2,891,963	8.36	8.10
Change in Inventories	131,459	147,837	170,204	211,195	237,872	292,558	321,454	366,545	22.99	14.03
Export of Goods and Non-Factor Services	1,161,269	1,221,002	1,317,202	1,636,203	2,009,463	2,552,610	2,477,532	2,919,532	27.03	17.84
Less Imports of Goods and Non-Factor Services	1,770,399	1,827,243	2,469,228	2,597,187	2,877,159	3,467,632	4,070,674	4,311,757	20.52	5.92
Expenditure on GDP at Market Prices	8,216,160	9,239,786	10,637,772	13,199,707	14,866,996	18,284,869	20,090,862	22,909,079	22.99	14.03
Plus Net Factor Income from the Rest of the World	149,901	157,631	208,916	346,281	566,247	820,225	1,035,707	1,101,486	44.85	6.35
Expenditure on GNP at at Market Prices	8,366,061	9,397,417	10,846,688	13,545,988	15,433,243	19,105,094	21,126,569	24,010,565	23.79	13.65
Less Indirect Taxes	573,718	617,143	696,900	919,059	870,853	1,046,915	1,221,540	1,542,704	20.22	26.29
Plus Subsidies	73,335	113,123	414,383	261,617	252,404	418,028	536,551	249,668	65.62	-53.47
GNP at Factor Cost	7,865,678	8,893,397	10,564,171	12,888,546	14,814,794	18,476,207	20,441,580	22,717,529	24.71	11.13

P: Provisional

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. in Million)

Sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P	% Change 2011-12/ 2010-11	% Change 2012-13/ 2011-12
GFCF (A+B+C)	1,456,889	1,588,048	1,872,870	2,105,285	2,111,791	2,288,325	2,675,235	2,891,963	16.9	8.1
A. Private Sector	1,109,205	1,167,260	1,363,838	1,539,444	1,557,909	1,697,795	1,925,148	2,004,233	13.4	4.1
B. Public Sector	149,606	154,851	170,617	132,458	146,033	146,849	154,791	288,012	5.4	86.1
C. General Govt.	198,078	265,937	338,415	433,383	407,849	443,681	595,296	599,718	34.2	0.7
Private & Public (A+B)	1,258,811	1,322,111	1,534,455	1,671,902	1,703,942	1,844,644	2,079,939	2,292,245	12.8	10.2
SECTOR-WISE:										
1. Agriculture	254,795	280,068	303,380	371,908	442,507	537,050	636,400	702,781	18.5	10.4
2. Mining and Quarrying	28,962	39,560	32,161	46,855	59,068	42,757	49,081	140,234	14.8	185.7
3. Manufacturing (A+B)	287,117	269,084	311,982	354,565	270,379	259,307	278,383	222,504	7.4	-20.1
A. Large Scale	281,328	262,313	304,217	345,013	258,293	243,309	260,217	201,545	6.9	-22.5
B. Small Scale (including Slaughtering)	5,789	6,771	7,765	9,552	12,086	15,998	18,166	20,959	13.6	15.4
4. Electricity Generation & Distribution & Gas Distribution	54,765	46,829	64,527	101,529	96,967	129,720	131,095	135,806	1.1	3.6
5. Construction	20,972	25,105	28,700	36,441	24,200	16,626	24,453	36,908	47.1	50.9
6. Wholesale and Retail Trade	22,095	25,011	31,216	36,003	41,716	51,616	57,937	64,214	12.2	10.8
7. Transport & Communication	294,731	315,179	365,492	267,784	298,998	252,884	239,238	230,237	-5.4	-3.8
8. Finance & Insurance	22,238	28,829	34,868	35,716	30,873	28,704	38,269	42,529	33.3	11.1
9. Housing Services (Ownership of Dwellings)	190,127	199,116	253,391	288,378	285,256	341,565	408,562	472,541	19.6	15.7
10. Other Private Services	83,010	93,330	108,738	132,723	153,978	184,415	216,521	244,491	17.4	12.9

P: Provisional

(Contd.)

TABLE 1.7 A

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

(Rs. in Million)

Sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P	% Change 2011-12/ 2010-11	% Change 2012-13/ 2011-12
PRIVATE SECTOR	1,109,205	1,167,260	1,363,838	1,539,444	1,557,909	1,697,795	1,925,148	2,004,233	13.4	4.1
1. Agriculture	254,745	280,024	303,318	371,853	442,429	536,980	636,306	702,687	18.5	10.4
2. Mining and Quarrying	22,829	19,081	21,807	32,195	46,404	30,606	34,794	48,298	13.7	38.8
3. Manufacturing (A+B)	283,508	266,259	310,814	352,415	268,947	256,693	275,500	219,828	7.3	-20.2
A. Large Scale	277,719	259,488	303,049	342,863	256,861	240,695	257,334	198,869	6.9	-22.7
B. Small Scale (including Slaughtering)	5,789	6,771	7,765	9,552	12,086	15,998	18,166	20,959	13.6	15.4
4. Electricity Generation & Distribution & Gas Distribution	3,307	3,128	8,965	36,518	19,027	49,866	59,888	5,260	20.1	-91.2
5. Construction	14,597	12,257	14,271	21,716	14,251	8,836	13,076	22,804	48.0	74.4
6. Wholesale and Retail Trade	22,095	25,011	31,216	36,003	41,716	51,616	57,937	64,214	12.2	10.8
7. Transport & Communication	214,628	244,252	280,008	237,193	259,350	211,803	193,659	191,817	-8.6	-1.0
8. Finance & Insurance	20,360	24,802	31,310	30,450	26,551	25,415	28,905	32,293	13.7	11.7
9. Housing Services (Ownership of Dwellings)	190,127	199,116	253,391	288,378	285,256	341,565	408,562	472,541	19.6	15.7
10. Other Private Services	83,010	93,330	108,738	132,723	153,978	184,415	216,521	244,491	17.4	12.9

(Contd.)

P: Provisional

TABLE 1.7 B

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CURRENT MARKET PRICES

(Rs. in Million)

Sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P	% Change 2011-12/ 2010-11	2012-13/ 2011-12
Public Sector and										
General Govt. (A+B)	347,684	420,788	509,032	565,841	553,882	590,530	750,087	887,730	27.0	18.4
A. Public Sector (Autonomous & Semi Auto-Bodies)	149,606	154,851	170,617	132,458	146,033	146,849	154,791	288,012	5.4	86.1
1. Agriculture	50	44	62	55	78	70.0	94.0	94.0	34.3	0.0
2. Mining and Quarrying	6,133	20,479	10,354	14,660	12,664	12,151	14,287	91,936	17.6	543.5
3. Manufacturing	3,609	2,825	1,168	2,150	1,432	2,614	2,883	2,676	10.3	-7.2
4. Electricity Generation & Distribution & Gas Distribution	51,458	43,701	55,562	65,011	77,940	79,854	71,207	130,546	-10.8	83.3
5. Construction	6,375	12,848	14,429	14,725	9,949	7,790	11,377	14,104	46.0	24.0
6. Transport & Communication	80,103	70,927	85,484	30,591	39,648	41,081	45,579	38,420	10.9	-15.7
Railway	4,754	3,680	4,167	1,907	10,874	2,136	4,265	6,667	99.7	56.3
Post Office & PTCL	15,232	11,981	14,456	7,774	8,373	11,336	14,150	8,620	24.8	-39.1
Others	60,117	55,266	66,861	20,910	20,401	27,609	27,164	23,133	-1.6	-14.8
7. Finance & Insurance	1,878	4,027	3,558	5,266	4,322	3,289	9,364	10,236	184.7	9.3
8. Other Private Services										
B. General Govt.	198,078	265,937	338,415	433,383	407,849	443,681	595,296	599,718	34.2	0.7
Federal	37,307	45,056	65,292	115,100	130,342	130,832	144,806	149,626	10.7	3.3
Provincial	122,774	153,561	181,294	213,290	219,840	242,542	372,721	382,306	53.7	2.6
District Governments	37,997	67,320	91,829	104,993	57,667	70,307	77,769	67,786	10.6	-12.8

P: Provisional

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. in Million)

Sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P	% Change 2011-12/ 2010-11	% Change 2012-13/ 2011-12
GFCF (A+B+C)	1,456,889	1,496,437	1,569,742	1,508,148	1,431,992	1,342,291	1,362,100	1,372,742	1.5	0.8
A. Private Sector	1,109,205	1,102,793	1,150,769	1,125,705	1,098,888	1,045,484	1,027,816	1,009,635	-1.7	-1.8
B. Public Sector	149,606	144,966	151,070	93,963	94,651	82,860	74,329	120,630	-10.3	62.3
C. General Govt.	198,078	248,679	267,903	288,480	238,452	213,946	259,955	242,477	21.5	-6.7
Private & Public (A+B)	1,258,811	1,247,759	1,301,839	1,219,668	1,193,539	1,128,345	1,102,145	1,130,265	-2.3	2.6
SECTOR-WISE:										
1. Agriculture	254,795	261,893	269,073	302,438	353,271	371,841	370,000	391,762	-0.5	5.9
2. Mining and Quarrying	28,962	39,560	32,161	46,855	59,068	42,757	49,081	140,234	14.8	185.7
3. Manufacturing (A+B)	287,117	251,508	247,502	236,819	158,703	125,581	122,494	91,003	-2.5	-25.7
A. Large Scale	281,328	245,290	240,830	229,657	151,013	117,325	113,632	81,488	-3.1	-28.3
B. Small Scale (including Slaughtering)	5,789	6,218	6,671	7,163	7,690	8,255	8,863	9,515	7.4	7.4
4. Electricity Generation & Distribution & Gas Distribution	54,765	43,790	57,230	71,864	61,535	72,300	63,570	55,663	-12.1	-12.4
5. Construction	20,972	23,796	25,847	27,025	18,869	11,260	14,399	19,541	27.9	35.7
6. Wholesale and Retail Trade	22,095	23,388	24,712	23,965	24,390	24,890	25,300	25,963	1.6	2.6
7. Transport & Communication	294,731	294,725	324,161	189,689	195,846	144,110	109,017	100,081	-24.4	-8.2
8. Finance & Insurance	22,238	26,958	27,603	23,774	18,050	13,841	16,711	17,195	20.7	2.9
9. Housing Services (Ownership of Dwellings)	190,127	197,732	205,641	213,867	222,422	231,319	240,571	250,194	4.0	4.0
10. Other Private Services	83,010	86,976	91,546	97,062	102,969	109,374	116,282	121,385	6.3	4.4

P: Provisional

(Contd.)

TABLE 1.8 A

GROSS FIXED CAPITAL FORMATION (GFCF) IN PRIVATE SECTOR BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2005-06)

(Rs. in Million)

Sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P	% Change 2011-12/ 2010-11	% Change 2012-13/ 2011-12
PRIVATE SECTOR	1,109,205	1,102,793	1,150,769	1,125,705	1,098,888	1,045,484	1,027,816	1,009,635	-1.7	-1.8
1. Agriculture	254,745	261,852	269,018	302,393	353,209	371,793	369,945	391,709	-0.5	5.9
2. Mining and Quarrying	22,829	17,843	19,341	22,788	29,448	17,058	16,872	19,796	-1.1	17.3
3. Manufacturing (A+B)	283,508	248,867	246,577	235,388	157,866	124,320	121,235	89,921	-2.5	-25.8
A. Large Scale	277,719	242,648	239,906	228,225	150,176	116,065	112,373	80,406	-3.2	-28.4
B. Small Scale (including Slaughtering)	5,789	6,218	6,671	7,163	7,690	8,255	8,863	9,515	7.4	7.4
4. Electricity Generation & Distribution & Gas Distribution	3,307	2,925	7,951	25,848	12,075	27,793	29,041	2,156	4.5	-92.6
5. Construction	14,597	11,618	12,852	16,105	11,112	5,984	7,699	12,074	28.7	56.8
6. Wholesale and Retail Trade	22,095	23,388	24,712	23,965	24,390	24,890	25,300	25,963	1.6	2.6
7. Transport & Communication	214,628	228,401	248,344	168,019	169,876	120,699	88,247	83,381	-26.9	-5.5
8. Finance & Insurance	20,360	23,192	24,786	20,269	15,523	12,255	12,622	13,057	3.0	3.4
9. Housing Services (Ownership of Dwellings)	190,127	197,732	205,641	213,867	222,422	231,319	240,571	250,194	4.0	4.0
10. Other Private Services	83,010	86,976	91,546	97,062	102,969	109,374	116,282	121,385	6.3	4.4

(Contd.)

P: Provisional

TABLE 1.8 B

GROSS FIXED CAPITAL FORMATION (GFCF) IN PUBLIC AND GENERAL GOVERNMENT SECTORS BY ECONOMIC ACTIVITY AT CONSTANT PRICES (2005-06)

(Rs. in Million)

Sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P	% Change 2011-12/ 2010-11	2012-13/ 2011-12
Public Sector and										
General Govt. (A+B)	347,684	393,644	418,973	382,443	333,103	296,806	334,284	363,107	12.6	8.6
A. Public Sector (Autonomous & Semi Auto-Bodies)	149,606	144,966	151,070	93,963	94,651	82,860	74,329	120,630	-10.3	62.3
1. Agriculture	50	41	55	45	62	48.5	54.7	52.4	12.8	-4.1
2. Mining and Quarrying	6,133	19,150	9,183	10,377	8,037	6,772	6,928	37,682	2.3	443.9
3. Manufacturing	3,609	2,642	925	1,431	837	1,260	1,259	1,082	-0.1	-14.1
4. Electricity Generation & Distribution & Gas Distribution	51,458	40,865	49,279	46,016	49,461	44,507	34,530	53,507	-22.4	55.0
5. Construction	6,375	12,178	12,994	10,920	7,758	5,276	6,699	7,468	27.0	11.5
6. Transport & Communication	80,103	66,324	75,817	21,670	25,970	23,411	20,770	16,701	-11.3	-19.6
Railway	4,754	3,441	3,696	1,351	7,123	1,217	1,943	2,898	59.7	49.1
Post Office & PTCL	15,232	11,203	12,821	5,507	5,484	6,460	6,448	3,747	-0.2	-41.9
Others	60,117	51,679	59,300	14,812	13,363	15,733	12,378	10,056	-21.3	-18.8
7. Finance & Insurance	1,878	3,766	2,817	3,505	2,527	1,586	4,089	4,139	157.8	1.2
8. Other Private Services										
B. General Govt.	198,078	248,679	267,903	288,480	238,452	213,946	259,955	242,477	21.5	-6.7
Federal	37,307	42,132	51,688	76,616	76,206	63,088	63,234	60,497	0.2	-4.3
Provincial	122,774	143,595	143,520	141,976	128,531	116,955	162,760	154,573	39.2	-5.0
District Governments	37,997	62,951	72,696	69,888	33,716	33,902	33,960	27,407	0.2	-19.3

P: Provisional

Source: Pakistan Bureau of Statistics

AGRICULTURE

TABLE 2.1 A

INDEX OF AGRICULTURAL PRODUCTION

Fiscal Year	1999-2000 Base				2005-06 Base				
	All major crops	Food crops	Fibre crops	Other crops	Food crops: Wheat	Food crops: Maize	Food crops: Rice	Cash crops: Sugarcane	Fibre crops: Cotton
1991-92	-	-	-	-	-	-	-	-	-
1992-93	-	-	-	-	-	-	-	-	-
1993-94	-	-	-	-	-	-	-	-	-
1994-95	-	-	-	-	-	-	-	-	-
1995-96	-	-	-	-	-	-	-	-	-
1996-97	-	-	-	-	-	-	-	-	-
1997-98	-	-	-	-	-	-	-	-	-
1998-99	-	-	-	-	-	-	-	-	-
1999-00	100.0	100.0	100.0	100.0	-	-	-	-	-
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 P	-	-	-	-	113.9	148.9	99.9	139.9	100.0

P: Provisional (Jul-Mar)

Source: Pakistan Bureau of Statistics

TABLE 2.1 B

BASIC DATA ON AGRICULTURE

Fiscal Year	Cropped Area (million hectares)	Improved Seed dis-tribution (000 Tonnes)	Water* Availa-bility (MAF)	Fertilizer Offtake (000 N/T)	Credit disbursed (Rs million)	Tube wells Public & Private (Number in 000)
1990-91	21.82	83.27	119.62	1892.90	14,915	339.8
1991-92	21.72	65.93	122.05	1884.00	14,479	355.8
1992-93	22.44	63.93	125.12	2147.61	16,198	374.1
1993-94	21.87	63.27	128.01	2146.80	15,674	444.2
1994-95	22.14	76.87	129.65	2183.10	22,373	463.5
1995-96	22.59	145.10	130.85	2515.05	19,187	485.1
1996-97	22.73	137.67	132.05	2413.01	19,548	506.8
1997-98	23.04	130.50	122.15	2646.00	33,392	531.3
1998-99	22.86	167.38	133.78	2583.00	42,852	563.2
1999-00	22.74	194.30	133.28	2832.00	39,688	609.8
2000-01	22.04	193.80	134.77	2964.00	44,790	659.3
2001-02	22.12	191.57	134.63	2929.00	52,314	707.3
2002-03	21.85	172.02	134.48	3020.00	58,915	769.0
2003-04	22.94	178.77	134.78	3222.00	73,446	950.1
2004-05	22.78	218.12	135.68	3694.04	108,733	984.3
2005-06	23.13	226.07	137.98	3804.00	137,474	999.6
2006-07	23.55	218.60	137.80	3672.00	168,830	1,025.8
2007-08	23.87	264.67	137.80	3581.00	211,561	1,016.1
2008-09	24.12	296.91	131.51	3711.00	233,010	1,070.0
2009-10	23.87	305.82	133.70	4360.00	248,120	1,070.4
2010-11	22.72	406.46	137.16	3933.00	263,022	1,103.4
2011-12	22.45	361.01	135.86	3861.00	293,850	1,104.4
2012-13 P	22.45	319.23	137.51	2709.00	231,037	1,104.4

P: Provisional (Jul-Mar) (Contd.)

*: At farm gate

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.)
1990-91	13,841	1,581	15,481	483.0	1,072
1991-92	10,077	1,685	16,280	553.1	491
1992-93	16,628	1,872	17,120	621.7	691
1993-94	15,129	2,000	18,006	558.1	703
1994-95	17,063	2,114	18,966	541.9	684
1995-96	16,218	1,841	22,970	555.5	720
1996-97	10,121	1,908	23,580	589.7	343
1997-98	14,242	1,841	24,215	597.0	386
1998-99	26,885	1,906	24,876	654.5	436
1999-00	35,038	1,957	25,566	614.8	364
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	49,439	2,515	31,970	604.9	265
2006-07	54,610	2,618	32,986	640.0	373
2007-08	53,607	2,728	34,064	885.0	363
2008-09	60,107	2,843	35,160	914.1	347
2009-10	71,730	2,965	36,299	925.8	356
2010-11	70,855	3,094	37,475	699.9	352
2011-12	72,455	3,232	38,690	724.8	354
2012-13 P	51,796	3,379	39,945	728.8	354

P: Provisional (July-March) Source: Pakistan Bureau of Statistics

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
1990-91	79.61	57.61	3.46	24.34	8.85	4.85	16.11	20.96	5.71	21.82
1991-92	79.61	57.87	3.47	24.48	8.86	4.87	16.19	21.06	5.53	21.72
1992-93	79.61	58.06	3.48	24.35	8.83	4.95	16.45	21.40	5.99	22.44
1993-94	79.61	58.13	3.45	24.43	8.74	5.29	16.22	21.51	5.65	21.87
1994-95	79.61	58.50	3.60	24.44	8.91	5.42	16.13	21.55	6.01	22.14
1995-96	79.61	58.51	3.61	24.35	8.87	5.19	16.49	21.68	6.10	22.59
1996-97	79.61	59.23	3.58	24.61	9.06	5.48	16.50	21.98	6.23	22.73
1997-98	79.61	59.32	3.60	24.61	9.15	5.48	16.48	21.96	6.56	23.04
1998-99	79.61	59.28	3.60	24.52	9.23	5.35	16.58	21.93	6.28	22.86
1999-00	79.61	59.28	3.78	24.45	9.09	5.67	16.29	21.96	6.45	22.74
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	22.65	7.74	23.13
2006-07	79.61	57.05	4.21	22.66	8.30	5.72	16.16	21.88	7.39	23.55
2007-08	79.61	57.08	4.21	23.41	8.18	4.93	16.35	21.28	7.52	23.87
2008-09	79.61	57.23	4.24	23.47	8.19	5.04	16.34	21.38	7.78	24.12
2009-10	79.61	57.10	4.23	23.49	8.09	5.20	16.20	21.40	7.67	23.87
2010-11	79.61	57.79	4.26	23.37	8.98	6.38	15.65	22.03	7.07	22.72
2011-12	79.61	57.76	4.27	23.14	8.31	6.71	15.33	22.04	7.12	22.45
2012-13 P	79.61	57.76	4.27	23.14	8.31	6.71	15.33	22.04	7.12	22.45

P: Provisional

Source: Pakistan Bureau of Statistics
Ministry of National Food Security and 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
1990-91	7,911	2,113	491	417	845	157	11,934	1,092	884	304	53	2,662	44
1991-92	7,878	2,097	313	383	848	149	11,667	997	896	287	70	2,836	54
1992-93	8,300	1,973	487	403	868	160	12,191	1,008	885	285	82	2,836	58
1993-94	8,034	2,187	303	365	879	151	11,919	1,045	963	269	73	2,805	57
1994-95	8,170	2,125	509	438	890	165	12,297	1,065	1,009	301	80	2,653	47
1995-96	8,376	2,162	407	418	939	171	12,473	1,119	963	320	90	2,997	46
1996-97	8,109	2,251	303	370	928	152	12,113	1,100	965	354	100	3,149	49
1997-98	8,355	2,317	460	390	933	163	12,618	1,102	1,056	340	96	2,960	53
1998-99	8,230	2,424	463	383	962	137	12,599	1,077	1,155	327	71	2,923	57
1999-00	8,463	2,515	313	357	962	124	12,734	972	1,010	321	72	2,983	56
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 P	8,693	2,311	461	197	1,085	71	12,818	985	1,124	219	71	2,879	45

P: Provisional (Jul-Mar)

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 (000 tonnes)	Cotton (000 Bales)	Tob-acco
1990-91	14,565	3,261	196	239	1,185	142	19,588	531	35,989	228	21.4	1,637	9,628	75
1991-92	15,684	3,243	139	225	1,203	140	20,634	513	38,865	220	28.7	2,181	12,822	97
1992-93	16,157	3,116	203	238	1,184	158	21,056	347	38,059	207	34.0	1,540	9,054	102
1993-94	15,213	3,995	138	212	1,213	146	20,917	411	44,427	197	32.3	1,368	8,041	100
1994-95	17,002	3,447	228	263	1,318	164	22,422	559	47,168	229	36.2	1,479	8,697	81
1995-96	16,907	3,966	162	255	1,504	174	22,968	680	45,230	255	39.5	1,802	10,595	80
1996-97	16,651	4,305	146	219	1,491	150	22,962	594	41,998	286	44.9	1,594	9,374	92
1997-98	18,694	4,333	211	231	1,517	174	25,160	767	53,104	292	42.5	1,562	9,184	99
1998-99	17,858	4,674	213	228	1,665	137	24,773	698	55,191	279	32.1	1,495	8,790	109
1999-00	21,079	5,156	156	220	1,652	118	28,380	565	46,333	297	35.4	1,912	11,240	108
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	2,312	13,595	98
2012-13 P	24,231	5,541	310	122	4,631	62	34,897	673	62,472	153	29.0	2,215	13,026	97

P: Provisional (Jul-Mar)

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
1990-91	1,841	1,543	40,720	1,401	486	615
1991-92	1,990	1,546	43,371	1,419	514	769
1992-93	1,946	1,579	43,024	1,364	344	543
1993-94	1,893	1,826	46,144	1,380	393	488
1994-95	2,081	1,622	46,747	1,481	524	557
1995-96	2,018	1,835	46,968	1,602	607	601
1996-97	2,053	1,912	43,521	1,607	540	506
1997-98	2,238	1,870	50,288	1,626	696	528
1998-99	2,170	1,928	47,784	1,731	648	511
1999-00	2,491	2,050	45,874	1,717	581	641
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	816
2012-13 P	2,787	2,398	55,580	4,268	683	769

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)
1990-91	1,609	776	243	202	81	32	33	355	112	935
1991-92	1,630	787	295	44	109	38	36	373	125	966
1992-93	1,665	794	339	52	122	40	38	384	121	1,179
1993-94	1,849	839	442	53	153	45	40	402	127	1,324
1994-95	1,933	884	533	80	178	49	43	420	139	1,256
1995-96	1,960	908	554	82	191	49	72	442	135	1,487
1996-97	2,003	915	569	83	188	49	74	448	219	2,776
1997-98	2,037	917	573	94	189	49	74	455	202	2,793
1998-99	1,862	916	589	95	191	50	76	468	181	2,773
1999-00	1,943	938	377	125	121	32	40	494	240	4,130
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	723	32,058
2012-13 P	2,334	1,680	684	69	189	21	64	508	592	30,932

P: Provisional (Jul-Mar)

Source: Pakistan Bureau of Statistics

TABLE 2.7

CROP WISE COMPOSITION OF OUTPUT OF IMPORTANT AGRICULTURAL CROPS (AT CONSTANT FACTOR COST 2005-06)

(%age Share)

Fiscal Year/ Crops	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 P
All Important Crops	100	100	100	100	100	100	100	100
Food Crops	58.58	58.86	57.94	62.82	60.43	61.92	58.94	59.39
Wheat	39.23	40.87	38.08	41.75	40.14	44.07	38.92	39.99
Maize	6.59	6.18	7.51	7.08	6.47	7.50	8.32	8.79
Rice	12.77	11.80	12.35	13.99	13.83	10.34	11.69	10.61
Cash Crop	10.27	11.89	14.62	10.77	10.66	12.03	11.83	12.76
Sugarcane	10.27	11.89	14.62	10.77	10.66	12.03	11.83	12.76
Fibre Crop	31.14	29.26	27.44	26.40	28.91	26.05	29.23	27.86
Cotton	31.14	29.26	27.44	26.40	28.91	26.05	29.23	27.86

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 2.8

CREDIT DISBURSED BY AGENCIES

(Rs. in Million)

Fiscal Year	ZTBL	Taccavi	Domestic Private Banks	PPCBL	Commercial Banks	MFBs	Total
1990-91	8,324	56	..	3,017	3,518	..	14,915
1991-92	6,996	57	..	3,247	4,180	..	14,479
1992-93	8,643	51	..	2,978	4,526	..	16,198
1993-94	8,989	..	..	2,621	4,063	..	15,674
1994-95	14,576	..	..	3,757	4,041	..	22,373
1995-96	10,339	..	..	3,803	5,045	..	19,187
1996-97	11,687	..	..	3,431	4,429	..	19,548
1997-98	22,354	..	..	4,929	6,110	..	33,392
1998-99	30,176	..	..	5,440	7,236	..	42,852
1999-00	24,424	..	..	5,951	9,313	..	39,688
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 P	37,950	..	51,020	5,430	123,675	12,962	231,037

P: Provisional (Jul-Mar) ..: not Available

Source: State Bank of Pakistan

ZTBL: Zarai Taraqiati Bank Limited

PPCBL: Punjab Provincial Corporative Bank Ltd

Commercial Banks: Include ABL, HBL, MCB, NBP & UBL

MFBs: 5 Micro Finance Banks included since July - 2011

TABLE 2.9

FERTILIZER OFFTAKE AND IMPORTS OF FERTILIZERS & PESTICIDES

Fiscal Year	Fertilizer Offtake (000 N/Tonnes)				Import of Fertilizers 000 N/Tonnes	Import of Insecticides	
	Nitrogen	Phosphorus	Potash	Total		Quantity (Tonnes)	Value (Mln Rs.)
1990-91	1,472	389	33	1,893	685	13,030	1,489
1991-92	1,463	398	23	1,884	632	15,258	1,946
1992-93	1,635	488	24	2,148	759	14,435	1,731
1993-94	1,659	464	23	2,147	903	12,100	1,706
1994-95	1,738	428	17	2,183	261	21,776	2,978
1995-96	1,991	494	30	2,515	581	30,479	5,081
1996-97	1,985	420	8	2,413	878	30,856	5,272
1997-98	2,075	551	20	2,646	714	29,225	4,801
1998-99	2,097	465	21	2,583	885	31,893	5,515
1999-00	2,218	597	19	2,834	663	26,124	4,692
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	31,820	12,255
2012-13 P	2,107	586	16	2,709	634	12,665	5,331

P: Provisional, (Jul-Mar)

..: Not available

Source: Pakistan Bureau of Statistics
National Fertilizer Development Centre

TABLE 2.10

AVERAGE RETAIL SALE PRICES OF FERTILIZER

(Rs. per bag of 50 Kgs/110lbs)

Fiscal Year	Urea (46% N)	AN/CAN (26% N)	AS (21% N)	NP (23:23)	SSP(G) (18%)	DAP (18:46)	SOP (50% K)	NPK (10:20:20)
1990-91	195.0	90.0	85.0	173.0	93.0	249.0	150.0	176.0
1991-92	195.0	95.0	90.0	173.0	93.0	272.0	150.0	176.0
1992-93	205.0	109.0	96.0	196.0	93.0	264.0	195.0	247.0
1993-94	210.1	..	125.3	202.6	95.8	269.0	195.0	247.0
1994-95	235.0	150.0	164.0	250.0	150.0	379.0	195.0	247.0
1995-96	267.0	172.0	172.0	320.0	183.0	479.0	331.0	..
1996-97	340.0	209.0	197.0	384.0	211.0	553.0	532.0	..
1997-98	341.0	223.6	232.5	396.6	200.0	564.6	540.0	..
1998-99	346.0	231.0	275.0	457.0	234.0	665.0	541.0	..
1999-00	327.0	231.0	286.0	464.0	298.0	649.0	543.0	..
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 P	1,701.0	1,438.0	..	2,513.0	1,151.0	3,908.0	3,928.0	..

P: Provisional (Jul-Mar) ..: Not available

Source: Pakistan Bureau of Statistics
National Fertilizer Development Centre

AN/CAN: Ammonium Nitrate/Calcium Ammonium Nitrate
ASN: Ammonium Super Nitrate
AS: Ammonium Sulphate DAP: Diammonium Phosphate
NP: Nitrophosphate SOP: Sulphate of Potash
SSP: Single Super Phosphate NPK: Nitrogen Phosphate and Potash

TABLE 2.11

AREA IRRIGATED BY DIFFERENT SOURCES

(Million hectares)

Fiscal Year	Canals	Wells	Canal Wells	Tube wells	Canal Tube wells	Others	Total
1990-91	7.89	0.13	0.08	2.56	5.87	0.22	16.75
1991-92	7.85	0.16	0.11	2.59	5.93	0.21	16.85
1992-93	7.91	0.18	0.10	2.67	6.23	0.24	17.33
1993-94	7.73	0.14	0.09	2.78	6.22	0.17	17.13
1994-95	7.51	0.17	0.10	2.83	6.41	0.18	17.20
1995-96	7.60	0.18	0.11	2.89	6.58	0.22	17.58
1996-97	7.81	0.18	0.11	2.90	6.61	0.22	17.85
1997-98	7.79	0.16	0.13	3.00	6.74	0.18	18.00
1998-99	7.67	0.17	0.09	2.98	6.88	0.16	17.95
1999-00	7.56	0.18	0.09	3.11	6.99	0.18	18.11
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	6.98	0.29	0.19	3.56	7.66	0.30	18.98
2005-06	7.06	0.28	0.20	3.58	7.71	0.29	19.12
2006-07	6.80	0.28	0.22	3.80	7.71	0.29	19.10
2007-08	6.91	0.30	0.17	3.83	7.79	0.28	19.28
2008-09	6.86	0.33	0.20	3.83	7.94	0.21	19.37
2009-10	6.78	0.31	0.26	3.88	7.07	0.28	18.58
2010-11	6.39	0.31	0.25	3.92	7.60	0.21	18.68
2011-12	6.34	0.32	0.19	3.94	7.86	0.21	18.86
2012-13 P	6.34	0.32	0.19	3.94	7.86	0.21	18.86

P: Provisional

Source: Pakistan Bureau of Statistics
Ministry of National Food Security and Research

TABLE 2.12

PROCUREMENT/SUPPORT PRICES OF AGRICULTURAL COMMODITIES

(Rs per 40 kg)

Fiscal Year	Wheat	Rice		Paddy			Sugarcane (at factory gate)			
		Basmati 385	Irri-6*	Basmati 385	Basmati Super/2000	Irri-6*	Khyber Pakhtunkhwa	Punjab	Sindh	Baloch-istan
1990-91	112.0	283.0	127.0	143.5	..	73.0	15.3	15.3	15.8	..
1991-92	124.0	308.0	140.0	155.0	..	78.0	16.8	16.8	17.0	17.0
1992-93	130.0	340.0	150.0	175.0	..	85.0	17.5	17.5	17.8	17.5
1993-94	160.0	360.0	157.0	185.0	..	90.0	18.0	18.0	18.3	18.3
1994-95	160.0	389.0	170.0	210.9	..	102.6	20.5	20.5	20.8	20.8
1995-96	173.0	419.8	183.0	222.0	..	112.0	21.5	21.5	21.8	21.8
1996-97	240.0	461.8	210.5	255.3	..	128.8	24.0	24.0	24.5	24.5
1997-98	240.0	..	..	310.0	360.0	153.0	35.0	35.0	36.0	36.0
1998-99	240.0	..	..	330.0	400.0	175.0	35.0	35.0	36.0	36.0
1999-00	300.0	..	..	350.0	425.0	185.0	35.0	35.0	36.0	36.0
2000-01	300.0	..	..	385.0	460.0	205.0	35.0	35.0	36.0	36.0
2001-02	300.0	..	..	385.0	460.0	205.0	42.0	42.0	43.0	43.0
2002-03	300.0	..	..	385.0	460.0	205.0	42.0	42.0	43.0	43.0
2003-04	350.0	..	..	400.0	485.0	215.0	42.0	42.0	43.0	43.0
2004-05	400.0	..	..	415.0	510.0	230.0	42.0	42.0	43.0	43.0
2005-06	415.0	..	..	460.0	560.0	300.0	48.0	45.0	60.0	..
2006-07	425.0	..	..	..	..	306.0	65.0	60.0	67.0	..
2007-08	625.0	..	..	..	..	..	65.0	60.0	63.0	..
2008-09	950.0	2,500.0	1,400.0	1,250.0 **	1,500.0	700.0	80.0	80.0	81.0	..
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 P	1,200.0	..	..	..	..	..	170.0	170.0	172.0	..

*: Fair Average Quality ..: Not available (Contd.)

**: Price of Basmati Super (Paddy) Rs. 1500/40kg for 2008-09 and Rs. 1250 for 2009-10

Note: Sugarcane prices are fixed by the respective Provincial Government

TABLE 2.12 (Continued)

PROCUREMENT/SUPPORT PRICES OF AGRICULTURAL COMMODITIES

(Rs. per 40 Kg)

Fiscal Year	Cotton Lint				Seed Cotton (Phutti)				Potato	Onion
	Desi	AC-134, NT	B-557 149-F	Sarmast Qallan-dri Delta-pine MS-39-40	Desi	AC-134, NT	B-557 F-149 Niab-78	Sarmast Qallan-dri Delta-pine MS-39-40		
1990-91	550.0	615.0	645.0	690.0	220.0	235.0	245.0	260.0	55.0	51.5
1991-92	662.0	685.0	715.0	745.0	255.0	270.0	280.0	290.0	65.0	60.0
1992-93	695.0	..	770.0 *	800.0	275.0	..	300.0 *	310.0	67.0	65.0
1993-94	726.0	..	801.0 *	831.0	290.0	..	315.0 *	325.0	77.0	78.0
1994-95	795.0	..	986.0 *	1055.0	340.0	..	400.0 *	423.0	84.0	78.0
1995-96	795.0	..	986.0 *	1055.0	340.0	..	400.0 *	423.0	84.0	85.0
1996-97	..	..	..	..	440.0	..	500.0 *	540.0	115.0	100.0
1997-98	..	..	..	..	440.0	..	500.0 *	540.0	145.0	112.0
1998-99	..	..	..	..	..	..	825.0 *	..	145.0	140.0
1999-00	..	..	..	..	..	..	725.0 *	..	145.0	..
2000-01	..	..	..	..	..	..	725.0 *	..	145.0	..
2001-02	..	..	..	..	..	..	780.0	..	..	..
2002-03	..	..	..	..	..	..	800.0	..	..	..
2003-04	..	..	..	..	..	..	850.0	..	..	..
2004-05	..	..	..	..	..	..	925.0	..	..	..
2005-06	..	..	..	..	..	..	975.0	..	..	..
2006-07	..	..	..	..	..	..	1025.0	..	..	..
2007-08	..	..	..	..	..	..	1025.0	..	..	..
2008-09	..	..	..	..	..	..	1465.0	..	..	..
2009-10	..	..	..	..	..	..	..	..	..	..
2010-11	..	..	..	..	..	..	..	..	..	..
2011-12	..	..	..	..	..	..	..	..	..	..
2012-13 P	..	..	..	..	..	..	..	..	..	..

..: Not available

*: Niab-78, CIM

Source: Ministry of National Food Security and Research

TABLE 2.13

PROCUREMENT, RELEASES AND STOCKS OF WHEAT AND RICE

(000 tonnes)

Fiscal Year	Wheat (May-April)				Rice Procured		Stocks Balance (as on 1st July)	
	Procure-ment	Releases	Stocks		Basmati	Others	Basmati	Others
1990-91	4,412.4	5,608.0	1,508.0		142.7	673.8	719.3	117.5
1991-92	3,159.0	5,431.0	1,000.0		121.6	370.3	486.8	314.7
1992-93	3,249.0	5,143.0	505.0		500.5	454.0	285.2	540.5
1993-94	4,120.0	5,982.0	1,007.0		144.9	681.4	224.8	541.2
1994-95	3,644.0	5,999.0	776.0		284.0	-	236.4	848.5
1995-96	3,740.0	5,139.0	385.0		50.8	154.6	494.3	117.7
1996-97	3,448.0	5,987.0	453.0		-	-	159.4	187.9
1997-98	2,725.0	5,794.0	902.0		-	-	-	-
1998-99	3,984.0	6,165.0	981.0		-	-	-	-
1999-00	4,070.0	6,131.0	702.0		-	-	-	-
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 P	7,910.0 *	-	1,681.0	**	-	-	-	-

P: Provisional ..: not available Source: Ministry of National Food Security and Research

*: Target 13th April, 2013 (2012-13 Crop)

**: Tentative, 22nd April, 2013

TABLE 2.14

LIVESTOCK POPULATION

(Million Numbers)

Fiscal Year	Buffaloes	Cattle	Goats	Sheep	Poultry	Camels	Asses	Horses	Mules
1990-91	17.8	17.7	37.0	26.3	146.9	1.1	3.5	0.4	0.1
1991-92	18.3	17.7	38.7	27.4	156.2	1.1	3.8	0.5	0.1
1992-93	18.7	17.8	40.2	27.7	182.6	1.1	3.8	0.4	0.1
1993-94	19.2	17.8	42.0	28.3	250.0	1.1	3.9	0.4	0.1
1994-95	19.7	17.8	43.8	29.1	318.8	1.1	4.0	0.4	0.1
1995-96	20.3	20.4	41.2	23.5	350.0	0.8	3.6	0.3	0.1
1996-97	20.8	20.8	42.6	23.7	382.0	0.8	3.6	0.3	0.1
1997-98	21.4	21.2	44.2	23.8	276.0	0.8	3.2	0.3	0.1
1998-99	22.0	21.6	45.8	23.9	278.0	0.8	3.8	0.3	0.1
1999-00	22.7	22.0	47.4	24.1	282.0	0.8	3.8	0.3	0.2
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

Source: Ministry of National Food Security and Research

*: Actual figures of Livestock Census 2006

Note: From 2006-07 onward figures estimates are 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.)
1990-91		15,481	765	665	151	48.1	7.9	259.0	101.8	40.1	4,490	5.9	32.7
1991-92		16,280	803	713	169	49.3	8.3	265.0	104.5	42.5	4,914	6.0	33.9
1992-93		17,120	844	763	265	50.5	8.1	271.0	107.2	45.1	5,164	6.1	36.0
1993-94		18,006	887	817	296	51.7	9.0	277.0	110.0	47.3	5,740	6.2	37.8
1994-95		18,986	931	875	308	53.1	9.4	283.0	113.0	50.7	5,927	6.3	39.3
1995-96		22,970	898	587	355	38.1	15.6	295.7	110.1	32.0	5,757	7.0	32.7
1996-97		23,580	919	602	387	38.3	16.2	302.3	112.6	32.8	6,015	7.1	34.5
1997-98		24,215	940	617	284	38.5	16.7	309.2	115.2	33.6	5,737	7.3	35.3
1998-99		24,876	963	633	310	38.7	17.3	316.3	117.8	34.4	8,261	7.5	36.3
1999-00		25,566	986	649	322	38.9	17.9	324.0	120.6	40.9	7,321	7.6	37.2
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		38,690	1,769	629	834	43.0	23.8	757.5	241.7	59.8	13,144	13.9	49.6
2012-13 P		39,945	1,829	643	907	43.6	24.4	780.5	248.8	61.3	13,813	14.4	50.7

P: Provisional

Source: Ministry of National Food Security and Research

*: Human Consumption

**: Actual figures of Livestock Census 2006

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

(000 Tonnes)

Minerals	Antimony (tonnes)	Argonite/ Marble	China Clay	Celestite (tonnes)	Chromite	Coal	Dolomite (tonnes)	Fire Clay	Fullers Earth	Gypsum Anhydrite	Lime Stone
Reserves	..	Very large Deposits	4.9 million tonnes	..	fairly large Deposits	185 billion tonnes	Very large Deposits	Over 100 million tonnes	fairly large Deposits	350 million tonnes	Very large Deposits
Years											
1990-91	128	281	44	1,773	24	3,054	154,591	120	23	468	9,009
1991-92	..	321	42	1,069	28	3,627	180,987	139	21	471	8,528
1992-93	5	388	37	1,682	23	3,256	220,241	132	23	533	9,015
1993-94	3	460	48	4,398	11	3,534	228,090	116	17	666	9,125
1994-95	..	467	31	1,403	13	3,043	227,079	152	15	620	9,682
1995-96	..	458	43	762	27	3,465	185,115	112	18	420	9,740
1996-97	..	459	66	812	35	3,496	215,556	110	12	522	9,491
1997-98	..	345	68	961	35	3,145	116,046	94	18	307	11,166
1998-99	..	403	67	642	18	3,378	198,831	153	16	242	9,467
1999-00	..	579	63	802	26	3,164	347,583	139	19	355	9,589
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	46	3,367	199,653	254	17	552	14,857
2005-06	91	1,835	53	3,160	52	3,854	183,952	333	16	601	18,427
2006-07	119	1,980	31	1,530	104	3,702	342,463	347	11	624	25,512
2007-08	245	1,537	32	1,310	115	4,066	359,994	330	11	660	31,789
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	1,069	16	..	148	3,292	240,111	274	4	885	32,021
2011-12	12	1,734	22	..	179	3,179	198,392	408	7	1,260	35,016
July-March											
2011-12	..	1,220	15	..	130	2,316	131,966	276	4	925	25,807
2012-13 P	80	1,607	13	..	94	1,748	182,910	116	4	632	28,652

..: Not available P: Provisional (Contd.)

TABLE 3.1

RESERVES AND EXTRACTION OF PRINCIPAL MINERALS

(000 Tonnes)

Minerals	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		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											
1990-91	4,242	736	143	1,285	295	32	26	24,644	318	23.49	14.66
1991-92	6,333	833	132	1,001	215	37	30	21,818	937	22.47	15.57
1992-93	5,047	895	158	1,000	510	48	26	18,682	1,922	21.90	16.50
1993-94	7,000	916	169	745	715	44	18	34,984	3,792	20.68	17.65
1994-95	5,227	890	152	4,623	510	34	20	32,214	8,103	19.86	17.77
1995-96	14,981	958	184	8,081	20	40	14	19,554	6,046	21.05	18.85
1996-97	6,679	1,066	154	2,047	640	45	30	33,583	4,575	21.27	19.76
1997-98	3,397	971	135	3,147	22,458	49	30	28,366	5,500	20.54	19.82
1998-99	3,455	1,190	158	4,080	19,103	61	18	41,362	38,151	19.95	20.92
1999-00	4,513	1,358	167	4,793	22,812	48	26	48,237	45,980	20.40	23.17
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	52	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	2,446	1,859	411	34,320	24,730	21	52	60,370	131,259	23.94	39.65
2006-07	3,445	1,873	402	61,665	27,710	45	47	150,796	125,879	24.62	40.03
2007-08	3,940	1,849	403	46,215	29,485	38	50	174,223	286,255	25.60	41.18
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	437,003	23.70	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	5,544	2,136	270	42,107	25,560	56	47	307,339	384,893	24.57	44.15
July-March											
2011-12	2,658	1,586	189	35,157	20,525	27	26	231,674	261,124	19.15	32.99
2012-13 P	5,492	1,452	286	29,712	14,985	69	115	271,011	326,037	20.48	32.58

P: Provisional

Source : Pakistan Bureau of Statistics

TABLE 3.2

PRODUCTION INDEX OF MINING AND MANUFACTURING

Year	Mining			Manufacturing
	1969-70=100	1975-76=100	1980-81=100	1980-81=100
1990-91	468.0	410.3	275.2	202.5
1991-92	472.1	412.8	277.8	218.5
1992-93	478.0	420.6	278.4	227.5
1993-94	483.4	427.1	275.2	237.2
1994-95	461.8	417.6	270.8	240.8
1995-96	504.8	445.3	296.7	248.4
1996-97	520.1	456.3	305.6	243.1
1997-98	512.3	449.5	302.5	261.6
1998-99	509.1	448.7	283.1	270.8
			1999-2000=100	
1999-00	545.6	468.8	100.0	100.0
2000-01	576.7	497.6	105.6	101.0
2001-02	611.3	532.8	112.5	114.8
2002-03	656.7	572.4	119.6	123.1
2003-04	709.8	597.2	134.8	146.4
2004-05	..	..	148.7	173.0
2005-06	..	..	155.4	188.8
2006-07	..	..	158.6	205.1
2007-08	..	..	162.8	213.9
2008-09	..	..	160.3	195.9
				2005-06=100
2009-10	..	..	162.5	109.5
2010-11	..	..	160.6	111.1
2011-12	..	..	170.9	113.1
July-March				
2011-12	..	..	170.4	112.3
2012-13 P	..	..	174.9	117.9

..: Not available

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 3.3

COTTON TEXTILES STATISTICS

Year	No. of Mills	Installed Capacity		Working at the end of the period		Spindle Hours Worked (Million)	Loom Hours Worked (Million)	Consumption of Cotton (mln kg)	Total Yarn Produced (mln.kg)	Surplus Yarn (mln. kg)	Total Production of Cloth (mln. sq. mtr.)
		No. of Spindles (000)	No. of Looms (000)	No. of Spindles (000)	No. of Looms (000)						
1990-91	247	5,493	15	4,754	8	39,542	60.2	1,197.5	1,041.2	1,001.0	292.9
1991-92	271	6,141	15	5,260	8	43,606	58.8	1,342.8	1,170.7	1,134.7	307.9
1992-93	284	6,768	14	5,433	6	46,364	55.5	1,427.0	1,219.0	1,148.6	325.4
1993-94	320	8,182	14	5,886	6	47,221	44.0	1,483.4	1,309.6	1,272.8	314.9
1994-95	334	8,307	14	5,991	5	49,734	41.8	1,558.9	1,369.7	1,340.6	321.8
1995-96	349	8,493	13	6,356	5	52,239	37.1	1,661.9	1,495.1	1,434.7	327.0
1996-97	357	8,137	10	6,465	5	53,625	36.4	1,670.1	1,520.8	1,473.9	333.5
1997-98	353	8,274	10	6,556	4	55,005	37.7	1,751.0	1,532.3	1,478.9	340.3
1998-99	348	8,298	10	6,594	5	55,802	35.2	1,839.6	1,540.3	1,482.4	384.6
1999-00	351	8,383	10	6,750	4	57,205	34.3	1,961.6	1,669.9	1,604.4	437.2
2000-01	353	8,594	10	7,105	4	59,219	34.1	2,070.1	1,721.0	1,652.7	490.2
2001-02	354	8,967	10	7,078	5	61,267	36.3	2,155.2	1,808.6	1,731.2	568.4
2002-03	363	9,216	10	7,623	5	64,274	38.7	2,371.3	1,934.9	1,855.4	576.6
2003-04	357	9,499	10	7,934	4	69,652	32.7	2,397.8	1,929.1	1,835.9	683.4
2004-05	423	10,941	9	8,852	5	72,255	31.2	2,622.8	2,270.3	2,104.9	924.7
2005-06	437	11,168	9	9,631	4	74,884	24.8	2,932.6	2,556.3	2,457.6	915.3
2006-07	427	11,266	8	10,057	4	76,892	21.7	3,143.5	2,727.6	2,623.2	1,012.9
2007-08	427	11,834	8	9,960	4	76,400	21.5	3,159.2	2,809.4	2,700.3	1,016.4
2008-09	431	11,280	8	10,241	4	75,893	23.0	3,195.6	2,862.4	2,754.0	1,019.7
2009-10	439	11,392	7	10,632	4	74,654	22.4	3,372.4	2,881.0	2,776.6	1,009.6
2010-11	439	11,392	7	10,850	5	75,000	23.0	3,456.7	2,938.6	2,831.8	1,029.8
2011-12	433	11,762	7	10,660	5	76,932	22.6	3,427.1	2,964.6	2,857.5	1,024.3
2012-13 P	435	11,800	7	10,800	5	77,000	23.0	3,500.0	2,999.0	2,889.0	1,025.0

P : Provisional

.. : Not available

Source: Pakistan Bureau of Statistics
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			
1990-91	2,050.3	175.1	318.8	92.3	321.0	656	1,934	7,762
1991-92	1,898.0	194.0	300.0	92.9	309.8	639	2,322	8,321
1992-93	2,306.1	205.0	302.2	92.9	297.3	725	2,384	8,558
1993-94	3,103.8	195.1	242.7	82.0	251.4	671	2,841	8,100
1994-95	3,000.2	147.0	313.9	79.6	285.0	711	2,964	7,913
1995-96	3,260.1	103.7	383.5	83.7	336.5	733	2,426	9,567
1996-97	3,258.7	0.1	330.2	80.9	350.3	714	2,383	9,536
1997-98	3,284.2	0.0	316.3	..	293.2	719	3,555	9,364
1998-99	3,521.7	21.6	338.8	..	285.0	773	3,542	9,635
1999-00	3,785.0	145.8	386.5	..	261.3	698	2,429	9,314
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	1,516	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	1,062	3,190	28,380
2009-10	5,056.5	148.7	345.5	..	304.4	1,076	3,132	31,160
2010-11	4,552.1	173.3	275.1	..	252.3	1,081	4,169	28,723
2011-12	4,470.1	114.7	432.3	..	337.6	1,105	4,634	29,557
July-March								
2011-12	3,338.9	101.2	283.1	..	218.0	813	4,486	21,447
2012-13 P	3,050.6	71.8	314.0	..	226.8	845	4,622	22,751

- : Not available

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 3.5

PRODUCTION OF SELECTED INDUSTRIAL ITEMS

Year	Food and Tobacco		Rubber				Jute
	Beverages (000 doz. bottles)	Cigarettes (Million Nos)	Motor Tyres (000 Nos)	Motor Tubes (000 Nos)	Cycle Tyres (000 Nos)	Cycle Tubes (000 Nos)	Textiles (000 tonnes)
1990-91	67,607	29,887	952	646	3,828	5,468	96.9
1991-92	85,266	29,673	784	618	3,751	5,757	100.9
1992-93	139,823	29,947	712	550	3,826	5,612	97.5
1993-94	113,704	35,895	783	706	3,872	6,191	76.4
1994-95	143,019	32,747	912	833	3,523	5,146	68.5
1995-96	131,114	45,506	1003	909	3,988	5,594	70.6
1996-97	115,817	46,101	525	643	4,112	5,205	68.7
1997-98	149,848	48,215	767	665	1,415	4,978	95.4
1998-99	185,014	51,578	845	586	3,665	5,529	85.5
1999-00	2,332	46,976	2,199.3	3,483.3	3,766	5,937	85.5
2000-01	2,542	58,259	2,439.3	3,386.8	4,056	5,892	89.4
2001-02	2,492	55,100	2,693.8	3,418.6	4,652	7,058	81.7
2002-03	2,289	49,365	3,359.6	4,091.3	533	8,942	95.5
2003-04	2,691	55,399	5,175.4	4,964.0	4,768	8,270	104.0
2004-05	3,424	61,097	5,336.3	6,278.5	4,900	9,612	104.8
2005-06	4,620	64,137	5,941.6	7,163.8	5,287	10,204	104.5
2006-07	6,205	65,980	7,027.4	10,277.0	5,182	10,420	118.1
2007-08	7,351	67,446	6,990.2	9,627.1	4,243	9,224	129.0
2008-09	7,569	75,609	7,088.6	14,515.4	3,213	6,876	137.4
2009-10	6,017	65,292	8,672.4	20,152.4	3,405	7,273	106.2
2010-11	1,515,305 *	65,403	9,319.0	19,129.0	2,910	6,498	93.2
2011-12	1,818,400	61,954	7,011.2	20,337.9	3,431	6,846	94.1
<u>July-March</u>							
2011-12	1,121,182	45,674	5,071.0	15,035.9	2,514	5,236	70.4
2012-13 P	1,293,674	49,247	5,989.7	15,207.6	2,569	5,897	74.0

P : Provisional **(Contd.)**

*** : 000 Litres**

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.)
1990-91	147.2	93.5	78.5	6.7	14,308	651.1	428.8	81.3	181.7
1991-92	185.9	97.6	82.0	6.1	18,950	682.5	478.4	85.1	145.5
1992-93	196.2	99.8	81.5	5.9	16,626	638.1	588.6	72.3	162.2
1993-94	197.0	102.3	89.0	5.8	9,373	602.8	563.7	76.7	112.5
1994-95	196.1	80.4	92.7	7.8	6,865	719.5	473.4	68.1	101.1
1995-96	221.2	69.2	109.0	9.1	8,030	836.8	545.1	84.1	277.6
1996-97	247.0	30.8	118.2	9.4	8,005	861.1	432.4	61.1	185.6
1997-98	240.3	28.1	115.7	9.7	5,917	869.7	452.1	36.2	107.4
1998-99	239.4	27.0	120.4	11.3	6,500	888.8	504.0	29.7	128.3
1999-00	245.7	57.7	141.3	14.2	7,347	897.7	534.1	27.6	121.6
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	97.8	245.3	16.5	29,835	998.5	419.9	50.8	402.3
2009-10	409.6	84.7	182.3	16.1	30,752	1008.5	447.2	48.6	342.9
2010-11	378.0	128.1	172.0	15.4	25,835	1018.6	342.4	47.0	440.5
2011-12	370.7	100.4	179.1	15.8	23,026	1028.8	262.1	39.6	268.8
July-March									
2011-12	270.0	77.4	128.0	11.7	16,593	737.0	179.0	32.6	248.9
2012-13 P	268.5	68.3	138.0	11.3	17,819	744.4	171.7	25.3	88.2

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)
1990-91	49.3	7,728	88.6	64.2	723.6	1,073.9	330.0
1991-92	43.2	4,460	111.0	66.0	737.2	1,048.1	306.7
1992-93	41.3	4,205	154.8	109.0	716.4	1,098.2	338.4
1993-94	42.7	5,307	133.2	129.3	771.6	1,252.7	403.9
1994-95	41.6	5,352	106.2	208.4	701.5	1,044.7	343.5
1995-96	45.8	5,417	110.0	193.4	685.6	1,002.2	332.7
1996-97	56.4	7,598	197.6	149.0	663.0	1,068.6	378.5
1997-98	62.5	8,354	166.5	178.3	667.7	1,015.8	350.1
1998-99	66.8	7,991	173.6	186.8	588.7	989.3	276.1
1999-00	63.2	7,144	228.0	434.6	662.6	1,106.6	1,381.9
2000-01	55.2	10,548	246.3	531.1	717.3	1,071.2	1,664.7
2001-02	52.8	10,441	165.1	137.9	694.6	1,042.9	1,874.2
2002-03	58.3	10,844	203.8	148.0	775.2	1,140.2	1,874.2
2003-04	139.4	14,630	225.7	156.8	785.5	1,179.9	2,118.9
2004-05	146.7	19,819	236.5	163.7	772.8	1,137.2	2,430.1
2005-06	143.6	19,992	286.1	167.7	182.3	768.0	2,714.7
2006-07	144.8	21,400	280.4	161.7	326.3	1,008.8	3,380.6
2007-08	129.8	19,524	227.6	192.0	290.9	993.4	3,677.8
2008-09	91.8	11,101	168.8	252.5	423.7	791.1	2,873.8
2009-10	75.2	2,914	178.2	249.1	342.8	483.3	1,943.4
2010-11	80.0	1,065	206.1	228.7	301.7	433.1	1,628.9
2011-12	78.9	1,266	278.5	239.7	192.9	249.1	1,616.4
July-March							
2011-12	62.5	1,040	201.8	186.0	138.6	195.8	1,173.4
2012-13 P	58.6	754	290.4	182.6	148.1	146.3	1,184.5

P : Provisional

Source: Pakistan Bureau of Statistics
Ministry of Industries

TABLE 3.6

PERCENT GROWTH OF SELECTED INDUSTRIAL ITEMS

Years	Cotton Yarn	Cotton Cloth	Jute Goods	Veg.Ghee	Cigarettes	Fertilizers	Cement	Soda Ash	Caustic Soda	Sugar
1990-91	14.22	(0.65)	1.15	(3.93)	(7.41)	(2.66)	3.66	1.53	6.01	4.15
1991-92	12.44	5.12	4.13	(2.59)	(0.72)	(5.52)	7.20	26.29	4.49	20.06
1992-93	4.13	5.68	(3.37)	13.46	(0.92)	14.65	2.84	5.54	(0.61)	2.67
1993-94	7.43	(3.23)	(21.64)	(7.45)	19.86	20.96	(5.35)	(0.41)	9.20	19.17
1994-95	4.59	2.19	(10.34)	5.96	(8.77)	(1.27)	(2.31)	(0.46)	4.16	4.33
1995-96	9.16	1.62	3.07	3.09	38.96	8.89	20.90	12.80	17.58	(18.15)
1996-97	1.72	1.99	(2.69)	(2.59)	1.31	(3.53)	(0.32)	11.66	8.44	(1.77)
1997-98	0.76	2.04	38.86	0.70	4.54	(3.15)	(1.80)	(2.71)	(2.12)	49.18
1998-99	0.52	13.02	(10.38)	7.95	6.98	6.67	2.30	(0.37)	4.06	(0.48)
1999-00	8.41	13.73	(1.87)	(9.65)	(8.92)	4.62	(3.33)	2.63	17.36	(31.41)
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	11.70	(2.30)	(0.30)	9.90	5.00	4.30	13.50	7.20	6.10	(5.00)
2006-07	11.70	8.20	13.00	2.50	2.90	(3.20)	22.50	3.70	10.50	19.20
2007-08	2.40	4.00	9.30	(3.60)	2.20	2.80	17.60	10.40	2.50	34.20
2008-09	0.00	0.10	6.50	(6.60)	12.10	3.00	6.10	0.10	(1.20)	(32.60)
2009-10	(4.30)	(0.70)	(22.70)	1.30	(13.60)	4.10	9.80	12.10	(25.70)	(1.80)
2010-11	5.46	1.08	(12.30)	0.60	0.17	(7.97)	(8.33)	(7.70)	(5.62)	32.62
2011-12	0.52	0.30	0.98	1.20	(5.27)	0.08	2.93	(1.93)	4.11	11.16
<u>July-March</u>										
2011-12	1.13	0.67	5.51	(0.46)	(3.76)	(0.92)	3.04	(4.43)	(0.54)	15.25
2012-13	1.27	0.22	5.21	3.91	7.82	(3.64)	6.08	(0.58)	7.84	3.04

Note : Figures in parenthesis represent negative growth **Source: Pakistan Bureau of Statistics**

FISCAL DEVELOPMENT

TABLE 4.1

FEDERAL GOVERNMENT OVERALL BUDGETARY POSITION

(Rs. in Million)

Fiscal Year/ Item	2011-12	2012-13 (Jul-Mar)
A. REVENUE		
FBR Tax Revenue (1 +2)	1,883,026	1,352,285
1 Direct Taxes	738,822	505,076
2 Indirect Taxes	1,144,204	847,209
i. Customs	216,898	170,404
ii. Sales Tax	804,846	595,987
iii. Federal Excise	122,460	80,818
Others*	87,177	95,759
Non-Tax Revenue	455,515	546,767
Gross Revenue Receipts **	2,425,718	1,994,811
B. EXPENDITURE		
Current Expenditure	2,209,324	1,935,305
i. Defence	507,159	405,822
ii. Interest	889,044	772,169
iii. Grants	278,866	188,591
vi. Others	534,255	568,723
Development Expenditure and Net Lending	402,722	251,326
Total Expenditure	2,612,046	2,186,631

Source: Budget Wing, Finance Division, Islamabad

B.E.: Budget Estimates

*: Includes petroleum levy, Gas surcharges, Airport tax and other taxes (ICT)

**: Includes other categories not shown here

TABLE 4.2

SUMMARY OF PUBLIC FINANCE (CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENTS)

(Rs. in Million)

Fiscal Year/ Item	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar)
Total Revenues (i+ii)	1,297,957	1,499,380	1,850,901	2,078,165	2,260,712	2,568,060	2,141,915
Federal	1,215,730	1,380,599	1,721,028	1,955,457	2,133,832	2,412,843	1,983,385
Provincial	82,227	118,781	129,873	122,708	126,880	155,217	158,530
i) Tax Revenues	889,685	1,050,696	1,204,670	1,498,814	1,707,191	2,077,392	1,557,605
Federal	852,866	1,009,902	1,158,586	1,444,000	1,642,632	1,970,203	1,448,044
Provincial	36,819	40,794	46,084	54,814	64,559	107,189	109,561
ii) Non-Tax Revenues	408,272	448,684	646,231	580,000	553,521	490,668	584,310
Federal	362,864	370,697	562,442	512,000	491,200	442,640	535,341
Provincial	45,408	77,987	83,789	68,000	62,321	48,028	48,969
Total Expenditures (a+b+c)	1,799,968	2,276,549	2,531,308	3,006,662	3,455,120	3,937,764	3,188,132
a) Current	1,375,345	1,853,147	2,041,570	2,481,000	2,900,784	3,122,502	2,642,025
Federal	973,130	1,416,015	1,495,873	1,854,000	2,088,124	2,154,732	1,887,104
Provincial	402,215	437,132	545,697	627,000	812,660	967,770	754,921
b) Development	433,658	451,896	480,282	517,919	506,103	731,868	444,691
c) Net Lending to PSE	-9,035	-28,494	6,911	39,383	7,904	12,019	1,098
d) Statistical Discrepancy	-124,510	0	2,545	-31,640	40,329	71,375	100,318
Overall Deficit	-377,501	-777,169	-682,952	-929,061	1,194,409	1,369,704	1,046,217
Financing (net)	377,501	777,169	680,407	879,000	1,194,409	1,369,704	1,046,217
External (Net)	147,150	151,311	149,651	138,000	107,705	128,650	-4,117
Domestic (i+ii)	230,351	625,858	529,466	741,000	1,086,704	1,241,054	1,050,334
i) Non-Bank	56,905	104,302	223,846	435,610	471,575	529,384	193,659
ii) Bank	101,982	519,906	305,620	304,562	615,129	711,670	856,675
iii) Privatization Proceeds	71,464	1,650	1,290	0	0	0	0
Memorandum Item							
GDP (mp) in Rs. Billion	9,240	10,638	13,200	14,867	18,285	20,091	22,909
	(As Percent of GDP at Market Price)*						
Total Revenue	14.0	14.1	14.0	14.0	12.4	12.8	9.3
Tax Revenue	9.6	9.9	9.1	10.1	9.3	10.3	6.8
Non-Tax Revenue	4.4	4.2	4.9	3.9	3.0	2.4	2.6
Expenditure	19.5	21.4	19.2	20.2	18.9	19.6	13.9
Current	14.9	17.4	15.5	16.7	15.9	15.5	11.5
Development	4.6	4.0	3.7	3.7	2.8	3.7	1.9
Overall Deficit Incl. E.quake Exp.	4.1	7.3	5.2	6.2	6.5	6.8	4.6

B.E : Budget Estimate

Source: Budget Wing, Finance Division, Islamabad

*: Due to change of base of GDP to 2005-06 prior years are not comparable

TABLE 4.3

CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENT REVENUES

(Rs. in Million)

Fiscal Year/ Item	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar)
Total Revenue (I+II)	900,014	1,076,600	1,297,957	1,499,381	1,850,901	2,078,165	2,260,712	2,568,060	2,141,915
Federal	842,900	992,200	1,215,730	1,380,600	1,721,028	1,955,457	2,133,832	2,412,843	1,983,385
Provincial	57,114	84,400	82,227	11,878	129,873	122,708	126,880	155,217	158,530
I. Tax Revenues (A+B)	659,410	803,700	889,685	1,050,696	1,312,227	1,499,000	1,707,191	2,077,392	1,557,605
Federal	624,700	766,900	852,866	1,009,902	1,266,143	1,444,000	1,642,632	1,970,203	1,448,044
Provincial	34,710	36,800	36,819	40,794	46,084	55,000	64,559	107,189	109,561
A. Direct Taxes (1+2)	186,473	224,147	337,639	391,350	444,875	534,368	606,276	746,656	510,283
1 Federal	176,930	215,000	334,168	387,563	440,271	528,649	602,451	738,822	505,076
2 Provincial	9,543	9,147	3,471	3,787	4,604	5,719	3,825	7,834	5,207
B. Indirect Taxes (3+4+5+6+7)	472,937	579,553	552,046	659,346	844,696	964,361	1,131,273	1,330,736	1,045,324
3. Excise Duty	60,813	58,702	74,026	86,549	119,517	125,368	141,746	126,655	84,207
Federal	58,670	55,000	71,575	83,594	116,055	121,182	137,353	122,460	80,818
Provincial	2,143	3,702	2,451	2,955	3,462	4,186	4,393	4,195	3,389
4. Sales Tax	235,533	294,600	309,228	385,497	452,294	516,102	633,357	804,846	595,987
5. Taxes on International Trade	117,243	138,200	132,200	150,545	148,382	161,489	184,853	216,898	170,404
6. Surcharges*	26,769	50,800	64,546	35,178	126,026	114,650	113,103	83,329	93,761
6.1 Gas	16,165	26,300	34,888	20,708	14,015	25,908	30,358	22,960	12,721
6.2 Petroleum	10,604	24,500	29,658	14,470	112,011	88,742	82,745	60,369	81,040
7. Other Taxes **	59,348	88,051	36,592	36,755	20,408	46,752	58,214	99,008	100,965
7.1 Stamp Duties	10,573	10,211	10,268	11,123	11,290	11,693	14,007	16,527	13,081
7.2 Motor Vehicle Taxes	5,749	7,107	7,719	4,975	7,534	10,222	10,507	11,140	10,655
7.3 Foreign Travel Tax	2,050	3,593	3,681	356	0	0	0	0	0
7.4 Others	40,976	67,140	14,924	20,301	1,584	24,837	33,700	71,341	77,229
II. Non-Tax Revenues	240,604	272,900	408,272	448,685	454,885	579,894	523,162	490,668	584,310
Federal	218,200	225,300	362,864	370,698	454,885	512,000	460,842	442,640	535,341
Provincial	22,404	47,600	45,408	77,987	83,789	67,894	62,320	48,028	48,969

*: Revenues under these heads are exclusively Federal

**: Mainly include Provincial Revenues

Source: Budget Wing, Finance Division, Islamabad

TABLE 4.4

CONSOLIDATED FEDERAL AND PROVINCIAL GOVERNMENT EXPENDITURES

(Rs. in Million)

Fiscal Year/ Item	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar)
Current Expenditure	864,500	1,034,700	1,375,345	1,853,147	2,041,573	2,481,216	2,900,784	3,122,502	2,642,025
Federal	664,200	789,100	973,130	1,416,015	1,495,876	1,854,000	2,088,124	2,154,732	1,887,104
Provincial	200,300	245,600	402,215	437,132	545,697	627,216	812,660	967,770	754,921
Defence	211,717	241,063	249,858	277,300	329,902	375,019	450,615	507,159	405,822
Interest	234,752	260,021	386,916	509,574	656,259	661,001	716,603	901,919	783,595
Federal	210,196	237,119	368,797	489,681	637,790	642,000	698,095	889,044	772,169
Provincial	24,556	22,902	18,119	19,893	18,469	19,001	18,508	12,875	11,426
Current Subsidies	66,673	101,238	76,039	423,685	225,610	227,000	260,600	166,976	269,967
Development Expenditure	227,718	365,100	433,658	451,896	480,282	517,919	506,103	731,868	444,691
Net Lending to PSEs	24,763	2,100	-9,035	-28,494	6,911	39,383	7,904	12,019	1,098
Statistical Discripancy	0	-86307	-124510	0	2,545	-31,640	40,329	71,375	100,318
Total Expenditure	1,116,981	1,401,900	1,799,968	2,276,549	2,531,308	3,006,662	3,455,120	3,937,764	3,188,132
Memorandum Items	(Percent Growth over preceding period)								
Current Expenditure	11.5	19.7	32.9	34.7	10.2	21.5	16.9	7.6	-
Defence	14.5	13.9	3.6	11.0	19.0	13.7	20.2	12.5	-
Interest	5.6	10.8	48.8	31.7	28.8	0.7	8.4	25.9	-
Current Subsidies	8.8	25.1	37.9	63.5	-46.8	0.6	14.8	-35.9	-
Development Expenditure	41.4	60.3	18.8	4.2	6.3	7.8	-2.3	44.6	-
Total Expenditure	16.8	25.5	28.4	26.5	11.2	18.8	14.9	14.0	-
	As % of Total Expenditure								
Current Expenditure	77.4	73.8	76.4	81.4	80.7	82.5	84.0	79.3	-
Defence	19.0	17.2	13.9	12.2	13.0	12.5	13.0	12.9	-
Interest	21.0	18.5	21.5	22.4	25.9	22.0	20.7	22.9	-
Current Subsidies	6.0	7.2	4.2	18.6	8.9	7.5	7.5	4.2	-
Development Expenditure*	22.6	26.2	23.6	18.6	19.2	18.5	14.9	18.9	-
Total Expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-

B.E : Budget Estimate

*: Include Net Lending

Source: Budget Wing, Finance Division

TABLE 4.5

DEBT SERVICING

(Rs. in Million)

Fiscal Year / Item	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar)
A. Interest Payments	260,021	386,916	509,574	656,259	661,270	716,603	901,919	783,595
A.1 Federal	237,119	368,797	489,681	637,790	642,269	698,095	889,044	772,169
Interest on Domestic Debt	195,006	318,939	430,189	558,729	578,287	629,709	821,115	724,693
Interest on Foreign Debt	42,113	49,858	59,492	79,061	63,982	68,386	67,929	47,476
A.2 Provincial	22,902	18,119	19,893	18,469	19,001	18,508	12,875	11,426
B. Repayment/Amortization of Foreign Debt	81,394	69,615	68,662	224,576	196,811	154,151	135,286	164,082
C. Total Debt Servicing (A+B)	341,415	456,531	578,236	880,835	858,081	870,754	1,037,205	947,677
MEMORANDUM ITEMS	(As Percent of GDP)							
Interest on Domestic Debt	2.6	3.5	4.0	4.2	3.9	3.4	4.1	3.2
Interest on Foreign Debt	0.6	0.5	0.6	0.6	0.4	0.4	0.3	0.2
Repayment/Amortization of Foreign Debt	1.1	0.8	0.6	1.7	1.3	0.8	0.7	0.7
Total Debt Servicing	4.5	4.9	5.4	6.7	5.8	4.8	5.2	4.1

Source: Budget Wing, Finance Division

MONEY AND CREDIT

TABLE 5.1

COMPONENTS OF MONETARY ASSETS

(Rs. in Million)

	Stock of Money	End June								2013
		2005	2006	2007	2008	2009	2010	2011	2012	Mar. P
1.	Currency Issued	712,480	791,834	901,401	1,054,191	1,231,871	1,385,548	1,608,641	1,785,775	2,028,621
2.	Currency held by SBP	3,107	3,005	3,148	2,900	2,693	2,491	2,380	1,974	1,281
3.	Currency in title of Scheduled Banks	43,472	48,439	58,072	68,966	77,006	87,673	104,852	110,055	105,553
4.	Currency in ciculation (1-2-3)	665,901	740,390	840,181	982,325	1,152,173	1,295,385	1,501,409	1,673,746	1,921,787
5.	Other deposits with SBP *	3,335	4,931	7,012	4,261	4,662	6,663	10,145	8,899	9,649
6.	Scheduled Banks Total Dposits **	2,291,408	2,661,584	3,217,962	3,702,556	3,980,384	4,475,186	5,183,640	5,959,150	6,396,800
7.	Resident Foreign Currency Deposits (RFCD)	180,295	195,501	207,312	263,430	280,364	345,438	374,945	440,130	505,960
8.	Monetary assets (4+5+6)	2,960,644	3,406,905	4,065,155	4,689,143	5,137,219	5,777,234	6,695,194	7,641,795	8,328,236
9.	Growth rate (%)	19.1	15.1	19.3	15.3	9.6	12.5	15.9	14.1	9.0
	Memorandum									
1.	Currency / Money ratio	22.5	21.7	20.7	20.9	22.4	22.4	22.4	21.9	23.1
2.	Demand Deposits / Money ratio	32.1	31.9	65.0	65.5	62.4	62.2	61.6	61.7	60.8
3.	Time Deposits / Money ratio	39.2	40.5	9.0	7.8	9.6	9.3	10.2	10.6	9.9
4.	Other Deposits / Money ration	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.1	0.1
5.	RFCD / Money ration	6.1	5.7	5.1	5.6	5.5	6.0	5.6	5.8	6.1
6.	Income Velocity of Money ***	2.4	2.1	2.3	2.3	2.6	2.7	2.9	2.9	-

P: Provisional

*: 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. in Million)

	2007	2008	2009	2010	2011	2012 R	2013 Mar. P
	A. Stock End June						
1 Public Sector Borrowing (net)							
(i + ii + iii + iv + v + vi)	926,530	1,508,541	2,034,304	2,440,941	3,020,510	4,257,952	4,983,279
i Net Budgetary Support	810,053	1,364,604	1,681,022	2,011,459	2,601,622	3,799,917	4,636,345
ii Commodity Operations	98,552	125,423	336,202	413,191	397,488	436,137	323,620
iii Zakat Fund etc.	-14,269	-13,681	-15,114	-15,904	-10,795	-10,298	-8,882
iv Utilization of privatization							
proceeds by Govt./WAPDA	37,657	37,657	37,657	37,657	37,657	37,657	37,657
v Use of Privatization proceeds/							
NDRP Fund for Debt Retirement	-5,749	-5,749	-5,749	-5,749	-5,749	-5,749	-5,749
vi Payment to HBL on A/C of HC&EB	287	287	287	287	287	287	287
2 Non-Government Sector	2,576,474	3,019,924	3,189,994	3,388,800	3,547,345	3,652,739	3,836,813
i Autonomous Bodies	58,148	84,415	109,675	70,479	68,283	83,987	106,984
ii Net Credit to Private Sector & PSCEs	2,518,326	2,932,536	3,080,319	3,318,321	3,479,062	3,568,752	3,729,829
a. Private Sector	2,479,608	2,889,814	2,906,897	3,019,822	3,141,151	3,376,392	3,516,164
b. Public Sector Corp. other than 2(i)	46,010	52,866	180,330	304,554	343,255	197,087	219,151
c. PSEs Special Account Debt Repayment	-23,478	-27,597	-23,683	-23,683	-23,915	-23,915	-24,075
d. Other Financial Institutions (NBFIs)	16,187	16,425	16,776	17,628	18,571	19,187	18,589
3 Counterpart Funds	-519	-543	-500	-503	-498	-498	-498
4 Other Items (Net	-422,223	-506,291	-582,434	-597,285	-652,416	-800,038	-862,318
5 Domestic Credit (1+2+3+4)	3,080,263	4,021,631	4,641,364	5,231,953	5,914,941	7,109,663	7,957,276
6 Foreign Assets (Net)	984,892	667,511	495,855	545,281	780,253	532,131	370,961
7 Monetary Assets (5+6)	4,065,155	4,689,143	5,137,218	5,777,234	6,695,194	7,641,795	8,328,236
	B. Changes over the year (July-June)						
8 Public Sector Borrowing (net)							
(i+ii+iii+iv+v+vi)	92,844	582,011	525,763	406,636	579,569	1,237,441	725,327
i Net Budgetary Support	102,015	554,551	316,418	330,437	590,163	1,198,295	836,428
ii Commodity Operations	-9,210	26,871	210,779	76,989	-15,703	38,649	-112,517
iii Zakat Fund etc.	39	588	-1,433	-790	5,109	498	1,416
iv Utilization of privatization							
proceeds by Govt./WAPDA	-	-	-	-	-	-	-
v Use of Privatization proceeds/							
NDRP Fund for Debt Retirement	-	-	-	-	-	-	-
vi Payment to HBL on A/C of HC&EB	-	-	-	-	-	-	-
9 Non-Government Sector	385,705	443,449	170,070	198,806	158,544	104,903	184,565
i Autonomous Bodies1	21,169	26,268	25,260	-39,196	-2,196	15,704	22,997
ii Net Credit to Private Sector & PSCEs	364,536	414,210	147,783	238,002	160,740	89,691	161,567
a. Private Sector	365,718	410,206	17,083	112,926	121,328	235,242	139,772
b. Public Sector Corp. other than 2(i)	-1,227	6,856	127,464	124,224	38,701	-146,168	22,063
c. PSEs Special Account Debt Repayment	-253	-119	3,914	0	-232	0	-160
d. Other Financial Institutions (NBFIs)	298	238	351	852	943	126	-108
10 Counterpart Funds	27	-24	43	-3	5	0	0
11 Other Items (Net)	-94,877	-84,068	-76,143	-14,850	-55,131	-147,622	-62,280
12 Domestic Credit Expansion (8+9+10+11)	383,699	941,369	619,733	590,589	682,988	1,194,723	847,612
13 Foreign Assets (Net)	274,551	-317,380	-171,656	49,427	234,972	-248,122	-161,171
14 Monetary Expansions (13+14)	658,250	623,988	448,075	640,016	917,960	946,601	686,441

P: Provisional R: Revised Source: State Bank of Pakistan

Notes:

1 Autonomous bodies are WAPDA, OGDCL, PTCL, SSGC SNGPL and Pakistan Railway

2 Adjusted for SAF loans amounting to Rs 7371 million

3 Adjusted for Rs 5278 million to exclude the impact arising due to mark up debited to the borrowers account

4 Adjusted for Rs 8207million being mark up debited to the borrowers account

5 Credit to NHA by commercial Banks.

6 Credit to NHA and CAA by commercial banks

TABLE 5.3

SCHEDULED BANKS POSITION BASED ON WEEKLY RETURNS

LIABILITIES AND ASSETS

(Rs million)

Outstanding Amount at end June	2007	2008	2009	2010	2011	2012 R	2013 Mar. P
LIABILITIES							
1. Capital (paid-up) and Reserves	484,296	551,313	639,098	669,863	724,112	813,555	878,098
DEMAND LIABILITIES IN PAKISTAN							
2. Inter-banks Demand Liabilities	54,796	35,856	60,235	69,679	88,478	107,332	67,720
2.1 Borrowing	0	0	0	0	0	0	0
2.2 Deposits	54,796	35,856	60,235	69,679	88,478	107,332	67,720
3. Deposits (General)	2,889,589	3,352,974	3,473,440	3,965,680	4,601,452	5,251,360	5,647,248
4. Other Liabilities	137,089	169,897	218,283	227,436	251,625	291,216	319,325
5. Total Demand Liabilities (2+3+4)	3,081,474	3,556,727	3,751,958	4,262,795	4,941,556	5,649,908	6,034,293
TIME LIABILITIES IN PAKISTAN							
6. Inter-banks Time Liabilities	3,861	6,344	17,470	11,883	3,817	660	4,719
6.1 Borrowing	0	0	0	0	0	0	0
6.2 Deposits	3,861	6,344	17,470	11,883	3,817	660	4,719
7. Time Deposits (General)	512,565	522,843	684,685	770,992	905,350	1,043,383	1,059,731
8. Other Liabilities	69,786	87,554	86,659	93,947	105,214	108,105	104,119
9. Total Time Libilities (6+7+8)	586,212	616,741	788,814	876,823	1,014,381	1,152,148	1,168,568
10. Total Demand and Time Liabilities	3,667,686	4,173,469	4,540,772	5,139,617	5,955,937	6,802,056	7,202,861
11. Borrowing From SBP	269,109	213,293	293,641	321,127	359,278	378,714	807,914
12. Borrowing from Banks Abroad	7,015	5,287	9,139	9,211	14,403	15,446	41,573
13. Money at Call and Short Notice in Pakistan	220,941	169,637	192,979	218,179	174,488	96,165	154,242
14. Other Liabilities	136,119	218,672	323,587	423,774	458,099	521,701	551,725
15. Total Liabilities	4,785,167	5,331,671	5,999,217	6,781,771	7,686,317	8,627,638	9,636,414
16. Total Statutory Reserves	229,338	316,878	187,598	213,140	247,078	282,495	301,715
16.1 On Demand Liabilities	211,867	316,878	187,598	213,140	247,078	282,495	301,715
16.2 On Time Liabilities Assets	17,471	0	0	0	0	0	0
ASSETS							
17. Cash in Pakistan	58,072	68,966	77,006	87,673	104,852	110,055	105,553
18. Balances with SBP	307,433	414,098	278,432	288,067	342,501	393,631	398,981
19. Other Balances	65,656	63,622	80,986	80,458	103,921	116,871	77,241
20. Money at Call and Short Notice in Pakistan	239,031	157,218	185,049	228,906	162,696	102,968	131,149
21. 17+18+19+20 as % of 10	18.0	17.0	13.7	13.3	12.0	10.6	9.9
FOREIGN CURRENCY							
22. Foreign Currency held in Pakistan	7,463	11,009	13,518	15,482	14,797	19,024	21,824
23. Balances with Banks Abroad	170,509	132,081	149,837	110,694	98,656	95,290	98,828
24. Total Foreign Currency	177,972	143,090	163,356	126,176	113,453	114,315	120,652
BANK CREDIT ADVANCES							
25. To Banks	0	0	0	0	0	0	0
26. To Others	2,379,226	2,802,674	3,085,495	3,233,176	3,340,283	3,566,978	3,691,646
27. Total Advances	2,379,226	2,802,674	3,085,495	3,233,176	3,340,283	3,566,978	3,691,646
28. Bills Purchased and Discounted	145,707	140,864	148,693	158,269	193,307	204,982	208,881
29. Total Bank Credit	2,524,932	2,943,537	3,234,188	3,391,445	3,533,590	3,771,960	3,900,526
30. 29 as % of 10	68.8	70.5	71.2	66.0	59.0	55.5	54.2
INVESTMENT IN SECURITIES AND SHARES							
31. Central Government Securities	174,425	173,171	214,164	248,753	464,936	829,485	1,011,486
32. Provincial Government Securities	76	76	0	0	0	0	0
33. Treasury Bills	655,921	559,825	756,955	1,105,957	1,577,897	1,928,287	2,629,616
34. Other Investment in Securities & Sahres	235,330	286,960	385,035	506,303	530,571	435,647	379,172
35. Total Investment in Securities and Shares	1,065,753	1,020,032	1,356,154	1,861,013	2,573,404	3,193,419	4,020,273
36. 35 as % of 10	29.1	24.4	29.9	36.2	43.0	46.9	55.8
37. Other Assets	211,141	301,166	349,537	423,040	455,531	510,637	568,835
38. Advance Tax Paid	8,144	18,178	47,136	58,459	71,091	75,114	67,649
39 Fixed Assets	127,031	201,764	227,373	236,534	225,277	238,669	245,553
40. Total Assets	4,785,167	5,331,671	5,999,217	6,781,771	7,686,317	8,627,638	9,636,414
41. Excess Reserves (18-16)	78,095	97,220	90,834	74,928	95,423	111,136	97,267

P : Provisional R: Revised Source: State Bank of Pakistan

Notes:

- Effective from 22 July 2006, Demand & Time Deposits have been re-classified in accordance with BSD circular no. 9/2006 dated 18 July 2006. The time deposits of less than 6 months are included in Demand Deposits for the prupose of CRR & SLR.

- Definition of Time & Demand liabilites as mentioned in BSD circular no 9 dated 18 July 2008 have been revised. As per new definition, time liabilities will included deposits with tenure of one year and above. Accordingly, Time Deposits with tenure of less than one year will become part of Demand Deposits.

TABLE 5.4

INCOME VELOCITY OF MONEY

(Rs billion)

End June Stock	Naroow Money M1	Monetary Assets M2	Growth Percentage	Income Velocity of Monetary Assets (M2)
1980-81	73.56	104.62	13.2	2.7
1981-82	80.93	116.51	11.4	2.7
1982-83	96.54	146.03	25.3	2.7
1983-84	103.45	163.27	11.8	2.7
1984-85	118.97	183.91	12.6	2.7
1985-86	134.83	211.11	14.8	2.6
1986-87	159.63	240.02	13.7	2.5
1987-88	185.08	269.51	12.3	2.6
1988-89	206.36	290.46	7.8	2.7
1989-90	240.16	341.25	17.5	2.7
1990-91	265.14	400.64	17.4	2.7
1991-92	302.91	505.57	26.2	2.7
1992-93	327.82	595.39	17.8	2.3
1993-94	358.77	703.40	18.1	2.4
1994-95	423.14	824.73	17.2	2.4
1995-96	448.01	938.68	13.8	2.4
1996-97	443.55	1,053.23	12.2	2.5
1997-98	480.33	1,206.32	14.5	2.3
1998-99	643.04	1,280.55	6.2	2.4
1999-00	739.03	1,400.63	9.4	2.2
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	2,720.68	3,406.91	15.1	2.4
2006-07	3,155.63	4,065.16	19.3	2.3
2007-08	4,339.50	4,689.14	15.3	2.3
2008-09	3,621.22	5,137.21	9.6	2.6
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	2.9

Source: State Bank of Pakistan

Explanatory Note:

i) 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. Since April 2008 M1 is being compiled on the basis of monthly returns and is reported in the monthly statistical Bulletin of the SBP in its table 2.1

ii) Since June 2002 the stock data of M2 has been revised 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.

iii) Provision of data on M1 has been discontinued from SBP.

TABLE 5.5

LIST OF DOMESTIC, FOREIGN BANKS AND DFIs (As on 31-12-2012)

Public Sector Commercial Banks

1. **First Women Bank Limited**
2. **National Bank of Pakistan**
3. **Sind Bank Limited**
4. **The Bank of Khyber**
5. **The Bank of Punjab**

Specialized Scheduled Banks

1. **Industrial Development Bank of Pakistan**
2. **SME Bank Limited**
3. **The Punjab Provincial Co-operative Bank**
4. **Zarai Taraqiati Bank Limited**

Private Local Banks

1. **Albarka Bank Pakistan Limited**
2. **Allied Bank Limited**
3. **Askari Bank Limited**
4. **Bank Al Falah Limited**
5. **Bank Al Habib Limited**
6. **BankIslami Pakistan Limited**
7. **Burj Bank Ltd**
8. **Dubai Islamic Bank Pakistan Limited**
9. **Faysal Bank Limited**
10. **Habib Bank Limited**
11. **Habib Metropolitan Bank Limited**
12. **JS Bank Limited**
13. **KASB Bank Limited**
14. **MCB Bank Limited**
15. **Meezan Bank Limited**
16. **NIB Bank Limited**
17. **Samba Bank Limited**
18. **SILK Bank Limited**
19. **Soneri Bank Limited**
20. **Standard Chartered Bank (Pakistan) Limited**
21. **Summit Bank Limited**
22. **United Bank Limited**

Foreign Banks

1. **Barclays Bank PLC (Pakistan)**
2. **Citibank N.A.**
3. **Deutshe Bank A.G.**
4. **HSBC Bank Middle East Limited**
5. **Industrial and Commercial Bank of China Limited**
6. **Oman International Bank S.A.O.G**
7. **The Bank of Tokyo - Mitsubishi UFJ Limited**

Development Financial Institutions

1. **House Building Finance Corporation**
2. **Pak Kuwait Investment Company of Pakistan (Pvt) Limited**
3. **Pak Libya Holding Company (Pvt) Limited**
4. **Pak Oman Investment Company (Pvt) Limited**
5. **Pak-Brunai Investment Company Ltd**
6. **Pak-China Investment Company Ltd**
7. **Pak-Iran Joint Investment Company Ltd**
8. **Saudi Pak Industrial & Agricultural Investment company (Pvt) Limited**

Micro Finance Banks

1. **Kashaf Microfinance Bank**
2. **Khushhali Bank**
3. **National Rural Support Programme (NRSP)**
4. **Network Micro Finance Bank Limited**
5. **Pak Oman Micro Finance Bank Limited**
6. **Rozgar Micro Finance Bank Limited**
7. **Tameer Micro Finance Bank Limited**
8. **The First Micro Finance Bank Limited**
9. **Waseela Micro Finance Bank**

Note: Bank names are in alphabetical order.

Source: State Bank of Pakistan

TABLE 5.6

SCHEDULED BANKS IN PAKISTAN (Weighted Average Rates of Return on Advance

(Percent)

As at the End of		Precious Metal	Stock Exchange Securities	Merchan-dise	Machinery	Real Estate	Financial Obli-gations	Others	Total Advances
I. INTEREST BEARING									
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
		(15.78)	(13.26)	(10.50)	(11.11)	(12.01)	(11.04)	(12.69)	(11.72)
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)
II. ISLAMIC MODES OF FINANCING									
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	14.43	13.30	12.80	12.02
		(9.53)	(11.67)	(10.91)	(12.03)	(12.40)	(13.21)	(13.02)	(11.93)

Note: Figures in parentheses represent Private Sector.

Source: State Bank of Pakistan

TABLE 5.7

SALE OF GOVERNMENT SECURITIES THROUGH AUCTION

(Rs. in Million)

No.	Securities	2005-06	2006-07	2007-08	2008-09	2009-10*	2010-11	2011-12	2012-13 Jul-Mar
1	Market Treasury Bills								
A	Three Month Maturity								
	Amount Offered								
	i) Face value	389,173	186,652	157,946	1,413,218	571,993	2,837,276	1,658,923	1,266,989
	ii) Discounted value	382,026	183,039	154,340	1,372,004	556,452	2,742,436	1,611,411	1,235,419
	Amount Accepted								
	i) Face value	210,541	136,102	139,771	975,798	239,467	1,668,408	1,114,157	878,175
	ii) Discounted value	206,768	133,484	136,574	947,622	232,985	1,619,861	1,084,374	858,992
	Weighted Average Yield								
	i) Minimum % p.a.	7.55	8.32	8.69	11.45	11.31	12.08	11.56	9.09
	ii) Maximum % p.a.	8.33	8.69	11.32	13.86	12.97	13.58	13.52	11.87
B	Six Month Maturity								
	Amount Offered								
	i) Face value	182,112	125,483	91,476	272,584	868,334	2,226,878	1,719,456	3,147,453
	ii) Discounted value	173,289	120,197	87,279	255,885	818,516	2,087,195	1,619,284	1,955,153
	Amount Accepted								
	i) Face value	69,752	90,433	78,242	176,401	406,896	1,614,552	1,058,185	2,053,367
	ii) Discounted value	67,094	86,629	74,673	165,626	383,593	1,538,590	996,796	1,931,558
	Weighted Average Yield								
	i) Minimum % p.a.	7.97	8.49	8.90	11.67	11.38	12.32	11.63	9.14
	ii) Maximum % p.a.	8.49	8.90	11.47	14.01	12.60	13.74	13.76	11.92
C	Twelve Month Maturity								
	Amount Offered								
	i) Face value	555,757	787,636	658,709	931,293	1,765,589	908,194	2,154,137	2,095,012
	ii) Discounted value	509,202	717,951	598,425	823,027	1,572,033	799,172	1,910,366	1,896,592
	Amount Accepted								
	i) Face value	459,440	661,786	441,130	332,008	931,787	599,015	1,283,676	1,321,928
	ii) Discounted value	422,647	607,211	402,784	294,106	830,606	527,018	1,139,954	1,196,718
	Weighted Average Yield								
	i) Minimum % p.a.	8.46	8.79	9.16	11.78	11.46	12.43	11.69	9.24
	ii) Maximum % p.a.	8.79	9.16	11.69	14.26	12.61	13.91	13.91	11.93

*: Amount Includes Non-Compatitive Bids as well
Note: MTBs was introduced in 1998-99

TABLE 5.7

SALE OF GOVERNMENT SECURITIES THROUGH AUCTION

(Rs. in Million)

No.	Securities	2005-06	2006-07	2007-08	2008-09	2009-10*	2010-11	2011-12	2012-13 Jul-Mar
2	Pakistan Investment Bonds								
A.	Amount Offered	16,012	199,017	141,853	12,640	140,520	321,936	331,683	459,516
	03 Years Maturity	3,896	36,982	11,260	9,523	21,163	81,960	98,271	206,729
	05 Years Maturity	6,526	39,799	21,311	4,410	13,427	33,306	74,798	128,227
	07 Years Maturity	-	-	-	-	5,900	6,576	1,650	-
	10 Years Maturity	5,590	65,986	61,593	25,254	69,800	176,840	149,418	118,349
	15 Years Maturity	0	12,750	16,138	2,536	3,560	2,966	2,446	-
	20 Years Maturity	0	20,200	11,750	3,500	12,120	7,875	4,890	6,211
	30 Years Maturity	-	23,300	19,800	7,000	14,550	12,413	210	-
B.	Amount Accepted	10,161	87,867	73,584	25868	64,732	169,295	226,095	191,023
	(a) 03 Years Maturity.								
	(i) Amount Accepted	2,846	10,882	5,169	4,165	11,645	49,712	72,207	82,224
	(ii) Weighted Average Yield								
	(1) Minimum % p.a.	9.16	9.31	9.62	13.70	12.21	13.90	12.08	10.22
	(2) Maximum % p.a.	9.39	9.78	12.30	13.88	13.55	14.20	13.43	12.64
	(a) 05 Years Maturity								
	(i) Amount Accepted	4,075	10,174	10,777	3,023	7,177	16,668	55,897	64,362
	(ii) Weighted Average Yield								
	(1) Minimum % p.a.	9.42	9.53	9.80	14.34	12.29	12.28	12.11	10.84
	(2) Maximum % p.a.	9.65	10.00	10.80	14.34	12.56	14.28	13.47	13.05
	(a) 7 Years Maturity								
	(i) Amount Accepted	-	-	-	2,935	2,175	Bids Rejected	-	-
	(ii) Weighted Average Yield								
	(1) Minimum % p.a.	-	-	-	14.3273	12.4159	0	0	0
	(2) Maximum % p.a.	-	-	-	14.7041	12.696	0	0	0
	(a) 10 Years Maturity								
	(i) Amount Accepted	3,240	30,211	23,875	8,509	39,399	101,355	92,049	39,239
	(ii) Weighted Average Yield								
	(1) Minimum % p.a.	9.80	10.11	10.18	14.47	12.43	14.02	12.16	11.39
	(2) Maximum % p.a.	9.85	10.51	13.41	14.86	12.70	14.25	13.50	13.33
	(a) 15 Years Maturity								
	(i) Amount Accepted	-	9,250	8,613	1,236	1,035	460	2,262	0
	(ii) Weighted Average Yield								
	(1) Minimum % p.a.	-	10.85	11.11	14.75	12.29	14.10	13.50	0
	(2) Maximum % p.a.	-	11.06	13.44	15.36	12.92	14.11	13.50	0
	(a) 20 Years Maturity								
	(i) Amount Accepted	-	11,250	9,050	1,500	1,525	875	3,680	5,197
	(ii) Weighted Average Yield								
	(1) Minimum % p.a.	-	11.17	11.37	15.70	13.10	14.14	13.35	13.35
	(2) Maximum % p.a.	-	11.39	13.86	15.70	13.92	14.20	13.35	13.35
	(a) 30 Years Maturity								
	(i) Amount Accepted		16,100	16,100	4,500	1,775	225	0	0
	(ii) Weighted Average Yield	-							
	(1) Minimum % p.a.	-	11.55	11.59	14.61	13.55	14.19	0	0
	(2) Maximum % p.a.	-	11.68	14.12	16.23	13.75	14.19	0	0

*: Amount Includes Non-Compatitive Bids as well

Source: State Bank of Pakistan

Note: PIBs was introduced in 2000-01

CAPITAL MARKETS

TABLE 6.1

NUMBER OF LISTED COMPANIES, FUND MOBILISED AND TOTAL TURNOVER OF SHARES IN VARIOUS STOCK EXCHANGES

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar)
KARACHI STOCK EXCHANGE											
i) Total Listed Companies	702	668	659	658	658	652	651	652	639	590	571
ii) New Companies Listed	2	16	15	14	16	7	8	8	1	4	
iii) Fund Mobilized (Rs billion)	23.8	4.2	54.0	41.4	49.7	62.9	44.9	111.8	31.0	115.1	21.1
iv) Total Turnover of Shares (in billion)	53.1	97.0	88.3	79.5	54.0	63.3	28.3	43.0	28.0	38.0	34.7
LAHORE STOCK EXCHANGE											
i) Total Listed Companies	561	647	524	518	520	514	511	510	496	459	441
ii) New Companies Listed	2	18	5	7	10	2	9	25	9	2	3
ii) Fund Mobilized (Rs billion)	4.1	3.1	42.1	24.5	38.8	29.7	32.8	67.5	18.1	13.3	0.3
iv) Total Turnover of Shares (in billion)	28.2	19.9	17.5	15.0	8.2	6.5	2.7	3.4	1.1	0.9	0.6
ISLAMABAD STOCK EXCHANGE											
i) Total Listed Companies	260	251	232	240	246	248	261	244	236	218	212
ii) New Companies Listed	1	8	5	6	12	7	15	2	-	-	-
ii) Fund Mobilized (Rs billion)	11.5	2.6	27.6	5.2	30.7	24.6	24.8	76.7	17.8	12.8	0.1
iv) Total Turnover of Shares (in billion)	2.1	1.4	0.7	0.4	0.2	0.6	0.3	0.23	0.04	0.03	0.02

Source: Karachi Stock Exchange
Lahore Stock Exchange
Islamabad Stock Exchange

TABLE 6.2

NATIONAL SAVINGS SCHEMES (NET INVESTMENT)

	Name of Scheme	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar)
1	Defence Savings Certificates	3,238.3	(8,759.1)	(7,551.0)	(6,976.8)	(4,317.4)	(27,411.3)	(32,493.2)	9,748.1	7,295.5	28,173.0
2	National Deposit Scheme	(6.8)	(1.3)	(2.5)	(1.1)	0.1	(2.7)	(0.1)	(1.0)	(0.9)	(0.2)
3	Khaas Deposit Scheme	(23.4)	(5.4)	(2.8)	(5.6)	7.0	(1.6)	(3.8)	(2.6)	(0.6)	(0.1)
4	Special Savings Certificates (R)	(13,199.3)	(83,311.9)	(57,737.1)	6,667.5	13,800.6	128,469.0	61,856.6	43,960.6	(52,834.2)	39,077.8
5	Special Savings Certificates (B)	(2.6)	(4.6)	(0.6)	(0.1)	(0.2)	(8.5)	(0.3)	(0.7)	(0.9)	(0.2)
6	Regular Income Certificates	(49,090.5)	(40,663.0)	(15,563.9)	18,369.1	(273.5)	40,094.3	44,538.3	46,946.8	43,971.6	26,982.7
7	Bahbood Saving Certificates	22,691.0	60,654.6	59,636.6	47,214.5	38,799.7	78,538.0	59,267.2	61,731.6	52,254.5	36,897.6
8	Pensioners' Benefit Account	13,209.3	17,737.2	16,382.9	11,468.6	18,695.9	22,215.7	18,166.9	17,940.3	16,359.5	14,033.3
9	Savings Accounts	(729.6)	(2,891.4)	202.7	12,825.7	8,989.1	(10,899.2)	1,021.3	(625.3)	3,978.5	(706.9)
10	Special Savings Accounts	2,894.1	(1,904.8)	(709.6)	9,417.6	5,521.5	21,627.1	31,375.5	14,240.8	61,098.8	119,445.7
11	Mahana Amdani Accounts	120.9	85.9	45.7	56.9	(25.0)	50.0	(195.7)	(77.9)	(90.5)	(61.5)
12	Prize Bonds	22,841.9	9,357.0	3,325.8	9,007.3	8,277.1	14,650.0	38,556.7	41,083.4	56,324.2	41,173.8
13	Postal Life Insurance	8,668.7	10,335.2	10,804.5	-	-	-	-	-	-	
14	National Savings Bonds	-	-	-	-	-	-	3,625.2	-	-	(3,425.6)
15	Short Term savings Certificates	-	-	-	-	-	-	-	-	-	2,490.8
	Grand Total	10,612.0	(39,371.6)	8,830.7	71,305.5	89,460.8	267,220.7	225,714.5	234,944.0	188,355.6	304,080.3

Figures in Parenthesis represent negative growth

Source: Central Directorate of National Savings

R : Registered

B : Bearer

TABLE 6.3
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+1.00%	The rates are effective form Sept. 1999. If bonds are encashed before one year no profit will be paid.	
	b) 5 year maturity	LIBOR+1.50%		
	c) 7 year maturity	LIBOR+2.00%		
2.	Pakistan Investment Bonds			
	Tenor	Rate of Profit		
	3-Years Maturity	11.25% p.a	The coupon rates on PIB w.e.f December 31,2012	
	5-Years Maturity	11.50% p.a		
	10-Year Maturity	12.00% p.a		
	20-Year Maturity	13.00% p.a		
3.	Unfunded Debt			
	Defence Saving Certificates	10.84% p.a (m)	10 Years	Taxable for deposits exceeding Rs. 150,000 made on or after 01-07-2002
	National Deposits Schemes	13.00% p.a.	7 Years	Taxable and discontinued
	Special Saving Certificates (R) for each of 1st five profit	9.70% p.a	3 Years	Taxable for deposits exceeding Rs. 150,000 made on or after 01-07-2002
	for the last one profit	10.30% p.a.		
	Special Saving Certificates (B)	13.00%	3 Years	Taxable and discontinued
	Regular Income Certificates	10.37%	5 Years	Taxable
	Khas Deposit Scheme	13.42% p.a.	3 Years	Taxable and discontinued
	Mahana Amdani Accounts	10.41% p.a.(m)	7 Years	Taxable and discontinued
	Saving Accounts	6.65% p.a.	Running Account	Taxable for balances exceeding Rs. 150,000
	Pensioners' Benefit Account	12.72% p.a.	10 Years	
	Bahbood Savings Certificate	12.76% p.a.	10 Years	
	Prize Bonds	10.00% p.a.		
	National Prize Bonds			Taxable for deposits exceeding Rs. 150,000
	NSB-1	12.50% p.a.	3 Years	
	NSB-2	12.55% p.a.	5 Years	
	NSB-3	12.60% p.a.	10 Years	
	Short Term Savings Certificates			
	STSC 3Months	8.85% p.a (m)	3 Months	Taxable for deposits exceeding Rs. 150,000 made
	STSC 6Months	8.90% p.a (m)	6 Months	
	STSC 12Months	8.95% p.a (m)	12 Months	

p.a : Per annum R : Registered
B : Bearer m : on maturity

Source: State Bank of Pakistan and 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
1991-92	47.41	46.33	51.97	49.46	39.02	51.97	46.25	51.82	-	47.25	46.77
1992-93	52.07	51.84	56.46	54.60	40.00	55.96	50.31	53.31	-	51.55	49.75
1993-94	57.94	57.72	60.29	59.76	44.84	54.78	54.78	56.48	-	59.25	64.27
1994-95	65.48	67.24	67.64	66.19	49.20	59.17	59.17	61.37	-	65.50	69.61
1995-96	72.55	74.05	75.59	72.37	56.99	64.66	64.66	71.00	-	75.01	76.26
1996-97	81.11	82.86	82.82	79.71	64.10	73.43	73.43	80.49	-	85.38	86.10
1997-98	87.45	89.20	86.50	87.38	71.16	76.93	76.93	88.09	-	87.67	90.57
1998-99	92.46	94.46	92.27	93.21	80.95	76.98	76.98	92.20	-	92.81	92.02
1999-00	95.78	96.56	97.31	97.15	90.36	81.06	81.06	96.46	-	97.79	93.14
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	123.50	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	139.10	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	164.61	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	182.77	165.01	153.45	146.17	160.28	137.97	171.39	122.94	145.35	143.83	185.82	181.47
Jul-Apr													
2011-12	161.09	181.79	162.28	151.41	144.75	157.86	136.42	168.77	122.92	141.59	142.23	184.10	179.90
2012-13	173.58	193.85	190.64	173.67	150.69	178.80	155.75	186.44	125.65	167.44	155.46	202.29	198.89

Note: i) CPI 1990-91 base year series converted into base year 2000-01.

ii) The base for prices indices have been changed as 2007-08 new base year and different new groups have been included. Therefore, the information in tabulated form could not been adjusted with the previous one.

(Contd.)

TABLE 7.1 (B)

HEADLINE & CORE INFLATION

Year	Indices				Headline & Core Inflation			
	General	Food	Non-Food	*Core	General	Food	Non-Food	*Core
	(Base Year : 2000-01 = 100)							
1991-92	47.41	46.33	48.52	48.84	10.58	10.64	10.52	10.52
1992-93	52.07	51.84	52.31	52.51	9.83	11.74	7.81	7.5
1993-94	57.94	57.72	58.18	58.21	11.27	11.34	11.22	10.9
1994-95	65.48	67.24	64.09	64.43	13.02	16.67	10.17	10.7
1995-96	72.55	74.05	71.36	71.46	10.79	10.13	11.34	10.9
1996-97	81.11	82.86	79.73	79.62	11.80	11.89	11.73	11.4
1997-98	87.45	89.20	86.07	85.60	7.81	7.65	7.94	7.5
1998-99	92.46	94.46	90.89	89.47	5.74	5.90	5.61	4.5
1999-00	95.78	96.56	95.16	92.59	3.58	2.23	4.69	3.5
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	123.11	113.37	111.43	17.03	23.13	13.37	11.43
2009-10	128.85	139.05	122.74	119.87	10.10	12.93	8.26	7.57
2010-11	146.45	164.10	135.87	131.16	13.66	18.02	10.70	9.42
2011-12	162.57	182.77	151.77	145.03	11.01	11.03	10.99	10.58
Jul-Apr								
2011-12	161.09	181.79	150.03	143.69	10.84	11.12	10.66	10.42
2012-13	173.58	193.85	162.75	157.95	7.75	6.64	8.48	9.93

Note: i) CPI 1990-91 base year series converted into base year 2000-01.

ii) Core Inflation is defined as overall inflation adjusted for food and energy.

TABLE 7.1 (C)

PRICES INDICES

Groups/ Fiscal Year	B. Wholesale Price Index by Groups: General	Food	Raw Materials	Fuel, Lighting & Lubricants	Manufac-tures	Building Materials	Sensitive Price Indi-cator	GDP Deflator
	(Base Year : 2000-01 = 100)							
1991-92	44.84	45.42	43.78	34.09	52.38	56.72	46.26	224.33
1992-93	48.14	50.24	48.67	34.83	54.63	57.97	51.22	244.28
1993-94	56.03	57.23	62.55	40.81	63.67	66.47	57.26	274.73
1994-95	65.00	67.50	72.16	44.90	73.40	81.04	65.85	312.60
1995-96	72.22	75.44	75.95	52.95	79.88	87.33	72.90	338.48
1996-97	81.62	84.37	87.01	62.17	89.41	98.63	81.98	388.00
1997-98	86.99	90.45	93.81	69.65	91.62	98.62	88.01	413.39
1998-99	92.51	96.55	103.21	75.81	94.45	99.62	93.68	437.59
1999-00	94.15	97.09	92.39	83.16	98.76	97.15	95.39	100.00
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

(Base Year : 2007-08 = 100)

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 Indi-cator	GDP Deflator
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	159.47	193.52
2011-12	181.28	185.03	182.74	176.07	194.64	152.55	170.77	203.81
Jul-Apr								
2011-12	179.66	184.54	176.28	175.28	192.84	151.70	169.74	241.88
2012-13	193.88	196.49	210.57	187.62	204.26	158.84	183.08	219.16

*: Base Year 2005-06 = 100

Source: Pakistan Bureau of Statistics

Note: i) WPI 1990-91 base year series converted into base year 2000-01.

ii) The base for prices indices have been changed and different new groups have been included. Therefore, the information in tabulated form could not been adjusted with the previous one.

TABLE 7.2

MONTHLY PERCENT CHANGES IN CPI, WPI AND SPI

(Percent)

Months	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11	2011-12	2012-13
	A. CONSUMER PRICE INDEX (C.P.I) converted into Base year 2000-01									New Base Year 2007-08=100				
Jul	1.09	0.57	1.38	1.62	1.61	1.01	3.34	1.54	1.23		1.51	2.07	1.27	-0.25
Aug	0.31	0.66	0.58	0.04	1.25	1.32	2.14	1.70	2.51	1.75	1.81	2.19	1.40	0.90
Sep	0.19	0.60	0.38	0.50	0.32	2.13	0.97	0.45	2.65	0.80	0.17	2.03	1.03	0.79
Oct	0.16	1.47	1.19	0.94	0.36	1.23	2.12	0.95	0.62	1.39	0.60	0.98	1.44	0.38
Nov	0.31	0.60	1.12	0.76	0.73	0.14	-0.12	1.39	1.52	-0.32	1.32	0.99	0.29	-0.39
Dec	-0.24	0.90	-0.85	-0.27	0.47	0.58	-0.50	-0.49	-0.51	-0.24	-0.73	-0.30	-0.70	0.23
Jan	0.06	-0.09	0.97	1.20	-0.88	1.91	-0.42	2.42	1.30	0.24	2.59	1.21	1.54	1.67
Feb	0.47	-0.34	0.99	0.33	1.04	0.49	0.95	0.39	-0.74	1.37	0.38	-0.56	0.30	-0.34
Mar	0.04	1.02	1.29	0.23	0.49	3.08	1.37	1.25	1.48	0.36	1.24	1.40	1.17	0.41
Apr	0.33	0.96	1.74	1.02	0.31	3.04	1.41	1.73	1.62	1.00	1.83	1.40	1.83	1.09
May	-0.29	0.69	-0.44	0.45	0.92	2.69	0.23	0.06	0.23	-0.07	0.13	0.23	1.15	-
Jun	-0.21	1.12	0.10	0.59	0.20	2.10	0.99	0.65	0.55	0.87	0.36	0.96	0.04	-
	B. WHOLESALE PRICE INDEX (W.P.I.) converted into Base year 2000-01									New Base Year 2007-08=100				
Jul	1.51	1.31	-1.00	1.99	1.42	1.70	4.35	0.70	1.67		1.75	1.66	-0.40	0.36
Aug	1.66	0.98	-1.08	1.04	0.78	1.17	2.45	2.21	2.62	1.90	2.47	1.91	0.55	1.02
Sep	0.59	0.34	0.40	0.54	0.44	1.62	-0.27	0.17	2.09	0.49	0.81	1.70	0.25	0.35
Oct	0.54	2.72	1.42	0.77	-0.49	1.82	-1.87	1.17	3.09	-1.08	0.93	1.74	0.37	0.11
Nov	1.66	1.10	0.39	0.18	0.89	1.63	-5.11	2.78	3.48	-3.24	1.83	2.54	-0.53	-0.37
Dec	0.70	1.39	-0.25	-0.13	0.37	-0.06	-1.97	0.20	1.06	-0.32	0.18	1.97	-1.33	0.43
Jan	0.38	0.21	1.53	1.28	-1.20	1.78	0.15	4.23	1.65	-0.04	3.26	1.91	2.26	1.25
Feb	2.39	0.40	1.52	0.77	0.51	1.24	0.66	0.36	1.87	0.95	0.94	1.96	0.56	0.34
Mar	0.15	1.77	1.39	0.07	1.02	3.99	0.42	2.53	3.34	0.44	1.51	3.31	0.67	0.26
Apr	-1.17	0.32	1.61	1.23	1.16	4.30	1.68	1.84	2.26	1.68	1.95	2.45	1.80	0.77
May	-1.09	0.98	-0.59	0.35	1.09	4.97	1.52	0.87	-1.55	1.31	1.15	-0.96	2.15	-
Jun	-0.27	0.59	0.71	63.00	1.10	2.98	2.40	-0.63	0.22	1.23	0.17	0.57	-0.05	-
										New Base Year 2007-08=100				
Jul	1.48	1.34	2.43	1.35	1.36	1.46	3.77	2.78	1.85		2.77	2.26	2.38	0.51
Aug	1.09	0.70	1.18	0.26	2.18	1.67	2.34	1.68	2.86	2.38	2.28	2.26	0.83	1.29
Sep	1.04	0.75	0.29	0.23	0.41	2.63	0.51	0.56	4.32	0.39	0.66	5.11	1.34	1.25
Oct	-0.24	2.34	0.53	0.05	0.56	1.47	2.70	0.35	2.18	1.82	0.20	1.76	0.76	-0.45
Nov	1.09	2.64	1.94	0.88	2.34	0.85	-1.35	2.49	3.79	-0.69	1.97	3.40	0.74	0.03
Dec	-0.64	1.31	-0.98	-0.24	0.76	1.45	-1.69	0.66	-0.64	-1.19	-0.18	-1.27	-2.01	0.05
Jan	0.23	-0.69	0.91	0.80	-1.32	2.67	-1.42	2.88	0.47	-2.38	3.28	0.07	1.00	1.92
Feb	0.42	-0.61	0.54	1.46	0.09	-1.33	0.85	0.56	-1.13	1.03	0.45	-1.33	-0.12	0.07
Mar	-0.01	1.30	1.07	0.84	-0.01	3.42	0.64	0.78	0.79	0.80	1.14	0.66	1.49	0.78
Apr	-0.23	-0.51	1.29	1.33	0.09	5.48	1.68	0.43	0.55	0.89	0.77	0.31	1.67	-0.29
May	-0.61	2.14	-1.02	0.65	1.37	5.41	1.27	-0.06	-0.32	1.43	-0.24	-0.66	-0.14	-
Jun	0.24	1.31	0.70	0.45	1.48	1.56	1.17	0.95	1.16	1.41	0.56	-0.08	1.39	-

Source: Pakistan Bureau of Statistics

Note: CPI, SPI and WPI 1990-91 base year series converted into Base Year 2000-01.

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			
1990-91	43.20	42.43	42.85	43.18	43.09	
1991-92	47.41	47.03	47.40	47.70	47.51	
1992-93	52.07	52.03	52.13	52.11	51.62	
1993-94	57.94	57.80	58.00	58.05	57.61	
1994-95	65.48	65.86	65.73	65.16	64.18	
1995-96	72.55	72.86	72.76	72.22	71.42	
1996-97	81.11	81.37	81.41	80.71	79.71	
1997-98	87.45	87.81	87.43	87.07	86.05	
1998-99	92.46	92.71	92.67	92.18	91.41	
1999-00	95.78	95.66	95.85	95.70	95.50	
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	117.62	116.83
2009-10	128.85	130.39	130.19	130.61	129.79	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
Jul-Apr						
2011-12	161.09	162.92	162.93	161.68	163.56	160.52
2012-13	173.58	175.87	177.52	175.83	175.29	171.58

Source: Pakistan Bureau of Statistics

Note: CPI 1990-91 Base Year series have been converted into Base Year 2000-01.

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		
1990-91	12.66	11.73	12.59	-
1991-92	10.58	9.84	10.54	10.07
1992-93	9.83	7.36	10.71	8.89
1993-94	11.27	16.40	11.79	12.47
1994-95	13.02	16.00	15.01	13.78
1995-96	10.79	11.10	10.71	8.28
1996-97	11.80	13.01	12.45	14.63
1997-98	7.81	6.58	7.35	6.55
1998-99	5.74	6.35	6.44	5.85
1999-00	3.58	1.77	1.83	2.78
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	20.7
2009-10	10.1	13.8	12.9	10.8
2010-11	13.7	21.2	16.6	19.5
2011-12	11.0	10.4	7.1	5.3
Jul-Apr				
2011-12	10.8	11.2	6.7	9.7
2012-13	7.8	7.9	7.9	7.5

Source: Pakistan Bureau of Statistics

*: Base Year 2005-06 = 100

Note: i) WPI, CPI & SPI Base Year = 1990-91 series have been converted into Base Year 2000-01.

ii) GDP Deflator is with 1999-2000 = 100 as base year.

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						
1990-91	3.07	3.66	6.10	12.64	7.85	25.51	..	50.39	13.28	5.19	7.70	12.52
1991-92	3.62	4.20	6.97	16.16	8.70	29.62	..	53.86	15.95	6.32	4.17	8.75
1992-93	3.85	4.44	8.06	17.09	11.35	32.49	..	60.09	15.96	5.77	7.16	11.64
1993-94	4.28	4.93	8.77	17.09	11.72	35.63	..	69.94	18.69	5.81	6.88	14.64
1994-95	5.07	5.78	9.09	20.24	21.77	40.68	..	81.68	20.64	6.32	7.76	18.22
1995-96	5.14	5.90	11.27	21.86	21.67	47.29	..	91.71	21.37	10.45	7.65	14.05
1996-97	6.59	7.32	12.85	21.80	15.00	54.01	..	99.42	24.90	12.08	9.22	14.35
1997-98	7.96	8.64	13.40	28.45	20.22	55.44	57.24	103.37	29.73	9.31	10.45	20.34
1998-99	7.72	8.35	14.50	32.95	22.08	55.83	54.20	106.46	25.98	8.74	15.32	19.60
1999-00	8.19	8.92	15.71	30.05	25.07	56.78	50.90	108.64	24.27	9.38	6.85	15.25
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
Jul-Apr												
2011-12	266.90	301.52	59.42	129.01	77.56	250.27	150.45	477.48	89.43	25.36	34.62	51.75
2012-13	304.60	341.97	68.48	115.59	102.84	267.45	140.38	513.72	95.38	26.60	35.90	49.15

.. Not Available

(Contd.)

Note: i) Data for Period: 1990-91 - 2000-01 is based on 12 centres while data 2001-02 onward is based on 17 centres.

ii) Wheat and Wheat Flour price in Base Year 2007-08=100 is quoted as 10 Kg prices.

TABLE 7.4 (Continued)

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				
1990-91	20.93	19.00	2.00	24.38	11.26	8.24	7.71	20.00
1991-92	25.85	20.53	2.17	31.05	11.62	8.67	8.82	20.04
1992-93	30.26	24.08	2.22	41.08	12.29	10.03	9.90	23.62
1993-94	33.18	29.09	2.25	39.33	12.91	10.49	11.07	27.65
1994-95	43.93	38.99	2.40	70.12	13.74	11.07	12.18	29.08
1995-96	46.50	39.38	2.79	82.32	16.76	14.54	13.67	30.33
1996-97	47.27	42.76	3.13	74.15	21.26	18.67	15.12	38.31
1997-98	49.65	45.78	3.17	62.55	19.54	18.91	16.27	49.88
1998-99	63.43	54.00	3.22	89.05	19.09	17.19	17.71	51.89
1999-00	61.13	49.14	3.35	82.72	21.11	19.81	17.91	48.95
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
Jul-Apr								
2011-12	176.92	164.92	8.05	298.50	62.43	79.77	57.42	133.77
2012-13	186.50	161.63	8.68	261.59	53.16	73.29	64.90	141.68

(Contd.)

*: Tea packet prices in Bases year 2007-08=100 is quoted as 200 gram prices.

TABLE 7.4 (Continued)

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				
1990-91	3.48	10.71	25.24	429.95	50.07	0.35	2.49	4.02
1991-92	3.56	12.08	27.65	149.95	55.68	0.44	2.72	4.10
1992-93	3.60	13.46	27.18	149.95	62.31	0.49	3.01	4.64
1993-94	3.61	14.14	28.56	185.78	67.51	0.49	3.52	6.00
1994-95	3.75	15.76	29.26	224.95	71.83	0.50	4.14	6.35
1995-96	3.69	18.31	27.90	299.95	78.54	0.50	5.03	7.29
1996-97	3.90	20.89	30.01	337.70	88.88	0.50	5.95	8.53
1997-98	3.79	22.24	31.34	339.00	95.00	0.50	6.18	8.58
1998-99	4.19	23.20	31.63	342.96	97.65	0.50	6.57	9.21
1999-00	5.04	23.76	32.20	381.29	99.93	0.50	6.81	9.50
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
Jul-Apr								
2011-12	28.83	105.64	86.42	499.00	434.75	1.06	18.12	30.20
2012-13	32.19	121.98	100.27	539.00	488.85	1.09	20.84	32.00

(Contd.)

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.

TABLE 7.4 (Continued)

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				
1990-91	11.03	8.22	5.52	4.84	18.77	14.19	36.02	57.71	49.07
1991-92	11.98	9.35	6.08	5.66	23.70	15.75	23.15	62.83	51.74
1992-93	12.00	10.51	6.59	6.41	21.75	14.95	18.01	70.74	62.07
1993-94	12.28	11.59	7.28	6.62	19.87	14.91	27.02	87.22	77.95
1994-95	13.00	13.17	8.36	7.07	20.20	23.93	31.65	116.83	104.62
1995-96	13.29	14.48	9.43	9.09	28.01	32.79	27.14	122.50	109.82
1996-97	14.94	15.84	9.95	9.99	30.79	31.82	34.34	134.64	119.06
1997-98	14.96	16.44	10.40	10.48	34.49	28.59	36.85	148.95	131.98
1998-99	15.42	17.85	11.12	12.09	35.84	30.40	38.67	168.27	157.94
1999-00	16.00	18.30	11.35	12.51	36.03	38.38	30.16	166.93	164.95
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
Jul-Apr									
2011-12	138.68	59.76	36.87	45.25	103.13	146.95	110.47	497.00	497.00
2012-13	150.46	68.03	39.85	49.59	99.21	133.18	122.52	535.63	521.87

(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 (Continued)

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					
1990-91	9.98	1.35	11.66	33.65	30.98	156.20	33.97	4.34	217.27
1991-92	11.22	1.54	14.71	37.64	35.79	174.95	36.95	5.01	74.59
1992-93	12.49	1.72	19.06	39.42	39.54	174.95	36.95	5.78	84.96
1993-94	13.86	1.99	19.28	42.38	41.90	181.68	46.31	6.55	90.40
1994-95	15.25	2.20	21.04	44.63	45.08	191.95	55.95	7.40	105.47
1995-96	17.16	2.55	21.36	46.25	50.59	211.90	63.83	7.99	79.01
1996-97	18.74	3.02	20.37	52.03	53.58	248.03	78.70	9.09	91.00
1997-98	19.91	3.30	20.18	56.02	55.25	249.00	79.00	10.31	102.40
1998-99	21.75	3.61	21.25	72.17	56.85	269.42	79.00	10.39	105.82
1999-00	21.87	3.74	20.88	76.27	58.28	319.00	79.00	10.96	110.00
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
Jul-Apr									
2011-12	67.26	14.10	57.59	111.03	107.18	399.00	146.20	31.03	242.72
2012-13	75.32	15.21	68.42	163.53	121.98	439.00	179.00	33.97	289.74

Source: Pakistan Bureau of Statistics

Note: The unit has changed from 500 gms to 400 gms in base year 2000-01

TABLE 7.4 (Concluded)

AVERAGE RETAIL PRICES OF ESSENTIAL ITEMS (Average of 12 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			
1990-91	2.57	..		..	..	..
1991-92	5.90	..		..	..	..
1992-93	5.96	..		..	..	..
1993-94	7.01	..		..	..	..
1994-95	7.36	..		..	..	..
1995-96	8.27	..		..	..	..
1996-97	10.66	..		..	..	..
1997-98	11.60	..		..	..	..
1998-99	11.72	..		..	..	..
1999-00	13.00	231.44		1.28	28.23	2.10
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
Jul-Apr						
2011-12	103.09	130.63		1.87	91.33	3.59
2012-13	116.32	118.85		2.00	101.49	3.70

..: Not Available

Source: Pakistan Bureau of Statistics

*: The unit has been changed form 100 CM to 100 CF in base year 2000-01.

Note: i) Data for period 1990-91 base year spliced with base year 2000-01.

ii) Data for Period: 1990-91 - 2000-01 is based on 12 centres while data for period 2001-02 onward is based on 17 centres.

TABLE 7.5

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES (Base Year 2000-01 = 100)

Fiscal Year	Wheat	Rice	Gram (Whole)	Sugar Refined	Vegetable Ghee	Tea	Meat	Vegetables	Fresh Milk	Cotton	Motor Fuels
1991-92	116.48	110.40	116.50	103.64	105.52	100.82	110.71	96.82	110.71	106.04	102.50
1992-93	122.77	122.28	148.18	110.57	123.78	119.10	121.02	107.36	126.15	119.20	103.37
1993-94	136.04	130.94	220.32	115.96	151.04	136.40	140.28	143.43	142.92	168.20	123.39
1994-95	161.26	141.25	313.71	123.67	205.90	148.50	162.40	155.19	163.96	207.62	124.80
1995-96	163.26	167.12	303.57	152.97	208.27	157.91	162.86	173.71	190.39	210.57	139.42
1996-97	206.13	185.50	199.41	192.12	224.41	197.75	201.85	188.93	218.18	242.89	173.35
1997-98	246.80	197.08	260.78	175.98	241.78	255.96	210.00	231.40	216.25	245.84	188.14
1998-99	241.28	239.88	307.41	173.03	285.78	266.35	214.95	196.69	245.85	261.55	204.46
1999-00	258.66	245.11	370.24	191.58	249.13	254.60	218.60	195.92	252.28	213.72	239.48
2000-01	270.76	227.63	430.67	250.69	231.63	270.93	220.17	201.60	252.86	253.59	317.82
					(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
Jul-Apr											
2011-12	163.41	148.18	-	234.55	140.57	191.28	212.35	221.65	187.59	194.44	152.81
2012-13	187.26	163.84	-	200.97	141.83	199.61	228.15	209.37	213.19	169.56	169.05

-: Not available (Contd.)

Note: In the new base year 2007-08 prices of Motor Sprit has been quoted instead of Motor Fuel prices in previous base year 2000-01.

TABLE 7.5 (Concluded)
INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES
Base Year (2000-01 = 100)

Fiscal Year	Other Oils	Fire Wood	Cotton Yarn	Matches	Soaps	Ferti-lizers	Trans-port	Leather	Timber	Cement
1991-92	100.39	111.43	105.40	107.59	105.27	109.71	103.24	109.57	114.90	108.00
1992-93	101.23	124.16	103.44	117.63	116.70	113.37	116.55	109.58	130.28	114.13
1993-94	120.72	133.68	137.83	120.69	140.04	153.70	135.89	115.54	144.50	137.61
1994-95	122.47	142.95	173.62	120.73	146.33	178.99	167.72	124.50	161.57	169.92
1995-96	141.59	153.83	184.24	122.99	171.03	198.95	216.71	138.98	175.41	166.18
1996-97	209.46	175.15	201.58	184.13	209.33	247.69	234.60	162.65	202.36	200.32
1997-98	228.68	190.80	199.64	208.14	200.54	256.19	234.81	152.12	220.08	212.05
1998-99	229.82	199.33	203.63	208.14	212.66	277.59	236.57	128.27	227.06	216.99
1999-00	272.45	207.73	200.74	205.67	222.75	316.24	255.29	133.20	239.02	212.65
2000-01	383.08	214.21	207.98	206.29	224.58	302.96	265.68	140.07	253.52	215.14
					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	149.14	118.08	106.00	122.07	111.35	147.58	109.26	103.63	114.01	129.08
2009-10	164.43	129.86	150.86	108.52	117.69	143.70	113.20	104.89	118.75	117.30
2010-11	185.18	151.43	182.87	110.37	130.52	174.65	116.77	107.07	127.27	140.80
2011-12	241.84	190.47	196.06	118.84	151.04	258.65	-	109.08	139.00	162.19
Jul-Apr										
2011-12	239.18	186.35	196.12	118.05	149.85	257.20	-	108.93	137.91	159.12
2012-13	262.32	212.88	208.15	130.54	165.37	261.51	-	109.83	148.61	185.05

-: 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)

(Millions US $)

Items	2007-08	2008-09	2010-11	2011-12 P	July-March	
					2011-12 P	2012-13 P
Current account balance	-13,874	-9,261	214	-4,658	-3,038	-1,028
Current account balance (without official Transfers)	-14,302	-9,424	-610	-5,263	-2,677	95
Export f.o.b	20,427	19,121	25,356	24,696	18,334	18,333
Imports f.o.b	35,397	31,747	35,872	40,461	30,171	29,597
Trade Balance	-14,970	-12,626	-10,516	-15,765	-11,837	-11,264
Services Balance (Net)	-6,457	-3,381	-1,940	-3,192	-2,097	-399
Credit	3,589	4,106	5,768	5,035	3,897	5,336
Debit	10,046	7,487	7,708	8,227	5,994	5,735
of which:						
Transportation	3,785	3,633	4,072	3,510	2,677	2,312
Travel	1,578	1,002	972	1,367	960	980
Income Account Balance (Net)	-3,923	-4,407	-3,017	-3,245	-2,262	-2,668
Credit	1,613	874	716	826	629	336
Debit	5,536	5,281	3,733	4,071	2,891	3,004
of Which Interest Payments	2,175	1,915	1,483	1,633	1,207	998
Current Transfer (Net)	11,476	11,154	15,687	17,544	13,158	13,303
of Which Worker remittances	6,449	7,811	11,201	13,186	9,736	10,354
Capital Account and Financial Account	8,252	6,087	2,262	1,463	565	-484
Capital Account	121	455	161	183	144	180
Financial Account	8,131	5,632	2,101	1,280	421	-664
Direct Investment (net)	5,335	3,695	1,591	744	543	412
Direct Investment in Pakistan	5,410	3,720	1,635	821	599	623
Direct Investment abroad	-75	-25	-44	-77	-56	-211
Portfolio Investment (net)	32	-1,073	338	-144	-144	188
Assets (net)	745	53	-7	-32	-13	-6
Liabilities (net)	713	1,126	345	-112	-131	194
Other Investment Assets	32	560	-920	9	-122	-463
Other Investment Liabilities	2,732	2,450	1,092	671	144	-801
of which:						
General Government	1,782	1,444	298	998	220	-214
Disbursements	3,054	3,690	2,377	2,633	1,340	1,551
Long-term	2,354	2,956	2,377	2,633	1,340	1,256
Short-term	700	734	0	0	0	295
Amortization	-1,272	-2,246	1,957	1,577	1,104	1,793
Long-term	-1,131	-1,389	1,557	1,477	1,004	1,272
Short-term	-141	-857	400	100	100	521
Net errors and omissions	257	118	16	-80	-178	-231
Reserve and Related Items	5,365	3,056	-2,492	3,275	2,651	1,743
Reserves assets	5,538	-635	-2,225	4,430	3,239	3,537
Use of fund credit and loans	-173	3,691	-267	-1,155	-588	-1,794
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 **
1980-81	10.5	19.3	8.7	7.5	3.7
1981-82	8.0	18.3	10.3	7.2	5.0
1982-83	9.4	18.7	9.3	10.1	1.8
1983-84	8.9	18.3	9.4	8.8	3.2
1984-85	8.0	19.0	11.0	7.9	5.4
1985-86	9.6	17.7	8.0	8.1	3.9
1986-87	11.1	16.1	5.1	6.8	2.2
1987-88	11.6	16.7	5.0	5.2	4.4
1988-89	11.7	17.6	5.9	4.7	4.8
1989-90	12.4	17.4	4.9	4.9	4.7
1990-91	13.5	16.7	3.3	4.1	4.8
1991-92	14.2	19.1	4.8	3.0	2.8
1992-93	13.3	19.4	6.1	3.0	7.2
1993-94	13.1	16.6	3.4	2.8	3.8
1994-95	13.5	17.2	3.7	3.1	4.1
1995-96	13.8	18.7	4.9	2.3	7.2
1996-97	13.4	19.1	5.7	2.3	6.2
1997-98	13.9	16.3	2.4	2.4	3.1
1998-99	13.3	16.1	2.8	1.8	4.1
1999-00	11.7	14.1	2.4	1.3	1.6
2000-01	12.9	15.1	2.1	1.5	0.7
2001-02	12.8	14.4	1.8	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	19.9	9.5	5.9	2.1
Jul-Mar					
2012-13 P	7.6	14.0	6.4	4.3	0.4

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
1980-81	29,280	53,544	-24,264	25.07	14.10	3.17	2,958	5,409	-2451	25.07	14.11	3.20
1981-82	26,270	59,482	-33,212	-10.28	11.09	36.88	2,464	5,622	-3158	-16.70	3.94	28.85
1982-83	34,442	68,151	-33,709	31.11	14.57	1.50	2,694	5,357	-2663	9.33	-4.71	-15.67
1983-84	37,339	76,707	-39,368	8.41	12.55	16.79	2,768	5,685	-2917	2.75	6.12	9.54
1984-85	37,979	89,778	-51,799	1.71	17.04	31.58	2,491	5,906	-3415	-10.01	3.89	17.07
1985-86	49,592	90,946	-41,354	30.58	1.30	-20.16	3,070	5,634	-2564	23.24	-4.61	-24.92
1986-87	63,355	92,431	-29,076	27.75	1.63	-29.69	3,686	5,380	-1694	20.07	-4.51	-33.93
1987-88	78,445	112,551	-34,106	23.82	21.77	17.30	4,455	6,391	-1936	20.86	18.79	14.29
1988-89	90,183	135,841	-45,658	14.96	20.69	33.87	4,661	7,034	-2373	4.62	10.06	22.57
1989-90	106,469	148,853	-42,384	18.06	9.58	-7.17	4,954	6,935	-1981	6.29	-1.41	-16.52
1990-91	138,282	171,114	-32,832	29.88	14.96	-22.54	6,131	7,619	-1488	23.76	9.86	-24.89
1991-92	171,728	229,889	-58,161	24.19	34.35	77.15	6,904	9,252	-2348	12.61	21.43	57.80
1992-93	177,028	258,643	-81,615	3.09	12.51	40.33	6,813	9,941	-3128	-1.32	7.45	33.22
1993-94	205,499	258,250	-52,751	16.08	-0.15	-35.37	6,803	8,564	-1761	-0.15	-13.85	-43.70
1994-95	251,173	320,892	-69,719	22.23	24.26	32.17	8,137	10,394	-2257	19.61	21.37	28.17
1995-96	294,741	397,575	-102,834	17.35	23.90	47.50	8,707	11,805	-3098	7.01	13.58	37.26
1996-97	325,313	465,001	-139,688	10.37	16.96	35.84	8,320	11,894	-3574	-4.44	0.75	15.36
1997-98	373,160	436,338	-63,178	14.71	-6.16	-54.77	8,628	10,118	-1490	3.70	-14.93	-58.31
1998-99	390,342	465,964	-75,622	4.60	6.79	19.70	7,779	9,432	-1653	-9.84	-6.78	10.94
1999-00	443,678	533,792	-90,114	13.66	14.56	19.16	8,569	10,309	-1740	10.15	9.30	5.26
2000-01	539,070	627,000	-87,930	21.50	17.46	-2.42	9,202	10,729	-1527	7.39	4.07	-12.24
2001-02	560,947	634,630	-73,683	4.06	1.22	-16.20	9,135	10,340	-1205	-0.73	-3.63	-21.09
2002-03	652,294	714,372	-62,078	16.28	12.57	-15.75	11,160	12,220	-1060	22.17	18.18	-12.03
2003-04	709,036	897,825	-188,789	8.70	25.68	204.12	12,313	15,592	-3279	10.33	27.59	209.34
2004-05	854,088	1,223,079	-368,991	20.46	36.23	95.45	14,391	20,598	-6207	16.88	32.11	89.30
2005-06	984,841	1,711,158	-726,317	15.31	39.91	96.84	16,451	28,581	-12130	14.31	38.76	95.42
2006-07	1,029,312	1,851,806	-822,494	4.52	8.22	13.24	16,976	30,540	-13564	3.19	6.85	11.82
2007-08	1,196,638	2,512,072	-1,315,434	16.26	35.66	59.93	19,052	39,966	-20914	12.23	30.86	54.19
2008-09	1,383,718	2,723,570	-1,339,852	15.63	8.42	1.86	17,688	34,822	-17134	-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	-15420	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	-15604	28.61	16.43	1.19
2011-12	2,110,605	4,009,093	-1,898,488	-0.48	16.03	42.27	23,641	44,912	-21271	-4.71	11.13	36.32
Jul-Mar												
2011-12	1,510,547	2,939,046	-1,428,499	0.09	18.33	46.96	17,101	33,285	-16184	-3.03	14.71	42.57
2012-13 P	1,734,601	3,212,319	-1,477,718	14.83	9.30	3.45	18,041	33,395	-15354	5.50	0.33	-5.13

P: Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.4

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

Groups	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	July-March 2011-12	July-March 2012-13 E
All Groups												
Exports	254.02	279.65	288.84	299.31	310.03	350.40	450.40	478.07	593.19	679.44	669.24	700.09
Imports	309.52	355.43	392.45	460.38	495.33	632.30	790.82	839.60	1013.10	1233.49	1208.42	1308.92
T.O.T.	82.07	78.68	73.60	65.01	62.59	55.42	56.95	56.94	50.55	55.08	55.38	53.49
Food & Live Animals												
Exports	258.11	267.55	303.93	327.47	350.75	496.58	758.42	693.35	747.72	800.09	790.35	881.77
Imports	259.76	282.18	314.36	323.95	431.20	551.25	622.23	688.76	743.62	791.79	795.45	795.78
T.O.T.	99.36	94.82	96.68	101.09	81.34	90.08	121.89	100.52	100.62	101.05	99.36	110.81
Beverages & Tobacco												
Exports	146.52	175.33	162.96	191.13	208.44	202.67	431.15	629.08	804.61	935.29	924.91	1034.57
Imports	598.00	521.88	561.23	621.67	675.14	653.41	884.26	961.43	1060.35	1230.10	1210.29	1330.80
T.O.T.	24.50	33.60	29.04	30.74	30.87	31.02	48.76	65.43	75.88	76.03	76.42	77.74
Crude Materials (inedible except fuels)												
Exports	171.58	218.86	195.64	209.97	225.52	328.53	494.08	573.05	647.55	848.74	827.45	945.31
Imports	232.37	245.01	293.06	329.71	350.19	445.35	813.16	577.43	803.59	881.00	874.17	976.71
T.O.T.	73.84	89.33	66.76	63.88	64.40	73.77	80.58	84.59	80.58	96.34	94.66	96.79
Minerals, Fuels & Lubricants												
Exports	365.14	416.09	525.75	644.33	733.54	979.83	840.26	1115.54	1333.56	1500.63	1483.47	1633.46
Imports	297.20	306.38	389.16	615.00	632.08	877.47	982.09	975.40	1255.86	1651.93	1624.20	1707.21
T.O.T.	122.86	135.81	135.10	104.77	116.05	111.67	85.56	114.37	105.19	90.84	91.34	95.68
Chemicals												
Exports	270.05	265.61	277.23	312.89	362.50	397.29	480.24	634.75	620.91	739.66	719.62	855.15
Imports	245.60	313.15	334.10	372.17	392.87	471.77	659.24	725.54	796.89	897.58	888.99	986.36
T.O.T.	109.96	84.82	82.98	84.07	92.27	84.21	72.85	73.70	77.92	82.41	80.95	86.70
Animal & Vegetable Oils, Fats & Waxes												
Exports	-	-	-	-	-	-	-	-	-	-	-	-
Imports	300.36	347.94	358.48	341.40	406.00	647.28	793.22	861.02	1005.72	1240.29	1224.16	1117.56
T.O.T.	-	-	-	-	-	-	-	-	-	-	-	-
Manufactured Goods												
Exports	248.93	274.02	284.72	289.58	300.76	316.97	387.90	411.00	559.56	641.15	637.32	666.81
Imports	240.82	287.80	301.00	340.71	375.06	427.60	559.24	612.77	747.32	823.33	819.02	880.22
T.O.T.	103.37	95.21	94.59	84.99	80.19	74.60	69.36	67.07	74.88	77.87	77.81	75.75
Machinery and Transport Equipment												
Exports	572.31	396.09	342.97	414.01	430.91	518.62	806.33	988.72	1286.13	1517.96	1501.39	1565.12
Imports	450.67	537.55	561.15	538.14	580.85	639.86	897.85	965.15	1183.62	1407.29	1345.02	1665.27
T.O.T.	126.99	73.68	61.12	76.93	74.19	81.05	89.81	102.44	108.65	107.86	111.63	93.99
Miscellaneous Manufactured Articles												
Exports	294.67	318.55	324.17	342.71	340.99	351.77	442.64	498.40	558.25	650.31	644.30	661.53
Imports	299.60	333.22	343.13	404.94	418.65	605.24	763.29	964.44	1174.99	1274.46	1265.02	1332.20
T.O.T.	98.35	95.60	94.47	82.59	81.45	58.12	57.99	51.68	47.51	51.03	50.93	49.66

- : Not applicable   E: Estimated data   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		
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Total Value*
1970-71	650	33	472	24	876	44	1,998
1971-72	1,510	45	914	27	947	28	3,371
1972-73	3,366	39	2,583	30	2,602	30	8,551
1973-74	4,007	39	2,294	23	3,860	38	10,161
1974-75	4,933	48	1,308	13	4,047	39	10,286
1975-76	4,902	44	2,068	18	4,283	38	11,253
1976-77	4,622	41	1,888	17	4,783	42	11,294
1977-78	4,633	36	1,912	15	6,435	50	12,980
1978-79	5,475	32	3,489	21	7,963	47	16,925
1979-80	9,838	42	3,519	15	10,053	43	23,410
1980-81	12,824	44	3,320	11	13,136	45	29,280
1981-82	9,112	35	3,507	13	13,651	52	26,270
1982-83	10,326	30	4,618	13	19,498	57	34,442
1983-84	10,789	29	5,172	14	21,378	57	37,339
1984-85	10,981	29	6,664	17	20,334	54	37,979
1985-86	17,139	35	7,892	16	24,561	49	49,592
1986-87	16,796	26	13,214	21	33,345	53	63,355
1987-88	22,163	28	15,268	20	41,012	52	78,445
1988-89	29,567	33	16,937	19	43,679	48	90,183
1989-90	21,641	20	25,167	24	59,661	56	106,469
1990-91	25,820	19	33,799	24	78,663	57	138,282
1991-92	32,645	19	36,731	21	102,352	60	171,728
1992-93	26,133	15	36,507	21	114,388	64	177,028
1993-94	21,321	10	48,748	24	135,430	66	205,499
1994-95	28,113	11	62,624	25	160,436	64	251,173
1995-96	47,852	16	63,802	22	183,087	62	294,741
1996-97	36,452	11	66,889	21	221,972	68	325,313
1997-98	47,357	13	64,683	17	261,120	70	373,160
1998-99	45,143	12	70,288	18	274,911	70	390,342
1999-00	53,833	12	68,208	15	321,637	73	443,678
2000-01	67,783	13	81,288	15	389,999	72	539,070
2001-02	60,346	11	80,438	14	420,163	75	560,947
2002-03	71,194	11	71,323	11	509,777	78	652,294
2003-04	70,716	10	83,361	12	554,959	78	709,036
2004-05	92,018	11	86,483	10	675,586	79	854,088
2005-06	112,268	11	106,029	11	766,543	78	984,841
2006-07	113,954	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	1,617,468
2010-11	377,536	18	274,500	13	1,468,811	69	2,120,847
2011-12	366,284	17	256,332	12	1,487,989	71	2,110,605
July-Mar							
2011-12	266,294	18	177,219	12	1,067,034	70	1,510,547
2012-13 P	269,175	15	273,925	16	1,191,501	69	1,734,601

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: Capital Goods		Industrial Raw Material: Consumer Goods		Consumer Goods		*
	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Value	Percentage Share	Total Value
1970-71	1,885	52	382	11	950	26	385	11	3,602
1971-72	1,482	42	367	11	851	24	795	23	3,495
1972-73	2,499	30	830	10	2,584	31	2,485	30	8,398
1973-74	3,975	30	904	7	5,386	40	3,214	24	13,479
1974-75	6,152	29	1,802	9	8,257	40	4,714	23	20,925
1975-76	7,158	35	1,261	6	7,709	28	4,337	21	20,465
1976-77	8,750	38	1,463	6	9,148	40	3,651	16	23,012
1977-78	9,316	34	1,921	7	11,023	40	5,555	20	27,815
1978-79	10,970	30	2,160	6	15,416	42	7,842	22	36,388
1979-80	16,679	36	2,916	6	19,834	42	7,500	16	46,929
1980-81	14,882	28	4,055	8	26,832	50	7,775	15	53,544
1981-82	17,504	30	4,861	8	28,710	48	8,407	14	59,482
1982-83	21,135	31	4,040	6	33,383	49	9,593	14	68,151
1983-84	24,419	32	4,525	6	37,017	48	10,746	14	76,707
1984-85	28,968	32	4,859	6	41,579	46	14,372	16	89,778
1985-86	33,195	37	4,966	5	36,353	40	16,432	18	90,946
1986-87	33,841	37	6,150	7	36,227	39	16,213	17	92,431
1987-88	40,350	36	8,021	7	48,153	43	16,027	14	112,551
1988-89	49,498	37	9,929	7	53,055	39	23,359	17	135,841
1989-90	48,420	33	10,439	7	61,562	41	28,432	19	148,853
1990-91	56,303	33	11,621	7	76,290	44	26,900	16	171,114
1991-92	96,453	42	15,167	7	88,791	38	29,478	13	229,889
1992-93	108,993	42	14,304	6	99,290	38	36,056	14	258,643
1993-94	97,301	38	15,692	6	110,291	43	34,966	13	258,250
1994-95	112,305	35	16,754	5	148,419	46	43,414	14	320,892
1995-96	140,405	35	22,541	6	180,539	45	54,090	14	397,575
1996-97	169,774	37	22,259	5	202,379	43	70,589	15	465,001
1997-98	139,618	32	23,344	5	195,528	45	77,848	18	436,338
1998-99	146,450	31	25,646	6	220,563	47	73,305	16	465,964
1999-00	140,045	26	30,712	6	287,801	54	75,234	14	533,792
2000-01	157,091	25	34,371	6	345,770	55	89,768	14	627,000
2001-02	176,702	28	39,038	6	346,865	55	72,025	11	634,630
2002-03	220,942	31	41,216	6	380,035	53	72,179	10	714,372
2003-04	316,082	35	57,310	7	441,586	49	82,847	9	897,825
2004-05	441,528	36	101,719	8	557,226	46	122,607	10	1,223,079
2005-06	631,644	37	124,480	7	769,336	45	185,698	11	1,711,158
2006-07	670,539	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	943,510	24	261,941	6	2,251,624	56	552,018	14	4,009,093
July-Mar									
2011-12	677,868	23	191,653	6	1,651,768	56	417,757	14	2,939,046
2012-13 P	798,654	25	217,869	7	1,731,023	54	464,773	14	3,212,319

P: Provisional

Source: Pakistan Bureau of Statistics

*: Total may not be tally due to rounding of figures

TABLE 8.6

MAJOR IMPORTS

(Rs. Million)

Items	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	July-Mar 2011-12	July-Mar 2012-13 P
1. Chemicals	160,711	176,200	200,333	256,618	300,450	327,568	395,889	435,798	321,733	326,296
2. Drugs and medicines	17,343	20,091	26,080	33,867	44,929	60,057	58,870	62,268	43,796	56,133
3. Dyes and colours	11,101	13,272	14,889	18,486	22,050	25,061	28,283	29,129	20,911	21,337
4. Chemical Fertilizers	24,794	40,787	27,306	55,165	42,381	79,541	46,947	110,629	94,167	47,158
5. Electrical goods	21,121	30,463	39,824	48,148	60,718	56,204	67,851	72,608	54,718	57,035
6. Machinery (non-electrical)	254,452	334,445	368,226	416,538	461,816	397,683	387,463	507,674	316,031	416,646
7. Transport equipments	75,981	133,480	140,919	137,701	103,476	163,006	184,075	192,319	132,414	150,233
8. Paper, board and stationery	14,850	19,135	24,061	28,817	33,221	30,179	44,845	38,081	27,242	27,288
9. Tea	13,202	13,336	12,965	12,653	17,417	22,712	28,560	31,292	24,030	28,579
10. Sugar-refined	5,229	37,366	15,722	912	4,505	24,731	58,669	1,167	1,159	351
11. Art-silk yarn	7,730	14,204	15,164	18,474	23,046	31,315	46,398	45,455	40,248	38,382
12. Iron, steel & manu-factures thereof	62,444	96,043	89,985	105,494	136,268	135,023	135,363	156,637	109,784	137,106
13. Non-ferrous metals	15,547	20,665	27,395	25,641	25,638	30,477	39,420	35,370	26,418	32,245
14. Petroleum & products	237,387	399,667	444,610	724,333	738,278	840,920	10,334,496	1,361,511	983,141	675,083
15. Edible oils	44,975	44,212	57,996	108,427	116,042	112,288	178,424	216,387	154,991	153,014
16. Grains, pulses & flours	26,117	20,910	18,683	70,902	108,012	34,222	44,858	48,653	30,956	34,798
17. Other imports	230,095	296,882	327,648	449,896	486,323	539,888	8,624,124	664,115	557,307	1,010,635
Grand Total	1,223,079	1,711,158	1,851,806	2,512,072	2,723,570	2,910,975	3,455,287	4,009,093	2,939,046	3,212,319

P : Provisional

Source: Pakistan Bureau of Statistics

TABLE 8.7

MAJOR EXPORTS

(Rs. in Million)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 P	Jul-Mar 2011-12 P	Jul-Mar 2012-13 P
1. Rice	68,786	68,286	117,088	154,762	183,371	183,557	184,405	133,663	135,385
2. Fish and Fish preparations	11,578	11,419	13,329	18,465	19,051	25,319	28,598	19,664	22,368
3. Fruits	7,331	6,892	9,086	12,313	20,086	23,138	32,069	26,727	30,932
4. Wheat	-	5,863	446	3,064	61	49,746	11,179	9,296	4,356
5. Sugar	1,591	-	5,739	640	2	-	2,576	224	28,832
6. Meat and Meat Preparations	1,126	2,515	3,069	5,546	8,327	13,027	15,518	10,821	15,112
7. Raw Cotton	4,038	3,048	4,425	6,827	16,367	30,734	41,392	32,346	12,211
8. Cotton Yarn	83,490	86,588	81,321	87,354	120,069	186,601	162,003	113,253	158,980
9. Cotton Fabrics	126,674	122,864	126,172	153,039	150,937	219,065	218,160	157,688	191,479
10. Hosiery (Knitwear)	103,876	115,865	114,481	135,998	147,866	196,110	176,681	129,199	144,856
11. Bedwear	120,750	121,005	119,030	136,105	146,195	178,290	155,109	115,489	126,165
12. Towels	35,699	36,546	38,453	50,387	56,012	64,978	61,326	43,179	55,563
13. Readymade Garments	79,131	86,965	93,703	96,483	106,446	152,858	144,268	105,564	126,804
14. Art Silk and Synthetic Textiles	11,847	25,464	25,494	21,740	37,422	57,103	48,816	32,810	26,732
15. Carpets, Carpeting Rugs & Mats	15,367	14,147	13,528	11,392	11,473	11,285	10,758	8,167	8,432
16. Sports Goods excl. Toys	20,569	17,481	19,012	21,393	25,021	27,839	30,242	20,906	22,392
17. Leather Excluding Reptile Leather (Tanned)	17,293	20,237	26,026	23,394	28,699	39,569	39,841	27,730	32,151
18. Leather Manufactures	42,870	33,592	43,765	43,473	38,413	46,178	46,535	35,950	40,086
19. Foot wear	8,709	6,944	7,778	9,875	7,763	9,296	8,861	6,776	7,564
20. Medical & Surgical Instruments	9,739	11,571	16,368	19,870	19,203	21,995	27,126	20,092	21,371
21. Chemicals and Pharmaceuticals	25,799	23,744	38,913	47,289	62,251	77,816	96,009	72,607	53,501
22. Engineering goods	13,105	14,397	13,356	20,752	19,294	21,650	24,727	17,481	18,958
23. Jewellery	966	2,550	13,477	22,444	53,456	34,588	82,774	51,308	105,701
24. Cement and cement Products	6,143	8,844	26,390	45,574	40,261	38,191	44,618	30,274	40,465
25. All other items	168,362	182,485	226,189	235,539	299,412	411,914	417,015	289,333	301,903
Total Exports	984,839	1,029,312	1,196,638	1,383,718	1,617,458	2,120,847	2,110,606	1,510,547	1,732,299

P: Provisional

Source: Pakistan Bureau of Statistics, EA Wing, Finance Division

TABLE 8.8

DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

(% Share)

REGION	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
1. Developed Countries												
Exports	60.8	56.7	57.1	60.3	58.9	55.6	60.0	59.4	59.9	61.0	56.7	58.1
Imports	58.3	62.2	58.6	52.6	49.3	49.9	48.7	46.5	42.2	36.7	31.0	34.3
i. OECD												
Exports	57.2	54.9	56.7	60.0	58.6	55.3	59.7	59.5	59.6	60.6	56.3	57.6
Imports	55.7	58.7	57.0	52.1	48.5	49.0	48.1	46.1	41.6	36.1	30.5	33.7
ii. Other European Countries												
Exports	0.6	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5
Imports	0.8	0.5	0.3	0.5	0.8	0.9	0.6	0.4	0.6	0.6	0.5	0.6
2. CMEA*												
Exports	3.0	1.5	1.0	0.5	0.4	0.5	0.7	0.6	0.4	0.4	0.4	0.5
Imports	1.8	3.0	1.3	1.6	2.1	1.9	1.3	0.9	1.0	1.2	0.9	1.1
3. Developing Countries												
Exports	39.2	44.3	41.9	39.2	40.7	43.9	39.3	39.6	39.7	38.6	42.9	41.4
Imports	41.7	37.8	41.4	45.8	48.6	48.2	50.0	52.6	56.8	62.1	68.1	64.6
i. OIC												
Exports	12.7	14.6	16.0	13.7	12.9	12.9	11.8	12.5	12.7	14.1	16.5	19.2
Imports	17.9	16.5	16.9	20.9	21.3	22.4	26.0	23.3	24.3	35.2	39.3	36.0
ii. SAARC												
Exports	3.5	4.7	3.8	3.1	3.4	2.7	2.5	3.5	5.0	3.2	2.9	2.5
Imports	1.5	1.5	1.5	1.6	1.4	1.5	2.4	2.3	2.2	1.9	2.9	2.4
iii. ASEAN												
Exports	5.1	5.6	5.2	3.7	4.0	5.3	2.5	3.2	3.2	2.8	3.6	2.7
Imports	8.9	7.3	8.5	9.5	12.6	11.2	9.0	12.6	14.1	10.2	10.6	11.7
iv. Central America												
Exports	0.1	0.2	0.3	0.5	0.4	0.3	0.5	0.7	0.8	0.9	0.8	1.0
Imports	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.3	0.2	0.2	0.1
v. South America												
Exports	0.2	0.5	0.5	0.9	1.0	1.4	1.2	1.6	1.2	1.1	1.2	0.9
Imports	1.6	1.3	1.6	1.0	1.4	1.2	1.7	1.1	2.1	1.0	1.6	0.7
vi. Other Asian Countries												
Exports	14.6	14.3	13.0	14.0	14.9	17.1	15.6	12.9	12.8	12.4	13.0	11.4
Imports	9.6	9.5	11.1	10.8	9.5	9.4	8.7	10.7	10.3	10.3	10.6	10.9
vii. Other African Countries												
Exports	3.0	4.4	3.0	2.9	3.6	3.8	4.4	4.3	3.5	3.8	4.3	3.5
Imports	2.0	1.6	1.7	1.9	2.2	2.3	1.9	2.5	2.8	3.0	2.8	2.7
viii. Central Asian States												
Exports	-	-	0.1	0.4	0.5	0.9	0.8	0.9	0.5	0.3	0.3	0.2
Imports	-	-	-	-	0.1	..	0.1	--	0.7	0.3	0.1	0.1
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

(Contd.)

TABLE 8.8 (Concluded)

DESTINATION OF EXPORTS AND ORIGIN OF IMPORTS

(% Share)

REGION	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Jul-Mar 2011-12	Jul-Mar 2012-13 P
1. Developed Countries												
Exports	56.1	58.2	55.9	54.7	54.7	51.0	46.4	43.7	43.3	40.3	41.1	40.1
Imports	34.4	35.5	38.0	34.2	33.3	30.2	29.1	26.3	22.2	21.0	21.2	23.4
i. OECD												
Exports	55.6	57.6	55.2	53.8	53.8	50.0	45.5	42.8	42.3	39.2	40.0	39.0
Imports	33.5	34.7	34.7	32.4	31.5	27.1	27.8	25.3	21.6	19.9	20.1	22.3
ii. Other European Countries												
Exports	0.5	0.7	0.7	0.9	0.9	1.0	0.9	0.9	1.0	1.1	1.1	1.1
Imports	0.9	0.8	3.3	1.8	1.8	3.1	1.3	1.0	0.6	1.1	1.1	1.1
2. CMEA*												
Exports	0.6	0.7	0.9	0.9	1.1	1.2	1.2	1.2	1.3	1.4	1.5	1.6
Imports	0.8	1.2	2.1	2.2	1.8	1.4	3.1	1.2	1.1	1.1	1.2	0.2
3. Developing Countries												
Exports	43.3	41.1	43.2	44.4	44.2	47.8	52.4	55.1	55.4	58.3	57.4	58.3
Imports	64.8	63.3	59.9	63.6	64.9	68.4	67.8	72.5	76.7	77.9	77.6	76.4
i. OIC												
Exports	22.3	20.7	21.9	23.3	21.6	26.4	30.4	29.1	28.3	28.8	28.1	27.7
Imports	35.2	33.7	29.2	33.7	32.0	33.4	33.9	37.4	38.0	40.8	40.7	38.1
ii. SAARC												
Exports	2.4	3.2	4.6	4.4	4.8	4.4	5.0	5.4	6.5	5.4	5.5	5.6
Imports	1.9	3.1	3.2	3.3	4.5	5.0	3.8	3.9	4.7	3.7	3.8	5.0
iii. ASEAN												
Exports	2.9	2.7	2.1	1.7	1.9	1.7	2.1	2.8	2.3	3.0	3.1	2.8
Imports	12.2	11.1	10.0	9.1	9.5	9.9	10.4	11.4	11.9	11.8	11.5	10.9
iv. Central America												
Exports	0.9	0.9	0.9	0.9	1.1	1.0	1.0	0.9	0.8	0.8	0.8	0.8
Imports	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1
v. South America												
Exports	0.7	0.8	0.9	1.0	1.4	1.6	1.4	1.2	1.5	1.4	1.4	1.4
Imports	0.6	0.6	1.1	1.4	0.8	1.8	1.2	0.6	1.1	0.6	0.7	1.0
vi. Other Asian Countries												
Exports	9.9	9.4	8.7	8.9	9.2	8.4	8.5	11.2	11.8	14.5	14.0	15.4
Imports	12.5	12.3	13.7	13.7	15.9	15.7	15.2	16.3	17.8	18.3	18.3	18.1
vii. Other African Countries												
Exports	4.0	3.2	4.0	4.1	4.1	4.2	4.0	4.4	4.1	4.3	4.5	4.5
Imports	2.3	2.3	2.4	2.2	1.9	2.2	3.0	2.5	2.9	2.6	2.5	3.1
viii. Central Asian States												
Exports	0.2	0.2	0.1	0.1	0.1	0.1	..	0.1	0.1	..	..	0.1
Imports	..	0.1	0.2	0.1	0.1	0.3	0.1	0.2	0.2	0.1	0.1	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

.. : Insignificant P : Provisional Source: Pakistan Bureau of Statistics

* : Council for Mutual Economic Assistance.

TABLE 8.9

WORKERS' REMITTANCES

(US$ Million)

COUNTRY	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
I. Cash Flow	1,252.45	1,238.51	1,093.36	1,317.73	1,227.28	1,078.05	1,237.68	875.55	913.49	1,021.59
Bahrain	27.75	25.42	25.92	35.90	33.23	29.16	34.31	33.31	29.36	23.87
Canada	9.86	7.54	5.65	4.91	5.67	3.59	4.14	3.46	3.86	4.90
Germany	33.12	40.64	28.88	27.71	26.06	18.98	16.62	11.93	10.47	9.20
Japan	12.96	11.62	7.13	6.90	3.65	3.05	2.65	3.09	1.58	3.93
Kuwait	44.24	60.22	47.85	57.86	45.43	38.38	52.40	106.36	135.25	123.39
Norway	16.25	15.18	11.85	13.40	11.72	7.97	7.16	5.26	5.60	5.74
Qatar	12.87	10.91	7.57	11.52	14.08	9.68	12.17	12.94	13.29	13.38
Saudi Arabia	516.16	525.94	493.65	554.08	503.22	418.44	474.86	318.49	309.85	304.43
Sultanat-e-Oman	60.35	51.67	46.07	61.49	64.44	46.11	61.97	44.67	46.42	38.11
U.A.E.	105.07	97.76	99.36	178.26	161.93	164.39	207.70	125.09	147.79	190.04
Abu Dhabi	38.74	32.47	29.32	51.99	48.98	44.91	75.13	38.07	47.30	48.11
Dubai	49.07	47.79	51.12	90.09	81.19	93.07	101.01	70.57	87.04	129.69
Sharjah	17.26	17.50	16.73	28.96	28.95	22.90	28.54	14.69	12.80	12.21
Others	-	-	2.19	7.22	2.81	3.51	3.02	1.76	0.65	0.03
U.K.	137.02	114.02	101.19	109.96	109.74	97.94	98.83	73.59	73.27	81.39
U.S.A	150.34	157.80	122.49	141.09	141.92	146.25	166.29	81.95	79.96	134.81
Other Countries	126.46	119.79	95.75	114.65	106.19	94.11	98.58	55.41	56.79	88.40
II. Encashment*	215.03	323.73	352.20	548.37	233.89	331.42	251.87	184.64	70.24	64.98
Total (I+II)	1,467.48	1,562.24	1,445.56	1,866.10	1,461.17	1,409.47	1,489.55	1,060.19	983.73	1,086.57

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

(Contd.)

TABLE 8.9

WORKERS' REMITTANCES

(% Share)

COUNTRY	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Cash Flow										
Bahrain	2.22	2.05	2.37	2.72	2.71	2.70	2.77	3.80	3.21	2.34
Canada	0.79	0.61	0.52	0.37	0.46	0.33	0.33	0.40	0.42	0.48
Germany	2.64	3.28	2.64	2.10	2.12	1.76	1.34	1.36	1.15	0.90
Japan	1.03	0.94	0.65	0.52	0.30	0.28	0.21	0.35	0.17	0.38
Kuwait	3.53	4.86	4.38	4.39	3.70	3.56	4.23	12.15	14.81	12.08
Norway	1.30	1.23	1.08	1.02	0.95	0.74	0.58	0.60	0.61	0.56
Qatar	1.03	0.88	0.69	0.87	1.15	0.90	0.98	1.48	1.45	1.31
Saudi Arabia	41.21	42.47	45.15	42.05	41.00	38.81	38.37	36.38	33.92	29.80
Sultanat-e-Oman	4.82	4.17	4.21	4.67	5.25	4.28	5.01	5.10	5.08	3.73
U.A.E.	8.39	7.89	9.09	13.53	13.19	15.25	16.78	14.29	16.18	18.60
Abu Dhabi	3.09	2.62	2.68	3.95	3.99	4.17	6.07	4.35	5.18	4.71
Dubai	3.92	3.86	4.68	6.84	6.62	8.63	8.16	8.06	9.53	12.69
Sharjah	1.38	1.41	1.53	2.20	2.36	2.12	2.31	1.68	1.40	1.20
Others	-	-	0.20	0.55	0.23	0.33	0.24	0.20	0.07	0.00
U.K.	10.94	9.21	9.25	8.34	8.94	9.08	7.99	8.41	8.02	7.97
U.S.A	12.00	12.74	11.20	10.71	11.56	13.57	13.44	9.36	8.75	13.20
Other Countries	10.10	9.67	8.76	8.70	8.65	8.73	7.96	6.33	6.22	8.65
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(Contd.)

TABLE 8.9

WORKERS' REMITTANCES

(US $ Million)

COUNTRY	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
I. Cash Flow	2,340.79	4,190.73	3,826.16	4,152.29	4,588.03	5,490.97	6,448.84
Bahrain	39.58	71.46	80.55	91.22	100.57	136.28	140.51
Canada	20.52	15.19	22.90	48.49	81.71	87.20	100.62
Germany	13.44	26.87	46.52	53.84	59.03	76.87	73.33
Japan	5.97	8.14	5.28	6.51	6.63	4.26	4.75
Kuwait	89.66	221.23	177.01	214.78	246.75	288.71	384.58
Norway	6.55	8.89	10.19	18.30	16.82	22.04	28.78
Qatar	31.87	87.68	88.69	86.86	118.69	170.65	233.36
Saudi Arabia	376.34	580.76	565.29	627.19	750.44	1,023.56	1,251.32
Oman	63.18	93.65	105.29	119.28	130.45	161.69	224.94
U.A.E.	469.49	837.87	597.48	712.61	716.30	866.49	1,090.30
Abu Dhabi	103.72	212.37	114.92	152.51	147.89	200.40	298.80
Dubai	331.47	581.09	447.49	532.93	540.24	635.60	761.24
Sharjah	34.05	42.60	34.61	26.17	26.87	28.86	28.58
Others	0.25	1.81	0.46	1.00	1.30	1.63	1.68
U.K.	151.93	273.83	333.94	371.86	438.65	430.04	458.87
U.S.A	778.98	1,237.52	1,225.09	1,294.08	1,242.49	1,459.64	1,762.03
Other Countries	293.28	727.64	567.93	507.27	679.50	763.54	695.45
II Encashment*	48.26	46.12	45.42	16.50	12.09	2.68	2.40
Total (I+II)	2,389.05	4,236.85	3,871.58	4,168.79	4,600.12	5,493.65	6,451.24

* : 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
Cash Flow							
Bahrain	1.69	1.71	2.11	2.20	2.19	2.48	2.18
Canada	0.88	0.36	0.60	1.17	1.78	1.59	1.56
Germany	0.57	0.64	1.22	1.30	1.29	1.40	1.14
Japan	0.26	0.19	0.14	0.16	0.14	0.08	0.07
Kuwait	3.83	5.28	4.63	5.17	5.38	5.26	5.96
Norway	0.28	0.21	0.27	0.44	0.37	0.40	0.45
Qatar	1.36	2.09	2.32	2.09	2.59	3.11	3.62
Saudi Arabia	16.08	13.86	14.77	15.10	16.36	18.64	19.40
Oman	2.70	2.23	2.75	2.87	2.84	2.94	3.49
U.A.E.	20.06	19.99	15.62	17.16	15.61	15.78	16.91
Abu Dhabi	4.43	5.07	3.00	3.67	3.22	3.65	4.63
Dubai	14.16	13.87	11.70	12.83	11.77	11.58	11.80
Sharjah	1.45	1.02	0.90	0.63	0.59	0.53	0.44
Others	0.01	0.04	0.01	0.02	0.03	0.03	0.03
U.K.	6.49	6.53	8.73	8.96	9.56	7.83	7.12
U.S.A	33.28	29.53	32.02	31.17	27.08	26.58	27.32
Other Countries	12.53	17.36	14.84	12.22	14.81	13.91	10.78
Total	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	2008-09	2009-10	2010-11	2011-12	July-March	
					2011-12 P	2012-13 P
I. Cash Flow	7810.95	8904.93	11200.90	13186.58	9735.97	10353.82
Bahrain	153.27	151.35	167.29	210.95	149.65	211.93
Canada	79.07	115.12	184.62	177.71	133.78	136.41
Germany	100.71	81.21	106.64	88.74	67.25	65.21
Japan	5.10	5.68	8.13	9.03	7.41	4.12
Kuwait	432.05	445.09	495.19	582.57	432.01	459.21
Norway	24.94	34.68	36.99	38.49	29.73	29.14
Qatar	339.51	354.15	306.11	318.82	235.82	238.87
Saudi Arabia	1559.56	1917.66	2670.07	3687.00	2655.43	2979.31
Oman	277.82	287.27	337.59	382.66	282.01	285.85
U.A.E.	1688.59	2038.57	2597.74	2848.86	2140.93	2085.94
Abu Dhabi	669.40	1130.32	1328.82	1367.62	1001.25	1131.16
Dubai	970.42	851.59	1201.15	1411.26	1085.81	914.65
Sharjah	47.84	54.55	63.77	67.26	51.72	38.94
Others	0.93	2.11	4.00	2.72	2.15	1.19
U.K.	605.59	876.38	1199.67	1521.10	1131.85	1434.97
U.S.A	1735.87	1771.19	2068.67	2334.47	1724.35	1636.66
Other Countries	808.87	826.58	1022.19	986.18	745.75	786.20
II Encashment*	0.48	1.02	0.07	-	-	-
Total (I+II)	7811.43	8905.95	11200.97	13186.58	9735.97	10353.82

* : 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	2008-09	2009-10	2010-11	2011-12	July-March	
					2011-12 P	2012-13 P
Cash Flow						
Bahrain	1.96	1.70	1.49	1.60	1.54	2.05
Canada	1.01	1.29	1.65	1.35	1.37	1.32
Germany	1.29	0.91	0.95	0.67	0.69	0.63
Japan	0.07	0.06	0.07	0.07	0.08	0.04
Kuwait	5.53	5.00	4.42	4.42	4.44	4.44
Norway	0.32	0.39	0.33	0.29	0.31	0.28
Qatar	4.35	3.98	2.73	2.42	2.42	2.31
Saudi Arabia	19.97	21.53	23.84	27.96	27.28	28.77
Oman	3.56	3.23	3.01	2.90	2.90	2.76
.	21.62	22.89	23.19	21.60	21.99	20.15
Abu Dhabi	8.57	12.69	11.86	10.37	10.20	10.93
Dubai	12.42	9.56	10.72	10.70	11.24	8.83
Sharjah	0.61	0.61	0.57	0.51	0.53	0.38
Others	0.01	0.02	0.04	0.02	0.02	0.01
U.K.	7.75	9.84	10.71	11.54	11.63	13.86
U.S.A	22.22	19.89	18.47	17.70	17.71	15.81
Other Countries	10.36	9.28	9.13	7.48	7.66	7.59
Total	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)

	Cash(2)		Gold(1)		Total	
Period	June*	December*	June*	December*	June*	December*
1960	194	220	52	52	246	272
1961	204	185	53	53	257	238
1962	184	196	53	53	237	249
1963	249	226	53	53	302	279
1964	206	166	53	53	259	219
1965	147	155	53	53	200	208
1966	212	144	53	53	265	197
1967	114	106	53	53	167	159
1968	128	185	54	54	182	239
1969	245	257	54	54	299	311
1970	233	130	54	54	287	184
1971	144	116	55	55	199	171
1972	225	226	60	60	285	286
1973	396	422	67	67	463	489
1974	336	405	67	67	403	472
1975	419	351	67	67	486	418
1976	546	471	68	68	614	539
1977	363	466	68	68	431	534
1978	696	444	314	388	1,010	832
1979	414	279	490	931	904	1,210
1980	831	627	1,188	1,188	2,019	1,815
1981	1,080	803	786	786	1,866	1,589
1982	862	971	598	598	1,460	1,527
1983	1,975	2,010	783	760	2,758	2,770
1984	1,788	1,074	701	641	2,489	1,715
1985	585	847	605	605	1,190	1,452
1986	968	793	670	653	1,638	1,446
1987	919	545	865	860	1,784	1,405
1988	479	440	847	818	1,326	1,258
1989	502	705	725	714	1,227	1,419
1990	766	277	685	681	1,451	958
1991	674	500	716	708	1,390	1,208
1992	1,069	950	692	679	1,761	1,629
1993	604	1,371	765	690	1,369	2,061
1994	2,545	3,132	792	790	3,337	3,922
1995	2,937	2,039	793	719	3,730	2,758
1996	2,465	1,092	786	688	3,251	1,780
1997	1,287	1,567	690	633	1,977	2,200
1998	1,125	1,122	612	615	1,737	1,737
1999	1,828	1,536	543	543	2,371	2,080
2000	1,547	1,396	602	603	2,149	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	10,486	10,030	917	903	11,403	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

*** : Last day of the month.** **Source: State Bank of Pakistan**

(1) : Gold exclude unsettled claims of Gold on Reserve Bank of India

(2) : Cash includes Sinking fund, Foreign currencies cash holdings and excludes unsettled claims on Reserve Bank of India

TABLE 8.11

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

Country	Currency	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
		(Average during the Year)										
Australia	Dollar	19.1123	18.2623	20.8851	22.9083	25.4912	30.5300	29.3472	29.3962	32.5665	31.3747	32.1607
Austria	Schilling	2.1433	3.3550	2.5433	2.9358	3.2639	3.4694	3.4242	3.8557	3.7715	3.7942	3.9960
Bangladesh	Taka	0.6518	0.6628	0.7536	0.7673	0.8204	0.9128	0.9513	0.9686	1.0285	1.0794	1.0826
Belgium	Franc	0.7327	0.8061	0.8559	1.0045	1.1185	1.1854	1.1683	1.2952	1.2866	1.2934	1.3633
Canada	Dollar	21.3864	20.7982	22.5554	22.3750	24.6581	28.5449	30.4828	31.0445	35.1611	38.4434	39.1719
China	Yuan	4.5781	4.5996	4.3316	3.6803	4.0354	4.6988	5.2154	5.6548	6.2470	7.0601	7.4149
Denmark	Krone	3.8958	4.3059	4.5298	5.2534	5.9354	6.3775	6.3310	7.0348	6.9724	6.9916	7.3987
France	Franc	4.4402	4.8939	5.2027	5.9623	6.6921	7.2196	7.1856	7.9685	7.9156	7.9536	8.3867
Germany	Mark	15.0838	16.5751	17.9039	20.6804	22.9718	24.4163	24.0995	26.7081	26.5372	26.6543	28.1084
Holland	Guilder	13.3928	14.7394	15.9401	18.4547	20.5247	21.7451	21.3938	23.7008	23.5571	23.6655	24.9556
Hong Kong	Dollar	3.2047	3.3574	3.9011	3.9902	4.3345	5.0391	5.5762	6.0440	6.6573	7.4906	7.8720
India	Rupee	0.9611	0.9405	0.9609	0.9814	0.9783	1.0894	1.1285	1.0935	1.1862	1.2529	1.2787
Iran	Rial	0.3699	0.3507	0.0179	0.0176	0.0192	0.0225	0.0246	0.0266	0.0295	0.0332	0.0307
Italy	Lira	0.0201	0.0190	0.0185	0.0198	0.0212	0.0250	0.0246	0.0271	0.0268	0.0269	0.0284
Japan	Yen	0.1896	0.2177	0.2843	0.3277	0.3281	0.3376	0.3411	0.3797	0.4809	0.5109	0.4884
Kuwait	Dinar	86.4030	87.2127	101.5740	104.3749	112.5264	129.6859	141.7916	153.8993	169.4791	190.4592	200.7861
Malaysia	Ringgit	9.3259	10.1692	11.5288	12.1848	13.2905	15.5861	12.5285	12.1327	13.6289	15.3871	16.1621
Nepal	Rupee	0.5832	0.5741	0.6121	0.6178	0.6102	0.6837	0.7034	0.6858	0.7503	0.7893	0.8033
Norway	Krone	3.8505	4.0096	4.1305	4.6915	5.3528	6.0509	5.8345	6.1371	6.3421	6.4483	7.0288
Singapore	Dollar	14.8944	15.9865	19.0212	21.2485	23.6411	27.4575	27.0557	27.6043	30.5305	33.1605	33.9503
Sri Lanka	Rupee	0.5831	0.5660	0.6120	0.6201	0.6281	0.6823	0.7038	0.6869	0.7144	0.7026	0.6624
Sweden	Krona	4.1506	3.9886	3.8009	4.1543	5.0484	5.5230	5.5260	5.8006	6.0786	5.9379	5.9117
Switzerland	Franc	16.9154	18.3825	20.8077	24.7362	28.0734	28.8164	29.3698	32.5174	32.5626	34.1098	37.1824
S.Arabia	Riyal	6.6442	6.9407	8.0642	8.2475	9.0606	10.4440	11.5178	12.4882	13.8125	15.5868	16.3792
Thailand	Baht	0.9626	1.0028	1.1567	1.2174	1.2176	1.2176	1.1562	1.2313	1.3490	1.3438	1.4000
UAE	Dirham	6.7874	7.0923	8.2415	8.4214	9.2329	10.6639	11.7623	12.7583	14.0979	15.9133	16.7231
UK	Pound	43.7454	42.0315	45.1600	48.6951	51.9192	63.0683	71.1450	76.8085	82.4937	84.7395	88.5691
USA	Dollar	24.8441	25.9598	30.1638	30.8517	33.5684	38.9936	43.1958	46.7904	51.7709	58.4378	61.4258
									(50.0546) *			
EMU	Euro	-	-	-	-	-	-	-	-	-	-	54.9991
IMF	SDR	34.1379	35.6217	42.2162	46.1616	49.6416	55.2477	58.4654	63.6850	70.1077	74.7760	78.0627

* : Composite Rate -: Not available

(Contd.)

TABLE 8.11

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

Country	Currency	(Average During the Year) 2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Average (Jul-Mar) 2011-12 P	2012-13
Australia	Dollar	34.2101	41.0626	44.7141	44.7564	47.6760	56.1958	58.2931	73.9643	84.6185	91.8961	91.5753	99.8776
Austria	Schilling	-	-	54.8940	-	-	-	-	-	-	-	-	-
Bangladesh	Taka	1.0108	0.9842	0.9774	0.9121	0.8723	0.9088	1.1423	1.2118	1.2101	1.1385	1.1433	1.1883
Belgium	Franc	-	-	-	-	-	-	-	-	-	-	-	-
Canada	Dollar	38.8234	42.8526	47.5567	51.4986	53.5778	61.9742	67.5867	79.4785	85.4711	88.8631	88.1308	96.3653
China	Yuan	7.0613	6.9497	7.1676	7.4161	7.7526	8.6128	11.4930	12.2840	12.9120	14.0507	13.8851	15.3422
France	Franc	-	-	-	-	-	-	-	-	-	-	-	-
Germany	Mark	-	-	-	-	-	-	-	-	-	-	-	-
Holland	Guilder	-	-	-	-	-	-	-	-	-	-	-	-
Hong Kong	Dollar	7.4990	7.3970	7.6176	7.7127	7.7772	8.0273	10.1246	10.8074	11.0019	11.4768	11.3522	12.4066
India	Rupee	1.2219	1.2682	1.3253	1.3389	1.3746	1.5417	1.6468	1.7995	1.8881	1.7836	1.8094	1.7663
Iran	Rial	0.0073	0.0069	0.0067	0.0066	0.0066	0.0067	0.0081	0.0084	0.0082	0.0079	0.0080	0.0079
Italy	Lira	-	-	-	-	-	-	-	-	-	-	-	-
Japan	Yen	0.4888	0.5203	0.5558	0.5216	0.5122	0.5711	0.8012	0.9164	1.0301	1.1352	1.1309	1.1495
Kuwait	Dinar	194.5677	194.3681	202.3816	205.3258	209.8118	228.2954	281.2742	291.6604	304.4159	322.3284	319.7528	341.3772
Malaysia	Ringgit	15.3944	15.1532	15.6244	16.0515	17.0649	18.9021	22.3290	24.8037	27.7427	28.9142	28.6982	31.1705
Nepal	Rupee	0.7515	0.7802	0.8169	0.8296	0.8575	0.9593	1.0285	1.1251	1.1800	1.1164	1.1322	1.1043
Norway	Krone	8.1021	8.2191	9.1841	9.2141	9.7161	11.6417	12.4113	14.0698	14.7356	15.5404	15.5185	16.7735
Singapore	Dollar	33.3406	33.5098	35.6797	36.4149	39.1651	43.6846	53.5502	59.6004	66.1304	70.7611	70.0889	77.8286
Sri Lanka	Rupee	0.6057	0.5920	0.5813	0.5872	0.5649	0.5676	0.7024	0.7336	0.7694	0.7625	0.7802	0.7440
Sweden	Krona	6.6910	7.5195	8.2949	7.7867	8.6143	9.8890	10.4330	11.5692	12.8272	13.2669	13.2680	14.5708
Switzerland	Franc	41.4643	44.2489	49.0657	46.8551	49.2385	56.6736	70.0527	78.9664	89.9297	99.3752	99.7565	102.2084
Saudi Arabia	Riyal	15.5961	15.3488	15.8027	15.9608	16.1656	16.6973	20.9341	22.3482	22.8047	23.7943	23.5493	25.6601
Thailand	Baht	1.3742	1.4351	1.4763	1.5005	1.6789	1.8786	2.2651	2.5326	2.7963	2.8943	2.8775	3.1506
UAE	Dirham	15.9261	15.6727	16.1586	16.2972	16.5107	17.0391	21.3856	22.8216	23.2883	24.2894	24.0398	26.1835
UK	Pound	92.7433	100.1672	110.2891	106.4344	117.1852	125.2948	126.0915	132.4866	135.9640	141.1402	139.6919	151.7624
USA	Dollar	58.4995	57.5745	59.3576	59.8566	60.6342	62.5465	78.4983	83.8017	85.5017	89.2359	88.3134	96.1623
EMU	Euro	61.3083	68.6226	75.5359	72.8661	79.1763	92.1700	107.4327	116.4991	116.5981	119.1998	119.6017	123.9971
IMF	SDR	79.3198	83.2470	88.5631	86.9594	90.7726	98.6265	119.9599	129.7431	133.3407	138.9409	138.2856	146.8544

-: Not available

Source: State Bank of Pakistan

PUBLIC DEBT

TABLE 9.1

PUBLIC AND PUBLICLY GUARANTEED MEDIUM AND LONG TERM EXTERNAL DEBT DISBURSED AND OUTSTANDING AS ON 31-03-2013

Country/Creditor		($ Million)
I. BILATERAL		Amount
a. Paris Club Countries		
AUSTRIA		54
BELGIUM		30
CANADA		524
FINLAND		5
FRANCE		2,024
GERMANY		1,718
ITALY		138
JAPAN		6,874
KOREA		468
THE NETHERLANDS		110
NORWAY		17
RUSSIA		112
SPAIN		78
SWEDEN		141
SWITZERLAND		111
UNITED KINGDOM		8
UNITED STATES		1,461
	Sub Total I.a. Paris Club Countries	13,874
b. Non Paris Club Countries		
BAHRAIN		-
CHINA		3,726
KUWAIT		139
LIBYA		4
SAUDI ARABIA		456
UNITED ARAB EMIRATES		70
	Sub Total I.b. Non-Paris Club Countries	4,395
	Total I. (a+b)	18,269
II. MULTILATERAL & Others		
ASIAN DEVELOPMENT BANK (ADB)		10,802
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)		1,409
INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)		10,932
Other		913
EIB		40
ISLAMIC DEVELOPMENT BANK (IDB)		611
INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)		203
NORD. DEV. FUND		13
NORD. I. BANK		2
OPEC FUND		34
E.C.O Bank		10
	Sub Total II. Multilateral & Others	24,056
III. BONDS		1,550
IV. IDB (ST)		410
	Grand Total: (I+II+III+IV)	44,284

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
1978-79	1,064	599	190	213	55	50	86	86	-	-	1,395	948
1979-80	1,002	808	121	161	55	21	419	419	61	61	1,658	1,470
1980-81	591	676	182	103	73	66	16	16	111	111	973	972
1981-82	887	536	320	174	110	89	10	10	293	293	1,620	1,102
1982-83	1,115	744	174	299	120	80	-	-	178	178	1,587	1,301
1983-84	1,580	695	166	149	88	177	-	-	155	155	1,989	1,176
1984-85	1,804	903	161	125	196	79	-	-	150	150	2,311	1,257
1985-86	1,810	1,055	186	93	163	245	-	-	135	135	2,294	1,528
1986-87	2,035	1,006	331	205	130	57	-	-	130	130	2,626	1,398
1987-88	1,903	1,223	390	219	230	218	-	-	164	164	2,687	1,824
1988-89	1,979	1,262	663	537	392	542	146	146	132	132	3,312	2,619
1989-90	2,623	1,312	201	386	258	287	217	217	140	140	3,439	2,342
1990-91	1,935	1,408	346	451	134	136	50	50	111	111	2,576	2,156
1991-92	2,219	1,766	43	316	322	284	-	-	105	105	2,689	2,471
1992-93	1,204	1,895	182	232	454	309	-	-	57	57	1,897	2,493
1993-94	1,822	1,961	-	15	329	251	411	303	19	19	2,581	2,549
1994-95	2,714	2,079	3	23	279	258	-	211	29	29	3,025	2,600
1995-96	2,219	2,151	57	21	395	383	-	-	10	10	2,681	2,565
1996-97	1,351	1,821	1	1	405	409	-	-	2	2	1,759	2,233
1997-98	776	1,552	1	1	578	622	750	625	1	1	2,106	2,801
1998-99	1,382	1,620	-	-	185	270	650	550	2	2	2,219	2,442
1999-00	523	1,263	-	-	567	100	284	385	6	2	1,380	1,750
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 (Jul-Mar)	1,116	1,209	100	46	-	-	423	403	3	124	1,642	1,782

- : Not available   *: 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 IDB Short term and Tokyo Pledges

Relief includes Commitment and Disbursement for Afghan Refugees, IDPs 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	**Comm- itment	**Disburse- ment	Principal	Interest	Total	Export Receipts	Foreign Exchange Earning	GDP
1970-71	3,425	..	873	612	101	81	182	43.3	..	1.7
1971-72	3,766	..	143	409	71	51	122	20.6	..	1.3
1972-73	4,022	..	543	355	107	86	193	23.6	18.1	3.0
1973-74	4,427	..	1,268	498	118	79	197	19.2	14.2	2.2
1974-75	4,796	1,854	1,115	976	144	104	248	20.2	16.3	2.2
1975-76	5,755	1,811	951	1,051	141	108	249	21.9	13.7	1.9
1976-77	6,341	1,914	1,111	960	175	136	311	27.3	15.3	2.1
1977-78	7,189	2,041	963	856	165	162	327	24.9	11.2	1.8
1978-79	7,792	2,514	1,395	948	234	203	437	25.6	12.0	2.2
1979-80	8,658	2,586	1,658	1,470	350	234	584	24.7	11.9	2.5
1980-81	8,765	2,579	973	972	360	243	603	20.4	10.6	2.1
1981-82	8,799	2,921	1,620	1,102	288	203	491	19.9	8.8	1.6
1982-83	9,312	3,087	1,587	1,301	390	244	634	23.5	9.6	2.2
1983-84	9,469	3,436	1,989	1,176	453	274	727	26.3	10.9	2.3
1984-85	9,732	4,321	2,311	1,257	513	275	788	31.6	12.9	2.5
1985-86	11,108	5,242	2,294	1,528	603	303	906	29.5	13.5	2.8
1986-87	12,023	6,113	2,626	1,399	723	378	1,101	29.9	15.6	3.3
1987-88	12,913	7,070	2,687	1,824	691	426	1,117	25.1	14.7	2.9
1988-89	14,190	7,372	3,312	2,619	685	440	1,125	24.1	14.4	2.8
1989-90	14,730	8,279	3,439	2,342	741	491	1,232	24.9	14.4	3.1
1990-91	15,471	9,232	2,576	2,156	782	534	1,316	21.5	13.7	2.9
1991-92	17,361	9,461	2,689	2,471	921	592	1,513	21.9	13.2	3.1
1992-93	19,044	9,178	1,897	2,493	999	649	1,648	24.2	15.3	3.2
1993-94	20,322	9,014	2,581	2,549	1,105	673	1,778	25.7	16.2	3.4
1994-95	22,117	9,806	3,025	2,600	1,323	752	2,075	25.1	16.5	3.4
1995-96	22,292	7,761	2,681	2,565	1,346	791	2,137	24.5	16.7	3.4
1996-97	22,509	8,583	1,759	2,233	1,510	741	2,251	27.2	17.6	3.6
1997-98	22,844	6,164	2,106	2,801	1,600	723	2,323	27.3	17.6	3.8
1998-99	25,423	5,076	2,219	2,442	955	399	1,354	19.7	13.6	2.6
1999-00	25,359	3,421	1,096	1,490	893	570	1,463	17.6	11.9	2.1
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	1,283	819	2,102	12.2	6.5	1.4
2007-08	40,770	6,540	3,398	3,160	1,130	949	2,079	10.2	5.6	1.2
2008-09	42,567	7,451	5,792	4,032	2,566	873	3,439	18.0	9.8	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	760	2,685	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 (Jul-Mar)	44,284	9,326	1,642	1,526	1,498	483	1,981	10.8	5.3	0.8

.. : Not available

Source: Economic Affairs Division

* : Excluding grants

** : 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 Euro Bonds is included

@: Public and Publically Guaranteed

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

($ million)

Fiscal Year	Kind	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar)
I. PARIS CLUB COUNTRIES									
1 Australia	Principal	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-
2 Austria	Principal	1.223	1.145	2.680	2.827	3.387	3.581	2.760	2.594
	Interest	3.637	3.634	4.483	3.798	3.569	3.466	2.950	1.656
3 Belgium	Principal	-	4.623	10.326	0.603	0.715	0.711	0.901	0.487
	Interest	1.859	2.003	2.266	1.956	1.998	1.702	1.836	0.878
4 Canada	Principal	0.841	1.289	1.662	1.652	1.814	2.075	2.372	1.312
	Interest	4.436	5.584	5.359	3.029	1.276	1.018	0.965	0.542
5 Denmark	Principal	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-
6 France	Principal	24.921	31.366	35.983	26.405	26.804	31.301	34.169	19.193
	Interest	81.489	87.430	99.483	86.125	87.354	88.688	81.713	39.878
7 Finland	Principal	0.055	0.084	0.108	0.095	0.119	0.136	0.156	0.087
	Interest	0.286	0.364	0.360	0.197	0.083	0.067	0.062	0.035
8 Germany	Principal	12.749	15.294	16.202	18.477	15.861	18.138	23.629	6.018
	Interest	29.826	32.225	36.354	31.206	18.639	18.619	17.290	8.286
9 Italy	Principal	0.642	21.415	24.039	22.174	20.098	22.712	0.576	0.314
	Interest	2.331	1.168	1.294	0.872	0.339	0.285	0.317	0.132
10 Japan	Principal	65.577	49.280	46.528	48.485	48.656	56.651	64.135	52.370
	Interest	86.805	91.573	103.564	113.895	118.509	129.489	134.327	73.294
11 Korea	Principal	96.485	55.725	56.254	34.253	9.678	11.068	12.656	6.998
	Interest	38.168	40.759	22.623	18.021	8.165	6.836	6.750	3.872
12 Norway	Principal	4.064	12.124	12.124	2.486	2.513	1.504	0.497	0.276
	Interest	2.196	0.598	0.460	1.129	1.010	0.346	0.304	0.150
13 The Netherlands	Principal	0.528	0.679	0.654	0.411	0.303	0.354	0.375	0.124
	Interest	3.050	3.223	3.656	3.511	3.457	3.244	3.285	2.641
14 Russia	Principal	18.958	2.751	2.859	2.481	2.475	2.831	3.238	1.790
	Interest	23.375	6.566	6.436	6.279	6.157	6.027	5.895	2.885
15 Sweden	Principal	0.957	1.862	2.768	2.844	3.126	3.578	4.092	2.262
	Interest	7.063	9.262	9.042	5.114	2.135	1.683	1.597	0.899
16 Spain	Principal	1.369	1.051	0.857	0.633	0.533	0.610	0.697	0.386
	Interest	2.911	3.222	3.149	2.635	1.980	1.987	1.905	0.946
17 Switzerland	Principal	0.555	0.943	1.467	1.480	1.687	2.235	2.554	1.416
	Interest	1.530	2.244	3.363	2.732	1.380	1.339	1.299	0.644
18 USA	Principal	19.645	28.396	20.261	4.597	3.565	4.078	4.663	2.578
	Interest	61.191	63.618	62.136	29.488	29.318	29.111	28.928	14.374
19 UK	Principal	1.916	1.076	0.110	0.199	0.151	0.223	0.250	0.139
	Interest	0.598	0.655	0.382	0.727	0.651	0.143	0.157	0.083
TOTAL (I)	Principal	250.485	229.103	234.882	170.102	141.485	161.786	157.720	98.344
	Interest	350.751	354.128	364.410	310.714	286.020	294.050	289.580	151.195
II. NON-PARIS CLUB COUNTRIES									
1 China	Principal	18.967	14.148	14.148	20.148	20.148	139.269	151.630	63.429
	Interest	7.377	11.623	10.060	10.283	46.620	76.892	43.799	70.798
2 Czecho-Slovakia	Principal	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-
3 Kuwait	Principal	7.054	7.079	7.408	6.953	7.800	7.983	7.990	6.732
	Interest	2.203	2.369	2.438	2.264	2.793	2.760	2.797	2.503
4 Libya	Principal	-	14.229	1.823	1.787	1.785	0.100	0.100	-
	Interest	-	1.789	0.060	0.046	0.025	0.006	0.003	-
5 Saudi Arabia	Principal	3.383	-	-	1.666	82.296	180.009	103.851	1.927
	Interest	1.162	1.168	1.171	1.165	6.212	13.976	6.502	1.468
6 UAE	Principal	-	-	-	-	-	0.538	3.801	3.772
	Interest	1.015	1.784	2.122	2.122	2.122	4.735	2.095	1.762
7 EXIM Bank (FE)	Principal	-	-	-	3.853	4.224	5.594	5.523	3.054
	Interest	-	-	-	3.951	1.425	0.628	1.239	0.607
8 PL-480	Principal	-	-	-	1.291	1.171	1.153	1.153	1.154
	Interest	-	-	-	3.015	2.994	2.976	2.962	1.573
9 CCC	Principal	-	-	-	5.824	5.651	6.463	7.390	4.086
	Interest	-	-	-	17.322	16.982	16.623	16.258	7.957
TOTAL (II)	Principal	29.404	35.456	23.379	41.522	123.075	341.109	281.438	84.154
	Interest	11.757	18.733	15.851	40.168	79.173	118.596	75.655	86.668

(Contd.)

TABLE 9.4

DEBT SERVICE PAYMENTS OF FOREIGN LOANS (Paid in Foreign Exchange)

($ million)

Fiscal Year	Kind	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar)
III. MULTILATERAL									
1 ADB	Principal	236.757	261.303	330.746	410.229	511.695	626.773	714.870	557.382
	Interest	74.020	89.089	119.058	134.424	111.136	95.393	103.125	79.546
2 IBRD	Principal	294.377	273.293	296.781	276.333	225.073	172.956	156.078	165.057
	Interest	99.280	110.839	111.589	64.780	30.585	15.464	13.925	13.594
3 IDA	Principal	118.566	127.293	143.618	157.876	168.122	168.576	192.606	177.595
	Interest	50.918	59.761	73.878	72.111	82.620	82.377	92.352	79.169
4 IFAD	Principal	7.468	8.362	8.413	8.554	7.793	7.775	11.532	4.608
	Interest	1.802	1.827	1.951	1.808	1.754	1.721	1.798	1.152
5 IDB	Principal	3.504	4.066	6.942	6.486	6.840	9.488	7.025	12.682
	Interest	0.795	1.690	3.726	4.623	3.585	7.126	4.197	3.757
6 IDB (ST)	Principal	270.712	271.712	25.000	891.501	349.925	325.127	-	390.290
	Interest	11.039	12.039	22.866	44.277	18.551	28.614	23.028	11.185
TOTAL (III)	Principal	931.384	946.029	811.500	1,750.979	1,269.448	1,310.695	1,082.111	1,307.614
	Interest	237.854	275.245	333.068	322.023	248.231	230.695	238.425	188.403
IV. DEVELOPMENT FUNDS									
1 NORDIC	Principal	2.442	2.482	2.562	2.472	1.923	2.447	2.486	1.117
	Interest	0.917	1.007	0.875	0.490	0.210	0.203	0.171	0.091
2 OPEC Fund	Principal	4.561	4.204	4.935	4.016	4.015	3.298	2.666	2.516
	Interest	0.591	0.571	0.495	0.517	0.599	0.526	0.580	0.625
3 Turkey (EXIM Bank)	Principal	25.800	12.900	-	-	-	-	-	-
	Interest	2.776	0.648	-	-	-	-	0.212	0.114
4 E.I.Bank	Principal	1.345	2.094	2.600	2.492	7.525	5.277	7.816	4.452
	Interest	3.324	4.262	3.847	2.504	1.468	1.223	1.170	0.549
5 ANZ Bank / Standard Charted Bank	Principal	-	-	-	-	50.000	-	-	-
	Interest	-	-	-	7.996	4.061	-	-	-
TOTAL (IV)	Principal	34.148	21.680	10.097	8.980	63.463	11.022	12.968	8.085
	Interest	7.608	6.488	5.217	11.507	6.338	1.952	2.133	1.379
V. GLOBAL BONDS									
1 Euro Bonds	Principal	155.459	-	-	500.000	600.000	-	-	-
	Interest	91.561	145.000	207.667	177.220	132.040	110.904	110.872	55.446
2 Saindak Bonds	Principal	-	4.527	4.527	-	-	-	-	-
	Interest	-	0.282	0.282	-	-	-	-	-
3 US Dollar Bonds (NHA)	Principal	-	21.903	21.903	21.963	21.903	-	-	-
	Interest	-	5.684	5.684	3.680	1.485	-	-	-
TOTAL (V)	Principal	155.459	26.430	26.430	521.963	621.903	-	-	-
	Interest	91.561	150.966	213.633	180.900	133.525	110.904	110.872	55.446
TOTAL (I+II+III+IV+V)	Principal	1,400.880	1,258.698	1,106.288	2,493.546	2,219.374	1,824.612	1,534.237	1,498.197
	Interest	699.531	805.560	932.179	865.312	753.287	756.197	716.665	483.091
	Total (P+I)	2,100.411	2,064.258	2,038.467	3,358.858	2,972.661	2,580.809	2,250.902	1,981.288
VI. OTHERS									
1 NBP	Principal	2.945	2.979	3.016	3.592	3.022	3.055	-	-
	Interest	1.118	1.077	0.804	0.112	0.168	0.912	-	-
2 Bank of Indosuez	Principal	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	-
3 NBP Bahrain	Principal	-	-	4.286	2.988	-	-	-	-
	Interest	0.469	-	0.474	0.402	-	-	-	-
4 ANZ Bank	Principal	4.286	4.286	-	-	-	75.000	-	-
	Interest	0.552	0.856	6.657	-	-	2.784	-	-
5 US Dollar Bonds	Principal						21.903	-	-
	Interest						0.301	-	-
6 Cash (ST)	Principal	16.280	17.280	16.280	66.280	116.279	-	-	-
	Interest	10.370	11.370	9.105	7.094	2.849	-	-	-
7 OTF	Principal	-	-	-	-	-	-	-	-
	Interest	-	-	-	-	-	-	-	0.192
TOTAL (VI)	Principal	23.511	24.545	23.582	72.860	119.301	99.958	-	-
	Interest	12.509	13.303	17.040	7.608	3.017	3.997	-	0.192
TOTAL (I+II+III+IV+V+VI)	Principal	1,424.391	1,283.243	1,129.870	2,566.406	2,338.675	1,924.570	1,534.237	1,498.197
	Interest	712.040	818.863	949.219	872.920	756.304	760.194	716.665	483.283
Grand Total (P+I)		2,136.431	2,102.106	2,079.089	3,439.326	3,094.979	2,684.764	2,250.902	1,981.480

Note: Exclusive of IMF Loans

Source: Economic Affairs Division

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN

Lending Country/Agency	2007-08			2008-09		
	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
2. Japan	460.3	0.2-1.3	20-30	-	-	-
3. France				98.3	LIBOR EURO 6 Months + 200bps	20
4.Italy	12.1	0.0	20.0			
Sub-Total (A):	472.4			236.6		
B. Non-Paris Club						
1. China	327.7	3%	15	800.0	0-5	10-15
2. Kuwait						
3. Saudi Arabia	40.1	2%	26	125.2	3.25	3
4. Korea	20.0	1%	30	205.2	1.5	30-40
5. UAE						
Sub-Total (B):	387.8			1,130.4		
C. Multilateral						
1. IDB (ST)	352.8	5.8	1	596.5	Libor+2.5	1
2. IDB	224.2	1.25-5.1	1-18	287.8	LIBOR + 0.55 and 1.5	18-26
3. IDA	259.2	0.75+4.9%	35	1,528.7	0.75	35
4. ADB	1,436.8	1-1.5 & LIBOR+60bps	15-24	1,759.7	1.5 and LIBOR 6 months + 0.6	20-30
5. OPEC	5.3	2.5	20	66.3	LIBOR + 1.85	20
6. IBRD				173.4	LIBOR 6 Months + 0.75	30
7. IFAD	36.3	0.75	40			
Sub-Total (C):	2,314.6			4,412.4		
Total (A+B+C)	3,174.8			5,779.4		

Lending Country/Agency	2009-10			2010-11		
	Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)	Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)
A. Paris Club Countries						
1. Germany	20.3	0.75	40			
2. Japan	249.4	1.2	30	237.4	.01 fixed	30
3.France	103.6	1.6	20	103.9	LIBOR 6 months + 0.25	15-18
4. Italy				53.5	0	19
Sub-Total (A)	373.3			394.8		
B. Non-Paris Club						
1. China	1,979.8	6 and LIBOR 3 months + 1.1	19-25	213.7	2 fixed	18-20
2. Kuwait	49.9	1 fixed	25	42.6	1 fixed	25
3. Saudi Arabia	380.0	2 and LIBOR 3 months + 0.5	3-20	100.0	LIBOR 12 months +0.85	1
4. Korea						
Sub-Total (B)	2,409.7			356.3		
C. Multilateral						
1. IDB Short-term	572.3	LIBOR + 2.5	1			
2. IDB	362.2	5.1 US SWAP RATE 15 YRS +1.2	15-20	220.0	1 fixed	15
3. IDA	508.4	0.75 fixed	35	603.0	3.95 and 0.75 fixed	25
4. ADB	711.8	1.5 and LIBOR 6 months + 0.6	20-30	892.6	1.5 and LIBOR 6 months + 0.6	18-30
5. OPEC	31.1	1.75 fixed	20			
6.IBRD				261.4	LIBOR 6 months + 0.75	25
7. IFAD	18.8	0.75 fixed	26	-		
8. EIB	149.5	LIBOR 6 months + 0.15	35	-		
9. E.C.O. T / BANK				10.0	LIBOR 6 months + 1.5	7
Sub-Total (C)	2,354.1			1,987.0		
Total (A+B+C)	5,137.1			2,738.1		

Source: Economic Affairs Division

TABLE 9.5

TERMS OF FOREIGN LOANS/CREDITS CONTRACTED BY PAKISTAN **(Contd.)**

Lending Country/Agency	2011-12			2012-13 (July-March)		
	Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)	Amount ($ Million)	Interest Rate/ Commission(%)	Amortization (years)
A. Paris Club Countries						
1. Germany						
2. Japan	62.82	0.01 Fixed	30			
3.France						
4. Italy	72.65	Free	40			
Sub-Total (A)	135.47			0.0		
B. Non-Paris Club						
1. China	851.07	2 Fixed	12-14			
2. Kuwait						
3. Saudi Arabia	100.00	LIBOR 12 months + 1.25	10	100.0	LIBOR 12 months + 1.25	10
4. Korea						
Sub-Total (B)	951.07			100.0		
C. Multilateral						
1. IDB Short-term	256.0					
2. IDB				227.0	LIBOR 6 months + 1.35	24
3. IDA	1,703.3	1.68 Fixed	25	149.2	1.25 Fixed	25
4. ADB	504.9	1.5 and LIBOR 6 months + 0.6	16			
5. OPEC						
6.IBRD	500.0	LIBOR 6 months + 1				
7. IFAD	40.0	0.75	40			
8. EIB						
9. E.C.O BANK						
Sub-Total (C)	3,004.2			376.2		
Total (A+B+C)	4,090.72			476.2		

Source: Economic Affairs Division

TABLE 9.6

GRANT ASSISTANCE AGREEMENTS SIGNED

($ Million)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar)
I. Paris Club Countries										
1. Australia	0.3	-	0.1	-	0.9	-	-	-	-	-
2. Austria	-	-	0.7	-	-	-	-	-	-	-
3. Canada	13.8	-	-	-	9.4	5.5	-	-	-	-
4. Germany	-	21.0	31.4	37.3	-	-	68.4	11.3	28.8	-
5. Japan	46.0	113.5	67.8	-	6.6	41.6	39.8	67.8	13.6	29.8
6. The Netherlands	-	-	-	-	-	-	-	-	-	-
7. Norway	10.4	3.2	-	-	-	-	4.4	5.0	-	12.8
8. Korea	-	-	-	-	-	-	1.5	5.0	-	-
9. Switzerland	-	-	0.7	-	-	-	-	1.3	-	-
10.UK	79.0	44.1	227.5	67.7	136.9	142.5	363.4	89.0	408.9	970.2
11.USA	129.4	647.5	514.3	269.4	118.9	377.4	1,046.1	1,215.3	-	70.0
12.Italy	-	-	-	-	-	-	-	-	-	-
13.Denmark	-	-	-	-	-	-	-	24.8	-	-
Sub-Total (I)	278.9	829.3	842.5	374.4	272.7	567.0	1523.6	1419.5	451.4	1082.8
II Non Paris Club Countries	-	-	-	-	-	-	-	-	-	-
1. China	0.2	-	-	49.4	0.4	-	-	249.5	20.7	11.3
2. Iran	-	-	-	-	-	-	-	-	-	-
3. UAE	-	-	-	-	-	-	-	-	-	-
4. Oman	-	-	-	-	-	-	-	-	-	-
5. Saudi Arabia	50.0	-	-	-	-	-	-	-	-	-
Sub-Total (II)	50.2	-	-	49.4	0.4	-	-	249.5	20.7	11.3
III Multilateral										
1. ADB	-	-	175.0	5.0	-	-	-	3.0	3.0	-
2. EEC / EU	1.2	-	-	58.1	-	25.2	80.2	144.6	37.7	19.2
3. Islamic Development Bank	-	-	-	-	-	-	-	0.3	-	-
4. IDA	51.7	1.5	-	9.1	0.1	5.5	-	18.5	8.0	-
5. IBRD	-	-	0.5	-	-	-	-	-	61.0	39.4
6. UN and Specialised Agencies	-	-	-	-	-	-	-	-	-	-
7. UNDP Special Grant	20.8	3.9	1.9	2.5	1.4	-	-	-	-	-
8. World Food Programme	-	111.0	-	-	-	-	-	-	-	-
9. UNFPA	-	-	-	-	-	-	-	-	-	-
Sub-Total (III)	73.7	116.4	177.4	74.7	1.5	30.7	80.2	166.4	109.7	58.7
IV Relief Assistance for										
A. Afghan Refugees	2.1		1.5	3.4	1.6	2.2	2.7	6.1	6.4	3.5
B. Earthquake										
1. Afghanistan	-	-	0.5	-	-	-	-	-	-	-
2. Algeria	-	-	1.0	-	-	-	-	-	-	-
3. Austria	-	-	-	-	-	-	-	-	-	-
4. Azerbaijan	-	-	1.5	-	-	-	-	-	-	-
5. Bhutan	-	-	0.1	-	-	-	-	-	-	-
6. Brunei	-	-	0.6	-	-	-	-	-	-	-
7. China	-	-	28.3	-	-	-	-	-	-	-
8. Cyprus	-	-	0.1	-	-	-	-	-	-	-
9. Indonesia	-	-	1.0	-	-	-	-	-	-	-
10. Jordan	-	-	1.0	-	-	-	-	-	-	-
11. Malaysia	-	-	1.0	-	-	-	-	-	-	-
12. Morocco	-	-	1.5	-	-	-	-	-	-	-
13. Oman	-	-	5.0	-	-	-	-	-	-	-
14. Pak-Turk foundation	-	-	4.0	-	-	-	-	-	-	-
15. Saudi Arabia	-	-	200.0	133.3	300.0	-	-	-	-	-
16. South Korea	-	-	0.5	-	-	-	-	-	-	-
17. Thailand	-	-	0.5	-	-	-	-	-	-	-
18. Turkey	-	-	150.0	-	-	10.0	-	-	-	-
19. UK	-	-	-	-	-	-	-	-	-	-
20. ADB	-	-	-	-	-	-	-	-	-	-
21. WB (IDA)	-	-	-	-	-	-	-	-	-	10.0
22. Germany	-	-	-	-	-	-	-	-	-	-
23. IDB	-	-	0.3	-	-	-	-	-	-	-
24. Mauritius	-	-	0.0	-	-	-	-	-	-	-
Sub-Total (IV)	2.1	-	398.4	136.7	301.6	12.2	2.7	6.1	6.4	13.5
Grand Total (I+II+III+IV)	404.9	945.7	1,418.4	635.2	576.2	609.9	1,606.5	1,841.6	588.3	1,166.3

Source : Economic Affairs Division

TABLE 9.7

TOTAL LOANS AND CREDITS CONTRACTED

($ Million)

	Lending Country/Agency	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13 (Jul-Mar)
	Paris Club Countries										
	1. Austria	-	-	-	-	-	-	-	-	-	-
	2. Australia	-	-	-	-	-	-	-	-	-	-
	3. Belgium	-	-	-	-	-	-	-	-	-	-
	4. Canada	-	-	-	-	-	-	-	-	-	-
	5. France	-	-	-	50.0	-	98.0	103.6	103.9	-	-
	6. Germany	-	165.8	-	6.0	-	138.0	20.3	-	-	-
A.	7. Japan	-	-	245.0	198.2	460.4	-	249.4	237.5	62.8	-
	8. Netherlands	-	-	-	-	-	-	-	-	-	-
	9. Norway	-	-	-	-	-	-	-	-	-	-
	10. Spain	-	-	-	-	-	-	-	-	-	-
	12. UK	-	-	-	-	-	-	-	-	-	-
	13. USA	-	-	-	-	-	-	-	-	-	-
	14. Italy	-	-	-	-	12.1	-	-	53.5	72.7	-
	15. Sweden										
	Sub-Total (A)	-	165.8	245.0	254.2	472.5	236.0	373.3	394.8	135.5	-
	Non-Paris Club Countries:										
	1. China	-	355.0	322.2	-	328.0	800.0	1,979.8	213.7	851.1	-
	2. Korea	-	-	17.0	-	20.0	205.0	-	-	-	-
	3. Kuwait	-	34.3	-	38.1	-	-	49.9	42.6	-	-
B.	4. Saudi Arabia	25.0	-	-	133.1	40.0	125.0	380.0	100.0	100.0	100.0
	5. Turkey (EXIM Bank)	-	-	-	-	-	-	-	-	-	-
	6. Abu Dhabi Fund	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)	25.0	389.3	339.2	171.2	388.0	1,130.0	2,409.7	356.3	951.1	100.0
	Multilateral:										
	1. IBRD	53.0	340.0	319.0	100.0	-	173.4	-	261.4	500.0	-
	2. IDA	691.0	601.8	1,166.4	912.0	259.1	1,529.0	508.4	603.0	1,703.3	149.2
	3. ADB	883.4	725.2	835.0	1,443.3	1,436.4	1,760.0	711.8	892.6	504.9	-
	4. IFAD	22.2	-	54.0	-	36.4	-	18.8	-	40.0	-
C.	5. European Investment Bank	50.0	-	-	-	-	-	149.5	-	-	-
	6. ECOTDB	-	-	-	-	-	-	-	10.0	-	-
	7. OPEC Fund	-	-	-	10.0	5.1	66.0	31.1	-	-	-
	8. IDB	-	8.0	121.0	200.0	224.0	288.0	362.2	220.3	-	227.0
	9. KPC	-	-	-	-	-	-	-	-	-	-
	10.IDB (ST)	350.0	115.0	-	425.0	353.0	597.0	572.3	-	256.0	-
	Sub-Total (C)	2,049.6	1,790.0	2,495.4	3,090.3	2,314.0	4,413.4	2,354.1	1,987.3	3,004.2	376.2
	Grand-Total (A+B+C)	2,074.6	2,345.1	3,079.6	3,515.7	3,174.5	5,779.4	5,137.1	2,738.4	4,090.7	476.2

Note: Total may differ due to rounding off

Source : Economic Affairs Division

EDUCATION

TABLE 10.1

NUMBER OF EDUCATIONAL INSTITUTIONS BY KIND, LEVEL AND SEX

(Numbers)

Year	Primary* Schools (000)		Middle Schools (000)		High Schools (000)		Secondary Vocational Institutions		Arts and Science Colleges		Professional Colleges		Universities
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total
1992-93	130.6	40.3	11.8	5.4	8.7	2.8	602	316	800	293	260	109	27
1993-94	134.1	42.4	12.1	5.5	9.2	3.0	474	218	824	303	260	112	28
1994-95	139.6	44.4	12.6	5.7	9.5	3.2	487	221	863	317	271	116	34
1995-96	143.1	40.5	13.3	4.4	9.5	2.4	577	224	909	338	286	124	38
1996-97	149.7	52.1	14.5	6.3	9.9	3.3	578	225	1,141	382	310	129	41
1997-98	156.3	58.1	17.4	7.5	11.1	3.9	574	223	1,056	400	315	139	45
1998-99	159.3	53.1	18.1	7.2	12.4	3.3	580	228	1,137	433	336	153	46
1999-00	162.1	55.0	18.4	7.6	12.6	3.4	612	233	1,222	464	356	161	54
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	154.6	57.0	42.0	21.0	28.7	11.6	3,257	2,229	4,515	2,184	1,384	643	139
2012-13 (E)	153.9	55.1	42.3	21.2	30.4	12.6	3,291	2,573	5,106	2,387	1,401	617	..

*: Including Pre-Primary & Mosque Schools E: Estimated ..: not available

Notes:

1. All figures include Public and Private Sector data
2. Figures of 2012-13 is based on estimation
3. Female institutions include percentage of mixed institutions

Sources:

1. Figures of Primary, Middle, High and Higher Sec. from 1992-93 to 2011-12 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 1992-93 to 1999-2000 is based on 8th Five Year Plan : Planning Commission of Pakistan
4. 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
5. Figures of Private School data from 2005-06 onwards is based on 'National Education Census, 2005', NEMIS, AEPAM, Islamabad
6. Figures of Technical & Vocational from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad
7. Figures of Universities, M/o Education & Training (AEPAM) Islamabad.

TABLE 10.2

ENROLMENT IN EDUCATIONAL INSTITUTIONS BY KIND, LEVEL AND SEX

Year	Primary Stage (I-V) (000 No)		Middle Stage (VI-VIII) (000 No)		High Stage (IX-X) (000 No)		Secondary Vocational (000 No)		Arts and Science Colleges (000 No)		Professional Colleges (Number)		Universities (Number)	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
1992-93	10,271	3,696	3,040	994	1,168	357	93	24	422	151	281,200	100,400	68,301	14,856
1993-94	10,898	4,123	3,305	1,123	1,315	421	84	18	405	149	270,000	99,600	77,119	19,342
1994-95	11,900	4,708	3,816	1,347	1,525	514	86	15	422	166	281,600	110,400	80,651	21,174
1995-96	11,657	4,590	3,605	1,270	1,447	480	86	14	440	179	293,600	119,600	82,955	23,105
1996-97	13,088	5,350	3,726	1,357	1,521	520	92	15	457	191	304,800	127,600	91,883	25,050
1997-98	14,182	5,861	4,032	1,532	1,658	605	90	18	478	201	318,400	134,000	93,780	24,848
1998-99	14,879	5,149	4,098	1,586	1,703	639	75	17	509	234	312,000	140,400	91,637	25,469
1999-00	15,784	5,660	4,112	1,615	1,726	653	91	17	562	263	316,800	148,800	114,010	27,369
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	18,667	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 (E)	18,748	7,827	6,245	2,676	2,824	1,185	299	113	1,382	333	556,217	221,848	1,602,477	814,039

E : Estimated

Notes:
1. All figures include Public and Private Sector data
2. Figures of 2012-13 is based on estimation
3. Enrolment of Deeni Madaris is included

Sources:
1. Figures of Pre-Primary, Primary, Middle, High and Higher Sec. from 1992-93 to 2011-12 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 1992-93 to 1999-2000 is based on 8th Five Year Plan : Planning Commission of Pakistan
4. 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
5. Figures of Private School data from 2005-06 onward is based on 'National Education Census, 2005' NEMIS, AEPAM, Islamabad
6. Figures of Technical & Vocational from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad
7. Figures of Universities, M/o Education & Training (AEPAM), Islamabad.

TABLE 10.3

NUMBER OF TEACHERS IN EDUCATIONAL INSTITUTIONS IN PAKISTAN, BY KIND, LEVEL AND SEX

Year	Primary Schools (Thousands) *		Middle Schools (Thousands)		High Schools (Thousands)		Secondary Vocational Institutions (Number)		Arts and Science Colleges (Number)		Professional Colleges (Number)		Universities (Number)	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
1992-93	332.5	122.5	119.0	66.3	165.6	68.1	9,153	2,605	25,485	9,138	8,269	3,058	5,728	747
1993-94	359.1	138.6	132.8	78.2	217.4	88.5	7,965	1,603	27,666	9,825	8,754	3,178	5,217	918
1994-95	375.2	146.7	144.6	80.9	227.6	102.6	6,949	1,708	29,843	10,515	9,128	3,264	5,316	939
1995-96	377.5	145.1	159.1	85.0	217.6	89.8	7,291	1,799	32,898	11,729	9,969	3,657	5,417	927
1996-97	374.3	151.7	156.7	91.4	224.7	98.8	7,422	1,845	32,190	11,690	9,950	3,660	5,162	919
1997-98	397.0	164.7	168.4	101.0	252.9	112.9	6,923	1,870	39,267	15,767	10,930	4,105	5,515	976
1998-99	422.6	173.8	178.5	108.2	231.6	107.5	7,133	1,858	35,187	14,298	10,777	4,139	4,911	837
1999-00	402.4	169.8	193.9	117.6	247.8	115.8	9,253	1,959	39,268	15,764	11,065	4,221	5,914	1,174
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	1,302
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	1,247
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	1,375
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	219.6	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	216.5	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	234.0	458.7	271.3	15,847	5,079	97,633	52,746	40,191	16,815	70,053	..
2012-13 (E)	419.4	193.2	362.6	243.5	468.9	292.5	16,177	5,189	107,898	60,809	52,469	20,026	81,586	..

* : Including Pre-primary and Primary Schools E : Estimated .. : not available

Note:

1. All figures include Public and Private Sector data
2 Figures of 2012-13 is based on estimation
3. Teachers of Deeni Madaris are included

Sources:

1. Figures of Primary, Middle, High and Higher Sec. from 1992-93 to 2011-12 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 1992-93 to 1999-2000 is based on 8th Five Year Plan : Planning Commission of Pakistan
4. 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
5. Figures of Private School data from 2005-06 onward is based on 'National Education Census, 2005' NEMIS, AEPAM, Islamabad
6. Figures of Technical & Vocational from 2003-04 onward is based on Pakistan Education Statistics Reports, NEMIS, AEPAM, Islamabad
7. Figures of Universities, M/o Education & Training (AEPAM) Islamabad.

HEALTH & 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
1960	342	1,195	..	348	..	..	22,394	2,038
1961	345	1,251	3	422	1	18	22,394	2,063
1962	361	1,374	..	449	..	..	22,775	2,087
1963	365	1,514	..	488	..	..	23,429	2,088
1964	365	1,626	..	524	..	..	23,664	2,126
1965	379	1,695	..	554	..	..	25,603	2,022
1966	389	1,754	..	558	..	..	26,200	2,033
1967	391	1,834	..	650	..	..	27,291	1,678
1968	398	1,751	..	650	..	..	27,112	2,079
1969	405	1,846	..	668	..	..	27,618	2,100
1970	411	1,875	..	668	..	..	28,976	2,061
1971	495	2,136	249	668	87	79	34,077	1,804
1972	496	2,137	249	675	87	82	35,337	1,792
1973	521	2,566	255	662	90	84	35,655	1,848
1974	517	2,836	290	690	102	89	35,866	1,893
1975	518	2,908	373	696	134	89	37,776	1,852
1976	525	3,063	536	715	173	95	39,129	1,843
1977	528	3,220	544	726	186	95	40,518	1,834
1978	536	3,206	554	748	200	95	42,469	1,804
1979	550	3,367	645	772	211	98	44,367	1,779
1980	602	3,466	736	812	217	98	47,412	1,716
1981	600	3,478	774	823	243	99	48,441	1,752
1982	613	3,459	1,587	817	283	98	50,335	1,735
1983	626	3,351	1,982	794	302	98	52,161	1,723
1984	633	3,386	2,366	787	319	96	53,603	1,724
1985	652	3,415	2,647	778	334	100	55,886	1,699
1986	670	3,441	2,902	773	349	101	57,709	1,689
1987	682	3,498	3,150	798	383	104	60,093	1,666
1988	710	3,616	3,454	998	417	211	64,471	1,593
1989	719	3,659	3,818	1,027	448	211	66,375	1,587
1990	756	3,795	4,213	1,050	459	220	72,997	1,444
1991	776	3,993	4,414	1,057	465	219	75,805	1,425
1992	778	4,095	4,526	1,055	470	228	76,938	1,464
1993	799	4,206	4,663	849 *	485	233	80,047	1,443
1994	822	4,280	4,902	853 *	496	242	84,883	1,396
1995	827	4,253	4,986	859 *	498	260	85,805	1,416
1996	858	4,513	5,143	853 *	505	262	88,454	1,407
1997	865	4,523	5,121	853 *	513	262	89,929	1,418
1998	872	4,551	5,155	852 *	514	263	90,659	1,440
1999	879	4,583	5,185	855 *	530	264	92,174	1,448
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 P	1,207	5,382	5,404	696	593	354	101,173	1,786

.. : Not available

Source: Ministry of Health, Planning Commission of Pakistan
Pakistan Bureau of Statistics

*: The decrease in MCH since 1993 as against last year is due to exclusion/separation of family welfare centres from MCH structure in Khyber Pakhtunkhwa

P: Provisional data in respect of Punjab province

TABLE 11.2

REGISTERED MEDICAL AND PARAMEDICAL PERSONNEL (Progressive) AND EXPENDITURE ON HEALTH, (Calendar Year Basis)

(Number)

Year	Registered Doctors *	Registered Dentists *	Registered Nurses *	Registered Midwives	Registered Lady Health Visitors	Population per Doctor	Population per Dentist	Expenditure (Mln. Rs)** Development	Expenditure (Mln. Rs)** Non-Development
1963	1,049	17	..	..	..	46,615	..	35	80
1964	1,325	81	..	..	..	37,970	..	75	78
1965	1,591	151	..	..	..	32,533	..	46	84
1966	2,008	195	..	..	..	26,524	..	35	86
1967	2,588	233	..	..	..	21,170	..	71	92
1968	2,668	273	..	..	..	21,128	..	60	99
1969	3,322	332	..	..	..	17,459	..	68	128
1970	3,913	384	..	..	..	15,256	155,468	62	151
1971	4,287	446	..	..	..	14,343	137,870	58	141
1972	4,802	511	..	..	..	13,190	123,953	96	172
1973	5,138	549	..	..	..	12,824	120,018	176	210
1974	5,582	610	946	522	51	12,164	111,311	363	278
1975	6,018	650	1,985	1,201	118	11,628	107,661	629	361
1976	6,478	706	2,526	1,637	197	11,133	102,153	540	439
1977	7,232	733	3,204	2,577	246	10,278	101,405	512	559
1978	9,142	781	3,892	3,106	341	9,526	98,079	569	642
1979	10,167	846	4,552	3,594	453	8,695	93,309	717	662
1980	11,860	928	5,336	4,200	547	7,549	87,672	942	795
1981	14,996	1,018	6,110	4,846	718	6,101	83,369	1,037	993
1982	18,256	1,121	6,832	5,482	928	5,087	77,948	1,183	1,207
1983	21,942	1,222	7,348	6,031	1,144	4,308	73,560	1,526	1,564
1984	26,700	1,349	8,280	7,078	1,374	3,605	68,490	1,587	1,785
1985	31,107	1,416	10,529	8,133	1,574	3,160	67,041	1,882	2,394
1986	35,102	1,558	12,014	10,315	2,144	2,865	62,580	2,615	3,270
1987	39,639	1,636	13,002	11,505	2,384	2,594	61,180	3,114	4,064
1988	43,921	1,772	14,015	12,866	2,697	2,396	57,963	2,802	4,519
1989	48,342	1,918	15,861	13,779	2,917	2,228	54,927	2,681	4,537
1990	52,935	2,068	16,948	15,009	3,106	2,082	52,017	2,741	4,997
1991	56,616	2,184	18,150	16,299	3,463	1,993	50,519	2,402	6,130
1992	61,081	2,269	19,389	17,678	3,796	1,892	49,850	2,152	7,452
1993	64,038	2,394	20,245	18,641	3,920	1,848	48,508	2,875	7,680
1994	67,224	2,584	21,419	19,759	4,107	1,803	46,114	3,590	8,501
1995	71,718	2,747	22,299	20,910	4,185	1,455	44,478	5,741	10,614
1996	75,239	2,933	24,776	21,662	4,407	1,689	42,675	6,485	11,857
1997	79,474	3,154	28,661	21,840	4,589	1,636	40,652	6,077	13,587
1998	83,696	3,434	32,938	22,103	4,959	1,590	38,185	5,492	15,316
1999	88,117	3,857	35,979	22,401	5,299	1,578	35,557	5,887	16,190
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	152,188	11,584	77,683	30,722	12,621	1,164	15,288	26,250	28,870
2012	160,289	12,544	82,119	31,503	13,678	1,127	14,406	17,337	62,125

.. : Not available

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 2012 = 2012-13

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.		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
B.C.G.		4,777.2	5,114.9	4,862.5	5,203.1	5,364.1	5,790.4	5,884.4	6,133.4	5,924.9	5,813.3	6,062.0
POLIO	0	1,842.3	2,132.5	2,352.6	2,625.6	2,846.2	3,098.1	3,428.7	3,650.0	3,773.1	3,844.4	4,200.3
	I	4,543.2	4,819.7	4,512.8	4,858.6	5,250.6	5,645.1	5,556.1	5,884.9	5,852.6	5,698.5	5,822.8
	II	4,014.7	4,281.7	4,098.2	4,387.4	4,869.9	5,178.7	5,034.4	5,402.7	5,526.7	5,356.0	5,445.9
	III	3,780.2	4,035.5	3,916.4	4,160.0	4,739.0	5,070.5	4,819.1	5,277.4	5,422.4	5,218.1	5,330.5
	IV	..	..	..	..	..	..	..	..	..	..	..
	BR	138.2	105.6	77.7	49.4	33.0	46.6	60.9	35.8	81.3	86.1	..
COMBO												
	I	..	..	..	..	..	3,999.8	5,071.7	..	..	..	..
	II	..	..	..	..	..	3,720.1	4,612.5	..	..	..	..
	III	..	..	..	..	..	3,656.5	4,356.2	..	..	..	..
D.P.T												
	I	4,558.1	4,768.7	4,427.8	4,581.3	5,275.1	1,710.7	..	..	..	..	..
	II	4,038.6	4,227.8	4,025.5	4,126.6	4,886.6	1,523.2	..	..	..	..	..
	III	3,795.6	3,983.0	3,839.6	3,918.8	4,756.4	1,479.4	..	..	..	..	..
	BR	22.6	6.0	2.4	0.1	0.3	0.06	..	..	..	..	..
H.B.V												
	I	1,772.2	4,482.6	4,212.7	4,458.2	5,053.3	1,617.8	..	..	..	..	..
	II	1,290.6	3,892.6	3,879.7	4,065.3	4,692.3	1,441.4	..	..	..	..	..
	III	965.9	3,576.3	3,616.5	3,840.7	4,571.0	1,401.2	..	..	..	..	..
Pentavalent												
	I	..	..	..	..	..	..	..	5,925.0	5,862.9	5,606.3	5,773.2
	II	..	..	..	..	..	..	..	5,461.3	5,555.1	5,266.8	5,400.2
	III	..	..	..	..	..	..	..	5,338.5	5,407.3	5,129.2	5,275.6
T.T												
	I	4,678.3	3,590.8	3,391.5	4,539.1	4,069.4	3,877.9	4,307.1	4,919.8	5,050.2	5,089.9	5,361.9
	II	3,539.7	2,969.7	2,649.6	2,857.9	3,133.5	3,048.3	3,385.0	3,791.7	4,065.1	4,121.0	4,279.0
	III	1,278.1	1,423.3	765.3	793.1	894.6	810.0	865.7	937.8	897.0	812.9	815.1
	IV	310.4	338.0	292.9	519.1	286.4	239.1	279.0	284.9	268.2	234.4	229.8
	V	159.4	163.7	131.9	157.4	176.5	141.3	152.1	168.9	165.0	127.2	128.4
MEASLES		4,105.6	4,163.0	4,125.0	4,387.2	5,050.3	5,386.1	5,277.8	5,297.4	5,299.6	8,211.3	9,085.8
	II	..	..	..	..	..	..	..	1,806.3	2,799.7	2,799.7	..

..: 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
November	73	10.00	10.00	10.00	15.00	15.00	10.00	20.00	10.00	15.00	10.00	12.50
"	74	15.00	15.00	20.00	18.75	20.00	15.00	20.00	17.50	20.00	16.00	17.73
"	75	20.00	15.00	20.00	20.00	25.00	15.00	20.00	25.00	22.50	17.50	20.00
"	76	20.00	20.00	23.75	23.75	27.75	17.50	23.13	28.13	27.19	20.00	23.12
"	77	20.00	20.00	28.75	35.00	25.00	20.00	25.00	35.00	35.00	20.00	26.38
"	78	20.00	20.00	32.14	22.50	34.00	20.00	33.13	40.00	35.00	20.00	27.68
"	79	40.00	20.00	33.75	..	48.00	28.33	35.00	35.00	45.00	35.00	32.01
"	80	40.00	32.00	35.00	50.00	54.44	47.50	37.50	37.50	50.00	35.00	41.89
"	81	70.00	32.00	36.00	50.00	60.00	47.50	50.00	32.50	50.00	25.00	45.30
"	82	30.00	32.00	50.00	60.00	60.00	50.00	12.00	37.50	50.00	40.00	42.15
"	83	50.00	..	58.75	60.00	60.00	50.00	12.00	37.50	50.00	50.00	42.83
					AVERAGE DOCTOR CALL FEE IN VARIOUS CITIES							
"	84	20.00	20.00	45.00	55.00	36.11	10.00	15.63	45.00	50.00	50.00	34.67
"	85	20.00	32.00	55.00	50.00	30.00	10.00	20.00	45.00	50.00	35.00	34.70
"	86	20.00	32.00	55.00	50.00	26.39	14.17	20.00	45.00	50.00	30.00	34.26
"	87	20.00	32.00	55.00	26.25	26.70	24.29	20.00	46.25	25.42	30.00	30.59
"	88	20.00	32.00	50.00	26.25	26.54	24.29	20.00	67.00	25.42	30.00	32.15
"	89	48.33	32.00	50.00	26.88	25.91	24.29	20.00	67.00	25.42	30.00	34.98
"	90	51.67	32.50	50.00	26.88	26.54	30.00	22.50	57.00	25.83	35.00	35.79
"	91	42.00	32.50	50.00	27.50	27.09	24.64	22.50	60.00	26.67	40.00	35.29
"	92	31.67	32.50	66.67	27.50	26.49	24.64	22.50	52.50	29.17	75.00	38.86
"	93	32.54	43.75	80.00	27.50	28.85	27.14	27.50	52.50	29.17	75.00	42.40
"	94	32.50	40.00	65.00	27.50	31.00	24.64	30.00	82.50	29.17	70.00	43.23
"	95	37.50	40.00	65.71	27.50	32.24	30.00	30.00	90.00	30.00	75.00	45.79
"	95	30.00	40.00	53.00	32.50	31.88	27.86	30.00	80.00	30.00	55.00	41.02
"	97	35.00	40.00	46.25	32.50	31.88	27.86	30.00	80.00	30.83	60.00	41.43
"	98	35.00	40.00	33.75	33.44	31.60	33.21	30.00	107.50	30.00	30.00	40.45
"	99	35.00	40.00	33.75	33.44	32.17	33.93	30.00	107.50	31.25	30.00	40.75
"	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	113.82
"	2012	90.00	75.00	80.00	200.00	100.00	70.36	191.61	200.00	110.00	100.00	139.18

" Not available

Source: Pakistan Bureau of Statistics

POPULATION, LABOUR FORCE AND EMPLOYMENT

TABLE 12.1

POPULATION

Mid Year	Population (mln)	Labour Force Participation Rate(%)	Civilian Labour Force (mln)	Employed Total (mln)	Crude Birth Rate (per 1000 persons)	Crude Death Rate (per 1000 persons)	Infant Mortality Rate (per 1000 persons)
1981 *	85.09	30.30	25.78	24.70	..	..	..
1991	112.61	27.97	31.50	29.52	39.50	9.80	102.40
1992	115.54	28.11	32.48	30.58	39.30	10.10	100.90
1993	118.50	27.86	33.01	31.45	38.90	10.10	101.80
1994	121.48	27.88	33.87	32.23	37.60	9.90	100.40
1995	124.49	27.46	34.18	32.35	36.60	9.20	94.60
1996	127.51	28.69	35.01	33.13	35.20	8.80	85.50
1997	130.56	29.38	37.45	35.16	33.80	8.90	84.40
1998 *	133.48	29.38	39.17	36.86	..	..	..
1999	136.40	28.97	40.08	37.70	30.50	8.60	82.90
2000	139.55	28.97	40.38	37.22	..	..	..
2001	142.76	28.48	41.23	38.00	..	..	..
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
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
2008	166.41	32.17	52.23	49.52	25.00	7.70	70.20
2009	169.94	32.81	55.76	52.71	28.40	7.60	73.50
2010	173.51	32.98	57.22	54.05	28.00	7.40	72.00
2011	177.10	32.98	58.14	55.17	27.50	7.30	70.50
2012	180.71	32.83	59.33	55.80	27.20	7.20	69.00
2013	184.35	32.83	60.52	56.92	26.80	7.00	67.50

..: not available

***: Census Years.**

Note : Population figures in different tables may not tally due to different sources of data / agencies. However, population and growth rates in this table have been estimated on the basis of average annual growth rate during 1981 and 1998

Sources:
(1) Pakistan Bureau of Statistics, Planning Commission of Pakistan and Demographic Survey 1991 and 1996-97; Pakistan Bureau of Statistics
(2) Labour Force Participation Rate : Labour Force Surveys, Pakistan Bureau of Statistics (PBS)
(3) Infant Mortality Rate / Life expectancy at birth : Pakistan Demographic Surveys, Pakistan Bureau of Statistics and Planning Commission of Pakistan
(4) Crude Birth Rate/Crude Death Rate:
(i) Population Census of Pakistan 1981* and 1998*
(ii) Pakistan Demographic Survey 1996-97
(5) Sub Group II on Population for the 10th Five Year Peoples Plan 2010-15
(6) National Institute of Population Studies (NIPS)

TABLE 12.2

POPULATION BY SEX AND RURAL / URBAN AREAS

(In million)

Mid Year	All Areas	Rural areas	Urban areas	Male	Female
1981 *	85.09	61.01	24.08	44.67	40.42
1991	112.61	77.95	34.66	58.82	53.79
1992	115.39	79.60	35.79	60.31	55.23
1993	118.50	81.45	37.05	61.83	56.67
1994	121.48	93.19	28.29	63.35	58.13
1995	124.49	94.95	29.54	64.88	59.61
1996	127.51	86.69	40.82	66.42	61.09
1997	130.56	88.44	42.12	67.98	62.58
1998 *	133.33	89.14	44.19	69.17	64.16
1999	136.40	91.38	45.02	70.75	65.65
2000	139.55	93.25	46.30	72.37	67.18
2001	142.76	95.16	47.60	74.02	68.74
2002	146.02	97.08	48.93	75.69	70.33
2003	149.32	99.03	50.29	77.38	71.93
2004	152.66	100.58	52.08	79.10	73.57
2005	156.04	102.12	53.92	80.83	75.21
2006	159.46	103.66	55.80	82.57	76.88
2007	162.92	105.20	57.72	84.34	78.57
2008	166.41	106.73	59.68	86.13	80.28
2009	169.95	108.08	61.87	87.94	82.01
2010	173.51	109.41	64.09	89.76	83.75
2011	177.10	110.73	66.37	91.59	85.51
2012	180.71	112.02	68.69	93.43	87.28
2013	184.35	113.28	71.07	95.29	89.06

*: Census Year

Note: Population Censuses were conducted in February 1951, January 1961, September 1972, March 1981 and 1998.

Sources: Pakistan Bureau of Statistics,
Planning Commission of Pakistan
Labour Force Survey, PBS

TABLE 12.3

POPULATION BY SEX, URBAN/RURAL AREAS, 1972,1981 AND 1998 CENSUS

(In 000 Nos.)

Region/ Province	Population* Total Both	Male	Female	Urban Both	Male	Female	Rural Both	Male	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	28,428	15,232	13,192	183
Sind	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
Sind	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
Sind	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	3,507	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

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

Notes:

i) Totals may not tally due to rounding of figures

ii) 1998 - Census Report of Pakistan does not contain the 1972 Census figures.

TABLE 12.4

POPULATION BY AGE, SEX URBAN/RURAL AREAS 1981 AND 1998 CENSUS

(In 000 Nos.)

Age	Total			Rural			Urban		
(in years)	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	5,974	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 of FATA not included

Source: Pakistan Bureau of Statistics

TABLE 12.5

ENUMERATED POPULATION OF PAKISTAN BY PROVINCE, LAND AREA AND PERCENTAGE DISTRIBUTION 1951-1998

Region / Provinces	Area Sq km	Population (In thousand Nos.) 1951	1961	1972	1981	1998
PAKISTAN	796,096	33,740	42,880	65,309	84,254	132,352
	(100)	(100)	(100)	(100)	(100)	(100)
Provinces						
Khyber Pakhtunkhwa	74,521	4,556	5,731	8,388	11,061	17,744
	(9.4)	(13.5)	(13.4)	(12.8)	(13.1)	(13.4)
FATA	27,220	1,332	1,847	2,491	2,199	3,176
	(3.4)	(3.9)	(4.3)	(3.8)	(2.6)	(2.4)
Punjab	205,345	20,541	25,464	37,607	47,292	73,621
	(25.8)	(60.9)	(59.4)	(57.6)	(56.1)	(55.6)
Sindh	140,914	6,048	8,367	14,156	19,029	30,440
	(17.7)	(17.9)	(19.5)	(21.7)	(22.6)	(23.0)
Balochistan	347,190	1,167	1,353	2,429	4,332	6,566
	(43.6)	(3.5)	(3.2)	(3.7)	(5.1)	(5.0)
Islamabad	906	96	118	238	340	805
	(0.1)	(0.3)	(0.3)	(0.4)	(0.4)	(0.6)

Note: Percentage distribution is given in parentheses

Source: Pakistan Bureau of Statistics.

TABLE 12.6

LITERACY RATIOS OF POPULATION BY SEX, REGION AND URBAN/RURAL AREAS, 1998 AND 1981 CENSUS

Administrative Unit / 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	41.5	43.9	26.2	61.0	63.1	47.1	30.8	33.6	17.3
Male	53.4	54.8	35.1	69.1	70.0	55.3	44.4	46.4	26.2
Female	28.5	32.0	16.0	51.6	55.2	37.3	16.7	20.1	7.3
ISLAMABAD									
Both	70.2	72.4	47.8	75.6	77.3	57.6	58.8	62.5	32.5
Male	79.8	80.6	59.1	82.6	83.2	65.8	73.6	75.1	48.1
Female	58.3	62.4	33.5	66.6	69.7	46.8	42.7	48.8	14.7
PUNJAB									
Both	43.8	46.6	27.4	62.4	64.5	46.7	34.9	38.0	20.0
Male	55.6	57.2	36.8	70.2	70.9	55.2	48.3	50.4	29.6
Female	31.2	35.1	16.8	53.5	57.2	36.7	20.9	24.8	9.4
SINDH									
Both	43.6	45.3	31.4	61.9	63.7	50.8	24.0	25.7	15.6
Male	53.8	54.5	39.7	68.9	69.8	57.8	36.9	37.9	24.5
Female	32.0	34.8	21.6	53.6	56.7	42.2	10.1	12.2	5.2
KHYBER PAKHTUNKHWA									
Both	32.1	35.4	16.7	51.4	54.3	35.8	27.7	31.3	13.2
Male	48.7	51.4	25.9	65.9	67.5	47.0	44.6	47.7	21.7
Female	15.1	18.8	6.5	34.5	39.1	21.9	11.2	14.7	3.8
BALOCHISTAN									
Both	23.1	24.8	10.3	43.9	46.9	32.2	16.1	17.5	6.2
Male	33.3	34.0	15.2	56.4	58.1	42.4	25.0	25.8	9.8
Female	11.8	14.1	4.3	28.6	33.1	18.5	6.4	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: Census last conducted in 1998

TABLE 12.7

PROVINCE-WISE POPULATION, LAND AREA AND PERCENT DISTRIBUTION

1951, 1981, 1998, 2005, 2006, 2007, 2010 and 2011

(Population in 000 Nos.)

	Region / Province	Area Sq. Kms	Population									
			1951	1981	1998	2005	2006	2007	2010	2011	2012	2013
A	PAKISTAN	796,096	33,740	84,254	132,352	156,043	159,455	162,912	173,509	177,095	180,711	184,349
		(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
i)	PUNJAB	205,345	20,541	47,292	73,621	85,904	87,633	89,388	94,745	96,545	98,355	100,174
		(25.79)	(60.88)	(56.13)	(55.63)	(55.05)	(54.96)	(54.87)	(54.61)	(54.52)	(54.43)	(54.34)
ii)	SINDH	140,914	6,048	19,029	30,440	36,654	37,559	38,468	41,248	42,188	43,132	44,080
		(17.70)	(17.93)	(22.59)	(23.00)	(23.49)	(23.55)	(23.61)	(23.77)	(23.82)	(23.87)	(23.91)
iii)	KHYBER PAKHTUNKHWA	74,521	4,556	11,061	17,744	20,893	21,356	21,825	23,273	23,770	24,277	24,788
		(9.36)	(13.50)	(13.13)	(13.41)	(13.39)	(13.39)	(13.40)	(13.41)	(13.42)	(13.43)	(13.45)
iv)	BALOCHISTAN	347,190	1,167	4,332	6,566	7,852	8,044	8,241	8,853	9,064	9,278	9,495
		(43.61)	(3.46)	(5.14)	(4.96)	(5.03)	(5.04)	(5.06)	(5.10)	(5.12)	(5.13)	(5.15)
v)	FATA	27,220	1,332	2,199	3,176	3,649	3,735	3,824	4,107	4,206	4,307	4,410
		(3.42)	(3.95)	(2.61)	(2.40)	(2.34)	(2.34)	(2.35)	(2.37)	(2.37)	(2.38)	(2.39)
vi)	ISLAMABAD	906	96	340	805	1,090	1,128	1,166	1,283	1,322	1,362	1,401
		(0.11)	(0.28)	(0.40)	(0.61)	(0.70)	(0.71)	(0.72)	(0.74)	(0.75)	(0.75)	(0.76)

Note: Figures in parenthesis shows percentage share

Sources: Pakistan Bureau of Statistics
Planning Commission of Pakistan

TABLE 12.8

PERCENTAGE DISTRIBUTION OF POPULATION OF 10 YEARS AND ABOVE AND CIVILIAN LABOUR FORCE BY SEX AND NATURE OF ACTIVITY (2010-11)

(Percent Share)

	Population			Civilian Labour Force									Not in Civilian Labour Force		
				Total Civilian Labour Force			Employed			Unemployed					
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
PAKISTAN	100	51.06	48.94	45.69	35.08	10.60	42.97	33.30	9.66	2.72	1.78	0.94	54.31	15.98	38.33
Rural	100	50.67	49.33	49.05	35.45	13.60	46.76	34.03	12.73	2.29	1.42	0.88	50.95	15.21	35.73
Urban	100	51.79	48.21	39.54	34.41	5.13	36.05	31.97	4.07	3.50	2.44	1.06	60.46	17.39	43.07
PUNJAB	100	50.16	49.84	48.26	34.98	13.29	45.32	33.14	12.18	2.94	1.84	1.11	51.74	15.19	36.55
Rural	100	49.75	50.25	51.81	35.13	16.68	49.18	33.53	15.65	2.64	1.61	1.03	48.19	14.61	33.57
Urban	100	50.98	49.02	41.24	34.66	6.58	37.69	32.38	5.31	3.55	2.28	1.27	58.76	16.32	42.44
SINDH	100	53.54	46.46	45.03	37.66	7.37	42.74	35.87	6.87	2.29	1.78	0.50	45.97	15.89	39.08
Rural	100	54.12	45.88	52.26	40.71	11.55	51.26	39.97	11.29	1.00	0.74	0.27	47.74	13.42	34.32
Urban	100	52.99	47.01	38.10	34.73	3.37	34.58	31.94	2.64	3.52	2.79	0.73	61.90	18.26	43.64
KHYBER PAKHTUNKHWA	100	48.95	51.05	38.14	30.65	7.49	35.07	28.82	6.25	3.07	1.83	1.24	61.86	18.30	43.56
Rural	100	48.57	51.43	38.61	30.43	8.18	35.68	28.70	6.98	2.93	1.73	1.20	61.39	18.14	43.25
Urban	100	50.71	49.29	36.00	31.66	4.34	32.26	29.36	2.90	3.74	2.30	1.43	64.00	19.04	44.96
Balochistan	100	55.19	44.81	39.83	35.71	4.12	38.64	34.85	3.79	1.19	0.86	0.33	60.17	19.48	40.69
Rural	100	55.45	44.55	41.51	36.80	4.71	40.51	36.08	4.43	1.00	0.72	0.29	58.49	18.65	39.84
Urban	100	54.41	45.59	34.78	32.44	2.34	33.02	31.15	1.86	1.76	1.29	0.48	65.22	21.97	43.25

Sources: Pakistan Bureau of Statistics
Labour Force Survey 2010-11

TABLE 12.9

LABOUR FORCE AND EMPLOYMENT

(Million Nos.)

Mid Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
Population	156.04	159.46	162.92	166.41	169.95	173.51	177.10	180.71	184.35
Rural	102.12	103.66	105.20	106.73	108.08	109.41	110.73	112.02	113.28
Urban	53.92	55.80	57.72	59.68	61.87	64.09	66.37	68.69	71.07
Working Age Population	115.52	109.76	114.07	117.83	121.42	124.06	126.60	129.84	132.47
Rural	75.41	70.79	73.96	76.28	78.28	80.08	81.77	83.87	85.54
Urban	40.11	38.97	40.11	41.55	43.14	43.98	44.83	45.97	46.94
Labour Force	46.82	50.50	51.55	53.22	55.91	56.92	57.84	59.33	60.52
Rural	31.79	34.63	35.59	37.19	38.82	39.56	40.12	41.15	41.98
Urban	15.03	15.87	15.96	16.03	17.09	17.36	17.72	18.18	18.55
Employed Labour Force	43.22	47.37	48.80	50.45	52.86	53.76	54.40	55.80	56.92
Rural	29.65	32.78	33.91	35.44	36.99	37.66	38.24	39.22	40.01
Urban	13.57	14.59	14.89	15.01	15.87	16.10	16.16	16.58	16.91
Unemployed Labour Force	3.60	3.13	2.75	2.77	3.05	3.16	3.44	3.53	3.60
Rural	2.14	1.85	1.68	1.75	1.83	1.90	1.88	1.93	1.96
Urban	1.46	1.28	1.07	1.02	1.22	1.26	1.56	1.60	1.64
Unemployment Rate (%)	7.69	6.20	5.32	5.20	5.46	5.55	5.95	5.95	5.95
Rural	6.74	5.35	4.72	4.71	4.73	4.82	4.68	4.68	4.68
Urban	9.70	8.04	6.66	6.34	7.11	7.21	8.84	8.84	8.84
Labour Force Participation Rates (%)	30.41	32.22	31.82	32.17	32.81	32.98	32.83	32.83	32.83
Rural	31.02	33.23	32.88	33.84	34.29	34.50	34.26	34.26	34.26
Urban	29.20	30.20	29.66	28.87	29.87	29.99	29.99	29.99	29.99

Source: Planning Commission of Pakistan
Labour Force Survey by Pakistan Bureau of Statistics
Laour Force Survey was not conducted for the years 2000-01, 2002-03, 2004-05 and 2011-12

Note: Labour Force Survey 2012-13 is in progress. The data for year 2013 is estimated

TABLE 12.10

POPULATION AND LABOUR FORCE

(Million Nos.)

Mid Year (End June)	Population	Crude Activity Rate(%)	Labour Force	Unemployment	Employed Labour Force	Agriculture	Mining & Manufacturing	Construction	Electricity & Gas Distribution	Transport	Trade	Others
2000	139.76	28.97	40.49	3.17	37.32	18.07	4.31	2.16	0.26	1.88	5.04	5.60
2001	142.86	28.97	41.38	3.24	38.14	18.47	4.40	2.21	0.26	1.92	5.15	5.73
2002	145.96	28.97	43.21	3.57	39.64	16.68	5.51	2.40	0.32	2.34	5.89	6.50
2003	149.03	28.97	44.12	3.65	40.47	17.03	5.63	2.45	0.33	2.39	6.01	6.63
2004	151.09	30.41	45.95	3.53	42.42	18.26	5.85	2.47	0.28	2.43	6.28	6.85
2005	153.96	30.41	46.82	3.60	43.22	18.60	5.96	2.52	0.29	2.48	6.39	6.98
2006	156.77	32.22	50.50	3.13	47.37	20.54	6.60	2.91	0.31	2.72	6.95	7.34
2007	161.98	31.82	51.55	2.75	48.80	21.29	6.66	3.21	0.37	2.63	7.03	7.61
2008	165.45	32.17	53.22	2.77	50.45	22.52	6.61	3.18	0.36	2.75	7.38	7.65
2009	168.99	32.81	55.91	3.05	52.86	23.63	6.89	3.46	0.36	2.74	8.63	7.15
2010	172.57	32.98	56.92	3.16	53.76	24.18	7.17	3.62	0.43	2.82	8.75	6.79
2011	176.20	32.83	57.84	3.44	54.40	24.51	7.51	3.78	0.26	2.78	8.78	6.78

Source: Pakistan Bureau of Statistics
Planning Commission of Pakistan
For the years 2000-01, 2002-03 and
2004-05 LFS was not conducted

TABLE 12.11

DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRIES

(Percentage)

Years	Agricul-ture	Mining & Manufacturing	Construction	Electricity & Gas Distribution	Transport	Trade	Others
2000	48.42	11.55	5.78	0.70	5.03	13.50	15.02
2001	48.42	11.55	5.78	0.70	5.03	13.50	15.02
2002	42.09	13.91	6.05	0.81	5.90	14.85	16.39
2003	42.09	13.91	6.05	0.81	5.90	14.85	16.39
2004	43.05	13.80	5.83	0.67	5.73	14.80	16.12
2005	43.05	13.80	5.83	0.67	5.73	14.80	16.12
2006	43.37	13.93	6.13	0.66	5.74	14.67	15.49
2007	43.61	13.65	6.56	0.75	5.39	14.42	15.60
2008	44.65	13.11	6.29	0.70	5.46	14.62	15.17
2009	45.08	13.14	6.62	0.69	5.23	16.47	12.77
2010	44.96	13.34	6.74	0.80	5.24	16.28	12.64
2011	45.05	13.80	6.95	0.48	5.11	16.15	12.46

Source: Pakistan Bureau of Statistics
Labour Force Surveys

TABLE 12.12
PERCENTAGE DISTRIBUTION OF EMPLOYED PERSONS OF 10 YEARS AGE AND ABOVE BY MAJOR INDUSTRY 2010-11

(Percentage)

Major Industry Division	PAKISTAN			PUNJAB			SINDH			KHYBER PAKHTUNKHWA			BALOCHISTAN		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
Total	100.00	70.30	29.70	100.00	72.05	27.95	100.00	58.71	41.29	100.00	83.52	16.48	100.00	78.71	21.29
1 Agriculture, Hunting and Forestry	47.87	43.02	1.86	45.34	43.20	2.14	45.30	43.88	1.42	37.92	36.95	0.96	54.68	51.89	2.79
2 Fishing	0.18	0.15	0.03	0.05	0.05	..	0.43	0.37	0.07	0.03	0.02	0.01	1.02	0.73	0.30
3 Mining and Quarrying	0.15	0.12	0.03	0.05	0.03	0.03	0.18	0.12	0.05	0.48	0.47	0.02	0.50	0.38	0.12
4 Manufacturing	13.65	6.19	7.47	15.44	7.99	7.45	12.47	1.99	10.47	10.24	7.32	2.92	3.88	1.97	1.91
5 Electricity, Gas and Water	0.48	0.20	0.28	0.40	0.20	0.20	0.64	0.12	0.51	0.49	0.31	0.18	0.62	0.32	0.29
6 Construction	6.95	4.98	1.97	6.72	4.88	1.84	4.93	2.43	2.50	12.96	11.44	1.52	6.05	4.15	1.89
7 Wholesale, Retail Trade,	14.84	6.40	8.44	14.84	6.91	7.93	15.08	3.31	11.77	14.41	10.01	4.39	14.55	7.87	6.68
8 Restaurant and Hotels	1.31	0.60	0.71	1.18	0.52	0.66	1.74	0.69	1.05	0.95	0.64	0.32	1.71	1.31	0.40
9 Transport, Storage and Communication	5.11	2.81	2.30	4.71	2.75	1.96	5.15	1.58	3.57	7.34	5.66	1.68	4.65	3.31	1.35
10 Financial Intermediation	0.47	0.10	0.38	0.31	0.12	0.19	1.05	0.06	0.99	0.21	0.04	0.17	0.13	0.05	0.08
11 Real estate, renting and business activities	0.95	0.26	0.70	0.93	0.32	0.62	1.12	0.08	1.04	0.86	0.40	0.46	0.49	0.08	0.40
12 Public Administration and defence; compulsory social security	2.88	1.34	1.53	2.04	0.98	1.06	4.07	1.41	2.66	3.51	2.35	1.17	6.21	3.56	2.64
13 Education	3.81	1.99	1.81	3.22	1.49	1.73	4.04	1.80	2.25	6.40	4.97	1.44	3.90	2.40	1.50
14 Health and social	1.37	0.67	0.70	1.32	0.70	0.61	1.42	0.39	1.03	1.70	1.21	0.50	0.90	0.47	0.43
15 Other Community, Social and Personal Service activities	2.94	1.45	1.48	3.42	1.90	1.52	2.35	0.46	1.89	2.46	1.72	0.74	0.71	0.23	0.48
16 Activities of private households as employers and undifferentiated production.	0.02	0.01	0.01	0.03	0.01	0.01	0.02	0.01	0.01	0.02	0.01	0.01	0.01	0.01	..
17 Extraterritorial organization and bodies	0.01	..	0.01	0.01	..	0.01	0.01	..	0.01	0.02	0.01	0.02	0.01	..	0.01

..: Not available

Source: Pakistan Bureau of Statistics
Labour Force Survey 2010-11

TABLE 12.13

AGE SPECIFIC LABOUR FORCE PARTICIPATION RATE

(Percentage)

Age Group	1998-99	1999-00	2000-01	2001-02	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
10 years & over												
Both Sexes	43.34	42.80	43.34	43.34	43.74	43.74	46.01	45.18	45.17	45.66	45.89	45.69
Male	70.48	70.39	70.32	70.32	70.61	70.61	71.97	70.14	69.54	69.31	68.83	68.70
Female	13.92	13.72	14.44	14.44	15.93	15.93	18.93	19.10	19.59	20.66	21.51	21.67
10-14												
Male	17.95	18.32	17.18	17.18	18.45	18.45	20.68	16.92	17.09	16.20	15.42	14.27
Female	7.40	2.79	6.28	6.28	6.69	6.69	9.21	9.18	9.69	9.48	9.24	8.83
15-19												
Male	52.43	58.26	57.56	57.56	59.00	59.00	60.87	56.29	53.94	52.74	52.68	51.59
Female	13.51	7.19	13.78	13.78	14.51	14.51	16.91	16.60	17.61	18.90	19.17	19.58
20-24												
Male	84.86	85.24	87.03	87.03	85.70	85.70	87.63	86.76	85.12	85.39	84.54	84.27
Female	15.16	14.14	15.94	15.94	18.03	18.03	20.67	20.66	20.98	22.76	23.88	24.20
25-34												
Male	96.96	96.41	96.57	96.57	96.27	96.27	97.03	97.16	96.90	97.19	96.89	97.42
Female	14.80	18.80	16.07	16.07	18.31	18.31	21.62	21.66	21.87	23.63	25.48	25.44
35-44												
Male	97.80	97.51	97.49	97.49	97.36	97.36	97.57	98.01	97.87	98.37	97.53	98.34
Female	17.29	21.70	19.90	19.90	21.64	21.64	25.07	25.93	26.75	27.67	27.88	29.46
45-54												
Male	96.23	95.90	95.55	95.55	95.63	95.63	96.37	96.62	96.65	96.69	96.96	97.29
Female	17.15	21.27	19.39	19.39	20.95	20.95	24.78	25.01	24.42	25.86	29.41	28.35
55-59												
Male	90.63	90.61	88.19	88.19	89.68	89.68	90.62	92.20	92.54	93.71	93.26	92.24
Female	15.84	17.76	14.50	14.50	18.57	18.57	22.84	22.45	25.53	26.37	27.98	26.27
60+												
Male	63.65	60.68	56.63	56.63	58.37	58.37	59.38	58.52	59.46	56.38	55.49	54.95
Female	13.60	13.04	11.36	11.36	12.90	12.90	14.69	15.70	15.50	15.22	13.54	14.62

..: Not available

Source: Pakistan Bureau of Statistics
Labour Force Survey

TABLE 12.14

DAILY WAGES OF CONSTRUCTION WORKERS IN DIFFERENT CITIES*

(In Pak Rupees)

Category of workers and cities	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Carpenter													
Islamabad	218.75	225.00	225.00	250.00	325.00	400.00	450.00	525.00	600.00	625.00	650.00	700.00	775.00
Karachi	292.30	298.07	298.08	331.00	331.00	369.23	402.00	450.00	575.00	600.00	600.00	665.38	700.00
Lahore	262.50	262.50	262.50	262.50	284.00	325.00	361.00	388.00	527.00	527.00	582.00	632.14	682.14
Peshawar	200.00	225.00	225.00	225.00	250.00	275.00	308.00	375.00	488.00	500.00	500.00	533.33	608.33
Quetta	250.00	250.00	250.00	250.00	275.00	275.00	400.00	500.00	600.00	600.00	650.00	750.00	750.00
Mason (Raj)													
Islamabad	218.75	225.00	225.00	250.00	325.00	400.00	450.00	525.00	600.00	625.00	650.00	700.00	775.00
Karachi	292.30	298.07	298.08	301.92	331.00	350.23	402.00	450.00	625.00	650.00	650.00	700.00	800.00
Lahore	262.50	262.50	262.50	262.50	318.00	380.00	418.75	491.00	557.00	557.00	589.00	637.50	689.29
Peshawar	200.00	225.00	225.00	225.00	275.00	325.00	325.00	450.00	500.00	508.00	575.00	591.67	733.33
Quetta	250.00	250.00	250.00	250.00	275.00	275.00	400.00	450.00	600.00	600.00	750.00	900.00	900.00
Labour (Unskilled)													
Islamabad	120.00	120.00	120.00	130.00	160.00	200.00	250.00	275.00	300.00	325.00	350.00	400.00	450.00
Karachi	174.04	182.11	182.11	183.27	210.00	230.00	275.00	300.00	350.00	375.00	375.00	450.00	500.00
Lahore	145.00	145.00	145.00	145.00	167.00	200.00	237.50	250.00	300.00	300.00	375.00	400.00	475.00
Peshawar	80.00	90.00	90.00	90.00	133.00	150.00	175.00	200.00	233.00	275.00	300.00	333.33	400.00
Quetta	100.00	100.00	115.00	111.67	150.00	185.00	250.00	300.00	300.00	300.00	350.00	425.00	425.00

*: Data pertains to month of November each year

Source: Pakistan Bureau of Statistics

ENERGY

TABLE 14.1

COMMERCIAL ENERGY CONSUMPTION

Year	1. Oil/Petroleum (tonnes)						
	Households	Industy	Agricul-ture(a)	Transport	Power	Other Govt.	Total
1990-91	944,256	1,147,698	265,229	4,841,362	2,434,136	328,592	9,961,273
1991-92	613,706	1,369,525	281,539	5,619,552	2,775,418	323,228	10,982,968
1992-93	622,075	1,479,935	287,181	6,107,416	3,158,124	357,115	12,011,846
1993-94	589,851	1,653,516	307,795	6,414,582	3,902,308	357,529	13,225,581
1994-95	585,173	1,889,443	268,631	6,646,175	4,215,635	355,110	13,960,167
1995-96	596,031	2,416,278	250,031	7,135,631	4,785,856	417,254	15,601,081
1996-97	509,738	2,141,065	268,866	7,172,269	5,110,233	403,795	15,605,966
1997-98	498,949	2,081,172	244,977	7,364,767	6,053,784	380,756	16,624,405
1998-99	492,768	2,139,889	249,229	7,864,063	5,525,669	376,133	16,647,751
1999-00	477,305	2,115,860	293,034	8,307,977	6,227,595	346,050	17,767,821
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
Jul-Mar							
2011-12	61,884	1,141,397	21,215	6,832,937	5,608,785	213,127	13,879,345
2012-13*	58,846	931,078	17,826	6,189,819	5,096,804	191,452	12,485,825

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 month of March 2013 is missing

Source : Oil Companies Advisory Committee.

TABLE 14.1 (Continued)

COMMERCIAL ENERGY CONSUMPTION

Year	2. Gas (mm cft)(b)							
	Households	Commercial	Cement	Fertilizer	Power	Industry	Transport (CNG)	Total
1990-91	66,797	12,317	13,020	107,954	176,409	88,841	..	465,338
1991-92	70,741	13,057	11,761	101,493	193,893	95,661	25	486,631
1992-93	75,783	14,326	11,914	119,628	186,853	102,991	31	511,526
1993-94	82,461	15,239	10,187	144,514	197,694	100,631	43	550,769
1994-95	97,045	16,064	6,730	141,697	181,107	104,098	47	546,788
1995-96	110,103	16,960	7,569	150,374	186,507	111,202	153	582,868
1996-97	115,488	18,403	8,718	150,483	193,984	110,365	358	597,799
1997-98	134,500	18,764	12,092	147,752	179,042	115,250	490	607,890
1998-99	131,656	21,466	7,988	167,474	183,694	121,431	2182	635,891
1999-00	139,973	21,712	8,558	177,152	227,364	134,916	2426	712,101
2000-01	140,899	20,618	6,977	175,393	281,255	138,503	4423	768,068
2001-02	144,186	22,130	7,063	177,589	314,851	151,416	7369	824,604
2002-03	153,508	22,776	3,445	180,611	335,636	164,968	11320	872,264
2003-04	155,174	24,192	7,711	185,350	469,738	193,395	15858	1,051,418
2004-05	172,103	27,191	13,383	190,409	507,398	226,116	24443	1,161,043
2005-06	171,109	29,269	15,335	198,175	491,766	278,846	38885	1,223,385
2006-07	185,533	31,375	14,686	193,682	433,672	306,600	56446	1,221,994
2007-08	204,035	33,905	12,736	200,063	429,892	322,563	72018	1,275,212
2008-09	214,113	35,536	7,305	201,100	404,140	319,003	88236	1,269,433
2009-10	219,382	36,955	1,944	220,124	366,906	333,508	99002	1,277,821
2010-11	232,244	36,466	1,378	228,460	337,401	291,667	113055	1,240,671
2011-12	261,915	39,627	1,266	211,828	358,381	296,181	119000	1,288,198
Jul-Mar								
2011-12 P	205,425	29,425	1,375	158,950	263,450	208,450	90200	957,275
2012-13 P	213,400	29,975	550	139,700	253,825	208,450	75625	921,525

..: Not available

P: Provisional

(Contd.)

TABLE 14.1 (Concluded)

COMMERCIAL ENERGY CONSUMPTION

Year	3. Electricity (Gwh)								4. Coal (000 metric tonne)				
	Traction	Household	Commercial	Industrial	Agricultural	Street Light	Other Govt.	Total	Household	Power	Brick Kilns	Cement	Total
1990-91	33	10,409	2,072	11,229	5,620	..	2,171	31,534	3.8	24.6	3,025.5	..	3,053.9
1991-92	29	11,458	2,143	12,289	5,847	..	2,112	33,878	6.8	39.5	3,052.4	..	3,098.7
1992-93	27	13,170	2,333	13,043	5,635	297	1,987	36,492	3.2	46.7	3,216.6	..	3,266.6
1993-94	27	14,080	1,786	12,637	5,772	298	2,781	37,381	3.3	43.6	3,487.0	..	3,533.9
1994-95	22	15,579	1,941	12,528	6,251	324	2,976	39,621	3.2	40.7	2,998.9	..	3,042.8
1995-96	20	17,125	2,190	12,183	6,696	378	3,332	41,924	3.1	398.9	3,235.8	..	3,637.8
1996-97	18	17,757	2,241	11,982	7,086	390	3,440	42,914	9.7	351.9	3,191.3	..	3,552.9
1997-98	16	18,750	2,334	12,297	6,937	387	3,851	44,572	2.3	346.5	2,809.9	..	3,158.7
1998-99	15	19,394	2,409	12,061	5,620	224	3,573	43,296	1.3	415.3	3,044.8	..	3,461.4
1999-00	15	21,455	2,544	13,202	4,540	239	3,591	45,586	1.0	348.1	2,818.8	..	3,167.9
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	4,044.7
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	4,408.6
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
Jul-Mar													
2011-12	1	24,884	3,958	14,929	5,691	346	7,121	56,930	..	56.0	2,274.0	2,400.0	4,730.0 e
2012-13	0	27,127	4,500	16,573	5,891	360	3,303	57,754	..	60.0	2,105.7	2,300.0	4,465.7 e

..: Not available

e: Consumption of coal is estimated

Source: Ministry of Petroleum Natural Resources, Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.2

COMMERCIAL ENERGY SUPPLIES

Year	Oil		Gas	Petroleum Products		Coal		Electricity	
	Crude Oil Imports (000 barrels)	Local Crude Extraction (000 barrels)	(mcf)*	Imports (000 tonnes)	Production (000 tonnes)	Imports (000 tonnes)	Production (000 tonnes)	Installed Capacity (MW)	Generation (Gwh)
1990-91	28,178	23,487	518,483	4,310	6,036	971	3,054	8,356	41,042
1991-92	30,016	22,469	550,715	5,275	5,961	1,069	3,099	9,369	45,440
1992-93	29,407	21,895	583,545	6,612	5,694	994	3,266	10,586	48,750
1993-94	30,770	20,675	624,229	7,910	5,841	1,094	3,534	11,319	50,640
1994-95	28,386	19,858	628,211	8,737	5,434	1,096	3,043	12,100	53,545
1995-96	31,044	21,063	666,580	10,137	5,874	1,080	3,638	12,969	56,946
1996-97	28,588	21,270	697,763	10,398	5,495	840	3,553	14,818	59,125
1997-98	29,826	20,543	699,709	11,064	5,858	960	3,159	15,658	62,104
1998-99	32,855	19,986	744,942	10,926	5,925	910	3,461	15,662	65,402
1999-00	32,938	20,395	818,342	11,878	6,115	957	3,168	17,399	65,751
2000-01	52,505	21,084	857,433	10,029	8,337	950	3,095	17,498	68,117
2001-02	51,982	23,195	923,758	9,023	9,028	1,081	3,328	17,799	72,405
2002-03	52,512	23,458	992,589	8,437	9,084	1,578	3,312	17,798	75,682
2003-04	57,699	22,625	1,202,750	5,170	9,740	2,789	3,275	19,257	80,900
2004-05	61,161	24,119	1,344,953	5,676	10,474	3,307	4,587	19,384	85,738
2005-06	63,546	23,936	1,400,026	6,009	10,498	2,843	4,871	19,450	93,774
2006-07	60,694	24,615	1,413,581	8,330	10,314	4,251	3,643	19,420	98,384
2007-08	64,912	25,603	1,454,194	9,025	10,754	5,987	4,124	19,420	95,860
2008-09	62,115	24,033	1,460,679	9,974	9,828	4,652	3,738	19,786	91,843
2009-10	53,081	23,706	1,482,847	11,178	8,996	4,658	3,481	20,922	95,608
2010-11	51,306	24,041	1,471,591	12,371	8,911	4,267	3,450	22,477	94,653
2011-12	47,104	24,573	1,558,959	11,507	8,395	4,057	3,613	22,797	95,365
Jul-Mar									
2011-12	35,720	18,159	1,164,915	8,510	6,633	2700	2030 e	22578	66,130
2012-13	..	20,503	1,139,253	..	..	2695	1770 **	22851	62,729

*: Million cubic feet
MW: Mega Watt
GWh: Giga Watt hour
e: Coal and electricity data is estimated on the basis of six months.
**: Prodcution of coal for March 2013 is not included

p: provisional
..: Not available

Source: Ministry of Petroleum Natural Resources,
Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.3

COMMERCIAL ENERGY SUPPLIES

Year	Electricity						
	Hydroelectric (Hydel)		Thermal		Nuclear		Imported (Gwh)
	Installed Capacity (MW)	Generation (Gwh)	Installed Capacity (MW)	Generation (Gwh)	Installed Capacity (MW)	Generation (Gwh)	
1990-91	2,898	18,303	5,321	22,354	137	385	..
1991-92	3,330	18,647	5,902	26,375	137	418	..
1992-93	4,626	21,112	5,823	27,057	137	582	..
1993-94	4,726	19,436	6,456	30,707	137	497	..
1994-95	4,826	22,858	7,137	30,176	137	511	..
1995-96	4,826	23,206	8,006	33,257	137	483	..
1996-97	4,826	20,858	9,855	37,921	137	346	..
1997-98	4,826	22,060	10,696	39,669	137	375	..
1998-99	4,826	22,449	10,700	42,669	137	284	..
1999-00	4,826	19,288	12,436	46,064	137	399	..
2000-01	4,867	17,194	12,169	48,926	462	1,997	..
2001-02	5,051	18,941	12,286	51,174	462	2,291	..
2002-03	5,051	22,351	12,285	51,591	462	1,740	0.36
2003-04	6,496	26,944	12,299	52,122	462	1,760	73
2004-05	6,499	25,671	12,423	57,162	462	2,795	109
2005-06	6,499	30,862	12,489	60,283	462	2,484	146
2006-07	6,479	31,953	12,478	63,972	462	2,288	171
2007-08	6,480	28,707	12,478	63,877	462	3,077	199
2008-09	6,481	27,784	12,843	62,214	462	1,618	227
2009-10	6,481	28,093	13,978	64,371	462	2,894	249
2010-11	6,481	31,811	15,209	59,153	787	3,420	269
2011-12	6,556	28,517	15,454	61,308	787	5,265	274
Jul-Mar							
2011-12	6,557	22,044	15,234	39940	787	4,146	..
2012-13	6,650	20,536 *	15,414	38,892 **	787	3,301	..

MW: Mega Watt
GWh: Giga Watt hour
p: provisional
..: Not Available
*: Hydel Generation for February 2013 is not included
**: Thermal Generation is from July to November 2012
e: electricity import is estimated based on six months data

Source: Ministry of Petroleum and Natural Resources, Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.4

SCHEDULE OF ELECTRICITY TARIFFS (FOR DISCOs)

Tariff Category/Particulars	15th March, 2011	
	Fixed Charges (Rs/KW)	Variable Charges (Rs/KW)
A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL		
For sanctioned Load upto 5 KW		
i. Upto 50 Units	-	1.87
For Consumption Exceeding 50 Units		
ii. 1 - 100 Units	-	4.45
iii. 101 - 300 Units	-	6.73
iv. 301 - 700 Units		10.65
v. Above 700 Units	-	13.29
A-1(b) For Load > 5 KW & above TOU - Peak	-	12.25
A-1(b) For Load > 5 KW & above TOU - Off Peak	-	6.70
Minimum Monthly Charges for S/Phase Rs. 75 & 3/Phase Rs. 150/- per connection per month		
A-2 GENERAL SUPPLY TARIFF - COMMERCIAL		
A-2 (a) For Sanctioned Load upto 5 KW		13.00
A-2 (b) For Sanctioned Load 5 KW & above	360	8.14
A-2 (c) for load 5 KW & above TOU - Peak	360	11.49
A-2 (c) for load 5 KW & above TOU - Off Peak	360	6.50
Minimum Monthly Charges for : S/P Rs. 175 & 3/P Rs. 350/- per connection per month		
B - INDUSTRIAL SUPPLY TARIFFS		
B-1 upto 25 KW (400/230 Volts)		8.90
B-1 (b) upto 25 KW TOU Peak		12.25
B-1 (b) KW TOU Off Peak		6.70
B-2 (a) exceeding 25-500 KW (at 400 Volts)	360	7.59
B-2 (b) exceeding 25-500 KW (At 400 Volts) TOU Peak	360	11.08
B-2 (b) exceeding 25-500 KW (at 400 Volts) TOU Off Peak	360	6.50
B-3 All Loads upto 5000 KW 11/33 KV - Peak	349	10.99
B-3 All Loads up to 5000 KW 11/33 KV - Off Peak	349	6.25
B-4 All Loads (at 66,132 & above KV) TOU Peak	336	10.69
B-4 All Loads (at 66,132 & above KV) TOU Off Peak	336	5.97
Fixed Min. Charges/month for B-1 Rs. 350/, B-2 Rs. 2000/, B-3 Rs. 50,000/ & B-4 Rs. 500,000/-		
C - SINGLE POINT FOR PURCHASE IN BULK BY A DISTRIBUTION LICENSEE		
For supply at 400/230 Volts		
C-1 (a) for load less than 5 KW	-	9.90
C-1 (b) for sanctioned load 5 & upto 500 KW	360	8.75
C-1 (c) for sanctioned load 5 & upto 500 KW TOU Peak	360	11.31
C-1 (c) for sanctioned load 5 & upto 500 KW TOU Off Peak	360	6.50
C-2 (a) for supply at 11/33 KV, load upto & incl. 5000 KW	349	8.65
C-2 (b) for supply at 11/33 KV, load upto & incl. 5000 KW Peak	349	10.91
C-2 (b) for supply at 11/33 KV, load upto & incl. 5000 KW Off Peak	349	6.25
C-3 (a) for supply at 66 KV & above and S/load > 5000 KW	336	8.51
C-3 (b) at 66 KV & above and S/loads > 5000 KW Peak	336	10.51
C-3 (b) at 66 KV & above S/load above 5000 KW Off Peak	336	5.87
D - AGRICULTURE SUPPLY TARIFFS		
D-1 (a) - Scarp less than 5 KW		8.47
D-2 Agri Tube Wells	103	5.31
D-1 (b) TOU SCARP & Agri > 5 KW Peak	200	10.11
D-1 (b) TOU SCARP & Agri > 5 KW Off Peak	200	4.55
E - TEMPORARY SUPPLY TARIFFS		
E-1 (i) Residential Supply	-	11.20
E-1 (ii) Commercial Supply	-	11.77
E-2 Industrial Supply	-	8.39
Minimum Monthly Charges for E1 (i&ii) Rs. 50/day subject to a minimum of Rs. 500/-		
OTHER TARRIFS		
F - SEASONAL SUPPLY TARIFF	125% of the relavent industrial supply	
G - PUBLIC LIGHTING	-	12.00
Minimum Monthly Charges Rs. 500/- per KW per month of lamp capacity installed.		
H - RESIDENTIAL COLONIES	-	11.22
I - Railway Traction	-	9.96
K - SPECIAL CONTRACTS TARIFFS		
K-1 AJ&K	336	4.21
K-1 AJ&K TOU - Peak	336	11.59
K-1 AJ&K TOU - Off peak	336	6.41
K-2 Rawal Lab.	..	8.75

Source: WAPDA

Note : In addidtion to the above rates and existing billion components, a Surcharge @ 2% shall also be levied on the consumption of Electricity by every category of electricity consumer except consumption upto 300 units Residential A-1

- : Not available

TABLE 14.4

SCHEDULE OF ELECTRICITY TARIFFS

Tariff Category/Particulars	Fixed Charges Rs./kw/M	Variable Charges - Effective 16-05-2012									Tariff Notified	
		LESCO	GEPCO	FESCO	IESCO	MEPCO	HESCO	SEPCO	QESCO	PESCO	Fixed Charge Rs./ kW/M	Variable Charge Rs./kW/H
Residential A-1												
a) For Sanctioned load less than 5 kW												
Upto 50 Units per month	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	2.00
Consumption Exceeding 50 Units												
1-100 Units	-	9.27	9.50	9.60	8.70	10.00	10.00	11.13	10.00	11.15	-	5.79
101-300 Units	-	10.50	13.55	13.00	10.20	14.50	15.00	15.00	13.20	15.50	-	8.11
301-700 Units	-	13.50	15.50	15.50	14.00	16.40	17.00	17.00	14.30	17.50	-	12.33
Above 700 Units	-	15.50	16.50	16.50	16.50	18.00	19.00	19.00	16.50	19.50	-	15.07
b) For Sanctioned load 5kW & above												
Time of Use TOU) - Peak	-	15.00	15.00	15.00	15.50	17.00	19.00	19.00	16.00	19.50	-	13.99
Time of Use TOU) - Off- Peak	-	9.50	9.50	9.50	9.10	10.00	11.00	11.50	9.00	11.50	-	8.22
Commercial - A2												
(a) For Sanctioned load less than 5 kW	-	15.00	17.50	17.00	16.50	18.50	16.00	16.00	17.00	19.50	-	14.77
(b) For Sanctioned load exceeding 5 kW												
Regular	400.00	14.50	14.50	14.50	11.00	16.00	15.00	15.00	15.00	17.00	400.00	9.72
Time of Use (TOU) - Peak	400.00	15.00	15.00	15.00	15.00	17.00	19.00	19.00	16.50	19.50	400.00	13.20
Time of Use (TOU) - (Peak) Off-Peak	400.00	9.50	9.50	9.50	9.30	10.00	11.00	11.50	8.00	11.50	400.00	8.00
INDUSTRIAL												
B-1 (a) upto 25 KW (at 400/230 volts)	-	11.50	12.00	12.00	11.70	13.00	14.00	14.00	11.50	15.50	-	10.51
B-1 (b) upto 25 KW - TOU (Peak)	-	15.00	15.00	15.00	15.50	17.00	19.00	19.00	16.00	19.50	-	13.99
B-1 (b) upto 25 KW - TOU (Off-Peak)	-	9.50	9.50	9.50	9.10	10.00	11.00	11.50	9.00	11.50	-	8.22
B-2 (a) exceeding 25-500 KW (at 400 Volts)	400.00	10.00	10.50	11.00	10.30	11.50	13.00	13.00	10.50	14.50	400.00	9.14
B-2 (b) exceeding 25-500 KW - TOU (Peak)	400.00	15.00	15.00	15.00	14.30	16.00	19.00	19.00	16.60	19.50	400.00	12.77
B-2 (b) exceeding 25-500 KW - TOU (Off-Peak)	400.00	9.30	9.30	9.30	9.00	9.70	10.50	11.00	8.60	11.40	400.00	8.01
B-3 - For all Loads up to 5000 KW (at 11/33kv TOU (Peak)	380.00	14.70	14.70	14.70	14.10	15.70	19.00	19.00	16.50	19.50	380.00	12.68
B-3 - For all Loads up to 5000 KW (at 11/33kv TOU (Off-Peak)	380.00	9.20	9.20	9.20	8.90	9.60	10.25	10.50	8.40	11.30	380.00	7.75
B-4 For all loads (at 66.132 KV & above) - TOU (Peak)	360.00	14.50	14.50	14.50	13.90	15.50	19.00	19.00	16.40	19.50	360.00	12.37
B-4 For all loads (at 66.132 KV & above) - TOU (Off-Peak)	360.00	9.10	9.10	9.10	8.80	9.50	10.00	10.25	8.20	11.20	360.00	7.46
Single Point Supply for further distribution												
C1 (a) For Supply at 400/230 Volts - Sanctioned Load Less Than 5 KW		12.00	13.00	13.00	12.50	14.00	14.50	14.50	11.50	16.50	-	11.50
C1 (b) For Supply at 400/230 Volts - Sanctioned Load 5 KW & up to 500 KW	400.00	11.00	11.50	11.50	11.50	12.50	13.50	13.50	10.50	15.50	400.00	10.35
C1 (c) For Supply at 400/230 Volts - Sanctioned Load 5 KW & up to 500 KW TOU (Peak)	400.00	15.00	15.00	15.00	14.30	16.00	19.00	19.00	16.60	19.50	400.00	13.01
C1 (c) For Supply at 400/230 Volts - Sanctioned Load 5 KW & up to 500 KW TOU (Off-Peak)	400.00	9.30	9.30	9.30	9.00	9.70	10.50	11.00	8.60	11.40	400.00	8.01
C2 (a) For Supply at 11,33 kV load upto and including 5000 kW	380.00	11.00	11.40	11.40	11.30	12.40	13.25	13.25	10.40	15.25	380.00	10.25
C2 (b) For Supply at 11,33 kV upto and including 5000 kW-TOU (Peak)	380.00	14.70	14.70	14.70	14.10	15.70	19.00	19.00	16.50	19.50	380.00	12.60
C2 (b) For Supply at 11,33 kV upto and including 5000 kW-TOU (Off-Peak)	380.00	9.20	9.20	9.2	8.90	9.60	10.25	10.50	8.40	11.30	380.00	7.75
C3 (a) For Supply at 66 kV & above and sanctioned load above 5000 kW	360.00	11.00	11.30	11.30	11.10	12.30	13.00	13.00	10.30	15.00	360.00	10.10
C3 (b) For Supply at 66 kV & above and sanctioned load above 5000 kW-TOU (Peak)	360.00	14.50	14.50	14.50	13.90	15.50	19.00	19.00	16.40	19.50	360.00	12.18
C3 (b) For Supply at 66 kV & above and sanctioned load above 5000 kW-TOU (Off-Peak)	360.00	9.10	9.10	9.10	8.80	9.50	10.00	10.25	8.20	11.20	360.00	7.35
D - AGRICULTURAL TUBE-WELLS - TARIFF												
D-1(a) SCARP less than 5 kW	-	10.00	11.00	11.00	11.20	12.00	14.00	14.00	13.00	14.30	-	10.00
D-2 Agricultural Tube-Wells (Punjab & Sindh)	200.00	8.00	9.50	9.50	8.00	10.00	10.10	10.50	-	-	120.00	6.77
D-2 Agricultural Tube-Wells (KPK & Baluchistan)	200.00								11.50	13.30	120.00	6.77
D 1(b) SCRAP & Agriculture 5 KW & above -TOU (Peak)	200.00	14.50	14.50	14.50	13.00	15.50	19.00	19.00	16.50	19.50	200.00	13.00
D 1(b) SCRAP & Agriculture 5 KW & above -TOU (Off-Peak)	200.00	9.10	9.10	9.10	8.00	9.50	8.00	8.00	8.00	11.00	200.00	8.00
Public Lightening - Tarrif - G	-	14.50	15.00	15.00	15.00	15.50	16.50	16.50	14.00	16.40	-	13.73
Housing Colonies attached to Industrial premises -H	-	13.50	14.25	14.00	14.00	15.00	16.50	16.50	14.00	16.40	-	12.92
Railway Traction - Tarrif - I	-	12.50	-	-	-	11.00	-	-	-	-	-	11.00
AJK Tariff - K	360.00	-	13.00	-	9.60	-	-	-	-	13.50	360.00	5.63
Time of Use - (TOU) Peak	360.00	-	14.50	-	15.00	-	-	-	-	19.50	360.00	13.30
Time of Use - (TOU) Off Peak	360.00	-	9.10	-	9.00	-	-	-	-	11.00	360.00	7.92
Rawat Laboratory	-	-	-	-	11.50	-	-	-	-	-	-	11.50

Source: WAPDA

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-07-2011	01-08-2011	26-08-2011	01-10-2011	01-11-2011	01-12-2011	01-01-2012
EX-NRL/PRL KARACHI							
Motor Gasoline	83.71	84.80	84.80	88.95	87.41	87.89	89.54
HOBC (Automotive 100 Octane)	102.46	107.80	109.93	112.65	106.72	106.72	111.91
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)							
Kerosene	84.65	86.62	86.62	86.62	85.76	89.24	89.24
HSD	92.11	92.11	92.64	94.15	94.15	98.82	98.82
LDO	81.39	83.52	83.52	83.52	81.99	86.78	86.78
Aviation gasoline (100LL)							
JP-1:							
i) For sale to PIA Domestic Flight	81.54	83.04	78.04	79.12	77.04	81.88	81.81
ii) For sale to PIA foreign flights & foreign airline							
iii) For Cargo & Technical Landing Flights							
JP-4	-	-	-	-	-	-	-
JP-8	79.45	80.86	78.66	78.83	77.93	81.61	80.48

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-02-2012	01-03-2012	01-04-2012	04-04-2012	01-05-2012	01-06-2012	16-06-2012
EX-NRL/PRL KARACHI							
Motor Gasoline	94.91	97.66	105.68	103.36	103.36	99.97	89.51
HOBC (Automotive 100 Octane)	118.20	126.87	135.81	135.81	135.81	125.07	113.32
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)							
Kerosene	92.02	96.40	101.69	99.95	99.95	94.05	88.79
HSD	103.46	103.46	108.16	107.00	107.00	105.77	99.69
LDO	90.21	93.29	98.74	98.74	97.43	91.59	86.57
Aviation gasoline (100LL)							
JP-1:							
i) For sale to PIA Domestic Flight	83.43	87.90	90.79	90.79	90.79	87.13	78.43
ii) For sale to PIA foreign flights & foreign airline							
iii) For Cargo & Technical Landing Flights							
JP-4	-	-	-	-	-	-	-
JP-8	83.13	86.76	90.49	90.49	90.49	83.36	78.11

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	01-07-2012	16-07-2012	01-08-2012	16-08-2012	23-08-2012	01-09-2012
EX-NRL/PRL KARACHI						
Motor Gasoline	84.49	85.90	93.57	93.57	96.78	104.55
HOBC (Automotive 100 Octane)	106.88	112.52	120.16	120.16	125.01	133.19
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)						
Kerosene	86.25	88.19	92.83	92.83	96.35	102.21
HSD	97.21	97.21	101.79	101.79	106.19	112.13
LDO	83.71	85.33	90.11	90.11	93.30	98.84
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flight	75.95	77.92	82.36	85.84	85.84	82.63
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	-	-	-	-	-	-
JP-8	75.63	77.60	82.05	85.53	85.53	91.55

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	10-09-2012	17-09-2012	24-09-2012	01-10-2012	08-10-2012	15-10-2012
EX-NRL/PRL KARACHI						
Motor Gasoline	99.90	106.72	108.45	102.45	105.49	103.46
HOBC (Automotive 100 Octane)	136.46	137.96	131.90			
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)						
Kerosene	104.06	104.68	101.63	101.23	101.95	103.87
HSD	115.52	113.77	113.30	113.16	110.46	113.62
LDO	99.41	99.27	97.17	96.22	96.70	97.93
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flight	93.67	94.25	91.21	90.42	91.14	93.08
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	-	-	-	-	-	-
JP-8	93.36	93.94	90.90	90.11	90.83	92.77

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.5

OIL SALE PRICES

Rs/Ltrs

Date	22-10-2012	22-11-2012	22-12-2012	22-01-2013	01-03-2013	04-03-2013
EX-NRL/PRL KARACHI						
Motor Gasoline	101.08	102.65	101.42	103.07	106.60	103.07
HOBC (Automotive 100 Octane)						
Super (90 Octane) Blend of Motor Gasoline @ 60% and HOBC 40%)						
Kerosene	103.26	99.03	98.81	99.90	103.69	99.90
HSD	113.29	109.77	110.13	109.21	113.56	109.21
LDO	97.68	93.89	94.34	94.33	98.26	94.78
Aviation gasoline (100LL)						
JP-1:						
i) For sale to PIA Domestic Flight	92.46	88.22	88.04	89.24	93.52	93.52
ii) For sale to PIA foreign flights & foreign airline						
iii) For Cargo & Technical Landing Flights						
JP-4	-	-	-	-	-	-
JP-8	92.14	87.90	87.72	88.80	93.21	93.21

- : Not available

Source: Hydrocarbon Development Institute of Pakistan (HDIP)

TABLE 14.6

GAS SALE PRICES

Unit: Rupees/MMbtu.

Category	30.6.2011	1.1.2012	1.7.2012	1.1.2013
DOMESTIC (Slab)				
i) Upto 1.77 M cu.ft./month			100.00	
ii) Upto 1.77 to 3.55 M cu.ft./month	107.87	122.95		106.14
iii) Upto 3.55 to 7.10 M cu.ft./month	215.74	245.89		
iv) Upto 7.10 to 10.64 Mcu.ft./month	215.74	245.89	200.00	212.28
v) Upto 10.64 to 14.20 M cu.ft./month	908.39	1,035.34	500.00	530.00
vi) Upto 14.20 to 17.75 M cu.ft./month	908.39	1,035.34		
vii) All over 17.75	1,142.80	1,302.46		
COMMERCIAL	526.59	600.19	600.00	636.83
General Industry	434.18	600.19	460.00	488.23
Cement	609.10	694.22	700.00	742.97
CNG Station	571.88	651.80	618.55	656.32
Pakistan Steel				
Captive Power	434.18	494.86	460.00	488.23
Independent Power Projects	377.39	437.86	460.00	488.23
FERTILIZER				
<u>SNGPL'S SYSTEM</u>				
(i) For Feed Stock				
Pak Americal Fertilizer Ltd. PAFL	102.01	116.27	116.21	123.41
F.F.C Jorden	102.01	116.27	116.21	123.41
Dawood Hercules/ Pak Arab	102.01	116.27	116.21	123.41
Pak China /Hazara	102.01	116.27	116.21	123.41
(ii) For Fuel Generation				
Dawood & Pak Arab				
<u>FOR MARI GAS CO. SYSTEM</u>				
(i) For Feed Stock				
(a) Engro Chemical	59.59	60.67	60.67	67.55
FFC	59.59	60.67	60.67	67.55
(b) Pak Saudi				
(ii) For Power Generation	434.34	494.86	460.00	488.23
POWER Stations				
SNGPL & SSGCL'S SYSTEM	447.14	480.86	460.00	488.23
Liberty Power Limited	1,260.30	1,450.85	1,617.00	1,505.20
GAS DIRECTLY SOLD TO				
<u>WAPDA GUDDU POWER STATION</u>				
SUI FIELD (917 BTU)				
KANDKOT FIELD (866 BTU)		480.86	460.00	488.23
MARI FIELD (754 BTU)		480.86	460.00	488.23
SARA /SURI FIELDS				
Foundation Power Company				

Source : Hydrocarbon Development Institute of Pakistan